STRATEGIC DEVELOPMENT REVIEW (SDR)

This summary provides a synopsis of the Strategic Development Review (SDR), its methodology, process and necessary resources. It will highlight the value of the SDR process and how it can be adjusted for use in other municipal environments.

OBJECTIVES

- To provide a summary of the process and tool utilise to review the strategic development pathway a metro may find itself into;
- Provide methodology applied to get a review document or presentation;
- Highlight key resources required to successfully engage in the process;
- Highlight key outputs and processes necessary to conclude an SDR.

DESCRIPTION

An SDR is a rapid assessment of the strategic position of a local municipality using four lenses, namely: spatial, economic, organizational and financial.

It aims to determine and document the main strategic development challenges facing the city; and to facilitate discussions among the leadership of the metro on the development challenges and choices they face.
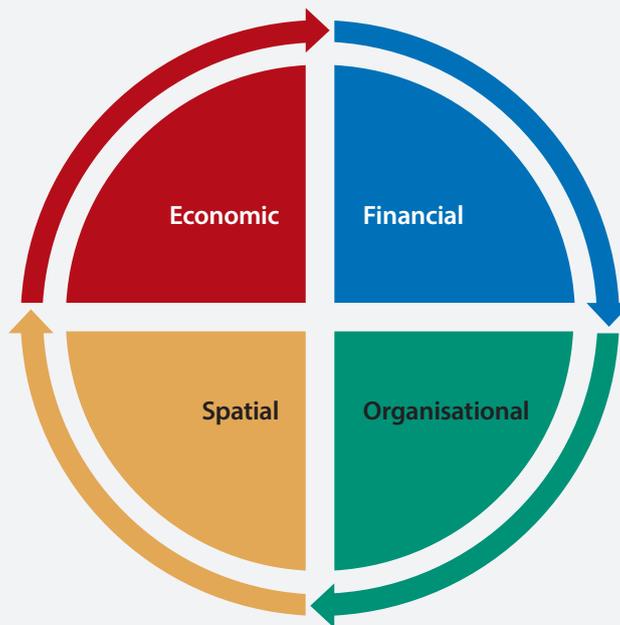
METHODOLOGY

The SDR essentially involves an independent assessment of information already available to the municipality, rapidly conducted, and presented and discussed in a manner which facilitates engagement with key strategic challenges.

The methodology is a quick and focused strategic assessment by a small National Treasury team (usually four people). The assessment incorporates desk-top reviews of available documentation, and focused engagements with senior departmental management teams of the municipality. Feedback is then provided to the municipal manager, the top management team, and the municipal political leadership, as required.

CITIES SUPPORT PROGRAMME

The value of the SDR lies in (a) the independent assessment; (b) the strategic perspective (many municipal management teams are overburdened with urgent operational issues, and therefore have difficulty engaging with strategic challenges); (c) the rapidity of the SDR process (very different from the usual strategic planning process, which can easily take 24 months, and deliver documents with excessive detail which are hard to operationalise); and (d) the consultative engagement with the senior political and administrative leadership of the municipality.

STEP 1
CANDIDATE IDENTIFICATION

• The first step is to identify the candidate municipality which needs to go through the process. Ideally a municipality should identify its own need for a strategic development review, especially if it is having difficulty articulating its development agenda. However, experience suggests that the need for a SDR must often be suggested to the candidate municipality.

• Any municipality whose plans and budgets do not appear to address the strategic challenges facing that municipality is a candidate for an SDR. Pointers suggesting the need for an SDR include (a) the lack of a coherent strategy (lack of a single narrative around development challenges and solutions); (b) budgets not aligned to the evident developmental and spatial challenges; (c) a continued focus on development spending despite evident financial decline; (d) similar misalignments.

STEP 2
INTRODUCTION OF SDR CONCEPT TO THE CANDIDATE

• The Cities Support Programme may with other units of National Treasury (especially Local Government Budget Analysis (LGBA), Provincial and Local Government Infrastructure (PLGA), Office of the Accountant General (OAG)) visit the municipality to highlight contradictions between plans and actions and suggest the need for a review process.

• The municipality may already have identified its challenges, but may not yet have been able to develop a strategic response. The SDR process is intended to assist the candidate municipality to understand the strategic nature of its challenges, and the need to seek available support.

STEP 3
CONCEPT NOTE

• The next step will be for the metro to draft a letter of request to the National Treasury. The CSP team, with the municipal leadership, will the draft a concept note reflecting what is possible (taking account of existing and envisaged work-load and timelines, but always focused upon the need for a rapid result).

• The concept note will provide an indication of information and documents required, and the time required to engage with selected management teams, so that the municipality can plan its own work contribution.

STEP 4
DOCUMENTATION GATHERING & REVIEW

• The municipality will be expected to provide all the spatial, economic, organizational and financial information and documentation that is necessary for the SDR.

• National Treasury already has significant historical financial and economic information on its database. However, any information on economic strategies and plans, and financial strategies and plans, should be provided to the SDR team.

• Documents with spatial information, IDP, sector plans, budget documents, economic analyses done either internally or externally etc., will be collated as part of this step. All these are reviewed to create a baseline narrative about the emerging trends from the documents. Upon finalization of this process, a base presentation is prepared to summarize the emerging themes and issues from the desk-top review.

• A specific information requirement is data on the number and value of building plans submitted and approved, per year, over the last decade, categorized into at least residential, commercial and financial buildings. Such data provides important insights on both the local economy and local government administrative effectiveness.

STEP 5
INTERVIEWS AT THE MUNICIPALITY

• After reviewing the documentation, the NT team will conduct a concentrated set of interviews with line departments (held over a maximum of two days), to assess

co-ordination, policy coherence, and to generate further insights. Individual departments will each respond to a set of pre-planned questions, which experience indicates will be very informative on organizational issues and dynamics.

• The purpose of the engagements is to validate, verify and confirm the emerging themes and assumptions from the document review process. Upon finalization, the base presentation will be updated with outcome of interviews, and a draft presentation for feedback is prepared.

STEP 6
FEEDBACK SESSIONS

• The presentation prepared from desk-top reviews and interviews is the main output to be used for feedback sessions.

• The first feedback session is organized within National Treasury where risks are highlighted on the emerging themes. Inputs on the best process necessary will be taken to inform the feedback sessions with the metro.

• The next step is to present to the City Manager and his core team to validate, confirm and verify the assumptions and themes emerging from the two processes. It is at this discussion that feedback session with the political leadership is sought through the City Manager.

• In all cases, the City Manager must champion this political engagement, and must own the results emanating from this work.

• Upon successful engagement with the City Manager, a presentation to EXCO and/or MAYCO (depending on the configuration) will be arranged by the Office of the City Manager. This marks the final step in the SDR process.

STEP 7
PROCESS CLOSURE

• This process finalizes all inputs from all stakeholders and the output is either a report or a presentation that will remain for use by the city whenever it needs to drive the development strategy agenda through its own stakeholder community. This presentation will be presented to the City Manager for his use. This presentation can be used by the City Manager for discussions with the MAYCO, EXCO, the Planning and Budgeting Lekgotla, and other relevant fora.

RESOURCES

• Data as available from the National Treasury database;
• Documents from the city as may be required;
• CSP team, counterparts from Local Government Budget Analysis (LGBA) and Office of the Accountant General (OAG), as required; and officials from SALGA and SAB N may also contribute as required.
• All participating units (municipality, NT, SACN, SALGA, etc.) will contribute the time of their officials and political leaderships as required.

APPLICATIONS
CONDUCTED TO DATE

• Nelson Mandela Bay Metro (2014-15)
• City of Tshwane (2016-17)
• Mangaung Metro (2017)

CONCLUSION

This tool has been successful in all three metros and the success of the institutionalization of the results of the SDR depends on the political environment within each municipal space.