Municipal Red Tape Reduction: Lessons and Recommendations from the Field: A Consultant’s Perspective:

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National Red Tape Reduction Working Group Workshop: Cape Town
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Lessons 1. The causes of red tape are often numerous and complex.

Red Tape is caused by inter-related issues at different levels:

- **Culture, Leadership, Values & Ethics**
- **Organisation** (Strategy, Policy, Rules, Regulations)
- **Processes & Administrative Systems** (Information Technology, Performance Management, Process Management, Training etc.)
- **People** (Capacity, Skills, Experience, Motivation)
Lesson 2: Sustainable Solutions to RTR require a change in org. culture which requires changes in daily actions & management practices/ systems/ processes

- To change organizations’ culture:
  - Define the things we want to do, the ways we want to behave and want each other to behave:
    - Regular monitoring against KPIs, performance and continuous improvement discussions with those doing the work
    - Managers empowering workers to develop the intellectual capacity and skills to analyse and solve problems in the daily work environment (wherever possible and assuming problems are not of a strategic nature and need to be addressed at the level of strategy).
  - Provide training and then to do what is necessary to reinforce those behaviors.
The ladder of municipal process management maturity and service delivery excellence

Process management maturity levels

- **Service Excellence**
  - Efficient, effective and innovative
  - Process optimisation
  - Focus on continuous improvement
  - Benchmarking performance

- **Service performance focused**
  - Service level standards and processes measured and controlled, with KPIs defined for outputs
  - Individual performance monitored, managed and improved or rewarded and linked to process performance

- **Pro-active customer focus**
  - Strategically important processes documented and managed
  - Service level standards defined
  - Process management roles, positions and responsibilities defined

- **Pilots**
  - A few processes defined
  - Defined customer complaints policy and procedure
  - Ad-hoc management of crisis

- **Initial State**
  - No defined processes
  - Ad-hoc responses and unpredictable service time frame and quality
  - No centralised help desk/call centre/customer contact centre
Recommendations 1-3: Two Sustainable Red Tape Solutions

- Fund development of Citizen service charters and service standards aligned to Municipal organizational strategy and objectives and Service Delivery and Budget Implementation Plan (monitoring and reporting KPIs) and cascaded down 3-4 levels into individual performance agreements (ideally combined with business process management capacity building/ training programme and development of Complaints Notification System).
- Develop detailed case study of City of Cape Town’s C3 System and develop lower-tech C3 models for non-metros
- Municipal Services Benchmarking Club model and approach to allow municipalities to compare their performance regarding certain key service standards which are of particular importance to businesses and the overall economy.
Leadership and management focused on crisis management (e.g. paying salaries at the end of the month, fixing poor audit findings) and/or dealing with political interference

**Recommendation 4:** Prioritise municipalities for support in economic growth nodes and design proper engagement process with municipal managers to firstly understand what RTR is about (share case studies) and secondly to see if RTR is a priority for the municipality (ideally develop **Municipal RTR Readiness Diagnostic** to see if basic requirements are in place)
Lesson 4: Red Tape Issues can be Basic

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<tr>
<th>Municipality</th>
<th>Survey response rate</th>
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<tr>
<td>Overstrand</td>
<td>- 36 informal businesses were interviewed face to face.</td>
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<td>- 309 formal businesses completed an online red tape survey.</td>
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<tr>
<td>Cape Agulhas</td>
<td>- 33 formal businesses completed an online survey.</td>
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<tr>
<th>Municipality</th>
<th>Key findings from business survey</th>
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<tr>
<td>Overstrand</td>
<td><strong>Formal Businesses:</strong></td>
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<td>- 41% of informal businesses surveyed indicated that the time taken by the municipality to respond to queries was unacceptable.</td>
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<td><strong>Informal businesses:</strong></td>
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<td>- 18% of business stated that lack of information on municipal services and in-ability to access relevant municipal officials were the main issues affecting their businesses.</td>
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<tr>
<td>Cape Agulhas</td>
<td><strong>Formal Businesses:</strong></td>
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<td>- 17% of businesses surveyed indicated that the time taken by the municipality to approve building plans was unacceptable.</td>
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Recommendation 5: Quick win solutions to Reducing Red Tape can be quite simple

Two commonly reported red tape problems and solutions:

- Can’t find / contact the right official and time to respond to queries: Publish manager’s emails and cell phones in web-sites and ask complaints to be sent to HoD if emails are not responded to with Org. Policy on service standards including 24 hour responses to emails (must be linked to effective performance review processes) and Complaints Notification System and Escalation Policy/ system

- Municipal policies/ by-laws / regulations create unintended negative impacts/ compliance costs: Develop Municipal Socio-Economic Impact Assessment Toolkit to guide design of effective consultation process to engage with affected parties prior to finalizing (linked to Mayor – Business Forum, Presidency’s Socio-Economic Impact Assessment Guidelines)
Lesson 5: Many RT challenges caused by national legislation

1. Supply chain management: policies confusing and cumbersome (incl. documentation) with political interference, poor role understanding etc. (see April 2015 National SCM Review: draft Supply Chain Management Bill to govern public SCM is being prepared by National Treasury): centralization may improve but need to investigate implementability and efficiency.

2. Critical skills visa (DoHA): Key industry / professional associations must have clear streamlined process to evaluate applicant’s skills and/or qualifications. Key priority is to address the “corporate general manager” critical skills occupation with the Institute of Business Advisors as this pertains to company CEOs who are critical to attracting investment.
Lesson 5: Many RT challenges caused by national legislation

1. **Intra-company transfer visa (DIRCO)**: Economic cluster to engage with DIRCO to ensure that embassies interpret and apply this regulation correctly.

2. **General work visa (DoHA and DoL)**: Process and procedure efficiency needs to be refined to allow for the DoL decision to first be sent to the applicant (and not DoHA) and to allow for objections to be lodged with DoL and for timeously resolving these. So that total time-frame can be reduced from 4 months+ to <2 months.

3. **National Sub-Division of Agricultural land act (70 of 1970)** is outdated and needs to be revised to accommodate the changing nature of agriculture and the need for farmer’s to diversify their income streams and allow for more tourism accommodation than is currently allowed for (see Annexure note on this Act).

4. **Management Air Quality Act 39 of 2004**: Municipal interpretation can differ from the National and Provincial government – delays EIA processes for e.g. bio-gas facilities.
**Recommendation 6**

South Africa’s regulatory system and processes need to be improved and informed by good regulatory practices to ensure good quality regulations e.g.

- Evaluate if regulation is necessary and how it can be most effective and efficient in achieving those goals. Consider means other than regulation and identify the tradeoffs of the different approaches
- Regular reviews of old legislation and regulations
- Rigorous consultation procedures
- Testing the readiness to implement
- Calculating compliance costs
Lesson 6: Most problems can be solved by facilitated dialogue and effective leaders, change management, and ops management (incl. systems and processes)

- **Facilitated dialogue**: facilitated process with a clear aim that brings parties together to diagnose underlying causes and co-create solutions

- **Effective leaders** at all levels of the organisation: communicate the importance of efficient service delivery and professionalism and ensure change management plans in place

- **Effective Management of operations**: ensures effective processes and regular (weekly) monitoring mechanisms in place that feed into regular performance assessments and continuous improvement actions
Recommendations 7-8

- Appoint experienced independent facilitators to work with municipalities to facilitate dialogue with formal and informal business to develop solutions and change management processes (clarify who to do).
- Design national diplomas (partner with Department Public Service and Administration and Palama) in process management and operations management for massive training roll-out to all three spheres.
Thank you!

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