NEW PUBLIC MANAGEMENT AS A MODEL FOR IMPROVED SERVICE DELIVERY IN MUNICIPALITIES

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AGENDA

- Local Government’s Constitutional Mandate
- What is Service Delivery?
- The State of Service Delivery in Municipalities
- Characteristics of Bad Service Delivery (customer experience)
- What is New Public Management?
- How does it Work?
- Requirements for Implementation
- Main Risk for Failure
- Practical Examples
- Possible Practical Application in Municipalities
- Q & A
152. (1) The objects of local government are-
(a) to provide democratic and accountable government for local communities;
(b) to ensure the provision of services to communities in a sustainable manner;
(c) to promote social and economic development;
(d) to promote a safe and healthy environment; and
(e) to encourage the involvement of communities and community organisations in the matters of local government.
**WHAT IS SERVICE DELIVERY?**

- The ability of a municipality to provide acceptable, quality, affordable services to its customers.
- This includes water, electricity, roads, stormwater, sewerage, refuse removal, city planning, building plans, building regulation, firefighting, public transport, customer services, etc.
- Quality/acceptability is measured at the interface between government and the citizen and is perceptual.

*See Constitution Schedules 4b and 5b for core competencies*
THE STATE OF MUNICIPAL SERVICE DELIVERY
Outputs & Outcomes

Management
Monitoring
Evaluation
Fairness
Transparency
Value for money
+ Cash flow
Quick turnaround
Responsive
Flexible
Regular delivery
Quality delivery
Satisfied citizens
Good service
Professional
Pragmatic
Consequences
> Historic arrears

Supply chain

Objectives

? Management
? Monitoring
? Evaluation
Contract rigging
Closed
? Value for money
- Cash flow
Slow
Rigid
Bureaucratic
Slow delivery
Bad quality delivery
Unsatisfied citizens
Bad service
? Professional
Stagnant
No consequences
= Historic arrears
CHARACTERISTICS OF BAD SERVICE DELIVERY

- No value for money
- Nepotism
- Too big
- Slow in responding
- Inefficient
- Corrupt
- Bureaucratic
- No performance orientation
- Too many barriers
- Unstructured
- Lack of transparency / secrecy
- Lack of knowledge
- Declining standards
- Insensitive
- Vested interests
- Over-regulation
- Fear of change
- Politicised administration
- Incompetence
What is New Public Management?

- New Public Management (NPM) is a management culture that emphasizes the centrality of the „customer“ as well as accountability for results.

- *NPM, compared to other public management theories, is more oriented towards outcomes and efficiency through better management of public budget. It is considered to be achieved by applying competition, as it is known in the private sector, to organizations in the public sector, emphasizing economic and leadership principles. New public management addresses beneficiaries of public services much like customers, and conversely citizens as shareholders.* (Wikipedia)
CENTRAL PHILOSOPHIES

• Management culture that emphasizes the centrality of the customer (citizen => external; other department => internal)

• Transparency about resource allocation and results

• Organization that promotes decentralized control through a wide variety of alternative service delivery mechanisms (including quasi-markets = public and private service providers are competing for public budgets)

• NPM represents the idea of a cascading chain of contracts leading to a single principal who is interested in getting better results within a sector portfolio over which he/she has significant authority

• NPM is the attempt to transfer management instruments from the private sector in a modified way into the public administration
KEY OBJECTIVES

- More transparency, more efficiency and more quality as well as reduction of expenses are the main targets of implementing the NPM.
- More transparency for citizens (tax payer) and politicians through:
  - Increase of flexibility, effectiveness and efficiency of public administration
  - Improvement of quality of the public services
  - Reductions of expenses (more effective public spending)
### How Does it Work?

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<thead>
<tr>
<th>Concept</th>
<th>Description</th>
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<tbody>
<tr>
<td>Lean State</td>
<td>• Reduced tasks performed by state / Core Functions</td>
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<td>Separation of Decision Making Levels</td>
<td>• Separation of the strategic from the operative level: politics decides the what, administration the how</td>
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<td>Lean Management</td>
<td>• Combination of management by objectives, flat hierarchy, project management, performance related payments, modern methods of leadership</td>
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<td>New Service Attitude</td>
<td>• Customer orientation: Satisfaction in the centre of all considerations, behavioural changes</td>
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<td>New Model of Control</td>
<td>• Steering by clear targets, measurement of results, transparency of resource allocation</td>
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<td>Decentralisation</td>
<td>• Task, responsibility, competence and budget in the hand of the project manager / department manager</td>
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<td>Quality Management</td>
<td>• Ensure high service quality through qualification, competition, transparency</td>
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<td>Product approach</td>
<td>• Describing all administrative service as „products“: features, cost, needed resources, time to deliver</td>
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NEW MODEL OF CONTROL

Separation of responsibility between strategic and operative level

Bottom up reporting

Benchmarking/Competition

Measurement of results – output control

Contract Management

Product approach

Decentralised responsibility for resources

Quality Management

Market orientation
REQUIREMENTS FOR IMPLEMENTATION

- Political will
- Legislative constraints must be addressed
- Underfunded mandates must be prevented
- Interference must be avoided – separation
- Service level agreements crucial – auditing!
- Other considerations – i.e. economic climate
- Open ended process – creativity
**Main Risk for Failure - Corruption**

**Effects of corruption**
- Citizens lose trust in integrity of state, in its institutions and its representatives
- Is significant for fears about stability of community
- Instability of society

**Causes for corruption**
- Close cooperation between private economy and public administration
- State has strong monopoly-position, over-regulation
- Discrete information processes (insufficient transparency)
- Accumulation of power and responsibilities
- Insufficient transparency border between legal and illegal behaviour
- Insufficient consciousness of rules of law
- Low risk of consequences for offender

**Defence against corruption**
- Competition, public-private-partnership
- Transparency, controlling
- Clear (limited) responsibilities,
- Public offensive against corruption
- Rule models
- Separation of legislative and judiciary power/ division of power
- Examples for legal consequences
- Independent media
- Free elections
- Education
PRACTICAL EXAMPLES
Practical Examples
POSSIBLE APPLICATIONS IN MUNICIPALITIES

- Client services – finance, licensing, applications, etc.
- Maintenance
- Infrastructure
- Public participation
- Monitoring
- Evaluation
- Quality management
- Etc.
THANK YOU

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