

Towards an incentive-driven local government customer management policy: Lessons learnt from piloting of the CARRS system

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ABSTRACT

Local government is the third sphere of government closest to the people and a tier through which basic services are delivered and its citizens' interests are represented. However, it has become a common occurrence across South Africa for citizens to be dissatisfied with the level and/or quality of service provided by their municipal councils. Failures in local government have in the recent couple of years manifested in unorthodox ways through which citizens engage with the public sector, such as sporadic and violent service delivery protests, which are also generally understood to be partly attributable to poor engagements between local government institutions and the affected citizens. On the other hand, however, there are policies and systems, such as the Municipal Systems Act, which make it a requirement for municipalities to establish customer management systems, and the Back to Basics (B2B) strategy, which also puts citizens at the centre of service delivery by identifying the need to establish accessible and effective communication platforms. This paper draws on lessons learnt from piloting of the Council for Scientific and Industrial Research (CSIR)'s Corrective Action Request and Report System (CARRS); a two-way incident management system used by citizens to report incidents that affect the delivery of basic services such as water supply. Preliminary findings indicate that whilst municipalities understand the concept of customer management as being central to their business, not all municipalities have embraced the implementation of effective systems that support this concept. From a policy perspective, this finding also indicates that there is lack of enforcement of customer management systems in municipalities despite the Municipal Systems Act making it a requirement. The paper concludes by making a recommendation for the development of an incentive-driven approach for enforcing customer management systems in local government.

Keywords: Customer Care, Incentives, Incident Management, Local Government, Service Delivery

1 INTRODUCTION AND PROBLEM STATEMENT

South Africa is a democratic state that is governed through a three-tier system of governance which includes the national, provincial and local governments (Government Systems, 2017). Local government is the third sphere of government that is closest to the people. Amongst other things, key functions of local government, as clearly stated in Chapter 7 of the Constitution of the Republic of South Africa, are to ensure that communities receive services in a sustainable manner, to promote social and economic development of local communities, and to encourage the involvement of communities in the matters of local government. Basic services such as electricity, water and sanitation, and refuse removal, are critical services that should improve the lives of the people. It is encouraging to note that since 1994 government has made greater strides in improving the lives of its citizens through development of infrastructure and provision of basic services.

However, these notable improvements may vary between provinces, districts and local municipalities. A report of an in-depth analysis of the 2016 Community Survey that was conducted by StatsSA indicates that 75% of households (i.e. irrespective of geographic location) did not believe that municipalities were actively addressing issues they felt were most important for households in their respective municipal areas (StatsSA, 2016). This highlights a serious misalignment of priorities, and therefore lack of effective engagement and communication between local government and the communities it serves. Failures in local government have, in the recent couple of years, also manifested in unorthodox ways through which citizens engage with the public sector. These have arguably been demonstrated through sporadic events such as violent service delivery protests, which are also generally understood to be partly attributable to poor engagements between local government and the affected citizens (Municipal

IQ, 2013; Tapela, 2013). There is a need, therefore, for government to craft new, robust and effective strategies that would put the needs of people first while still delivering on its constitutional mandates.

To address some of the challenges identified and discussed herein, the CSIR, in partnership with the Department of Science and Technology (DST), developed and piloted an incident management system (known as the Corrective Action Request and Report System or CARRS), which is an ICT platform that could be used by communities to report faults that occur at service delivery points (e.g. water leaks and/or no water supply) to municipalities. This two-way platform could also be used by municipalities to report progress on and the statuses of the reported incidents. As much as it was clear that this technology was a great platform that addressed a specific challenge, there were a number of municipalities that did not fully embrace this concept of incident management. The paper discusses some of the successes with some of the pilot municipalities and also some of the challenges experienced with others.

2 SOME STRATEGIC CUSTOMER FOCUSED GOVERNMENT INTERVENTIONS

There is evidence that suggests that government is aware of challenges that exist at the local government sphere, and that it has in the past developed strategies, systems and mechanisms in an attempt to try and redress these challenges. The following is not exhaustive but just a highlight of some of the key strategies, mechanisms and systems that are in place and are targeted at putting the needs of customers first.

2.1 THE MUNICIPAL SYSTEMS ACT

Section 95 of the Local Government Municipal Systems Act, Act No. 32 of 2000, makes it a requirement for municipalities to establish customer management systems that aim to create positive relationships with their customers and through which customers can give feedback regarding the quality of services received. The Act further highlights the need for municipalities to provide accessible mechanisms for dealing with complaints from their customers, in addition to implementing corrective action. However, these provisions are only specified in Chapter 9 on “Credit Control and Debt Collection” in relation to levying of rates and other taxes by municipalities and the charging of fees for municipal services. There is evidence that demonstrates that most rural municipalities (e.g. mostly category B4) receive about 73% of their total budget from grants and subsidies (StatsSA, 2015). Therefore, the assertion as contended in Chapter 9 of the Act could inadvertently imply that municipalities largely serving indigent communities (i.e. where services are not charged or rates and taxes are not collected) may or should be exempted from having to establish customer management systems.

2.2 BATHO PELE PRINCIPLES

First introduced in 1997, the principles applied an eight (8) pronged approach with the aim to enhance the quality and accessibility of government services by improving efficiency and accountability of public servants to the recipients of public goods and services. Of interest to this paper are two of the principles, which required public servants to (1) regularly consult with customers, and (2) remedy failures and mistakes (Department of Public Service Administration, 2014). To this date, these principles are still acknowledged at a high level, but there are no clear mechanisms that have been put in place to ensure that public servants are held to account accordingly.

2.3 BACK TO BASICS STRATEGY

The Back to Basics strategy, announced in 2014, looks at how to build responsible and accountable local government. The strategy provides a step-by-step plan of what needs to be done in the inter-governmental sphere to improve the performance of municipalities (COGTA, 2016a). It further places open communication at the heart of what municipalities do by insisting that municipalities establish platforms through which communities can interact with officials, and emphasises that the interactions should ultimately result in timeous response to challenges.

2.4 ALTERNATIVE SERVICE DELIVERY (ASD) ARRANGEMENTS

It is generally acknowledged that all spheres of government, particularly local government, may not always have capacity to deliver services in all areas and at all times as per constitutional mandate. However, this comes with the responsibility of exploring alternative ways through which services should still be delivered should such challenges be identified. This responsibility concomitantly lies across all the three spheres of government even when challenges only exist at the local government sphere (Bekink, 2006). In its basic definition, Alternative Service Delivery (ASD) entails continuing to provide some services or products, which have been provided traditionally by the Public Service, through or in partnership with organizations outside the Public Service (Treasury Board of Canada Secretariat, 1996). Therefore, the ASD approach requires acknowledgement of possible operational inefficiencies (where they exist) within the public service domain, and a radical approach in addressing them through either means possible in the ASD arrangements. This, in South Africa, and within the local government sphere, is also made possible through the Municipal Systems Act. However, these arrangements have been fraught with irregularities and corrupt activities that have almost collapsed the integrity of the public service.

2.5 INCENTIVISING SERVICE DELIVERY

Service delivery incentives are not a new concept in the South African context. A few examples include the Department of Water and Sanitation (DWS)'s incentive-based Blue (drinking water) and Green (wastewater) Drop Regulation and Certification for municipalities/ Water Service Authorities that comply with 95% of the weighted criteria (Department of Water Affairs and Forestry, 2008). In addition to these, a Red (drinking) and Purple (wastewater) Drop is awarded to municipalities that are failing to comply with the set criteria. A green and blue drop award could, for example, be used by the municipality to market their towns to its residents and/or tourists. There are other proposals for developing incentive-based grants for improving the performance of municipalities. These include some existing stand-alone incentivised programmes such as the Department of Public Works (DPW)'s Expanded Public Works (EPWP) and the Special Public Works (SPWP) programmes (DPW, 2017), and the Department of Cooperative Governance and Traditional Affairs (COGTA)'s Municipal Infrastructure Support Agent (MISA) programme (COGTA, 2016b). There is a need to integrate an incentive approach into existing grants and possibly move towards a hybrid that includes the integrated incentives and stand-alone programmes. Robust and effective monitoring and evaluation (M&E) systems that provide scientific and objective foundations are also crucial for the successful implementation of a performance-based grant system.

3 GENERAL APPROACH AND METHODOLOGY

This paper adopts a case study approach which focuses largely on lessons learnt through the piloting of the CARRS technology. A quick scan of some of the government strategies and policies that support customer management has been carried out and some inferences are also drawn with reference to the lessons learnt.

Key objectives of the CARRS initiative were to;

- increase accountability in local government and specifically within municipalities
- shorten the response times to handling and managing complaints
- increase the adoption of paperless and smart systems

The CARRS technology was piloted in a number of sites within eight (8) of the targeted priority districts of South Africa. These districts had exhibited common characteristics of high levels of unemployment and poverty, and more concerning, poor provision of basic services such as water, which is understood to have subsequently discouraged direct economic investment by businesses. In partnership with a number of stakeholders, the eight (8) priority districts were chosen for the pilot of the CARRS technology after following a mix of approaches which included; (a) a top-down approach, which entailed engagements with the Department of Rural Development and Land Reform (DRDLR) on prioritization of sites for the first phase of the Department of Science and Technology (DST)'s Innovation Partnership for Rural Development Programme (IPRDP) from a list of Priority Districts of South Africa, and (b) a bottom-up approach, which entailed having further engagements with the selected priority districts on

identifying specific needs and service delivery challenges, and gathering how the specific needs could be linked to specific service delivery and line departments. The selected priority districts were Amathole, iLembe, Ehlanzeni, Capricorn, Vhembe, Dr Ruth Segomotsi Mompati, Ngaka Modiri Molema, and Bojanala Platinum.

From the selected districts, further engagements were undertaken to prioritize and select sites within which municipalities experienced challenges in providing basic services. Water services were also prioritized for the demonstration of the CARRS technology. In each selected site and municipality the CSIR gathered an understanding of the challenges and how the municipalities have attempted to respond. The management of incidents that affected the delivery of water services was tackled by implementation of the CARRS technology. At the pilot stage the CARRS technology was implemented as a web-based system. Community-based Task Teams, which acted on behalf of communities in each of the selected sites and/or clusters, were recruited and established out of existing community or municipal council structures and also trained on the reporting requirements and mechanisms of the CARRS system. These Task Teams were further allocated computers with internet connectivity for purposes of incident logging and reporting.

Furthermore, Incident Command Teams were established out of existing structures and personnel of the municipalities that participated on the CARRS programme. The Incident Command Teams were mostly comprised of officials from the customer care and technical services responsible for managing complaints raised by citizens. These teams were also trained on the reporting requirements and mechanisms of the CARRS system.

Since this paper stems out of an on-going project, reporting on findings in this paper will be aggregated and the identities of individual municipalities will not be disclosed in the interest of protecting these municipalities, especially for those municipalities that did not exhibit effective customer management practices.

4 FINDINGS AND DISCUSSION

It is encouraging to note that results from the on-going pilot are promising. The CARRS system has demonstrated a proof of concept, which indicates that complaints that are reported by communities can be reported using ICT communication platforms, and that services which had not been provided effectively as a result of faults and breakdowns can also be attended to and restored in the affected areas.

4.1 INCIDENT REPORTING (BY COMMUNITIES)

The traditional practice of reporting service delivery faults and issues in local government is usually carried out through existing structures, such as Ward Committees. These structures are part of the municipal councils and they meet on a regular basis to discuss service delivery issues and plan on how such issues could be resolved. The introduction of the CARRS platform was not intended to replace these traditional methods but to enhance their effectiveness and the experiences of customers through the improvement of customer management processes. In the pilot stage, Task Teams were recruited, appointed and trained to report incidents on behalf of communities through the CARRS platform.

Figure 1 depicts the proportions of reported incidents that have been reported through the CARRS platform by category.

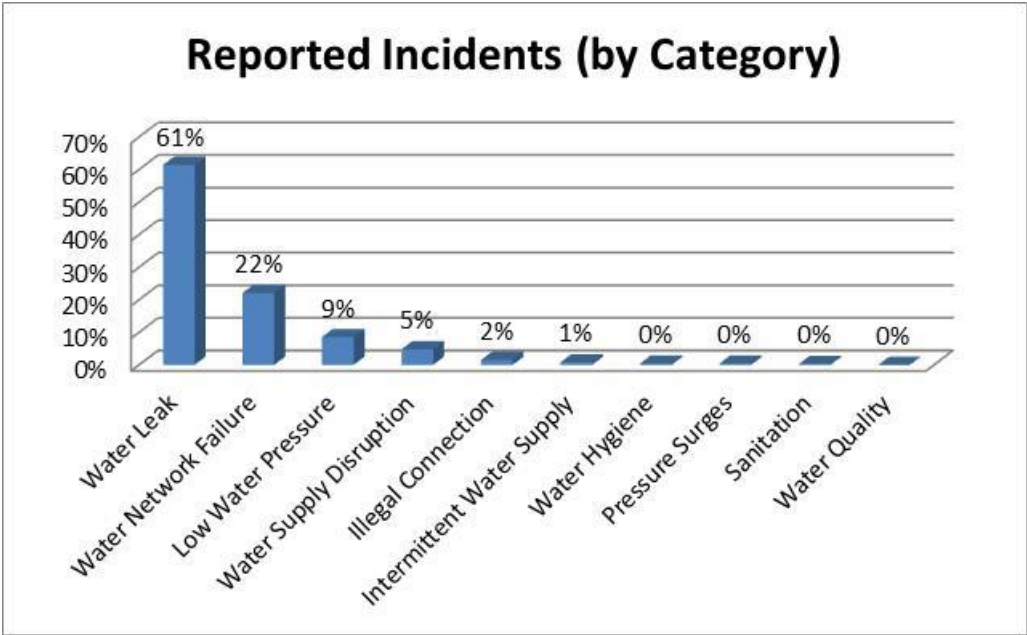


Figure 1 CARRS Reported Incidents by Category

As depicted in Figure 1, the majority (i.e. top three) of reported incidents across all municipalities in the pilot sites are related to Water Leaks (61%), followed by Water Network Failures (22%) and Low Water Pressure (5%). Water leaks indicate serious infrastructure weaknesses, and when coupled with water network failures the picture becomes a stark one. It is rather also interesting to note that Illegal Water Connections have also been reported as an issue of concern by communities.

4.2 INCIDENT MANAGEMENT (BY MUNICIPALITIES)

A good measure of customer care management in local government is the responsiveness of local government institutions (i.e. municipal offices) in handling customer issues, especially those relating to issues of service provision. The CARRS platform has a number of categories that measure the responsiveness of municipalities in handling reported issues. These measures are guided by the incident management life cycle, which looks at how incidents progress on the workflow from one stage to another. For purposes of this paper, the statuses of incident life-cycle management would be used. Figure 2 depicts the statuses of all reported incidents by assigning an “open” and “closed” status. “Open” incidents are those that are still within the workflow and therefore are still being attended to, while “Closed” incidents are those that have exited the workflow and are therefore no longer active.

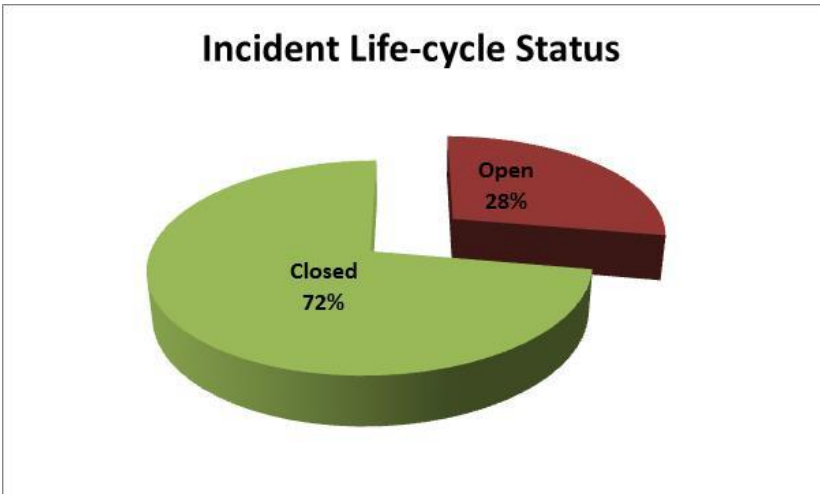


Figure 2 CARRS Reported Incident Life-cycle Status

As depicted in Figure 2, it is encouraging to note that the majority of incidents (72%) have a “closed” status. This means they have undergone all stages and have been resolved. If, for instance, these incidents had been mostly water leaks (as suggested in Figure 1), then a lot of water would be saved and more people would have access to the water that would have otherwise been lost through the leaks.

However, the 28% of “open” incidents are still a concern as it means there are some customers that have not received a service or the quality of a service that they receive has not improved even when the municipality has received the report of such incidents. It is also worth noting that not all participating municipalities had unattended “open” incidents. In fact, it was found that most of the “open” incidents were located in municipalities that also did not resolve any of the CARRS reported incidents. The CSIR has embarked on numerous stakeholder engagement processes in an attempt to get an understanding of what challenges these municipalities had faced but to no resolve. This finding has also generated an interest for the CSIR and forms part of the issues of interest for this paper.

It should also be noted that there are multiple stages through which incidents progress. In order to maintain a high standard of customer care, incidents undergo service level standards that guide how long they should stay at one stage before being flagged and escalated. When an incident takes longer to be attended to than stipulated in the respective service level standard, the incident gets marked with an additional status indicating breach of the standard. For example, if a reported incident was supposed to have been resolved within 48 hours and it took longer than that, it would be assigned an additional status indicating breach of standard. The incident would therefore carry the status throughout its life cycle. This means that even when it reaches closure, it will still carry a footnote indicating whether or not it had breached the service level standards during its life cycle. Figure 3 depicts the status of breach of service level standards on all reported incidents.

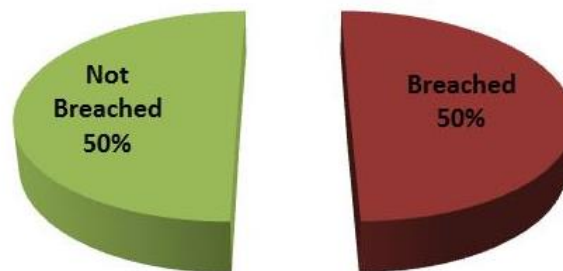


Figure 3 CARRS Reported Incident Service Level Standard Breach Status

As depicted in Figure 3, there is a fifty-fifty split between incidents that have breached and those that have not breached service level standards. Basically, this measure indicates that at least half the time municipal officials were rather slow in responding to reported incidents. It is also understood that the nature of some of the incidents could be complex in dealing with and therefore it could take municipal officials longer in responding as they might require further stakeholder engagements. For example, illegal connections are rather very sensitive and contentious in nature, and therefore would require more time and care to be exercised by municipal officials.

5 CONCLUSION AND FURTHER RESEARCH

From the lessons learnt through the piloting of the CARRS technology, there is ample evidence that suggests that there is a greater need for customer management systems that deploy a systematic approach in managing issues of service delivery. However, the findings from the CARRS pilot have also highlighted a need for an aggressive policy approach that would foster a positive culture of customer management. Despite the many government strategies and policies that emphasize the need for public service institutions (such as municipalities) to establish customer management systems and put people

first, there were still some municipalities that did not fully embrace the uptake of customer management systems. This is highlighted by the manner in which some municipalities chose not to address incidents that were reported on the CARRS platform, therefore leaving their customers unserved or poorly serviced.

This study has also highlighted the need to develop an aggressive customer management policy that is centred on incentivizing and rewarding positive customer management behaviour, and punishing and discrediting poor customer management behaviour. Through the piloting of the CARRS project, the CSIR has engaged with the Department of Science and Technology (DST) and its other partners, which include the South African Local Government Association (SALGA) and the Department of Cooperative Governance and Traditional Affairs (COGTA), to explore avenues through which such policies could be crafted and tested in order to foster service delivery especially in municipalities that have demonstrated poor responses in systematically addressing customer issues.

ACKNOWLEDGEMENTS

The CARRS project is an initiative funded by the Department of Science and Technology (DST) under the Innovation Partnership for Rural Development Programme (DST). The author wishes to acknowledge Ms Nonhlanhla Mkhize, Mr Tshepang Mosiea and Mr Tiyani Ngoveni of the DST for the support they provided in setting up a platform for showcasing science and technology innovation. He also wishes to thank Dr Ryneth Mbhele, Mr Matome Mothetha, Ms Ednah Mamakoa, Ms Bongzi Maposa and Mr S'bonelo Zulu for their outstanding contributions on project implementation support and data collection.

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