Organisational Development and Transformation Plan (ODTP)

April 2017

The ODTP concept was translated into practical implementation plans by a core group of 68 employees within the City who were nominated to participate in the process because of their expertise, insight, positive attitude and institutional knowledge.

The final plan was adopted by Council on 24 August 2016 as part of the administration's recommendations to the new Council supporting statutory obligations that are part of the Integrated Development Planning process.

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1. STRATEGIC REVIEW OF THE ORGANISATION

The organisation has evolved over a process of decades. Historically, local government functions provided vastly different services to people of different racial groups who were segregated by institutional barriers of discrimination. Numerous public policy and legislative approaches have attempted to consolidate the local government offering since the advent of the democratic era in 1994. The overarching objectives, as contained in the constitution, the white paper on local government, and supporting legislation, was for local government to provide access to basic services to everyone and to drive economic and social development. Since that time, there have been numerous changes at a local government institutional level for what is now the Cape Town metropolitan area.

These have included the formation of the Unicity, the provision of unfunded mandates, and the devolution of certain powers to local governments broadly speaking. These changes have been accompanied by political changes and shifts. Further, the overarching environment in which the City operates has become much more dynamic, especially with the rapidly changing circumstances of urbanisation. In the national sphere, the city also has to contend with a lack of resources from the national centre and a lack of energy security according to traditional models of electricity provision. All of this has taken place in a climate of increasing unemployment and intensifying competition for economic activity from other locales.

The City's response since 2000 has been an admirable one, focusing on stabilising the organisation and increasing the scope of government work using adapted traditional models of South African local government. Much has been achieved and the gains made are considerable. However, in our current climate, this approach is no longer sustainable and while it has served its purpose of creating a strong system, the system is not adaptable enough anymore to meet changing conditions. Its strength in creating stability has prioritised support and compliance functions over service functions. Further, various organisational initiatives and historical circumstances have led to factors of over-centralisation, lack of prioritisation, gaps in trust, complacency, and a lack of focus that sometimes impede our service delivery efforts.

Within this backdrop the organisation embarked on a process of reviewing all its components with the aim of developing strategies and plans that will lead to improvement of service delivery to an optimum level and build an organisation that is completely responsive to needs of the citizens. An exciting journey of transformation to deliver these strategies will then ensue.

The onset of our journey will be with articulation of the **Vision** for organisational development; development of **Strategy and its implementation;** compilation of **organisational Values** which are principles that will help steer the right actions to underpin the culture needed to achieve the strategy;**definition of organisational Culture** which is a combination of sets of beliefs; values, and behaviour patterns that characterise an organisation; revisit **Operational processes and their effectiveness** in order to align them to the strategy; unpack **Resources** needed inform of competencies, technology and infrastructure to deliver the strategy and **Functional Macro Structure** that will support it. All these activities will be guided by a **Change Leadership and Management** plan**.** This will be a blue print of a detailed and all-encompassing organisational roadmap for execution to achieve a level of service delivery that will meet the needs of Cape Town citizens.

During formulation of these chapters in our journey, at a number of intersections focus will zoom in to flash out content and milestones that are critical to ensure that our direction

remains true and focused on the vison. Numerous work streams with multiple stakeholders were formulated to lead and drive the delivery of this plan.

2. THE VISION

The inclusive vision of the City for citizens and staff is threefold:

- To be an opportunity city that creates an enabling environment for economic growth and job creation and to provide help to those who need it most
- To deliver quality services to all residents
- To serve the citizens of Cape Town as a well-governed and corruption free administration

In pursuit of this vision the City's mission is as follows:

- To contribute actively to the development of its environmental , human and social capital
- To offer high-quality services to all who live in , do business in or visit Cape Town as tourists
- To be known for its efficient , effective and caring government

The Vision for Organisational development

The organisation needs to change if the City is to be completely responsive to citizen needs, be sustainable, provide resilient and adaptable services in a dynamic and competitive environment. We have to build on our incredible advantages, strengths, and victories and reform the organisation for a different world and accept that our developing world conditions, with a static revenue base and a large population in need, requires a reformed model of acceptance and innovation to address. This means: entrenching a ***culture of long-term and general planning; entrenching a culture of effective monitoring and evaluation; using data and evidence to inform all forms of decision-making; enhancing transversal collaboration; prioritising service functions; building an adaptable system that works with a strong coordinating centre and strong satellite arms of service functions with limited but effective support; becoming solutions-oriented not compliance-driven; engaging with our communities effectively and constantly; entrenching the right functions and personnel in the organisation that are primarily service oriented; clearly understanding our roles and responsibilities and trusting each other, correcting for errant individuals and not implementing system corrections for every individual error; operating according to a clear strategic framework, priorities, and organisational vision and mission; and never compromising on creating value through our delivery and implementation efforts.***

3. STRATEGY & POLICY
3.1. Strategy
The organisation requires a new strategy management system. We have to get away from the idea of strategy as a discrete exercise in document production. This sort of production is important but we should have living documents that can be used as strategy informants.

What is required is a clear delineation of strategic priorities from the centre. This needs to come in the form of long-term; medium-term; and short-term goals. We have a fairly good vision of priorities in existing longer term planning documents. However, what is required is a clear spatial delineation of priority areas and a prioritisation list of strategic categories, programmes, and project types. This can then be used as a primary informant for budgeting discussions and monitoring and evaluation discussions.

Dependent upon this is building in a complete strategy management process which incorporates cycles for business planning, budgeting, monitoring and evaluation, implementation evaluation, and business management (including demand plan and contract management assessments). Such a system will also form a key part in the organisation's governance architecture.

Critical components include:

Strategy setting
Strategy alignment assessments
Operational and business planning
Implementation assessments
Portfolio assessments
Monitoring and evaluation assessments
Clear delineation of role of political structures in terms of agenda setting and oversight functions
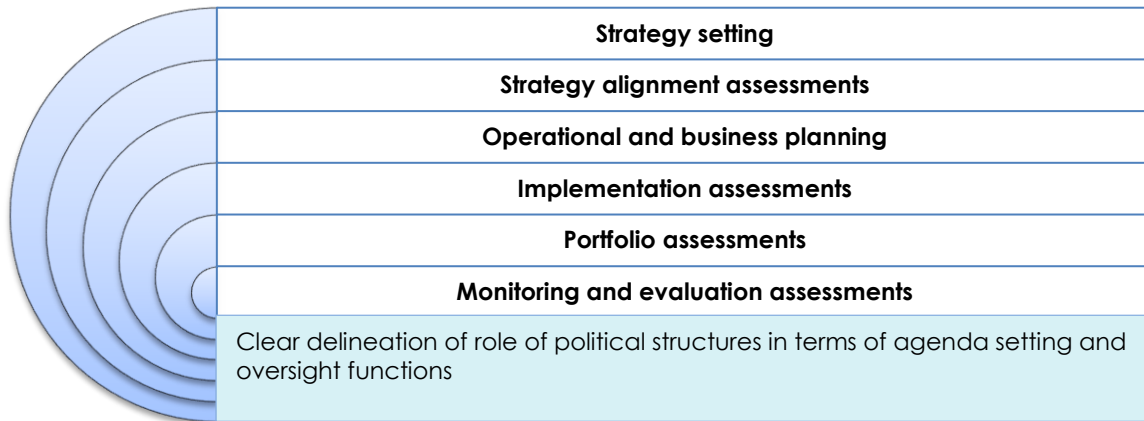
Each cycle of these processes should not necessarily have the same focus or amount of energy. A suggestion for optimal usage of this system is to spend the beginning of a 5 year strategy cycle carefully mapping our priorities and co-dependencies. From this, an exercise in zero-based budgeting with mechanism to monitor operational budget and operational requirements can be conducted which can then be reviewed annually for effectiveness, adaptations, and necessary changes to ensure this documentation remains responsive. All departments will be encouraged to look for opportunities of income generation.

As with the process of policy management, a strategy system can become the key enabler of transversal management in the organisation. This requires a strong central enabler and line directorates then feeding in with strategy agents that enable their own line processes while coordinating with the centre.

Organisational priorities must mirror the service level offerings and standards while minimising support functions.

Finally, strategy should be spatially mapped so that infrastructure impacts, sector value chains, economies of scale, density, and corridor growth initiatives can be clearly understood visually and allow for the development of an urbanisation-focused strategy.

Monitoring and evaluation systems which include consideration of the management report from the Auditor general need to be rationalised into one system with different audiences and products that can be generated from the same system. Similarly, strategy documents and informants should be rationalised into one prioritised and costed framework.

3.2 Strategy implementation

The key factors relating to implementation relate to an assessment of delivery capacity, the monitoring of delivery ability and progress, and key supporting tools from a business enablement perspective and monitoring and evaluation perspective. The critical

components of this are our tools for portfolio management; general project management; procurement management; and contract management. The use of these tools also has to fall within the broader context of the strategy management system.

Centrally, our PPM screening works well and we have achieved a great deal of stability in our SCM environment from a governance and legal compliance perspective. We have to build on these and add tools that enhance their corporate effect in a decentralised way. Further to this, centres for project management rigour should also be encouraged in a decentralised manner. What is envisioned is a delivery architecture that coordinates implementation tools from the centre with strong inter-linking satellites.

Immediate requirements for the centre would be to strengthen the capacity of the Capital Programme Management Support (CPMS) unit to absorb the screening capability, system maintenance, and system ownership to be completely in-house. Further strengthening would be to add the components of a traditional corporate Project Management Office (PMO) that would guide in terms of project management practices, templates, language, practices, best practice, and foster a community of practitioners in the organisation. Similarly, the central supply chain management department will be strengthened with portfolio and logistics planners, operations analysts, process analysts, and solutions-driven legal experts. These central points will then become responsible for policy determinations, standards, monitoring, and overall coordination.

The central project management office (PMO) will have additional capacity for ad hoc corporate projects that do not have a home, similar to how the transversal management system is currently operated. Alternatively, an individual unit has been established to focus on the management and delivery of certain key transversal projects to retain the discipline of the transversal management system.

Each directorate will then have a satellite PMO and supply chain advisory centre, combined into one implementation centre. The number of practitioners would vary within each office according to the directorate's size and number of projects and contracts. Further support should be placed in these implementation centres in terms of procurement advisors who could provide advice on contract provisions, management, and cancellations.

The implementation centres will also benefit from the linkages provided by financial managers in terms of linking financial management more clearly to delivery implementation. This is especially relevant for budgeting and financial controls within projects and programmes. Again, corporate budgets should link with the central supply chain and PM offices to create a strong delivery arm. These could link in with the overarching strategic management system at different points and with a predetermined cycle of engagements

3.3 Policy

The policy management system is a key tool of transversal management. This is because it can be used as advice that compels collaborative working together of line functions with a view to amending conflicting policies.

We have a fairly strong policy process at the moment. This involves a level of central coordination with interactions from line departments. However, it is too silo-based.

It involves collaboration between the centre and the line department but not necessarily line departments which have an interest or a co-dependency on the formulation or implementation of a particular policy.

There has to be mechanism whereby the policy process builds in transversal viewpoints that add value to the final product.

Furthermore, such transversal viewpoints also then allow for a consideration of where other policy adjustments need to be made.

The policy development system therefore has been changed to become more transversal and in turn be a device of transversal management. This has been achieved by establishment of the central policy unit and also by identifying key policy enablers in the organisation who will become transversal linkage points.

The development of this has several co-determinant factors. It will take into consideration the political mandate and vision of the Council. It will factor in the political mechanisms of the Council, including Mayco members and Portfolio committees (these mechanisms of governance have been reviewed).

This unit will also consider how policy can become a living embodiment of performance management. As such, it must also be clearly linked to the performance management systems of the organisation. This is a co-determinant factor of monitoring and evaluation, to be discussed below, that should link in to our over-arching performance monitoring and evaluation system.

At the conceptual level, there are also key provisions of how we view and determine policy that will change. That is, our policies will be explicitly linked to some form of evidence and date and the evaluation of policy effectiveness will have data and evidence criteria, for example, some form of econometrics modelling.

Built into the policy process is a clear delineation of roles and responsibilities across the policy value chain, timelines for adherence, policy steps, and policy communications efforts. It is also anticipated to have some form of 'think tank' space with required readings, seminars, and lectures to facilitate more expansive policy thinking in the organisation.

The policy think-tank function might also include the components of innovation workshops that can consider and tackle defined problems in a systematic basis, drawing in the experience and participation of multiple decision-makers.

4. ORGANISATIONAL VALUES

Clearly defined and espoused organisational values are the compass for the journey towards organisational effectiveness. Values are the behaviours particularly valued in an organisation. They are defined as a set of core beliefs or principles that influence the way people and groups behave and are demonstrated through the behaviours they encourage. They provide a consistent point of reference to steer direction, inform decisions and measure outcomes enabling the organisation to achieve its visions. Therefore we should deliver, engage and focus in a manner that is consistent with the intention of our values.

The City has defined behaviours that it values which will be the principles that underpin the organisational culture to support delivery of the strategy, behavioural indicators have been assigned to each value as an illustration of how to live out that specific value and ensure consistency and a common understanding of exactly what the organisation's values mean and why they are critical to the organisations success.

City of Cape Town Values Framework

There is no hierarchy in our values, rather they work together as a guide for our actions, behaviours and our intent, to help shape our culture and encourage excellence towards service delivery in all we do.

Values	1. Integrity	2. Service Excellence	3. Accountability	4. Trust	5. Accessibility
Definition	*We act with integrity by doing what we say; doing the right thing; being honest; and treating everyone with fairness and respect.*	*We strive for excellence in everything we do by focusing on our customers and delivering the highest standard of services.*	*We show accountability by taking ownership of our roles, responsibility for our actions, and by honouring our obligations.*	*We show trust by working as a team and believing that the other person has our best interest at heart. Trust makes our relationships effective.*	*We promote accessibility when we remove barriers between people and services, make obtaining service easier, and are responsive and attentive to customer needs.*
Associated Behaviours	1. I consistently and publicly support the City's vision and mission. 2. I identify ethical dilemmas and conflicts of interest and take action to prevent them. 3. I exercise appropriate confidentiality in all aspects of my work.	1. I respond to service requests in a fair and efficient manner. 2. I work in a manner that reflects a commitment to customer satisfaction and not just for the sake of productivity. 3. I ensure that my work is of a high calibre and I go beyond the call of duty when required.	1. I take responsibility for my actions. 2. I learn from previous mistakes and ensure that I maintain performance standards and make improvements wherever possible. 3. I find solutions and look for ways to solve problems rather than make excuses or blame others.	1. I act in the best interest of the City. 2. I am trustworthy and can be relied upon to ensure the confidentiality of sensitive information. 3. I work together with team members to ensure that we perform to the best of our ability and achieve common goals.	1. I have a 'can do' and professional attitude that makes it easy for others to approach me. 2. I show an understanding that all customers have the right to equal access to the services which they are entitled to. 3. I strive to be helpful in a timely and responsive manner.

Organisations don't transform. People do. Values will be the human dimension of the process to achieve organisational effectiveness.

Organisational development and effectiveness begins with the personal transformation of the leadership. It is therefore planned that a comprehensive process will be embarked on to develop and position leadership in the city as advocates of values, role modelling the desired behaviours.

The newly formed Department of Organisational Effectiveness and Innovation will drive the process of Values integration into organisational behaviours, process and practices.

5. ORGANISATIONAL CULTURE

5.1. Definition of the organisational culture

True organisational development and effectiveness will be achieved by changing the Organisational Culture as it determines how the organisation grows and transform.

The set of beliefs, values, virtues and accepted behaviours patterns (both good and not so good) characterise an organisation. Simply defined organisational culture is "the sum of subconscious human behaviours that people repeat based on prior successes and collectively held beliefs or the way we do things around here". Thus culture is not so much *what* people do 'the tasks they perform' as the ***manner*** in which they perform those tasks (the way people tend to behave as they go about their work).

It is useful to remember that culture is behaviour.

During the review process it became apparent that the following current cultural attributes in the organisation are ineffective:

- Command and control culture which translates to culture of fear
- Process and task oriented culture instead of purpose driven one
- Culture of "doing to" people where they are passive recipients of change instead of culture of collective buy- in where people are active participants
- Culture of malicious compliance

5.2. The new cultural framework for the City

In line with the new strategy a new cultural framework that will support the delivery of strategy and realisation of organisational effectiveness is needed.

The new cultural framework for the City is a "**culture of Customer centricity'.** This culture will characterised by *holistic and continuous view of customers life cycle needs, complete responsiveness to customer needs, solutions mind-set, insightful advice and services to clients, can- do attitude when interfacing with customers, create opportunities to delight customers, fit for purpose business processes, intuitive systems and collective cross functional effort.*

Indicators of success will include:

- o **Leadership styles –** agility, responsiveness to change, ability to change, sense of urgency, decision making and decision styles in response to organisational needs
- o **Engagement style –** Internal and external collaboration to deliver organisational goals, how problems are solved, how solutions are developed and how people interact in the course of their work. How the organisation engages its citizens.
- o **Performance metrics -** Technical and Behavioural (what gets measured will determine the direction and focus of the organisation)
- o **Working style to delivering customer value** – strategy led thinking, continuous improvement, planning – execution – evaluation of impact

 How will the new culture be developed in the organisation?

5.3. Infusing the right Culture

Shaping culture is a critical function of leadership in order to enable effective execution of strategy.

Leaders and employees need to have a clear understanding of the kind of cultural characteristics that should be in place to ensure we continue to infuse 'the right behaviours'. These cultural characteristics refer to practices, traits and behaviours that should be manifested effectively to enable desired results.

The process below outlines phases for further development of the new culture into a new reality.
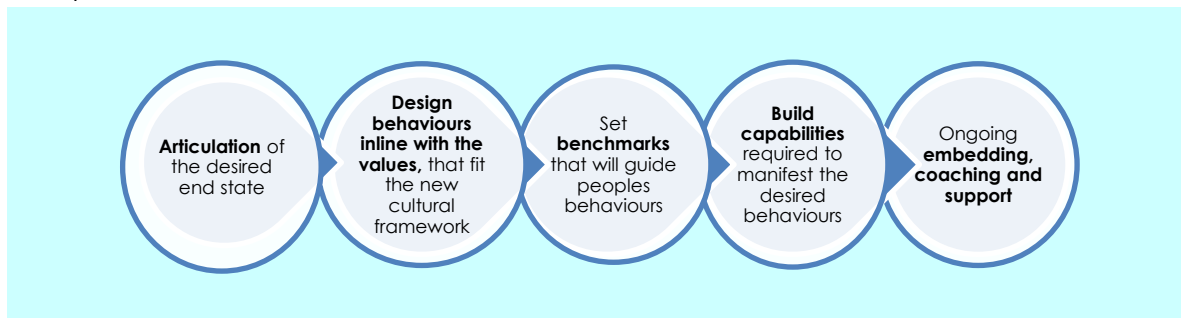
6. RESOURCES
6.1. Development of competencies

We defined a capability as anything an organization does well that drives meaningful business results. Numerous capabilities will be needed to realise the envisioned benefits.

The organisation needs to reconsider the way that it trains and develops people in terms of how they are trained and what they are trained for. We currently have a suite of training and development interventions run by a few key service providers. These will be assessed and rationalised according to a new approach.

The new approach will consider what critical skills have to be developed and how people develop these. Those training programmes that develop particular skills for functional and compliance purposes should be retained. These include SAP utilisation programmes and business functional programmes.

However, a new suite of training interventions needs to be implemented for at least the following skill-sets and processes:

- Project and programme management
- Portfolio management
- Financial management
- Supply chain management
- Transversal thinking and skills
- Awareness of City strategies and priorities
- Awareness of governance system
- Community awareness
- Value creation and benefit realization
- The purpose of public service and expectations

The development of these skills sets needs to be targeted at appropriate functional level of individuals. For instance, people entering management positions may need particular outcomes of project management. This development is different from the needs of people who are at entry level of project management or people we are developing as project managers. Training for the latter would need to be comprehensive and intense focusing on skills development in the field of project management itself; for management such training would need to focus on organisational processes and systems therefore a generic few days workshops would suffice.

Further, both political decision makers and senior decision makers need to have ways in which they take time for strategic reflection and come together to understand and evaluate decisions, strategies, and progress according to their designated roles and responsibilities.

6.2 Building leadership capabilities

Strategic-minded leaders may not be able to control the weather, but they can design a ship and equip it with a crew that can navigate the ocean under all weather conditions.
Lowell L. Brian and Claudia I. Joyce

Effective leadership is about corporate capacity - not personal achievement. Focus will be on building balance between quality and quantity of leaders needed for the challenge with a clear notion of 'leadership does not exist only at the top'.

Leadership development will focus on building strategic capability and technical expertise using the following methods:

o   Leadership conversations
o   Leadership conferences/ summits
o   Classroom based training programmes – combination of current MDP, MAP and other directed programmes
o   Seminars with thought leaders in local government and industries
o   Mentoring and coaching
o   360 degree leadership assessments
o   Leading 'the City of Cape Town way' – leadership charter/handbook

6.3 Employee engagement: connecting the minds, hearts, hands and feet

The way in which great organisations and leaders drive growth and success is a direct result of the degree to which they are successful in engaging employees with the broader organisation and its objectives. A disengaged employee may go through the motions, but is almost guaranteed to not exert any voluntary effort towards making a meaningful contribution to the success of the organisation as a whole.

In contrast, an engaged employee will pro-actively become involved in matters beyond his/her immediate role and responsibilities, and put energy into staying connected to the broader environment, with a firm commitment to pursue the organisation's vision and values, a direct personal alignment to the organisational culture through exhibiting the correct behaviours.

To achieve this level of connectedness a deliberate approach to get through to the minds, hearts, hands and feet of employees, resulting in focused, positive and deliberate action, will be undertaken.

Through such a process the various levels of engagement with the intended outcomes will be clearly defined:

o   Moving from cognitive understanding to adoption and continuous alignment to strategy **(MIND or FOCUS)**
o   Attitudinal change to reflect buy-in and heightened energy levels to achieve the intended outcomes **(HEART or ENGAGEMENT)**
o   and Finally action to deliver the intended outcomes **(HANDS and FEET or DELIVERY)**

Various methods and tools of employee engagement will be utilised to build this level of engagement in the organisation.

6.4 Technology

IT systems must enable business processes according to our service offering and strategic management requirements. We should not be bound by the limitations of our IT environment and should explore further IT support platforms and modules that are consistent with our ERP environment so that we can fully leverage our investment in IT infrastructure.

A vision for technology and how it will enable the transformation will need to be developed in support of the ODTP. The IT strategy will need to address current and future requirements which need to be reviewed and compared against the organization's strategic and tactical plans and revised accordingly on at least on annual basis.

6.5 Infrastructure

The City has a massive multi million worth portfolio of assets. Management and preservation of them is paramount to financial viability and sustainability of the organisation.
During the review feedback, Directorates clearly indicated that the City needs to reconsider the way it manages its assets. Duplication of skills and resources coupled with counter-productive processes has led to major challenges in management of our assets.
To solve this new Directorate named Assets & Facilities Management (AFM) has been established to provide central Asset and Facilities Management function with the intention of providing the Custodian role, Developmental role and Advisory for complete management of the asset life cycle:

Functions:
Custodial role
Developmental role
Advisory role
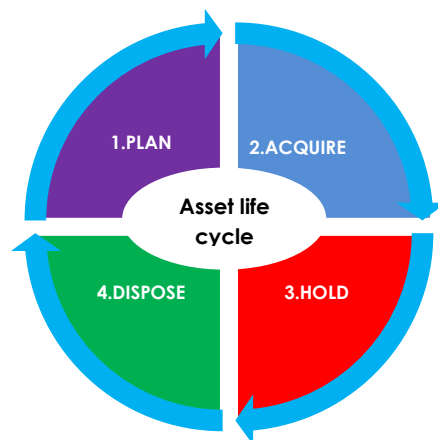
This central function will have the following as its key responsibilities: Property Management; Facilities Management & Fleet Management; Development Implementation & Priority Assets Management; Cape Town Stadium & Precinct as well as Home ownership Transfer, Tenancy Management and Staff Housing (HOTS). Personnel with suitable skills and tools will identify type of assets to be managed by this function. A clear distinction will be required between moveable, immovable and infrastructure assets.

Where there is capability and capacity for effective asset management, those directorates may not need to be affected by this centralised function. There will be a clear division of the kinds of assets that would need to be managed by this department with the focus being on servicing those departments that do not have capability or profession-types associated with maintenance or asset management. For instance, some social amenities might not fall within this department's ambit but certain social facility types might.

At the level of infrastructure development and maintenance, the City should begin a process of **reintegrating design capacity into the administration**. Core service departments require infrastructure design capacity to design different levels of infrastructure and service projects and allow for a reduction in dependence on outside consulting skills. A challenge experienced from reliance on consultants is that they are profit driven, produce cookie cutter solutions with no social focus.

Building the capacity internally will expedite career pathing for young engineers to increase capability of the organisation in all streams e.g. water, roads, transport etc.

7. OPERATIONAL EFFECTIVENESS

Delivery of strategy depends on a wining operational blueprint that converts strategy to results thus creating value for customers. Operational processes needs to be reviewed for alignment and effectiveness as an enabler to realisation of the new strategy and transformation.

7.1 Building a customer centric operating model

The exercise of building a customer centric operating model is paramount in order to serve as an outline for how resources will be organized and operated to deliver services. The operating model encompasses decisions around the shape and size of the organisation, where to draw the boundaries for delivery of services, how people work together within and across these boundaries, how the corporate centre will add value to the service delivery business units, and what norms and behaviours should be encouraged.

The customer centric operating model framework needs to be built on the following principles: allow for scalability; build capacity; create flexibility to meet customer needs; clear escalation paths; single customer view.

The focus would be to achieve the following key outcomes for Service delivery functions:

1. Integrated delivery of services
2. Improved efficiency and moderate cost of delivery
3. Cut red tape
4. Promote consistent, improved customer experience and satisfaction
5. Leverage on cross functional capabilities and economies of scale
6. Create and systematically share best practices and opportunities for growth

Additional key outcomes for Corporate functions:

1. Integrated support to enhance delivery of services
2. Moderate cost of doing business
3. Provision of services informed by the needs of customers (service directorates, intergovernmental stakeholders, investors, legislation etc.)

7.1.1 Key components of the Customer centric operating model

Key component	Description
Delivery Channels	▪ Area based delivery model ▪ Corporate call centres, Online services ▪ Municipal offices & walk in service centres ▪ Community centres ▪ Corporate strategic functions

Business processes	• Develop streamlined end-to-end service delivery processes by taking customer- feedback -view to meet customer needs
	• Create accountability and ownership for end-to-end processes to deliver customer needs
	• **Build transversal processes (process utilities):**
	  o Identify similar activities that are core to delivery of services, products, and revenue
	  o Common processes that could be shared across boundaries to achieve greater scale, improve consistency in execution and lower cost; in order to build scale and expertise.
	  o When identified, consolidate ,optimize and standardize

Technology (single view of the customer)	• Build customer management capabilities that enable relationship strategy among stakeholders and with customers (e.g. end-to-end workflow) • Simplify Application complexity to deliver enhanced value to customer • Create consistent data architecture to enable creation of client insights (e.g. 360-degree customer view)
People /Functions	• Create single accountability for customer value proposition and customer experience • Create strong support and interdepartmental partnership aligned to the new operating model • Build support function of shared services to capture scale and expertise required to deliver services efficiently and effectively
Performance management	• Robust metrics for successful standardization based on customer needs • Establish service level agreements with customer focused functions • Clear accountability for results
Infrastructure	• Identify shared infrastructure and touch points across the organisation • Develop Asset management strategies and methodology
Risk	• Build robust risk management governance aligned to line departments • Enhance capabilities to manage risk across the organization

Candidate Transversal Processes (process utilities) for customer centric delivery of services
- Planning and Service provision to informal settlements (Infrastructure + Social services)
- Planning and Services provision to green fields and brown fields developments (Infrastructure + Social services)
- Planning and Service provision New housing developments (Infrastructure + Social services)
- Planning and Service provision to Business districts (Infrastructure + Social services)
- Planning for transient oriented development
- Proactive and Reactive maintenance scheduling and services to established areas
- Ongoing provision of social services
- Emergency response

Candidate Transversal Processes (process utilities) for customer centric delivery of corporate functions:
- Strategy development
- Policy development
- Revenue generation, collection
- Legal services framework
- Supply chain management
- Portfolio and Project management
- Human resources - e.g. New Position creation process is a candidate process for review and optimization. There is currently no scientific way of assessing the need for positions being requested. There are numerous inconsistencies.

- IT application development
- IT infrastructure
- Financial planning and budgeting

Additional attention will be focused on processes of management and oversight responsibilities so that there is clear delineation. There are too many instances where oversight mechanisms are replicated unnecessarily, with the result that service implementers spend more time accounting in some form, either directly to oversight bodies or preparing for them, than providing services. This leads to fragmented and confused approaches. As such, both the management and oversight systems will be streamlined to allow for an effective, value-adding governance system that spends the majority of its time delivering accountable services and not servicing accountability.

Linked to this is a reform of **our reporting and report systems** that rationalises who needs to see, sign, and consider reports and what reports are used for. Chain of decision making will be reduced. Decision making needs to take place within the framework of standard operating procedures (SOP's) or organisational principles. The objective should be to record decisions for accountability, not generate unnecessary content that delays and obscures decisions.

There is also a realignment required for our service offering and the determination of service levels. This will begin with the definition of service value generally in services and at the level of our specific communities within the Area-based service delivery model. This value should then be broken down into categories of benefits which can be tracked and managed. The reorientation is therefore in understanding how we deliver value while complying with our governance systems, not just in complying with internal procedures.

8. MACRO STRUCTURE

The organisational design is about the development and implementation of the organisational strategy.

Distilled from the medium and long-term strategies, the following are strategic transformational priorities:

-1- Excellence in basic service delivery	-2- Mainstreaming basic service delivery to informal settlements and backyard dwellers	-3- Safe communities	-4- Dense and transit oriented urban growth and development
-5- An efficient, integrated transport system	-6- Leveraging technology for progress	-7- Positioning Cape Town as a forward-looking, globally competitive business City	-8- Resource efficiency and security
	-9- Building integrated communities	-10- Economic Inclusion	-11- Operational sustainability

The above will be the focus points of the organisation. Everything the organisation does should stem from creating value in these fields. The City has restructured itself to have service value-creating departments emphasised with push targets supported by a few critical components in terms of support and strategic management.

Service directorates have been arranged to deliver through an area-based model, this allows for service coordination and management as well as service standard monitoring at the level of four area boundaries for the City. Delivery of services is now guided by a transversal strategy that enforces collaboration of multiple stakeholders with same view of customer needs and their fulfilment.

Mapping of the service departments would include:

Informal settlements; Water & Waste Services	Energy	Transport & Urban Development [Human Setllements; Enviromental & Spatial Planning; Transport]	Safety & Security	Social services [Health, Social; Development; Community services]

The details of functions and configuration of these Service Directorates is demonstrated in the attached macro functional structure.

Corporate functions are designed to support service directorates through a transversal approach while ensuring compliance to statutory requirements. Support function's focus will be directed by customer needs and organisational strategy. Design of these functions and provision of services would need to be within the framework of the customer centric operating model.

Mapping of Corporate functions would include:

Transversal strategy coordination	Area Based Delivery	Financial Management	Asset & Facilities Management	Corporate services functions
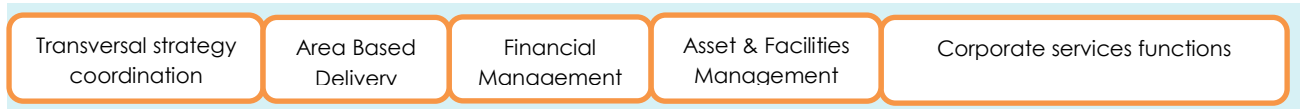
The configuration of these is demonstrated in the attached macro functional structure

The **oversight function** is integral to effectiveness of the strategy and its delivery through the organisational structure. Mayco Members will play a significant role in driving and ensuring a transversal approach to delivery of strategy. Oversight through service directorate and within the area based model will ensure a direct connection between strategy planning, delivery and impact to customers.

The Role of Mayco members is mapped in the attached macro functional structure.

In order to reorient our service offering, the following skills are desirable in the organisation:
- Project and programme managers
- Civil engineers
- Structural engineers
- Structural designers
- Operations analysts
- Community facilitators

Functions that will have a de-emphasised importance:

- Tourism (function is managed within the Area based service delivery direct function in the new structure)
- Arts and Culture (heritage asset management are maintained within the Assets and Facilities management function)
- Economic development (is delivered through Enterprise and Investment function)
- Informal trading (this is delivered within the Area based service delivery function)
- Sports

While it is understandable that the functions that should have de-emphasised importance play a big role in the life of the City, the organisation has to be honest about how many strategic priorities it can successfully do. When everything is a priority, nothing is a priority. Trying to do everything in our urban environment is a formula of slow decline for everything. We have to prioritise resources and personnel to focus on core business activities. Those functions that are de-emphasised have retained some rump vestige but the bulk of their resources have been uncoupled and the role that they play considered for location elsewhere.

HR function has been reconsidered and reconfigured to meet the ever increasing needs of the organisation and provide support fully.

Baseline administrative, transactional and operational services have been devolved to Directorates through a decentralised support model that engages with corporate centre. The Corporate centre would perform strategic activities that actually strengthen organisational performance which includes central policy and bargaining functions while also setting common standard operating procedures and assisting with consulting and advice.

Support staff skill sets need to be rationalised and redeployed to provide optimum support to Service directorates.

Decision making functions: Supporting operational processes would require a decentralisation of decision-making functions. Too many small decisions require multiple decision-makers for no discernible reason. This does not increase accountability and it does not increase control. Through system of delegation there must be a reduction in a chain of decision makers. Review of managerial decision-making powers will be undertaken with the objective to localise as many sites of decision-making as possible to empower those who are responsible for services with the authority for those services and to allow our service offering to be as adaptable and responsive as possible. Decision making must take place within the framework of standard operating procedure and organisational principles.

8.1 Organisational design principles

The following critical factors were applied in recommending the new functional focus:

- *Align senior management commitment and mind-set*
- *Understand the drivers of customer value for the organisation*
- *Define the organizational processes that support the customer value drivers*
- *Understand how the current organization supports these processes*
- *Drive horizontal skills and support down to the customer facing services.*
- *Streamlining decision flows, delayering the organization, and increasing the ability of customer facing people to make decisions*

Principles applied to organisational design

Design for Value creation
- I. Focus on the customer and organize everyone on delivering end products and services that are valued by the customer.
- II. Realign organizational roles and resources around the processes that deliver customer value.
- III. Make the remaining support functions "partners in process performance."
- IV. Transform management roles from "command and- control" to "strategic and process leadership."
- V. Recast performance management systems to emphasize customer-driven team behaviours.
- VI. Promote multiple competencies in individuals and teams.
- VII. Innovation and design approach

Enable for Value delivery

9. LEADERSHIP AND MANAGEMENT OF THE CHANGE

This journey towards organisational effectiveness would never be successful if approached as a turnkey project. Multiple stakeholders with varied skill sets have engaged to collaborate, lead and drive delivery.

About 68 employees were chosen within the organisation to conceptualise and develop practical implementation strategies for this plan. Their contribution has culminated into a clear blue print for the organisation with regards to roll out of this plan.

Balance between strategic focus and human dimensions in the roll out plan will be emphasized to ensure realisation of the desired change.

Internal and external communications methods and platforms are being reviewed to ensure improved information and engagement of all stakeholders.

Critical components of the organisational development process include:

Vision + Strategic Plans + Resources/ Skills + Guiding coalition- Executive leadership & Change champions + Collective ownership, leadership, & management of change by all stakeholders ⇨ **Organisational Effectiveness**
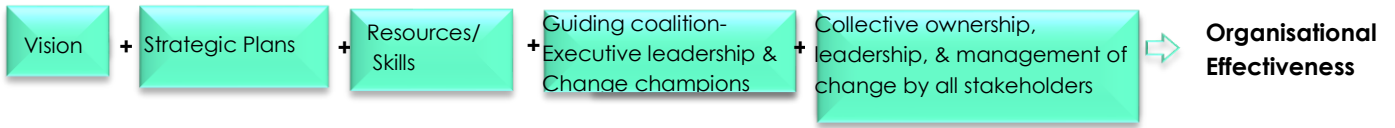
Critical components for behavioural change:

Create Excitement | Stimulate urgency | Convey confidence | Improve self-worth | Energize Individuals and teams

APPENDIX 1

PROPOSED MACRO STRUCTURE

APPENDIX 2

ROADMAP OF THe PROCESS FOLLOWED TO DEVELOP ODTP

APPROVED MANAGERIAL STRUCTURE

OFFICE OF THE EXECUTIVE MAYOR
EXECUTIVE DEPUTY MAYOR

OFFICE OF THE CITY MANAGER

DIRECTORATE: AREA-BASED SERVICE DELIVERY

- Area Management
- Area 1 to 4
- Subcouncil Support
- Public Participation
- Customer Relations
- Local Tourism & Development
- Informal Trading

DIRECTORATE OF THE MAYOR

- Organisational Policy & Planning
- Organisational Performance Management
- Communication
- Organisational Effectiveness & Innovation
- Enterprise and Investment
- Probity (Ombudsman, Forensics, Ethics & Integrity, Risk and Audit)
- City Resilience
- Private Offices of the Mayor, Deputy Mayor, Chief Whip & Speaker

Decentralized Support: Human Resources (HR); Occupational Health and Safety (OHS); Organisational Performance Management (OPM); Supply Chain Management (SCM); Project Management Office (PMO)

DIRECTORATE: INFORMAL SETTLEMENTS, WATER & WASTE SERVICES

- Informal Settlements & Backyarders
- Water & Sanitation Management
- Solid Waste Management

ENERGY

- Sustainable Energy Markets
- Electricity Generation & Distribution

TRANSPORT & URBAN DEVELOPMENT AUTHORITY

- Housing Opportunities
- Human Settlements Management
- Housing Funding and Resourcing
- Urban Planning & Design
- Coastal , Enviromental and Heritage Management
- Urban Development
- Network Management
- TCT Planning and Infrastructure
- Contract Operations
- Asset Development, Maintenance & Management
- TOD Priority Projects

SAFETY & SECURITY

- Metropolitan Police Services
- Law Enforcement, Traffic & Coordination
- Disaster Management & Public Emergency Communications Centre (107)
- Fire Services
- Events

SOCIAL SERVICES

- City Health
- Library & Information Services
- Recreation & Parks
- Social Development and Early Childhood Development

FINANCE DIRECTORATE: Budgets; Treasury; Expenditure; Revenue; Supply Chain Management; Valuations

DIRECTORATE: ASSETS & FACILITIES MANAGEMENT: Property Management; Home Ownership Transfer, Tenancy Management and Staff Housing; Facilities Management & Fleet Management; Development Implementation & Priority Assets Management; Cape Town Stadium & Precincts

CORPORATE SERVICES: Human Resources; Legal Services; Information Systems &Technology; Executive & Council Support; Information & Knowledge Management

| AREA 1: SUBCOUNCIL CLUSTER 1 | AREA2: SUBCOUNCIL CLUSTER 2 | AREA 3: SUBCOUNCIL CLUSTER 3 | AREA 4: SUBCOUNCIL CLUSTER 4 |

ODTP development process - roadmap

The diagram below depicts the Journey travelled from conceptual planning to approval:

Start

IMPLEMENTATION

Nov 2015 – Jan 2016

DEVELOPMENT OF CONCEPT

Organisational review:
- Consultation sessions with Directorates : 16, 17 Nov
- Institutional documents review

Draft concept document

Finalisation of the draft ODTP framework

Jan- Feb 2016

STAKEHOLDER CONSULTATION AND COMMUNCIATIONS

EMT

MAYCO

TOP 800

UNION

STAFF

MAYCO CAUCUS

POLITICAL PARTIES

March – June 2016

DEVELOPMENT OF STRATEGIES AND OPERATIONAL IMPLEMENTATION PLANS

FOCUS AREAS:

1. Vision & Strategy

2. Policies

3. Values, Organisational Culture & Development of Competencies

4. Customer Centric Operating Model
   - Delivery channels : Area Based Delivery Model , Call centres, Online services, Walk- in centres
   - Transversal Processes
   - Technology
   - Infrastructure
   - Reporting

5. Organisational Design Macro and Micro design

6. Change Leadership & Management

ONGOING COMMUNICATION AND FEEDBACK INCLUDING PERIODIC CONSULTATIONS TO STAKEHOLDERS

CONSOLIDATION AND FEEDBACK TO STAKEHOLDERS

June –July 2016

Consolidation and refinement of recommendations to the Council

COUNCIL APPROVAL 24 AUGUST 2016

CONTINOUS COMMUNICATION, LEADERSHIP AND MANAGEMENT OF CHANGE

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