



the cpsi

Government Component:
Centre for Public Service Innovation
REPUBLIC OF SOUTH AFRICA



Annual Performance Plan for 2020/21



Annual Performance Plan for 2020/21

Contents

Executive Authority Statement	3
Accounting Officer Statement	6
Official Sign-Off	8
<i>Part A: Our Mandate</i>	9
1. Constitutional Mandate	9
2. Legislative and Policy Mandates	9
3. Institutional Policies and Strategies over the Five-year Planning Period	10
4. Relevant Court Rulings	10
<i>Part B: Our Strategic Focus</i>	11
1. Situational Analysis	11
1.1. External environment analysis	11
1.2. Internal environment analysis	12
<i>Part C: Measuring Our Performance</i>	15
1. Institutional Programme Performance Information	15
1.1. Programme 1: Administration	15
1.1.1. Outcomes, outputs, performance indicators and targets	16
1.1.2. Indicators, annual and quarterly targets	16
1.1.3. Explanation of planned performance over the medium-term period	16
1.1.4. Programme resource considerations	17
1.1.5. Updated key risks	19
1.2. Programme 2: Public Sector Innovation	19
1.2.1. Outcomes, outputs, performance indicators, and targets	20
1.2.2. Indicators, annual and quarterly targets	20
1.2.3. Explanation of planned performance over the medium-term period	22
1.2.4. Programme resource considerations	22
1.2.5. Updated key risks	26
<i>Part D: Technical Indicator Descriptions (TIDs)</i>	27
Programme 1: Administration	27
Programme 2: Public Sector Innovation	27

Executive Authority Statement



During the 2019 State of the Nation Address, President Cyril Ramaphosa committed the Sixth Administration to the achievement of seven priorities that contribute towards accelerating economic growth, development, and the improvement of citizens' lives. These are:

- Economic transformation and job creation
- Education, skills and health
- Consolidating the social wage through reliable and quality basic services
- Spatial integration, human settlements, and local government
- Social cohesion and safe communities
- A capable, ethical, and developmental state
- A better Africa and world

These critical overarching priorities have been on our radar as government for years. Therefore, as a key component of the Public Service and Administration Portfolio (hereinafter Portfolio) and role player in government's service-delivery machinery, the Centre for Public Service Innovation (CPSI) has to align its various programmes and policies in a quest to solve service-delivery challenges.

The National Development Plan (NDP) critically outlines some key recommendations in the form of major adjustments in policy and operations. These adjustments are aimed at improving government performance to accelerate delivery of our developmental agenda. Key amongst these is the need to strengthen inter-governmental relations for integrated, collaborative, and seamless service delivery at all levels.

This collaborative model, as envisaged in the NDP, will soon find expression in the new District Based Service Delivery Model. Recently approved by Cabinet, the new service-delivery model is an important innovation in the implementation of service-delivery programmes. The model will eliminate some of the service-delivery challenges and ensure coherence and integration in planning, budgeting, and implementation of service-delivery projects in all districts by all three spheres of government.

The NDP also demands a permissive enabling environment where 'Innovation should start to become pervasive across the state, business, and social sectors', where 'innovation focuses on improved public services and goods and services aimed at low-income sectors'. Government institutions are urged to fully leverage innovation as one of the main building blocks for a capable state.

Annual Performance Plan for 2020/21

Innovation, creativity, and openness to change have the potential to be catalysts for growth, development, and radical transformation. Innovation remains one of the critical pillars in the creation of a capable state. This can only take place if innovation is institutionalised as part of the greater effort to transform the public service for high performance and productivity.

In line with the President's recommendation, the Public Service and Administration Portfolio has initiated a process to review the configuration, number, and size of national government departments to meet the needs of the people and ensure the most efficient allocation of public resources.

Within the Portfolio, the National School of Government must play a central coordinating role in professionalising the public service by capacitating employees in all spheres of government; providing support for career and talent management; and leading in the use of online learning, among others.

The CPSI remains a critical role player in transformation of the public service. Through its mandate, the CPSI is entrusted with the responsibility of engendering a culture and practice of innovation in the public sector. Innovation should permeate the state machinery and improve its various processes and systems; its structural configuration; its operational model; and even more important, its key priorities or outcomes. The CPSI has to facilitate the development of an enabling and ideal environment that allows innovation to thrive and catalyses improved service-delivery performance.

The CPSI has to ensure that the government succeeds in meeting its constitutional obligation of delivering services to citizens in accordance with our developmental agenda. This requires the ability to leverage the best available innovative solutions generated by the public sector and, internationally, by other countries to ensure enhanced citizen satisfaction.

For its success in driving innovation in the public sector, the CPSI recognises the value and importance of strong partnerships and collaborations across all public-sector institutions. This not only reaffirms the CPSI's relevance within the Portfolio and the public sector at large, but it also positions the CPSI at the forefront of entrenching innovation in the entire public sector. Through its programmes, the CPSI unearths and exploits innovative solutions and ensures replication of these solutions to prevent wasteful usage of scarce government resources.

Through its outstanding work, the CPSI has critically brought to light the existence of untapped capacity for innovation and innovative thinking in the public service, particularly among the youth. This is evident in the involvement of the CPSI youth-led hackathons in pursuit of innovative solutions.

This Annual Performance Plan binds the CPSI to a list of critical initiatives and programmes that will ensure its relevance and impact as a driver of innovation to improve service delivery in the public service. Accordingly, we will continue to look to the CPSI to create meaningful impact through such critical initiatives and projects, such as its research and development initiatives; replication programme; and innovation knowledge platforms and products; among others.

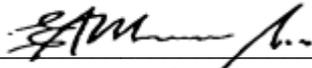
Annual Performance Plan for 2020/21

Our Portfolio acknowledges the CPSI's critical contribution toward strengthening government service delivery through innovation. More than that, we recognise the need to support the organisation in its endeavour to create an environment and fertile ground that is conducive to innovation – through the creation of innovation-friendly policies and other support mechanisms.

Innovation is one of the critical levers to ensuring that our country rises above its many socio-economic challenges and delivers quality services to the people. Therefore, as part of our service-delivery journey, we need to strive toward meaningful progress in tackling poverty, inequality, and unemployment, ensuring that:

- No person in South Africa will go hungry.
- Our economy will grow at a much faster rate than our population.
- Two million more young people will be in employment.
- Our schools will have better educational outcomes, and every ten-year-old will be able to read for meaning.
- Violent crime will be halved.

I thus endorse this Annual Performance Plan and restate my commitment to supporting the CPSI in its endeavour to implement it.



Mr Senzo Mchunu, MP
Minister for the Public Service and Administration

Accounting Officer Statement



This Annual Performance Plan (APP) outlines the work of the Centre for Public Service Innovation for the financial year 2020/2021. It provides a detailed account of all the activities and programmes of the organisation, including such operational details as to when and how targets and outcomes would be achieved in part to fulfil its 2020–2021 Strategic Plan. This is done against the backdrop of the Covid-19 pandemic, which has prompted South Africa and the rest of the world to urgently adapt to new ways of doing things. If there was ever a time when the critical role of innovation should be valued, this is the time.

The 2020–2025 Strategic Plan and the 2020–2021 APP draw from and – importantly – support the strategic mandate of the Portfolio, which has the CPSI as a key member. Priority One of the Sixth Administration's seven priorities defines as a key responsibility that the Portfolio should enable functioning of 'a capable, ethical, and developmental state'.

As a Portfolio member, the CPSI is obliged to work towards fulfilling this important public-sector commitment, as encapsulated in the Public Service and Administration Act of 1994 (as amended). According to its strategic mandate, the CPSI's contribution towards this priority is to inculcate and promote the culture and practice of innovation in the public sector, primarily by improving service delivery through innovation.

The mandate of the CPSI also positions the organisation as a key player in transformation of the public service for improved performance and productivity. Using its government-wide and cross-sectoral reach and influence, the CPSI's work involves unlocking, entrenching, and nurturing innovation in the public service as a whole. Most critical, is the facilitation and development of an enabling environment within the public sector for innovation to thrive and become a catalyst for improved service delivery, as well as form a building block for a progressive and agile public sector of the future.

The NDP emphasises the importance of robust government-wide partnerships in the successful delivery of government's developmental agenda or Vision 2030, Vision 2063 of the African Union, and the United Nations' Sustainable Development Goals (SDGs). It is of critical importance that our government achieves these key targets, hence the urgency to prioritise new and innovative ways to ensure successful sustainable economic growth and social development.

Accordingly, the CPSI works with a multiplicity of partners, both in the public and private sectors; academia; development agencies; and civil society to unearth, research, develop, and implement innovative ideas to improve public-sector service delivery.

Annual Performance Plan for 2020/21

As our government carries out its constitutional responsibility to deliver services to citizens in accordance with our developmental agenda, our success will, to a large extent, depend on our ability to leverage innovative solutions. These may have been generated from within the public sector; developed in open innovation partnerships with innovators; or replicated from other countries. As such, the CPSI uses various platforms and networks to encourage sharing of lessons and information on innovation trends nationally – across Africa and internationally.

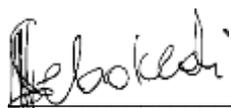
Our legacy as an organisation, which we are determined to carry forth into the future, involves hosting various key knowledge exchange platforms – such as the Annual Public Sector Innovation Conference – to afford public servants locally with robust and effective learning, collaboration, and sharing opportunities.

Internationally, we have a number of partners, like the Organisation of Economic Co-operation and Development (OECD), who are important players in the public-sector innovation space. Through the support of the CPSI, countries like Namibia and Malawi are viewing public-sector innovation as a critical enabler to solve service-delivery challenges. We need to leverage on the global knowledge repository that is emerging through platforms like the African Association for Public Administration and Management (AAPAM) Innovative Management Awards Programme.

Our cross-sectoral partnerships model, which includes government institutions, business, and the community, provides for the establishment of exciting and mutually beneficial ventures. It also allows us to leverage financial and/or intellectual capital in support of government priorities. We will continue to work with youth on hackathons to tap into this reservoir of solutions at the developmental phase. This will strengthen our research and development efforts, an area we need to strengthen going forward.

We acknowledge that the CPSI's Annual Public Sector Innovation Awards Programme has helped over the years to showcase and celebrate excellence in innovative projects from public officials across the three spheres of our government. In addition, the awards programme encourages the replication of innovative projects, thereby preventing wastage of resources through unnecessary reinvention of the wheel. We look forward to building internal research and development capacity to ensure that agile and innovative solutions are availed to the rest of government.

As the CPSI, we acknowledge the unique and important role that we can play and the kind of impact that we can make by using innovation to build an effective, efficient, and development-oriented public service.



Ms LM Sebokedi
Executive Director (acting)

Official Sign-Off

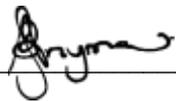
It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Centre for Public Service Innovation under the guidance of Mr Senzo Mchunu, MP;
- Takes into account all the relevant policies, legislation, and other mandates for which the Centre for Public Service Innovation is responsible; and
- Accurately reflects the Impact, Outcomes, and Outputs which the Centre for Public Service Innovation will endeavour to achieve over the period 2020/21.

PJ Schoonraad
Programme Manager: Public Sector Innovation

Signature:  _____

AC Snyman
Chief Financial Officer

Signature:  _____

DN Mavikane
Head Official responsible for Planning

Signature:  _____

LM Sebokedi
Accounting Officer

Signature:  _____

Approved by:
Mr Senzo Mchunu, MP
Executive Authority

Signature:  _____

Part A: Our Mandate

1. Constitutional Mandate

The CPSI does not have an explicit Constitutional mandate, but operates under the principles as set out in Chapter 10, s195 of the Constitution of the Republic of South Africa. In particular, s195 (b)–(e) and (g) have direct relevance to the work of the CPSI:

- (b) Efficient, economic, and effective use of resources must be promoted.
- (c) Public administration must be development-oriented.
- (d) Services must be provided impartially, fairly, equitably, and without bias.
- (e) People's needs must be responded to, and the public must be encouraged to participate in policy-making.
- (g) Transparency must be fostered by providing the public with timely, accessible, and accurate information.

Therefore, the CPSI:

- a) Is responsive to the needs of citizens by being challenge-driven;
- b) Champions transparency through open innovation and supporting open government initiatives;
- c) Promotes efficiency and effectiveness through innovation; and
- d) Is development-oriented by co-developing solutions to address challenges identified in the NDP and SDGs with innovators across and outside of government.

Furthermore, in terms of chapter 3 s41 (h) of the Constitution, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith by:

- Fostering friendly relations;
- Assisting and supporting one another;
- Informing one another of – and consulting one another on – matters of common interest; and
- Co-ordinating their actions and legislation with one another.

Given the cross-sector reach of the organisation and the fact that challenges and solutions span all three spheres of government, co-operative governance lies at the heart of successful innovations and replication.

2. Legislative and Policy Mandates

The responsibility for public-sector innovation is vested in the Minister who, in terms of section 3(1) (i) of the Public Service Act of 1994, as amended, is responsible for establishing norms and standards relating to transformation,

reform, innovation, and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

This role is further expanded on in Government Notice 700 of 2 September 2011:

The function of the CPSI is to entrench a culture and practice of innovation in the public service through:

- (i) Advancing needs-driven research and development;
- (ii) Unearthing, demonstrating, sharing, encouraging, and rewarding innovation;
- (iii) Testing, piloting, and incubating new innovations – and supporting the replication of innovative solutions; and
- (iv) Partnering with public, private, academic, and civil-society sectors on supporting the mandate of the CPSI.

3. Institutional Policies and Strategies over the Five-year Planning Period

As an implementation institution, the CPSI is guided by the following broader policies and strategies:

- NDP
- NDP Five-Year Implementation Plan
- The Medium Term Strategic Framework (MTSF)
- Sixth Administration Priorities
- Ministry for Public Service and Administration (MPSA) Priorities
- District Development Model
- SDGs
- Agenda 2063

4. Relevant Court Rulings

Not applicable

Part B: Our Strategic Focus

1. Situational Analysis

1.1. External environment analysis

The CPSI operates in an environment that is affected by a number of external factors. The current economic downturn in the country has led to shrinking budgets and reprioritisation of focus areas. Annual cuts in allocations have led to a number of programmes not being pursued. The imperatives of the Sixth Administration have also led to the need to reconfigure the state, which will impact on the CPSI one way or the other during the first part of the five years, in terms of placement, organisational structure, and budget allocation.

This is also an era of rapid changes and multiple system transitions, including what is referred to by the World Economic Forum as the Fourth Industrial Revolution (4IR). Rapid change, and in particular the confluence of changes, is another externality that the CPSI has to account for. It requires different skill sets, agility, and anticipatory focus as we chart into an unknown future.

The Covid-19 shock to the world clearly demonstrates how rapidly change can happen and disrupt normal planning processes, including the commitments on this APP. This pandemic has put tremendous pressure on the public service – in particular sectors such as health and security – and unsettled the normal operations of other public-service arms of government one way or the other. As such, this year's programme would require more flexibility than normal and, depending on measures put in place during the first and second quarters in 2020/21, adjustments of targets and priorities.

On a more general level, inertia, risk avoidance, and a lack of entrepreneurial spirit in departments remain some of the key global threats to public-sector innovation as articulated by an Australian public servant in a recent report by Noveck and Glover¹:

Middle management faces accountability systems that lead to risk-avoidance, siloed mentality – they sent a message of, 'we don't trust you' in a context of uncertainty....

A similar mentality in the South African context poses a threat to CPSI's ability to deliver on its mandate. The nature of the CPSI's work requires a collaborative approach during development, replication and mainstreaming of innovative solutions. Without the collaboration between – and taking of ownership by – departments, the CPSI will always grapple with problems in achieving targets.

¹ THE ROADMAP: TODAY'S PROBLEMS, YESTERDAY'S TOOLKIT. 2019. Report for the Australian and New Zealand School of Government.

Despite the numerous threats that the organisation faces, a number of strategic opportunities remain for the CPSI to exploit in carrying out its mandate. Opportunities that come with 4IR ensure the relevance of the CPSI going forward. These opportunities will be explored at a project level in order to leverage frontier technologies and the required skills for public-service delivery. The National System of Innovation (NSI) also recognises the CPSI as a critical organisation in driving public-sector innovation², and as this system transitions into a more sustainability-focused system as required by the White Paper on Science, Technology and Innovation, the CPSI will play a critical demand-side role. In addition, a number of global partners in the public-sector innovation space also provide opportunities for the CPSI to explore. One of these is the new Accelerator Lab established by the United Nations Development Programme (UNDP) to leverage innovation that will accelerate the achievement of SDG targets.

Successful public-sector innovation requires partnerships and collaboration with multiple stakeholders. The below framework will be used to guide stakeholder engagements at programme and project level.

The NDP further expands on the requirements for the medium- to long-term developmental and capable state, namely the need to:

- Stabilise the political-administrative interface;
- Make public service and local government careers of choice;
- Strengthen delegation, accountability, and oversight;
- Improve Interdepartmental co-ordination and relations between national, provincial, and local government;
- Strengthen local government; and
- Leverage the developmental potential of state-owned enterprises.

Though not explicitly mentioned in the list, the NDP clearly articulates the role of innovation as a key driver of change, including the stipulation that, 'The government must investigate more creative and innovative ideas.'

As we build a culture of innovation – and involve more youth entrepreneurs in exploring solutions for service delivery challenges – the CPSI is inundated, beyond its capacity, with requests from government departments and municipalities for support. Its services are also required to support and facilitate the replication of innovations unearthed through, among others, its Awards Programme. At present, the capacity of the organisation only allows two research and development initiatives and the replication of an additional two projects.

1.2. Internal environment analysis

The CPSI's strengths lie in its ability to facilitate pre- and post-development support and in its robust knowledge platforms and products that encourage

² White Paper on Science, Technology and Innovation, p.35.

Annual Performance Plan for 2020/21

learning and replication. The strong corporate governance of the CPSI is one of the key strengths that the organisation needs to leverage.

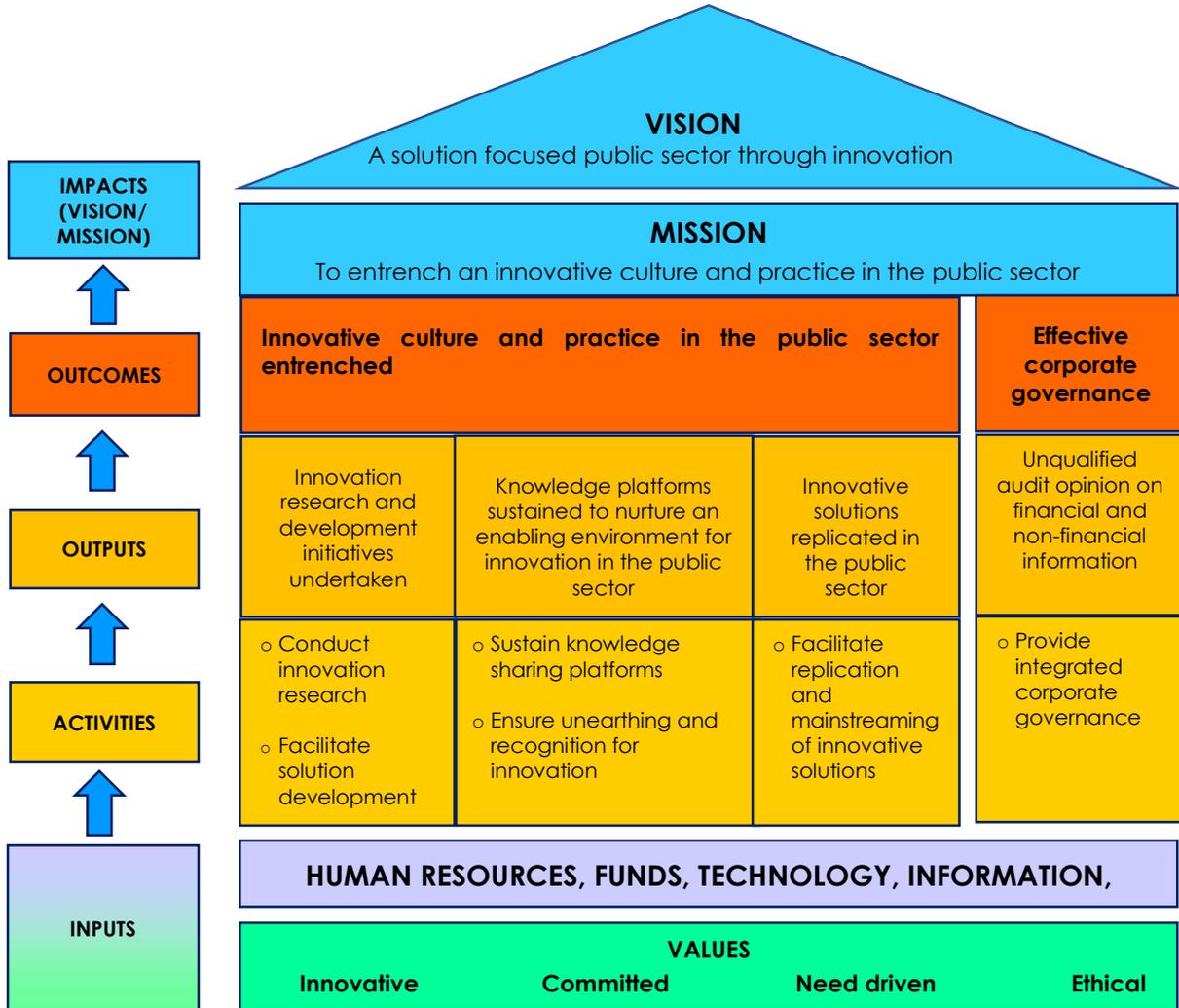
Some of the weaknesses that may impede the CPSI in delivering on its mandate include, among others, capacity constraints; lack of funding mechanisms for public-sector innovation; the limited use of innovative solutions within the organisation itself; and the strict regulatory restrictions related to its corporate form. More can be done to improve organisational culture and stakeholder management. The CPSI will actively engage with all stakeholders in order to strengthen or augment existing capacity. A new initiative to actively implement innovations unearthed through the Awards Programme in Programme 2, will further help the CPSI to overcome these weaknesses. The CPSI has and will continue to engage with the Minister on capacity challenges and corporate form as a government component.

The table below summarises the outcomes of a more comprehensive SWOT analysis.

STRENGTHS	WEAKNESSES (AREAS TO BE DEVELOPED)
<p>Innovative solutions available</p> <ul style="list-style-type: none"> • Facilitate post-development support <p>Enabling environment for innovation fostered</p> <ul style="list-style-type: none"> • Knowledge transfer platforms • Recognition for innovation <p>Business management/leadership</p> <ul style="list-style-type: none"> • Corporate governance <p>Corporate resource management</p> <ul style="list-style-type: none"> • Financial management • Supply-chain management <p>Knowledge base for innovation created</p> <ul style="list-style-type: none"> • Harness innovation research capacity • Provide policy support research • Knowledge custodianship <p>Innovative solutions available</p> <ul style="list-style-type: none"> • Facilitate solution development <p>Business management/leadership</p> <ul style="list-style-type: none"> • Business positioning • Organisation culture development • Business performance management • Corporate communication/branding • Stakeholder relations management 	<ul style="list-style-type: none"> • Capacity constraints • Non-implementation of innovative solutions within the organisation itself • Regulatory constraints related to its corporate form as a government component • Internal information technology systems
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Connected to NSI opportunities • Political support • Local partnerships (entrepreneurs, youth, SMMEs, NSI) • International partnerships (Open Government Partnership, OECD, African Union (AU), United Nations (UN)) • Further leveraging awards entries for replication and learning • Innovation a national priority • 4IR • New ways of working post Covid-19 • Availability of innovation tools/knowledge 	<ul style="list-style-type: none"> • Changing political priorities • Covid-19 pandemic • Stakeholder decisions affecting our projects • External dependencies • Insufficient public-sector innovative solution funding • Risk aversion in departments • Insufficient executive management (of implementing institutions) support for replication and mainstreaming • Non-protection of Intellectual Property (IP)

Annual Performance Plan for 2020/21

- Demand for co-ordinated public-sector innovation
- Authority to drive public-sector innovation nationally



Part C: Measuring Our Performance

1. Institutional Programme Performance Information

1.1. Programme 1: Administration

This programme **purpose:** Provides strategic leadership, overall management of and support to the organisation.

There are three sub-programmes:

- **Strategic Management** provides administrative support to the Executive Director. Co-ordinates implementation, monitoring, and reporting on the organisation's overall performance.
- **Corporate Resource Management** manages and monitors the provision of corporate resource management services; information communication and technology management services; security management services; office support; and auxiliary services.
- **Office of the Chief Financial Officer** ensures compliance with all relevant financial management statutes and regulations, notably the Public Finance Management Act (PFMA), and oversees the effective financial and supply-chain management of the organisation.

1.1.1. Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Effective corporate governance	Unqualified audit opinion on financial and non-financial information	Type of audit opinion on financial and non-financial information	-	-	-	-	Unqualified audit opinion on financial and non-financial information for 2019/20 financial year	Unqualified audit opinion on financial and non-financial information for 2020/21 financial year	Unqualified audit opinion on financial and non-financial information for 2021/22 financial year

1.1.2. Indicators, annual and quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Type of audit opinion on financial and non-financial information	Unqualified audit opinion on financial and non-financial information for 2019/20 financial year	-	Unqualified audit opinion on financial and non-financial information for 2019/20 financial year	-	-

1.1.3. Explanation of planned performance over the medium-term period

The achievement of the planned performance targets over the medium-term period will ensure accountability for the efficient, effective, and economical use of allocated resources towards fulfilling the mandate of the organisation.

1.1.4. Programme resource considerations

Subprogrammes	Audited Outcome			Adjusted Appropriation	Revised Baseline		
	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
Rand thousand							
Strategic Management	3 698	3 677	2 861	4 130	3 949	4 173	4 317
Corporate Resource Management	9 583	8 936	10 113	10 266	10 444	10 823	10 918
Office of the Chief Financial Officer	4 628	5 714	5 420	6 590	6 352	6 749	7 054
Total	17 909	18 327	18 394	20 986	20 745	21 745	22 289

Economic classification	Audited Outcome			Adjusted Appropriation	Revised Baseline		
	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
Rand thousand							
Current payments	16 108	17 898	18 139	20 430	20 159	21 127	21 642
Compensation of employees	7 827	9 258	9 638	10 659	11 243	11 948	12 410
Salaries and wages	6 935	8 135	8 579	9 464	9 969	10 582	10 968
Social contributions	892	1 123	1 059	1 195	1 274	1 366	1 442
Goods and services	8 281	8 640	8 501	9 771	8 916	9 179	9 232
Administrative fees	40	38	38	26	26	26	25
Advertising		20		11	11	11	11
Minor assets	205	5	31	71	68	67	69
Audit costs: External	1 447	1 783	1 110	1 684	1 575	1 701	1 837
Bursaries: Employees							
Catering: Departmental activities	39	26	32	47	45	44	47
Communication (G&S)	198	183	201	258	248	255	261
Computer services	745	904	1 028	1 135	1 121	1 204	1 202
Consultants: Business and advisory services	597	484	334	399	382	392	396
Contractors	93	6	200				
Consumable supplies	209	97	68	124	125	127	123

Annual Performance Plan for 2020/21

Economic classification	Audited Outcome			Adjusted Appropriation	Revised Baseline		
	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
Rand thousand							
Consumables: Stationery, printing and office supplies	184	177	77	205	191	198	202
Operating leases	2 791	3 707	4 365	4 332	3 687	3 694	3 566
Property payments	431	377	417	323	329	326	329
Travel and subsistence	987	676	506	736	699	710	728
Training and development	72	34	18	142	139	141	148
Operating payments	127	116	76	178	174	187	192
Venues and facilities	116	7		100	96	96	96
Transfers and subsidies	1		159	1	1	1	1
Departmental agencies and accounts				1	1	1	1
Departmental agencies (non-business entities)				1	1	1	1
Households	1		159				
Other transfers to households	1		159				
Payments for capital assets	1 800	429	87	555	585	617	646
Buildings and other fixed structures	806						
Buildings	806						
Machinery and equipment	966	429	79	262	276	291	305
Other machinery and equipment	966	429	79	262	276	291	305
Software and other intangible assets	28		8	293	309	326	341
Payments for financial assets			9				
Total economic classification	17 909	18 327	18 394	20 986	20 745	21 745	22 289

1.1.5. Updated key risks

OUTCOME	KEY RISK	RISK MITIGATION
Effective corporate governance	Inappropriate business positioning (form and function)	Improve business positioning in co-operation with key stakeholders

1.2. Programme 2: Public Sector Innovation

This programme drives service-delivery innovation in the public sector in line with government priorities. There are three sub-programmes under Programme 2.

Sub-Programme: Research and Development provide research capacity in support of the selection and development of potential innovative solutions and the testing and piloting of these solutions.

Sub-Programme: Solution Support and Incubation facilitates the replication and mainstreaming of innovative solutions for the public sector.

Sub-Programme: Enabling Environment nurtures and sustains an enabling environment for innovation in the public sector through knowledge-sharing platforms and products.

1.2.1. Outcomes, outputs, performance indicators, and targets

Outcome	Outcome Indicators	Outputs	Output Indicators	Annual Targets						
				Audited/Actual Performance			Estimated Performance	MTEF Period		
				2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Innovative culture and practice in the public sector entrenched	Number of Innovation initiatives enabled	Innovation research and development initiatives undertaken	Number of innovation research and development initiatives undertaken	-	-	-	-	4	4	4
		Knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	Number of knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	-	-	-	-	9	9	9
		Innovative solutions replicated in the public sector	Number of innovative solutions replicated in the public sector	-	-	-	-	2	2	2

1.2.2. Indicators, annual and quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of innovation research and development initiatives undertaken	4	-	-	-	4

Annual Performance Plan for 2020/21

Number of knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	9	1 (Regional/International programme)	3 (1 Conference + 2 innovation workshops)	2 (1 Awards ceremony and 1 regional or international programme)	3 (1 Journal + 2 innovation workshops)
Number of innovative solutions replicated in the public sector	2	-	-	-	2

1.2.3. Explanation of planned performance over the medium-term period

The planned performance targets over the medium-term period contribute directly to the achievement of the mandate of the CPSI and the implementation of the NDP. It is also a cross-cutting outcome that impacts on the seven priorities of the government as identified by the Sixth Administration.

Solution development is a critical step in infusing innovation in the public sector; these solutions are mostly brought forth by innovators, within and outside of government. Through active engagements with youth on challenges, new ideas and concepts can be explored, which in turn encourages youth to contribute to the economy of the country whilst solving service-delivery challenges. The CPSI thus supports hackathons and similar initiatives and collaborates with partner institutions such as The Innovation Hub to develop solutions,

The creation of a culture and practice of innovation in the public sector is critical in ensuring that the public sector remains innovative. Public-sector innovation thrives on vibrant knowledge platforms and products to encourage sharing and learning. These platforms are used to avoid reinventing the wheel. The platforms also serve as a source of innovative solutions for the replication programme. International knowledge platforms provide the global context to ensure that South Africa remains relevant and is kept abreast of new developments in the innovation space.

Many solutions that are unearthed through the Awards Programme or through collaboration with the broader national system of innovation have the potential for broader impact. As such, there is a demand for the replication and scaling of these.

1.2.4. Programme resource considerations

The CPSI is tasked with contributing to the improvement, effectiveness, and efficiency of the public service and its delivery of services to the public. This is in line with the NDP's vision of a capable and developmental state and contributes to Priority Six (a capable, ethical, and developmental state) of government's 2019–2024 medium-term strategic framework.

Spending on the compensation of an average of 32 employees per year over the medium-term accounts for an estimated 54.8 per cent (R70.9 million) of the CPSI's total budget, which increases at an average annual rate of 5.9 per cent, from R20.9 million in 2019/20 to R24.8 million in 2022/23.

The CPSI aims to encourage innovation in government through initiatives such as the Annual Public Sector Innovation Awards, and it selects some of the innovative solutions submitted to the awards for replication in targeted government sectors, particularly for identified service-delivery challenges. It also collaborates with other government departments; non-governmental organisations; the private sector; tertiary institutions; academics; and international entities to find innovative solutions. Where existing solutions cannot be found, new solutions are developed

through targeted innovation partnerships. These initiatives are allocated R1.3 million over the MTEF period in the Solution Support and Incubation sub-programme in the Public Sector Innovation programme.

An estimated R1.3 million per year over the medium term will be spent on facilitating one conference and four workshops annually for public-sector officials on the management of innovation in the public sector. Some of the outcomes from these conferences and sessions will be published in *Ideas that Work: The South African Public Sector Innovation Journal*, which is an important product to entrench information sharing and learning for an informed and empowered public sector, including researchers in academic institutions. The CPSI plans to publish one annual edition of the journal, which is disseminated throughout the public sector in the country and internationally, over the medium term, with printing costs estimated to be R374 000 per edition. The CPSI will also participate in two global innovation programmes to share information on innovation initiatives across the world and increase exposure for noteworthy innovations in the South African public sector. This work will be carried out in the *Enabling Environment* sub-programme, in which spending accounts for an estimated 49.1 per cent (R28.8 million) of the total budget in the *Public Sector Innovation* programme over the medium term. Expenditure in this programme is expected to increase at an annual average rate of 5.6 per cent, from R17.5 million in 2019/20 to R20.6 million in 2022/23.

Programme resource considerations

Sub-Programmes	Audited Outcome			Adjusted Appropriation	Revised Baseline		
	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
Rand thousand							
Research and Development	2 493	3 532	3 842	4 544	4 736	4 952	5 102
Solution Support and Incubation	3 420	3 315	3 633	4 196	4 547	4 778	4 915
Enabling Environment	7 585	7 348	7 853	8 711	8 340	8 715	8 947
Total	13 498	14 195	15 328	17 451	17 623	18 445	18 964

Economic Classification	Adjusted Appropriation			Adjusted Appropriation	Revised Baseline		
	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
Rand thousand							
Current payments	13 019	14 118	14 919	17 451	17 623	18 445	18 964
Compensation of employees	7 766	8 788	9 153	10 243	11 006	11 655	12 071
Salaries and wages	6 892	7 832	8 168	9 257	9 915	10 495	10 855
Social contributions	874	956	985	986	1 091	1 160	1 216
Goods and services	5 253	5 330	5 766	7 208	6 617	6 790	6 893
Administrative fees	65	51	75	189	182	191	193
Advertising	146	152	306	346	330	347	351
Minor assets	17	4		21	20	20	19
Audit costs: External							
Bursaries: Employees							
Catering: Departmental activities	109	145	60	79	46	46	48
Communication (G&S)	129	148	119	163	154	160	163
Computer services	4		18	683	616	600	608
Consultants: Business and advisory services			680	397	376	388	400
Contractors	899	959	1 070	773	746	791	805

Annual Performance Plan for 2020/21

Economic Classification	Adjusted Appropriation			Adjusted Appropriation	Revised Baseline		
	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
Rand thousand							
Consumable supplies	135	234	162	243	235	245	247
Consumables: Stationery, printing and office supplies	165	33	80	147	141	148	145
Operating leases							
Property payments		591					
Travel and subsistence	1 768	1 468	1 724	2 017	2 000	1 984	1 973
Training and development	140	75	68	106	99	105	108
Operating payments	571	579	333	576	292	304	316
Venues and facilities	1 105	891	1 071	1 468	1 380	1 461	1 517
Transfers and subsidies			16				
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Households			16				
Other transfers to households			16				
Payments for capital assets	479	68	393				
Buildings and other fixed structures							
Buildings							
Machinery and equipment	311	68	240				
Other machinery and equipment	311	68	240				
Software and other intangible assets	168		153				
Payments for financial assets		9					
Total economic classification	13 498	14 195	15 328	17 451	17 623	18 445	18 964

1.2.5. Updated key risks

OUTCOME	KEY RISK	RISK MITIGATION
<p>An innovative culture and practice in the public sector</p>	<p>Business closure/destabilisation</p>	<ul style="list-style-type: none"> • Advocate the value add of innovation to public-sector service delivery
	<p>Restrictive fiscal environment</p>	<ul style="list-style-type: none"> • Advocate the value add of innovation to public-sector service delivery • Secure alternative sources of funds • Secure, effective form and function for the organisation

Part D: Technical Indicator Descriptions (TIDs)

Programme 1: Administration

Indicator Title	Type of Audit Opinion on Financial and Non-financial Information
Definition	<ul style="list-style-type: none"> The outcome indicator measures good governance in the administration of the CPSI through the achievement of an unqualified audit opinion/outcome as a result of compliance with the PFMA, Treasury Regulations, and other applicable prescripts in the use of the department's resources as well as the development and reporting of financial statements and performance information. An unqualified outcome will be achieved through ensuring that the Annual Financial Statements (AFS) and Annual Performance Information of the organisation are accurate and fairly present the financial position and performance of the organisation.
Source of data	<ul style="list-style-type: none"> Auditor-General of South Africa (AGSA) final audit report
Method of calculation/assessment	<ul style="list-style-type: none"> Final audit report
Assumptions	<ul style="list-style-type: none"> Operational transversal systems and processes in place
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> None
Spatial transformation (where applicable)	<ul style="list-style-type: none"> None
Reporting cycle	<ul style="list-style-type: none"> Annually
Desired performance	<ul style="list-style-type: none"> Unqualified audit outcome achieved
Indicator responsibility	<ul style="list-style-type: none"> CFO

Programme 2: Public Sector Innovation

Indicator Title	Number of innovation Research and Development Initiatives Undertaken
Definition	<ul style="list-style-type: none"> Investigate service-delivery challenges and potential solutions as well as the development, testing, and piloting of the potential solutions that address the investigated challenges. Development refers to the process of creating a prototype, approach, model, service or product (ICT or non-ICT) for further testing and piloting. Testing refers to the process of assessing the functioning of the developed solution and may also include issues of quality, performance, reliability, cost, and unintended consequences. Testing may lead to further refinement before piloting. Piloting refers to the limited deployment of the solution in a controlled real-life or simulated environment for a limited period to establish the appropriateness and feasibility of the solution (in relation to the stated need or challenge) for implementation. Research and development initiatives refer to a suite of investigative and experimentation activities (qualitative and/or quantitative) and

Annual Performance Plan for 2020/21

Indicator Title	Number of innovation Research and Development Initiatives Undertaken
	<p>subsequent reporting. These activities include, among others, defining and scoping of challenges; search for and assessment of potential solutions; identification or development of methods, toolkits and approaches; as well as the activities associated with development, testing and piloting.</p> <ul style="list-style-type: none"> ▪ Undertaken refers to conclusion of a project up to the point where a decision can be made on the continuation to a next phase or the termination of the initiative. Because there is no guarantee of the efficacy of a solution at the beginning of the research and development initiative, or of potential unintended consequences, a stage-gate approach is required where an initiative can be terminated at any of the decision points.
Source of data	<ul style="list-style-type: none"> ▪ Project reports ▪ Attendance registers
Method of calculation/assessment	<ul style="list-style-type: none"> ▪ Simple count of research and development initiatives
Means of verification	<ul style="list-style-type: none"> ▪ Simple count
Assumptions	<ul style="list-style-type: none"> ▪ Sufficient internal capacity to conduct research and manage the development process (or oversee development). ▪ Participation of service-delivery institutions/departments.
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> ▪ Not disaggregated, as it will vary from project to project. Projects are however selected to benefit women, youth, and people with disabilities.
Spatial transformation (where applicable)	<ul style="list-style-type: none"> ▪ Not applicable
Calculation type	<ul style="list-style-type: none"> ▪ Non-cumulative
Reporting cycle	<ul style="list-style-type: none"> ▪ Annual progress against the five-year target
Desired performance	<ul style="list-style-type: none"> ▪ Desired performance of four initiatives per annum.
Indicator Responsibility	<ul style="list-style-type: none"> ▪ Chief Director: Research and Development

Indicator Title	Number of Knowledge Platforms Sustained to Nurture an Enabling Environment for Innovation in the Public Sector
Definition	<ul style="list-style-type: none"> ▪ Bringing together delegates with possible representation from all spheres of government and the private sector to engage on public-sector innovation. <ul style="list-style-type: none"> • Knowledge platforms mean workshops and/or conference and/or programmes used to create a community of innovators for sharing of knowledge, experiences and best practices. • Sustained means maintained (or kept alive) for continued fulfilment of their purpose. • Nurture refers to the promotion of a culture of innovation in the public sector to enhance service delivery. • Enabling environment means an environment that is conducive for innovation to flourish.
Source of data	<ul style="list-style-type: none"> ▪ Workshop programmes and attendance registers ▪ Conference programme, invitation letters, and attendance register ▪ Awards ceremony programme ▪ Published journal ▪ Approved submissions
Method of calculation / assessment	<ul style="list-style-type: none"> ▪ Quantitative
Means of verification	<ul style="list-style-type: none"> ▪ Simple count
Assumptions	<ul style="list-style-type: none"> ▪ Knowledge platforms sustained will nurture an enabling environment for innovation in the public sector

Annual Performance Plan for 2020/21

Indicator Title	Number of Knowledge Platforms Sustained to Nurture an Enabling Environment for Innovation in the Public Sector
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> ▪ Target for women: not applicable ▪ Target for youth: not applicable ▪ Target for people with disabilities: not applicable
Spatial transformation (where applicable)	<ul style="list-style-type: none"> ▪ Not applicable
Calculation type	<ul style="list-style-type: none"> ▪ Cumulative
Reporting cycle	<ul style="list-style-type: none"> ▪ Quarterly
Desired performance	<ul style="list-style-type: none"> ▪ Nine knowledge platforms sustained to nurture an enabling environment for innovation in the public sector
Indicator Responsibility	<ul style="list-style-type: none"> ▪ Chief Director: Enabling environment

Indicator Title	Number of Innovative Solutions Replicated in the Public Sector
Definition	The number of innovative solutions replicated to improve service delivery. The solutions are mainly sourced from the Public Sector Innovation Awards. While these solutions have been implemented in another environment, replication of these solutions in a different sector/department/province requires incubation and buy-in from executives and officials. Incubation thus means internal assessing for replicability, including funding and complexity; identifying potential sectors/departments where it could be replicated; using the originator for engagement with relevant institutions/officials; presenting the innovative solution for buy-in; modifying the solution if required; and facilitating its replication.
Source of data	<ul style="list-style-type: none"> ▪ Internal Replication Assessment Committee minutes, project reports, and attendance registers
Method of calculation/assessment	<ul style="list-style-type: none"> ▪ Quantitative. Simple count
Means of verification	<ul style="list-style-type: none"> ▪ Simple count
Assumptions	<ul style="list-style-type: none"> ▪ There will be innovative solutions to replicate in the public sector
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> ▪ Disaggregation at a project level
Spatial transformation (where applicable)	<ul style="list-style-type: none"> ▪ Reflect on contribution to spatial transformation priorities ▪ Reflect on the spatial impact area
Calculation type	<ul style="list-style-type: none"> ▪ Non-cumulative
Reporting cycle	<ul style="list-style-type: none"> ▪ Annual progress against the five-year target and multi-year (where necessary)
Desired performance	<ul style="list-style-type: none"> ▪ Two initiatives successfully facilitated per annum
Indicator responsibility	<ul style="list-style-type: none"> ▪ Chief Director and Director: Solution Support and Incubation