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MANAGEMENT AUDIT
of
THE KINGSTON & ST. ANDREW CORP.

REPORT

to

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THE MINISTER OF LOCAL GOVERNMENT



AND



THE MAYOR AND COUNCIL

OF THE KINGSTON & ST. ANDREW CORPORATION

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KSAC MANAGEMENT AUDIT REPORT

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KINGSTON AND ST. ANDREW CORPORATION

MANAGEMENT AUDIT

CHAPTER I

OVERVIEW

Kingston is:

- Home to nearly 30 percent of Jamaicans.
- The nation's centre of government, its capital.
- The focal point of Jamaica's business and industry.
- A hub of the entire Caribbean area.

The description above may appear so obvious as not to seem worthy of mention. Yet it forms the necessary and appropriate departure point for this report. Kingston is highly critical to the social, political, and economic well-being of the nation; this study has been initiated and implemented with full appreciation of Kingston as the pivot of Jamaica.

Just as there is general agreement on the importance of Kingston, there is also relatively little discord on its appropriate goals. They most certainly include:

- Status as the key city in the English speaking Caribbean.
- A feeling of pride that Kingston is the national capital and represents the best of the nation.
- A physical appearance that portrays beauty and connotes a high quality of life.
- A source of economic growth and development for the nation.
- An unmortgaged future.
- A governance system that is truly responsive to its citizens.

While we have found a wide sharing of aspirations for Kingston, the reality of current performance is quite a different matter. Instead of moving toward these commonly held goals, there is a general consensus that Kingston is regressing. It is becoming worse rather than better. Instead of functioning as the initiator of long-term political, social and economic development for the society, it is becoming a drag on the system. Clearly, this is a direction that must be radically reversed.

The target of much of the dissatisfaction with current trends has been the Kingston and St. Andrew Corporation (KSAC). Though it is important to realise that many other organisations play significant roles in Kingston, the Corporation is the local authority formally charged with representing the interests of the Kingston metropolitan area. It therefore seems appropriate to begin the search for improvement with this organisation.

Leaders in both the Corporation and in the Central Government initiated a Management Audit of the KSAC in the belief that a crisis did indeed exist and that an intensive and wide-ranging inquiry was needed. The Management Audit has come to be recognised in Jamaica as an important vehicle by which organisational change can be achieved. Hence the decision to launch a major effort " ...to examine the operations of the Kingston and St. Andrew Corporation and make recommendations for achieving more efficient management."

This report is a product of that effort; the nature and processes of the undertaking are described in the full report. It has involved very substantial investments in expert manpower. The report itself consists of three main parts:

- The Overview, which is designed to highlight the key findings and recommendations and to place them in the context of the Kingston reality.
- The Summary of Specific Finding and Recommendations, which is designed to provide the reader with a concise, detailed listing of findings and recommendations contained in the full report.
- The Full Report, which contains the data and reasoning in support of the many findings and recommendations.

I. Findings with Respect to the Current Status of the Kingston and St. Andrew Corporation

1. The KSAC is only one of many organisations whose performance has significance for moving Kingston forward. Indeed, the KSAC is perceived as having more responsibility for the area than is realistic. Its official role as a local authority, its assigned missions, and its authority do not currently add up to a position of dominance in the governmental affairs of Kingston. There is the question of what KSAC can, and must, be able to do in order to respond fully and effectively to the needs of the community.

2. Even where KSAC has had clear and direct responsibilities, severe constraints imposed on it by the Central Government have not enabled it either to mobilise needed resources or to allocate those made available for maximum return.

3. KSAC's perennial deficit has led to virtually total organisational disinterest in the economical and efficient use of resources. Severe diseconomies are pervasively evident -- too many

people; not enough simple, basic materials with which to work; and severe shortages of needed equipment.

4. KSAC's management is in shambles. Leaders have abysmally inadequate information on which to set directions and make wise decisions; their capacity to enforce decisions, when made, is non-existent. Interventions, both from the Central Government and from politicians, make it impossible to achieve any kind of managerial integrity and accountability. These conditions have robbed the organisation of any incentive to deal with its own problems.

5. The incapacitation of the Corporation has obvious and profound effects on the political, social, and economic reality of Kingston:

- a. Services are both inadequate and inefficient, in some cases imposing high safety risks for persons and property.
- b. Cumbersome, confused, and protracted processes of regulation and control of physical properties inhibit desirable economic development and growth.
- c. Conversely, inadequate enforcement of current controls and regulations is heavily mortgaging the future of Kingston and imposing even further risks.

6. In short, the KSAC is currently directionless, unaccountable, and out of control.

II. Guidance for Thinking About the KSAC and Kingston's Future

The Kingston and St. Andrew Corporation exists within a larger governmental system of national policies and interests. Its role, involving the degree to which it should be assigned responsibility for the political, social, and economic future of Kingston, must be defined in terms of broader imperatives. In establishing a definition of role for the Corporation, three guidelines should prevail:

1. The citizens of Kingston should have the greatest stake in the current quality of life and in the future of the area.
2. Therefore, the citizens of Kingston should have the most say about the community and where it is going.
3. Therefore, the freedom to raise revenues from the people of Kingston and to allocate them to the most important local needs should rest with the citizens of Kingston.

The governance of Jamaica is a large-scale enterprise. A dictum of organisation analysis is that decisions and actions for large-scale concerns should occur at the lowest possible level. While this

principle is often ignored, there is high consensus on its validity. The appropriate organisational strategy for Kingston, then, is to give the people of Kingston the wherewithal to do as much as they can possibly do by and for themselves.

III. The Key Recommendation: The Kingston and St. Andrew Corporation Must Retain Its Institutional Role and Status and Must be Helped to Discharge Its Responsibility Fully

During the first stages of the Management Audit, there was the distinct possibility that the Corporation would be found not only inadequate in its performance but incapable of improvement. Thus, the question of whether the Corporation should be abolished had to be a first item on the Audit agenda. If abolition were to be recommended, advice for change would be pointless.

An early conclusion (and hence recommendation) was reached that the Kingston and St. Andrew Corporation not only should be continued but that its importance as a local authority should be reaffirmed. There should not be a further diminution in its functional responsibilities, and it should be given support in making needed changes in its structure, operations, and management.

Reasons for Basic Recommendations

The reasons for this principal recommendation are:

1. The elimination of local authorities only makes sense where a nation is very small; governing Jamaica is a large-scale enterprise. It should be remembered that the population and land area of the Kingston and St. Andrew Corporation are greater than the whole of Barbados, where local authorities were abolished.
2. There is no guarantee (nor is there any current evidence) that agencies of the Central Government and/or parastatal enterprises could provide the area coordination and service responsiveness that is required for full effectiveness.
3. The Corporation has the best chance to fulfill the organisational requirement that decisions and actions occur as closely as possible to the site of the problem. KSAC has a history and legitimacy of representing the interests of its citizens at the grass roots level; such a tradition is important and needs to be built upon, not eliminated.
4. The Corporation performs highly important political functions. It is not just a purveyor of services. It is an instrument for political participation and plays a vital role in the processes of democracy in Jamaica. Successive Prime Ministers have emphasised the importance of such a first line of democracy.

5. It is possible to draw distinctions between matters of national and of local interest; hence there are responsibilities that KSAC can most appropriately discharge. Further, it is important that the Central Government recognise the primacy of local interests in a wide arena of decisions and action. Where interests converge, the answer is not to subordinate the local authority but to seek mechanisms for collaboration.

6. The KSAC is retrievable. It can be changed, redirected, and made accountable. Similar reforms have been accomplished elsewhere; this situation raises no unique problems. Such changes, however, cannot be achieved by the KSAC alone. First, it will need support for profound reform. Second, it will need help in its conversion to a results-oriented, highly-disciplined, productive organisation.

Needed Central Government Contributions

Many of the reasons cited above for the continuation of KSAC as the local authority for Kingston imply the need for further, supportive steps largely by the Central Government:

1. It must be recognised that the Corporation should be a fully viable financial entity. It cannot survive on "handouts" from the Central Government; it must have at least some control over its level of resources. The exercise of discipline on its part must lead to respect for financial probity and freedom from its "deficit" status.
2. There should be no more random whittling away at the functions of the KSAC. While some realignments (perhaps in traffic engineering and in town planning) may be desirable, the general position ought to be that the Corporation's role and responsibility in Kingston's affairs not diminish but expand.
3. There will have to be an attempt to separate local politics from national. While there are many aspects of this problem, perhaps the most fundamental solution is the continued evolution of a policy recommended in an earlier study of local authorities in Jamaica (the Mills report). That policy calls for a discreet distance between the members of the National Parliament and the decisions and actions of local authorities. The great benefits of grass roots democracy can be achieved only when citizens believe the link between themselves and their representatives is close, strong, and incorruptible.

IV. Other Basic Recommendations

The purpose of this section of the Overview is to provide an indication of the thrust of the recommendations developed in the Management Audit. As a result, they tend to be assembled and stated somewhat differently than the specific recommendations detailed in the next section. First, we are concerned that there be a general appreciation of the strategies for major reform being proposed.

Secondly, it must be realised that the underlying problems of service delivery lie not in the services themselves but in the way in which the Corporation as an institution has been conceived and operated. Reforms in the Corporation as a whole, including its relationships with the Central Government, form the foundation for improvement in any of the discrete parts of the KSAC. For example, the Audit included a major investigation of the public cleansing function. That searching inquiry revealed that the Corporation's managerial, personnel, and financial inadequacies were the prime contributors to identified shortcomings in this service; in fact, the difficulties of the Public Cleansing Department were simply illustrative of larger, cross-cutting problems.

It is critical, therefore, that attention be directed first to the institutional issues which confront the Kingston and St. Andrew Corporation. That is the way in which the recommendations below have been framed. In addition, two functions which have attracted substantial interest, the public cleansing and planning functions, are presented as illustrative of these broader institutional issues.

1. The Central Government must permit the Kingston and St. Andrew Corporation to manage its own day-to-day affairs.

In the Audit numerous citations are provided of cases where the Corporation has been deprived of the right to manage its own activities. Perhaps the most serious have occurred in terms of financial and personnel controls. Even a very modest piece of equipment cannot be procured, for example, without the approval of the Central Government. At another extreme, all applications for building permits, no matter how conforming the use, must be submitted to the Central Government for review.

Even the most centralised of organisations would provide a subordinate unit greater autonomy to manage its day-to-day business than the KSAC currently enjoys.

In making the proposal that KSAC should have control over its day-to-day affairs, there is no intent to disturb the current relationship in which ultimate responsibility for performance rests with the Central Government. Yet the Corporation needs some freedom within which to be responsible. If it fails in its obligations, it then becomes appropriate to contemplate intervention in KSAC affairs.

2. The KSAC must be enabled to establish thorough-going financial discipline, in which there is no acceptance of deficit-financing.

This recommendation follows the first because it requires that the Central Government establish new terms of reference for the financial management of KSAC. The basic steps necessary to create this framework include:

- An agreement by the Central Government that the KSAC should have substantial freedom to raise revenues for purely local purposes through fees for services, and through other special kinds of levies.
 - Establishment of practices and procedures by the Central Government whereby taxes collected centrally and shared locally are operated under clearly established ground rules. KSAC should have specific information on the formula for sharing, should be able to make reasonably accurate estimates, and should be able to anticipate the time of receipt of monies.
 - The Corporation must develop a totally disciplined financial management system, particularly in terms of the preparation and the control of the budget. It must be recognised that the budget is the critical means by which overall management discipline is achieved in organisations.
 - The Corporation will have to devote more talent and human energies to achieving a financial management system of adequate quality.
 - Audits, either by the Central Government or by independent contractors, must be performed in a timely and comprehensive fashion.
3. The structure of the Kingston and St. Andrew Corporation must undergo major reorganisation.

As we took care to point out earlier, the Corporation is a significant part of Jamaica's democracy. It must therefore respond to two imperatives: (a) to function in such a way as to enable the people and their representatives to control its directions and policies; and (b) within such a policy framework, to perform its service and regulatory functions with maximum effectiveness and efficiency.

Yet there is a garbling of roles and responsibilities at the present time. Elected Councillors do not feel that they are in control of the system, as they have every right to believe they should be. On the other hand, the managers of the Corporation, seeking to carry out their responsibilities effectively and efficiently, feel they are plagued by many interventions from the Councillors and other political agents. It is therefore important, through structural modification, to clarify roles and hopefully areas of responsibility. Such changes should be based on the following premises:

- That the Councillors are the directors of the Corporation and set its policies.
- That the Town Clerk, who is appointed by and serves at the pleasure of the Councillors, is the implementator and

administrator of determined policies. He is to be delegated the needed power to discharge his major responsibilities fully.

- That the Town Clerk is to be provided direct authority over all the units of the Corporation and is to be given the necessary staff assistance to engage effectively in his leadership responsibilities.
- 4. The leadership role of the Town Clerk must be conceived in substantially different terms.

With important structural modifications, the Town Clerk can assume a powerful and important role. His effectiveness depends upon a clear understanding and implementation of the following definitions of his role:

- That the Town Clerk is the head of the operating system.
- That he/she depends heavily on his key department heads to carry on the business of the organisation, and that he/she must form them into a management team.
- That he/she is an executive and therefore that his attention must be directed to the broad operating issues of the organisation and not its details.
- 5. It is critically important that major effort be made to reform and substantially improve personnel management in the Corporation.

There is virtually nothing positive that can be said about the current personnel management of the KSAC. It is clear that the system has produced little incentive to serve in the Corporation, scant motivation to perform effectively, and an inclination to take as much advantage of the system as possible. It is not a merit system; and, at the same time, it is not one that is fundamentally controlled by the Corporation itself. It is essentially a non-system, typified by the absence of adequate staff records. Most notably, an excess of staff occurs at least in part because retirement records are so inadequate as to make it impossible to know who is superannuated. Relations with the unions are chaotic, overtime is paid in the absence of written agreements on what is due, and in general there is very little documentation of negotiations and agreements that have been made. It is within this context that reforms of personnel must be undertaken. They should include:

- New personnel policies and procedures (with merit as the dominant criterion) should be established by the Council and administered by the Town Clerk.
- There must be improved organisational status and importance for personnel management under the supervision of the Town Clerk.

- There must be a change in the role of the Municipal Services Commission from one of control of appointments to one of oversight of the personnel system and one of employee appeals.
 - There must be a reduction in the total number of KSAC employees through improved management of the retirement programme.
 - In order to upgrade the capacities of employees currently within the organisation, there must be a greatly increased commitment to training.
6. Develop new approaches to planning and building regulation, in collaboration with agencies of the Central Government.
- Central Government should complete the Development Order for the Corporate Area.
 - The Kingston and St. Andrew Corporation and the Central Government should collaborate in the development of small area action plans.
 - The KSAC should inaugurate policies that require developers to contribute to creation of needed infrastructure in the areas of growth in Kingston.
 - The KSAC should simplify, rationalise, and improve its building control and enforcement procedures.
7. Improve the managerial, personnel and financial situation of the Public Cleansing Department.

The Public Cleansing Department (PCD) of the Kingston and St Andrew Corporation, despite its many deficiencies, is still a viable entity which substantially performs its major mission of collecting and disposing of privately generated solid refuse, and marginally performs in drain and gully cleaning. Significant, visible, and timely improvements can be effected at this time at relatively low cost, without resorting to mass layoffs, extensive privatisation, and the expensive introduction of exotic technology.

8. Provide the minimum financial support to enable the KSAC fire department to meet the minimum acceptable standards necessary to provide adequate fire protection for the corporate area.

As documented in a separate audit report on the fire department, the fire brigade, though well led, is extremely ill-equipped to provide the basic level of fire protection. The lack of a fire prevention code and the lack of authority to enforce regulations handicap fire prevention efforts.

CHAPTER II

SUMMARY OF FINDINGS AND RECOMMENDATIONS

The overall terms of reference for the KSAC Management Audit were "to examine the operations of the Kingston and St. Andrew Corporation and make recommendations for achieving more efficient management."

These terms of reference permitted the consideration of a possible transfer of all KSAC's present functions and responsibilities to Central Government or to another body, or separately by function to either Government Departments, parastatal organisations, ad hoc authorities or private enterprise. However, after careful study, the Audit Team is unanimous in recommending that, despite its many shortcomings and the severe financial constraints to which it is presently subject, responsibility for the local government of Jamaica's capital city should continue to rest with KSAC. The reasons for this recommendation are detailed in the chapters that follow.

This recommendation is the keystone of the report and all the other recommendations flow from it.

Significant changes are required in KSAC's structure, its operations, and, above all, its management in order to improve its effectiveness and the quality of its performance. The principal shortcoming is the lack of accountability, both at elected member and officer level, for decisions by the Council or its committees and for poor performance in carrying them out. In some cases this failure to fix responsibility or get it accepted is compounded by the sharing of a function with another body. One of the report's main aims is to point out ways in which accountability can be squarely focused, created or otherwise improved.

How to improve the management of KSAC and its resources (the most important of which are finance and manpower) and the services it provides for the residents of Jamaica's capital is a constant theme throughout the report. Most of the improvements recommended herein have been tried, tested and adopted elsewhere; they are not mere academic theory.

This summary is divided into parts A, B and C.

Part A is a presentation of the Audit Team's general findings and recommendations for achieving more efficient management of KSAC.

Part B summarises the specific findings and recommendations made in the chapters dealing with each of the seven areas of the Audit:

- Central Government and KSAC Relationships (IV);
- Finance and Financial Management (V);
- Personnel System Management (VI);
- Planning and Regulation of Development in the Corporate Area (VII);
- The Operation and Management of Public Cleansing (VIII);
- The KSAC City Engineer's Office (IX); and
- The Organisation and Management of KSAC as a Local Authority (X).

In both Parts A and B, lower case roman numerals refer to findings and arabic numerals to recommendations. The numbers in brackets in Part B refer to the appropriate pages in the main text. It should be noted, however, that they are not marshalled in any order or priority. Recommendations which have produced action during the course of the Management Audit are marked with an asterisk.

Part C is an attempt by the Audit Team to accord priority to the actions recommended in Part B and C and to suggest the appropriate authority (e.g. the Ministry, the KSAC Council or KSAC staff) who should initiate such action. These priority actions are also divided where possible into columns indicating those which (a) can be taken straight away within existing legislation (including some where action has already been started during the course of the Management Audit), and are therefore early actions or short-term, and (b) those which are essentially long-term, including those requiring either new or amending legislation.

PART A

GENERAL FINDINGS AND RECOMMENDATIONS

GENERAL FINDINGS

- i There are serious organisational and structural weaknesses in KSAC.
- ii Controls by Central Government (especially financial ones) are a major constraint.
- iii Financial resources are inadequate and strategies for allocating resources are virtually nonexistent.
- iv KSAC's delivery of services to the people is poor.
- v There is limited management and technical expertise.
- vi There are excessive political interventions.
- vii There is excess employment and misuse of overtime.

GENERAL RECOMMENDATIONS

1. Present local government functions should not be transferred wholesale to other public bodies or private enterprise. The KSAC should be valued as an institution and, while it is acknowledged that significant changes are needed in its structure, operations and management, responsibility for the local government of Jamaica's capital city should continue to rest with KSAC.
2. The Council must be clearly established as the policy-setting and key decision making body for the Corporation, with the Town Clerk and his Officers providing advice and having full responsibility for the execution of these decisions.
3. An internal management system must be introduced that emphasises productivity, discipline and accountability with leadership to be provided by a new and highly qualified manager (Town Clerk) who should be recruited as the undisputed Chief Executive Officer vested with the necessary authority to appoint and discipline staff and otherwise manage the affairs of the Corporation.
4. There is need for improved human resource management, including merit appointments and promotions, adequate records and procedures, reasonable compensation and a planned training programme.
5. Attrition (with emphasis on retirement) should be used as a means of dealing with excess employment.
6. Central Government should give the Corporation significantly greater freedom in raising resources for its functions and services and in allocating and utilising those services.
7. Improvements should be made in budget/financial management, through an improved structure, performance orientation, a management information system, and an emphasis on analysis and audit, supported where appropriate by improved computerisation.

PART B

SPECIFIC FINDINGS AND RECOMMENDATIONS

Chapter IV - Central Government and KSAC Relationships

Findings:

- i The KSAC has undergone years of erosion of services and reducing revenues, with a consequent deterioration of services and a widespread lack of confidence in KSAC and its ability to perform. (p. 42)

- ii There is absolute fiscal dominance by Central Government over KSAC and the monetary support for municipal services in the corporate area is exceptionally low. (p. 44)
- iii Central Government also controls the political environment in which KSAC operates. (p. 47)
- iv KSAC's political history and position as a major employer have resulted in many persons viewing it as more important for providing employment than for delivering services effectively. (p. 46)
- v There is "fuzziness" as to which level of government or which agency has responsibility for certain functions.

Recommendations

1. Work from the premise that the KSAC keep its present range of services and further expand into areas of critical need to the Kingston community. Realignments of authorities and responsibilities between KSAC and the Central government should be considered, but within the context of KSAC's maintaining at least the scale of responsibility with which it is now charged. The present trend towards greater Central Government dominance should be halted and preferably reversed. (p. 49)
2. The focus in KSAC should be on those activities in which there is the greatest community stake. Important objects of attention should be streets, public cleansing, planning and development control, and public health. (p. 49)
3. Change the perceived mission of the KSAC from one of serving its employees to the actual one of serving the public, from "provision of employment" to "effective delivery of services". (p. 50)
4. Build the basic financial and personnel systems that will enable the Corporation to operate in an orderly, disciplined, and efficient manner. KSAC should be given greater ability to determine its own revenue sources. (See also Recommendations 18, 19 and 20.). (p. 50)

Chapter V - Finance and Financial Management

Findings

- vi KSAC is wholly dependent on Central Government for revenues. (pp. 52, 53)
- vii The present financial processes of the KSAC lack credibility in that they are poorly utilised or nonexistent. (p. 51)

- viii Recurrent budget submissions have been late, have not been examined properly and have been little used for financial control. (p. 54)
- ix The operation of the accounting system is lacking in many features. (p. 57)
- x The audit process is little used and not complied with. (p. 59)
- xi The capital budget shares these faults and is not linked to development planning. (p. 61)
- xii There are serious staffing gaps in relation to budget analysis and computer systems support. (pp. 58, 66)
- xiii The basic computerised budget and accounting system is well designed even though poorly utilised. (pp. 57, 65)

Recommendations

- 5.* Give top priority to strengthening the process of budget making and monitoring. Ensure that future budgets are prepared and submitted on time* and are subjected to detailed review and examination within KSAC before submission to the Ministry of Local Government. (p. 67)
- 6.* Introduce changes in the computerised accounting system to produce meaningful management information and a better reporting system. (p. 68)
- 7.* Expedite completion of Year-End Financial Statements now seriously in arrears. (p. 68)
- 8. Appoint a high-level Director (Head) of Financial Management over all financial functions. (p. 69)
- 9. Create and staff a budget analysis and management unit. (p. 71)
- 10. Create and staff a systems support unit and use it to strengthen KSAC's use of the shared computer service while building complementary in-house computer capacity. (p. 72)
- 11. Improve the Office of Financial Management's accommodation, facilities and equipment. (p.73)
- 12. Initiate a management planning and performance measurement system to support the budget process and serve the Town Clerk in a newly strengthened role as Chief Executive. (p. 76)
- 13. Transfer the internal audit function from the Town Clerk's Office to the Office of Financial Management. (p. 72)

14. Designate the existing Office of the City Treasurer as the Financial Control Unit in the Office of Financial Management. (p. 71)
15. Bring the accounting system up to generally accepted municipal levels, including the introduction of missing components such as an accounts payable system and a computerised general ledger. (p. 78)
16. Use the internal audit function to identify weaknesses that need to be corrected. (p. 72)
17. Establish a restructured capital budgeting process linked as closely as possible to development planning. (p. 80)
18. KSAC should be allowed to upgrade and modernise its fees and fines to enhance "own source" revenue collection. (p. 81)
19. Central Government should explore the potential to allow KSAC to charge a surtax (or "piggy back") on an improved real property tax system which would remain a component of the national revenue system. (p. 82)
20. Central Government should introduce new approaches to the private development process that would allow KSAC (and parish councils) to mandate developer contributions (in cash or in kind) to supporting infrastructure installation. (p. 83)
21. The size of KSAC's accumulated deficit should be identified and measures taken to resolve it. (p. 84)
22. Establish a more clearly defined framework for KSAC fiscal responsibility and Central Government financial control in cases where local discipline breaks down. (p. 85)

Chapter VI - Personnel System Management

Findings

- xiv Appointments and other personnel actions involve such a variety of actors that responsibility cannot be ascribed to anyone of them. (p. 89A)
- xv About half of the KSAC staff are employed on an "acting" basis, too many of them over a number of years with resultant deterioration in morale and performance. (p. 89B & N)
- xvi A review of KSAC salaries and classification levels is long overdue and key positions have not been filled because of low pay, etc. (pp. 89C, 90H, 92O)
- xvii There is overmanning, unnecessary overtime payments are made, and disciplinary procedures are lax. (p. 90, D, E & L)

- xviii KSAC personnel records are incomplete and inaccurate and the Personnel Department poorly organised. (pp. 90, 93T, 92Q)
- xix Discipline and management/labour relations are poor. (pp. 90G, 91L, 93S)
- xx Staff training and Councillor orientation programmes are virtually nonexistent. (p. 90K)
- xxi Staff manuals do not exist. (p. 91M)
- xxii No real attempt is made to fill vacant posts from external sources. (p. 91N)

Recommendations

- 23. The role of the Municipal Services Commission should be changed from that of a body actively concerned with individual staff appointments, promotions service conditions and discipline to that of an appeals board and oversight agency. (p. 95A.5)
- 24. Future appointments of the Town Clerk (Chief Executive) should be made by the Council. The Heads of Departments should be appointed by the Town Clerk (Chief Executive), subject to Council confirmation, and the remaining staff by the Town Clerk, with power to delegate such appointments to Heads of Departments in respect of their own departmental staff. In this way proper accountability (not now existing) would be established. However, all Officers, including the Town Clerk (Chief Executive) himself, should have the right of appeal against dismissal, or specified disciplinary measures, on the grounds of unfairness, unreasonableness or insufficient cause. (p. 94A) (See also recommendation 27)
- 25. A comprehensive classification and compensation plan should be undertaken without delay, with near-future recruitment, selection and promotions predicated on the new plan. (p. 95C)
- 26. Within limits set by the Council, studies should be started with a view to establishing a balance between manpower requirements (which consume the largest portion of the total recurrent budget) and available fiscal resources. (p. 95E)
- 27. Discipline should be tightened with the adoption of a management organisation which gives priority to accountability, accompanied by an agreed and uniform written disciplinary and grievance procedure. (p. 97L)
- 28. All "acting" appointments should be reviewed and early action taken to confirm the appointment or remove the person. (p.95B)

29. All personnel records should be updated and improved in order (among other things) to facilitate the prompt administration of retirement procedures and the planning of any necessary replacements flowing from retirements. (pp. 96F, 99Q & R)
30. Manuals about personnel policy and conditions of service should be prepared and made available to all affected employees. Manuals about rules and procedures should be prepared for the guidance of departments. (p. 97M)
31. Competitive tests, with strict qualification criteria, should be introduced for promotions to all vacancies within KSAC, and the number of external recruitments increased to bring in fresh blood. (p. 98N)
32. Proper performance evaluations should be introduced. (p. 98P)
33. Labour/management relations in KSAC should be reviewed periodically and agreements with unions evidenced in writing. (p. 100S)
34. The senior officer responsible for personnel management services should be elevated and given Chief Officer (head of department) status. (p. 100T)
35. The importance of training should be emphasised by the immediate appointment or secondment of a properly qualified and experienced Training Officer. (p. 101T.2)

Chapter VII - Planning and Development

Findings

- xxiii There is a lack of up-to-date maps of the corporate area showing existing use/density/infrastructure conditions. (p. 109)
- xxiv There is a lack of up-to-date ground rules for the location/density/character of physical development. (p. 109)
- xxv Both the Planning Department of KSAC and the Central Government Town Planning Department suffer from overheavy workloads, insufficient skills and inadequate status. (p. 111)
- xxvi There is loss of economic development within the corporate area (with national repercussions) because of (a) slow processing of applications, (b) failure to promulgate clear guidelines and (c) failure to provide public sector infrastructure. (pp. 104, 110, 113D)
- xxvii There is a lack of accountability and responsiveness in functional review agencies. (p. 113)

- xxviii The KSAC's Building and Planning Committee focuses too much on technical detail (which is not its proper function) rather than broad policy issues. (p. 113)
- xxix There are excessive violations because of inadequate enforcement and insufficient penalties. (p. 115)
- xxx There is a proliferation and duplication of forms. (p. 116)

Recommendations

- 36. The highest priority should be given to the completion and publication of a new Development Order for Kingston and of several small-area action plans, such as for New Kingston and surrounding neighbourhoods. (p. 116A.1, 3, 4)
- 37. Increase the resources of the survey and town planning agencies to enable them to produce up-to-date mapping needed for forward planning in the corporate area; such maps should be made available to the public. (p. 117A.2)
- 38. Review and upgrade the salary scales and classifications of planning staff in both KSAC and Town Planning Department (of Central Government). (p. 118B.1)
- 39. As a short-term measure, the staff engaged on plan and subdivision review of applications and the preparation of action plans should be supplemented through international technical assistance. (p. 118B.5)
- 40. Provide further and specialised post-entry training for building inspectors. (p. 118B.3)
- 41. Create several additional professional planning posts in the Town Planning Department and KSAC. (p. 118B.2)
- 42. Increase mobility of building inspectors through better transport provision. (p. 118B.1)
- 43. Create a benefit assessment levy system for areas to benefit from street and infrastructure improvements. (p. 119C.1)
- 44. Introduce legislation to require contributions (financial or physical) towards additional public works provision as a condition of plan approval. (p. 119C.2)
- 45. Time limits should be imposed on the submission of observations by other agencies consulted in the planning process. (p. 119D)
- 46. The KSAC Building and Planning Committee should concentrate on policy issues, and building permit approval be delegated to technical officers. (p. 120E)

- 47. Revise enforcement penalties both upward and on a graduated scale commensurate with the seriousness of violation. (p. 120F.1)
- 48. Raise statute of limitations for pursuing violations from two to five years after actual contravention. (p. 120F.2)
- 49. Increase enforcement staff and legal effort to combat contraventions. (p. 121F.3)
- 50. Introduce better designed planning and building inspection forms. (p. 121)

Chapter VIII - Public Cleansing

Findings

- xxxi The Public Cleansing Department (PCD), despite many deficiencies, is still a viable entity substantially performing its major job of solid refuse collection and disposal. (p. 122)
- xxxii PCD only marginally performs its job of drain and gully cleaning. (p. 130)
- xxxiii Significant and timely improvements in public cleansing can be effected at relatively low cost without resorting to mass layoffs, extensive privatization or the introduction of expensive capital equipment.
- xxxiv The suggested extension of privatization of refuse collection is not justified since a comparison of true collection costs between PCD and private carters indicates that the frequently cited advantages of the private sector are not attributable to higher productivity but to markedly lower wages. (p. 122)
- xxxv There are frequent well-documented failures of the Public Cleansing management to deploy personnel effectively and verify work actually performed. (p. 125)
- xxxvi A considerable number of employees (especially sweepers and sidemen) who have reached retirement age are kept on as "temporaries", often for years, because of long delays in processing their retirement benefit applications. (p. 125)
- xxxvii An excessive burden of unproductive and unwarranted overtime exists. (p. 124)
- xxxviii Tools and equipment are inadequate and often in short supply (even brooms, shovels and gloves). (pp. 126, 127)
- xxxix The Bumper Hall Facility for dispatching trucks and collection personnel is rundown and is littered with wrecked vehicles. It lacks even basic maintenance facilities and is in need of a yard dispatcher. (p. 128)

- x1 PCD lacks even a rudimentary management information system and staff to provide data on routes, equipment, personnel, contractors, etc. (p. 129)
- xli Disposal site facilities require major improvements, including a paved road, a weighbridge, and other amenities. (pp. 124, 133-134)

Recommendations

- 51. Eliminate the considerable lag in processing retirement benefits in order to accelerate attrition of overstaffed PCD labour force through mandatory retirements. (p. 125)
- 52. Retain present use of private contractors but impose stricter and competitively bid contracts. (p. 122)
- 53. Survey and sell off unserviceable vehicles. (p. 129)
- 54. As attrition proceeds, negotiate for 3-loader refuse collection vehicle crews. (p. 126)
- 55. Provide dispatcher or yardmaster at Bumper Hall depot. (p. 129)
- 56. Supply extra brooms to street auditors. (p. 127)
- 57. Mandate brooms on collection vehicles, both PCD and private. (p. 127)
- 58. Contract two prototype private sweeping routes for cost comparisons. (p. 127)
- 59. Reestablish proper control of overtime sheets to verify personnel actually working. (p. 130)
- 60. Build prototype alley concrete pads for refuse. (p. 127)
- 61. Provide management information assistant to Chief Administrative Officer. (p. 129)
- 62. Provide transport to Superintendent and Chief Administrative Officer. (p. 130)
- 63. Stock gloves, shovels, brooms and other basic supplies. (p. 128)
- 64. Restructure collection and sweeping routes on a rational basis. (p. 123)
- 65. Install a weighbridge at the Riverton disposal site. (p. 135)
- 66. Restructure schedules to reflect changes made for security reasons. (p. 123)

67. Provide wheelbarrows and additional handtools for gully crews. (p. 131)
68. Provide truck mounted crane and allocate transport to support gully crews. (p. 132)
69. Construct paved roadway from Spanish Town Road to Duhaney River bridge at the Riverton disposal site. (p. 134)
70. Provide Caterpillar D7, or equivalent, at the Riverton disposal site. (p. 135)
71. Establish a secure landfill office at Riverton disposal site. (p. 135)

Chapter IX - The KSAC City Engineer's Office

Findings

- xlvi The KSAC public works organisation is in disarray because of vacillation in deciding on precise allocation of functions between KSAC and Central Government or delays in transferring functions away from KSAC, making it impossible for the City Engineer to plan ahead. (p. 140)
- xlvi Management and technical staff are depleted, there are too many layers of supervision and too many manual workers for current or future work programmes. (p. 146)
- xlvii Considerable overtime has been incurred despite Town Clerk's directive that it be severely restructured. (p. 144)
- xlviii The Office's budget is insufficient for its needs, and there is no cost or project accounting capability. (pp. 142, 144)
- xlvi The City Engineer's time is divested and fragmented to the prejudice of his management capability. (p. 147)
- xlvi The City Engineer's Office is not yet geared to complement the Kingston Metropolitan Region Urban Transportation Project (KMR-UTP). There are technical assistance gaps, problems in timing, and unclear definitions of transitional and parallel responsibilities. (p. 149)

Recommendations

72. Speed up reorganisation of the department to reflect the reduced/collapsing scope of City Engineer Office's responsibilities and to accommodate the KMR-UTP requirements. A plan for reorganisation should be completed by June of 1984. (p. 157-1.a)

73. Formulate decisive plans regarding (1) final spin-off of rural water works functions; (2) final disposition of the traffic engineering function; (3) clarification of the planning function; and (4) clarification of the disposition of vehicle repair responsibilities. This should be completed by December of 1984. (p. 157-1.b)
74. Develop a budget and operational plan suitable to infrastructure needs and constituency requirements. Establish a forward plan of required construction and maintenance works with associated priorities (by constituency if necessary). (p. 157-2.)
75. Accelerate completion of the KMR-UTP's Roads and Works depot. (p. 157-3.)
76. Funding for technical assistance is strongly recommended to provide for making the KMR-UTP accountant full-time and for hiring a management consultant to assist the City Engineer for at least a year. (p. 158-1.)
77. Expand/adjust the scope/content/role of the counterpart and consultant accountants who are targeted for KMR-UTP implementation. (p. 158-2.)
78. The KMR-VTP accounting system development (a) should be made compatible with the general KSAC system; (b) should not be run parallel to the rest of the City Engineer's Office; and (c) should be thought of as a tactical device to drive similar improvements through the entire KSAC accounting system. Assess the possible need for micro-computers and address the issue of their compatibility with the ICL mainframe. (p. 158-3.)
79. The Electronic Data Processing (EDP) accounting system should be updated to (a) reflect a reorganised department and personnel descriptions; (b) enable production of timely management information system reports; (c) merge the capital expense EDP report with the recurrent expense EDP report; and (d) provide capability of producing cost accounting data suitable to meet World Bank loan administration requirements. (p. 158-4.)
80. Appoint a City Engineer, not an acting one. (p. 158)
81. Hire an executive or administrative assistant to the City Engineer who can be delegated organisational, management and public relations responsibilities. (p. 158)
82. Speed up the recruitment of the KMR-UTP staff (two engineers and one accountant). Consider the City Engineer's proposal to elevate the position/status of the key KMR-UTP positions from the project level to City Engineer level. (p. 159)

- 83. Perform workflow, staff requirement, and job content analyses to (a) develop a rational staff load plan; and (b) rectify the "acting" status of key staff (i.e. hire qualified staff or construct a narrower set of duties for various posts); in order to (c) devise a management plan which will enable the City Engineer to adjust the organisation and management systems as various developmental phases occur (e.g., eventual assumption by the National Water Commission of all KSAC waterworks). The analyses should be completed by August of 1984, the management plan by January of 1985. (p. 159-5.)
- 84. Conduct a compensation review of pay scales for essential professional staff. (p. 159-6.)
- 85. Remove all retirable personnel from the City Engineer's Office payroll. (p. 159-7.)
- 86. Clamp down on overtime. Develop a two or three person control system to ensure that overtime is not abused. (p. 159-8.)
- 87. Consider systematising a recruitment effort to attract engineers currently residing elsewhere. For example, a record of Jamaicans studying or working abroad could be used as a source for "blind" recruiting. (p. 159-9.)

Chapter X - Organisation and Management of KSAC as a Local Authority

Findings

- xlvi

Relationships between Councillors and Officers of KSAC are poor and their respective roles often distorted and misunderstood. (p. 160)
- xlix

The KSAC Council is a highly political body which has become increasingly regarded as a ritualistic "talking shop" with its powers largely divested to executive committees; its public standing is consequently diminished. (p. 161)
- l

The Committee system is badly organised and the number of committees too large. They give too much attention to administrative detail and too little to policy and key decisions. It is wasteful of Officers' time, and coordination problems are serious. (p. 164)
- li

Response by Officers to requests by Councillors for information on both policy issues and constituency problems is poor. (p. 161, 163)
- lii

There is little linkage made by Council or Officers between the primary issues of finance and manpower resources. (p. 165)

- liii The present departmental organisation is inward looking and closely compartmented, with little intercommunication and no corporate approach to important objectives. (p. 166)
- liv The Town Clerk's powers and status have been progressively eroded and his accountability is uncertain. (p. 169)
- lv The adoption of the city manager system in its entirety would be inappropriate to KSAC, but there are features of the system which could be usefully introduced. (p. 170)
- lvi There are functional areas (e.g. poor relief, development planning and regulation, etc.) where both Central Government and KSAC have a presence but the demarkation is not always clear; and there are other areas where KSAC has no primary function but is still undertaking activities. (p. 174)
- lvii Certain organisational difficulties exist within departments (e.g. need to coordinate legal work, property records, etc.).

Recommendations

- 88. Both Councillors and staff need to engage in a clarification of their respective roles and then work towards performing these roles in a spirit of mutual confidence and trust.
- 89. The Council must have ultimate direction and control of the authority's affairs and make key decisions with professional advice from the Town Clerk (Chief Executive) and his Officers, who in turn should be given full responsibility for the execution of decisions and provide regular feedback information to enable Councillors to monitor performance.
- 90. The Chief Executive must be made truly accountable to the Council (through the appointment and removal processes) for the efficient and effective implementation of its policies.
- 91. The present Town Clerk's Department should be divided and reorganised (Administration and Personnel) and the new Chief Executive freed of departmental responsibilities. (p. 173)
- 92. As the present Town Clerk is retiring soon, a new and highly qualified manager must be recruited with all due haste. This future Chief Executive Officer of KSAC must primarily be a thoroughly experienced manager (not necessarily with local government experience) with the capacity to motivate his staff and communicate enthusiasm, and with a sense of duty which is uninfluenced by political pressures. (p. 173)

93. The future Chief Executive should be subject to an individual service contract with a right of appeal to the Municipal Services Commission against early dismissal on grounds of unfairness, unreasonableness or insufficient cause. A particularly attractive compensation package would be essential. (p. 173)
94. The changed role of the head of KSAC's paid service could be emphasised via an alteration in official title. (p. 173)
95. The present compartmentalised departmental organisation within KSAC must be replaced by a corporate management approach through team management at Chief Officer level. (p. 173)
96. A new standing order (or, if necessary, amending legislation) should be introduced to restrict Council deliberations to matters affecting the functions of the Council and the interests of the corporate area and its inhabitants. (p. 162)
97. Committees' terms of delegation should be revised so that really important policy issues are determined by the full Council. (p. 162)
98. The KSAC should be required by law to prepare an Annual Report on its activities which should have the widest publicity and, additionally, there should be a regular and frequent distribution of civic news. (p. 163)
99. The KSAC Public Relations Office should be strengthened to provide speedier replies to public complaints and to deal promptly with Councillors' requests for information on constituency problems. (p. 163)
100. The structure of Committees should be changed so that they all work to a corporate plan embracing the main policy aims of the Council, to widen their scope for policy decisions and reduce present time-wasting on detail. This should be accompanied by greater delegation to Officers. (p. 164)
101. To effect the above, the number of committees should be reduced by grouping together those which are allied functionally. An incidental result could be a saving in committee costs and Councillors' attendance allowances. (p. 164)
102. Policy and Finance should be closely linked at elected member level by the creation of a Policy and Resources Committee to control the major resources (financial, manpower and physical assets) and to monitor performance, vis-a-vis the corporate plan, by functional committees. (p. 165)

103. Central Government and/or KSAC should consider present overlapping or inappropriate functions and other organisational matters relating to:

- (a) Poor relief and public assistance functions.
- (b) Ministerial responsibility for the Board of Supervision.
- (c) Social services generally.
- (d) School health and dental services in the corporate area.
- (e) The legal work of KSAC.
- (f) Future indoor relief provision by KSAC. (p. 174)

PART C: ACTION CENTRES FOR IMPLEMENTING SELECTED HIGH PRIORITY RECOMMENDATIONS
(Responsibility for initiating and coordinating action)

FOR ACTION BY MINISTRY OF LOCAL GOVERNMENT

S H O R T T E R M

- M1. Help reestablish the KSAC Council in its proper role as a policy making body not immersed in administrative detail (Recs. A.2; B.100).
- M2. Approve and help install the new policies and procedures proposed for appointing and removing the Town Clerk, Chief Officers and staff (Recs. B.24, 96, 97, 98).
- M3. Approve the establishment of important new positions proposed, including Heads of Financial Management and Personnel Management, Budget and Systems Support Managers and Executive Assistant for City Engineer (Recs. B.8, 9, 10, 34, 81).
- M4. Help sort out any overlapping or inappropriate functions vis-a-vis KSAC and other agencies (Rec. B.108).

In Coordination with Ministry of Public Service

- M5. Arrange for a survey to result in an up-dated and comprehensive classification and pay plan covering KSAC staff (Rec. B.25).
- M6. Institute a new system for rapid processing of retirement benefits to speed up attrition of excess staff (Recs. B.29, 51).

In Coordination with Ministry of Finance

- M7. Promote fiscal responsibility by according KSAC greater freedom in raising and utilising revenue (fees, fines, other charges, surtax on property tax, etc.) (Recs. A.6; B.4, 18, 19, 20, 43, 44).
- M8. Give high priority to strengthening KSAC budget preparation, examination and monitoring (Rec. B5).
- M9. Define more clearly the framework for KSAC fiscal responsibility and Central Government financial control (Rec. B.22).

L O N G T E R M

- M10. Seek legislation to change role of Municipal Services Commission to an appeals board and oversight agency (Rec. B.23).

In Coordination with Ministry of Finance

- M11. Help to identify size of KSAC's accumulated deficit and take measures to resolve it (Rec. B.21).

FOR ACTION BY KSAC COUNCIL

Council Role

- C1. Reestablish the Council as the key policy setting and decision making body of the Corporation not involved in matters of day-to-day administration or technical detail (e.g. building permit approval). (Recs. A.2; B.89, 97.)

Chief Executive Officer

- C2. Recruit a highly qualified and experienced manager (not necessarily with local government experience) to serve as Town Clerk (Chief Executive Officer), fully accountable to the Council in executing its policies (Recs. B.24, 89, 90).

- C3. Secure for this Chief Executive Officer an individual service contract, a very attractive compensation package, the full authority to manage and the right of appeal against arbitrary dismissal (Rec. B.93).

Organisation

- C4. Approve the following organisational restructuring:
- (a) a new Financial Management Dept. including the following units:
 - Financial Control (formerly City Treasurer's Office) (Rec. B.8).
 - Budget & Management (new unit) (Recs. B.9, 14).
 - Systems Support (new Computer Unit) (Rec. B.10).
 - Internal Audit (transfer from Town Clerk's Dept.) (Rec. B.13).
 - (b) a new high-level Personnel Management Dept. (Rec. B.34).
 - (c) an Administrative Services Dept. (Rec. B.91).
[(b) and (c) created out of former Town Clerk's Dept.]
- C5. Help speed up reorganisation of City Engineer's Department to accommodate KMR-UT Project requirements (Rec. B.72).

Staffing

- C6. Approve establishment and filling (with MLG clearance) of the following new posts:
- (a) Head of Financial Management (Rec. B.8).
 - (b) Head of Personnel Management (Rec. B.34).
 - (c) Head of Administrative Services (Rec. B.91).
 - (d) Budget Manager (Rec. B.9).
 - (e) Systems Support (Computer) Manager (Rec. B.81).
 - (f) Executive Assistant (for City Engineer's Dept.) (Rec. B.81).
 - (g) Management Consultant (for City Engineer's Office) (Rec. B.76).
 - (h) Management Information Assistant (for PCD) (Rec. B.61).
 - (i) Yardmaster/Dispatcher at Bumper Hall (for PCD) (Rec. B.55).
 - (j) Additional professional planning positions (Rec. B.41).
 - (k) Additional planning and building control enforcement positions (Rec. B.49).
- C7. Establish policy of reducing excess staff through normal attrition, with emphasis on retirement (and speedy payment of terminal benefits] (Recs. A.5; B.29, 51, 85).
- C8. Petition Ministries of Local Gov't and Public Service for an updated classification and pay plan for KSAÇ staff, with priority emphasis on managerial and professional/technical positions (Rec. B.25).

Budgeting

- C9. Give high priority to monitoring and strengthening KSAC budget preparation, its timely submission, examination and continuing review (Rec. B.5).

Committees

- C10. Promulgate new standing order limiting Council debate to matters affecting corporate area (Rec. B.96).
- C11. Revise Committee structure, membership and terms of reference and delegate more to staff (Rec. B.97, 100).

Public Cleansing

- C12. Impose stricter and competitively bid contracts for refuse collection but do not further extend use of private contractors under present conditions (Rec. B.52).
- C13. Seek to provide funding required by PCD for weighbridge, bulldozer land-fill office (at disposal site) wheelbarrows, hand tools and equipment (Recs. B.65, 70, 71, 63, 60, 56, 67, 68).

Planning

- C14. Petition town planning authorities to give highest priority to completion of a new Kings'con Development Order and necessary small area action plans (Rec. B.36).
- C15. Petition survey and town planning agencies to produce up-to-date mapping needed for forward planning (Rec. B.37).
- C16. Petition town planning authorities to impose time limits on the submission of observations by other agencies in the planning process (Rec. B.45).

PART C: ACTION CENTRES FOR IMPLEMENTING SELECTED HIGH PRIORITY RECOMMENDATIONS
(Responsibility for initiating and coordinating action)

FOR ACTION BY KSAC STAFF

<u>New Town Clerk</u>	<u>Personnel Management Office</u>	<u>Financial Management Office</u>
S1. Faithfully carry out the dual role of Advisor to the Council and Chief Executive Officer, fully accountable for executing its policies and decisions (Recs. A.2; B.89, 90).	S8. Install the proposed new system for appointing, promoting, and disciplining staff which gives authority to the responsible managers while maintaining the staff's right of appeal (Rec. B.24).	S17. Give highest priority to strengthening timely budget preparation, examination and monitoring and continue to liaise with Ministries of Local Government and Finance (Rec. B.5).
S2. Introduce modern management practices into KSAC including an internal management system that emphasises productivity, accountability, discipline, motivation and full communication with staff and Council (Recs. A.3; B.98).	S9. Expedite (through MIG & MPS) the establishment of an updated classification and pay plan for KSAC staff (Rec. B.25).	S18. Introduce changes in the computerised accounting system to produce a better management information reporting system (Rec. B.6).
S3. Carry out the necessary organisational restructuring approved by the Council (e.g. new Finance and Budget offices and MIS, new computer support services, upgraded personnel management office, etc.) (Rec. B.8-14, 34).	S10. Recruit a qualified Senior Training Officer and initiate a comprehensive staff development programme (Rec. B.35).	S19. Expedite completion of year-end Financial Statements now seriously in arrears. (Rec. B.7).
S4. Recruit the new high level staff required, especially in areas of finance and personnel management (Recs. B.8-10, 34).	S11. Carry out studies to identify requirements as well as over-staffing (Rec. B.26).	C20. Use the proposed new Systems Support Unit to improve KSAC use of the shared computer service (with MWCS) while building a complementary in-house computer capacity (Rec. B.6).
S5. Delegate full authority and responsibility to department heads for carrying out their functions (including selection of staff with Personnel guidelines) while also holding them fully accountable for performance (Rec. B.24).	S12. Reduce excess staff, with emphasis upon attrition through normal retirement and speedy payment of benefits (Rec. B.51,85).	C21. Use the proposed new Budget Unit to initiate a management planning and performance measurement system (Rec. B.12).
S6. Assume responsibility and accountability for the budget while delegating day-to-day administration to the Head of Financial Management (Rec. B.12).	S13. Initiate or make improvements in the following: - personnel policy & conditions of service manuals (Rec. B.30). - personnel records (Rec. B.29). - disciplinary and grievance procedures (Rec. B.27). - performance evaluations (Rec. B.32) - competitive tests for entry and promotion (Rec. B.31). - policies and procedures for control of overtime (Rec. B.59, 86).	C22. Establish a restructured capital budgeting process linked to development planning (Rec. B.17).
S7. Initiate a corporate management plan and approach through team management and coordination at Chief Officer level (Rec. B.100).	S14. Review and take appropriate action on the staggering number of "acting" appointments (Rec. B.28, 83).	C23. Use the internal audit function (transferred from Town Clerk's Dept.) to identify weakness needing correction (Rec. B.16).
	S14. Review and take appropriate action on the staggering number of "acting" appointments (Rec. B.28, 83).	C24. Calculate KSAC's accumulated deficit and coordinate with MIG and MF on measures to resolve it (Rec. B.21).
	S15. Continue to review labour-management relations and record union agreements in writing (Rec. B.33).	S25. Prepare proposal for KSAC to raise more revenues (fees, fines, other charges, benefit assessment levy, developer contributions, surtax on property tax, etc.) (Rec. A.6; B.4, 18, 19, 20, 43, 44).
	S16. Solicit international technical assistance required (e.g. professional planners, engineers) (Rec. B.39, 76, 77, 82).	
		<u>PCD & City Engineer's Office</u>
		S26. Coordinate closely with KMR-UTP to - expedite completion of road to refuse disposal site (Rec. B.69) - accelerate construction of Roads & Works Depot (Rec. B.75). - ensure compatibility of KMR-UTP accounting system with KSAC system (Rec. B.78).

CHAPTER III

BACKGROUND AND INTRODUCTION

I. Background

Kingston is the capital city of Jamaica and its seat of government, the municipal body responsible for providing local authority services being the Kingston and St. Andrew Corporation. Aside from the symbolic significance attaching to a capital city, the corporate area of Kingston and St. Andrew (see maps on the following pages) contains over a quarter of the total population of this country. With a land area of 174.7 square miles,¹ Kingston and St. Andrew is itself larger than any of the other islands in the British Caribbean except Trinidad and Dominica. Consequently, the quality of the city's administration, the services provided for its citizens, and the facilities and amenities it is able to provide in order to attract foreign tourists, businesses, international bodies and gatherings to Jamaica have all great significance for the social, political and economic life of the country as a whole. In other words, there is a considerable concentration of people and commercial enterprise in the metropolitan area. Unless the city's government performs successfully, there will be serious constraints on employment levels and other economic activity in the whole of Jamaica. There is virtually unanimous agreement that the standards of administration and service being provided by the Kingston and St. Andrew Corporation (KSAC) are woefully inadequate in practically every sphere, with citizens highly critical of the poor environmental conditions in which they have to live.

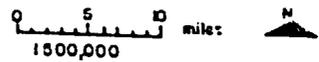
Agreement in the form of a Memorandum of Understanding was reached on 26th April, 1983 between the Ministry of Local Government, the Kingston and St. Andrew Corporation and the United States Agency for International Development on the need for a Management Audit of the KSAC. The purpose of the Audit is to determine ways of improving the administration and management of the Corporation and the services it provides. The Audit is to make recommendations on any changes which might appear necessary (including changes considered desirable in relationships between KSAC and Central Government) in order to create a more efficient and cost-effective system of local government which

¹ The Mills Report (quoting the Economic Survey of Jamaica, 1970) gives the area as 191 square miles, but the above represents the combined area of the parishes of Kingston and St. Andrew (8.4 and 166.3 square miles respectively) given in the Pocketbook of Statistics, Jamaica, 1982, published by the Department of Statistics.

MAP SHOWING
THE KINGSTON & ST. ANDREW CORPORATE AREA AND THE
OTHER TWELVE PARISHES IN JAMAICA



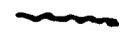
- - - Parish Boundaries



Source: Statistical year book of Jamaica 1980.

KINGSTON & ST. ANDREW

LEGEND

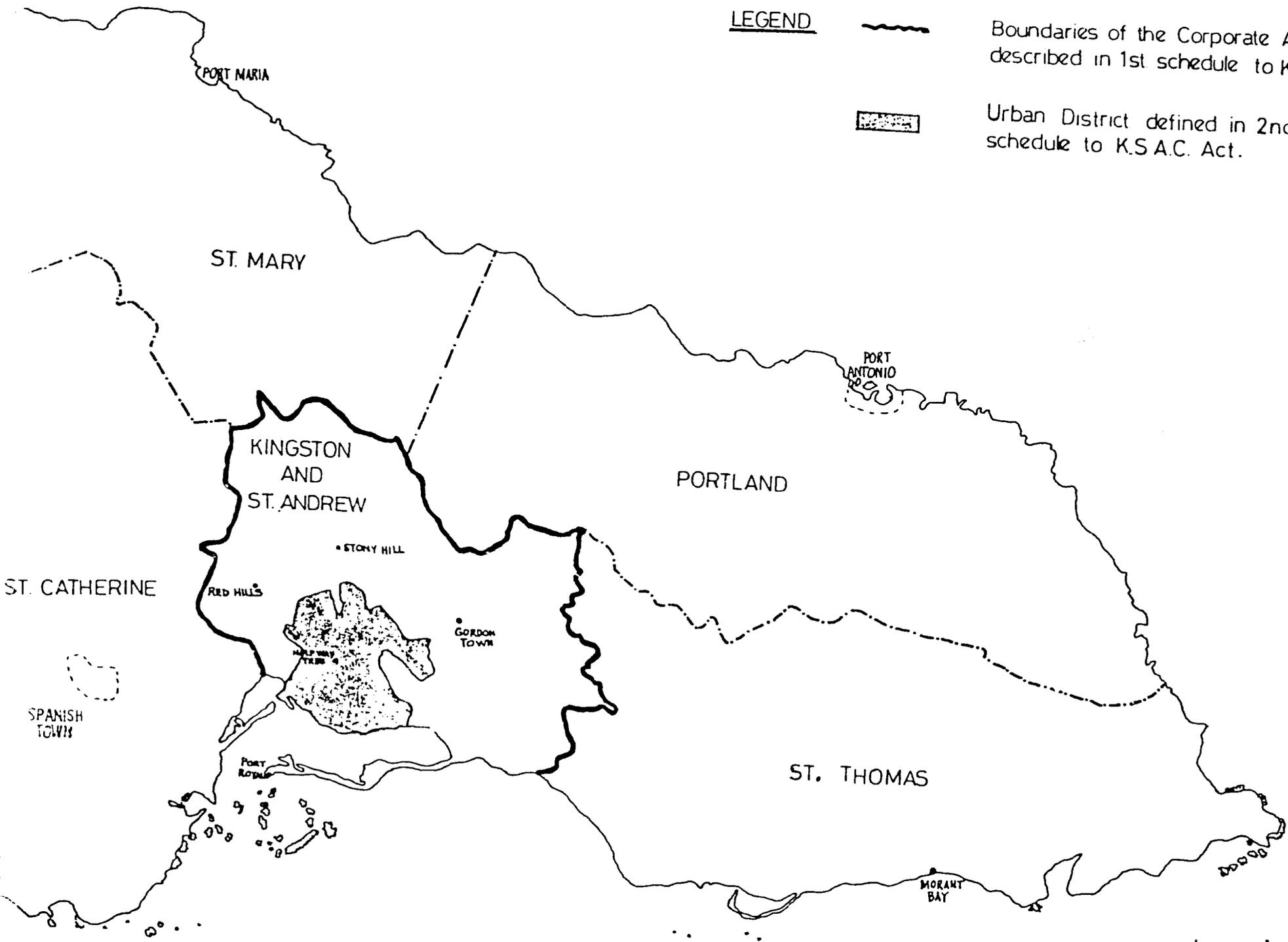


Boundaries of the Corporate Area described in 1st schedule to K.S.A.C. Act



Urban District defined in 2nd schedule to K.S.A.C. Act.

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is more responsive to the present-day needs of the citizens of Kingston and St. Andrew. The actual terms of reference for the Management Audit, brief and succinct, were as follows:

"To examine the operations of the Kingston and St. Andrew Corporation and make recommendations for achieving more efficient management."

Although management audits are not new to Jamaica, the KSAC's organisation and the scope of its services are far more complex and politically accented than those of the agencies previously subjected to this kind of examination. Consequently, no single consultant organisation contained all the talents and experience required. It was also obvious that a detailed and comprehensive investigation of all of the many services and activities of the KSAC could not be accomplished in the six months allowed by the Memorandum of Understanding. Therefore it was decided that the Management Audit would concentrate on the eight main fields of activity enumerated below and that the KSAC should itself commission subsequent audits of those sectional activities not covered in this report.

1. Relationships between Central Government and KSAC and the governmental structure within the Corporation;
2. Finance and Financial Management needs;
3. Public Cleansing and Sanitation;
4. Fire Protection and Prevention;
5. Administration and Personnel Management and Training;
6. Development Regulations and Control;
7. The City Engineer's Office; and
8. Government structure within the Corporation in the Organisation and Management of the KSAC.

The Management Audit Team had consisted of a coordinator, resident in Kingston and with an office in the Ministry of Local Government, who acted in liaison with the KSAC. In addition, visiting consultants specialising in one or more of the particular fields enumerated above were engaged to advise on the principal component parts of the review. The names of the Management Audit Team are set out in Appendix A.2. Unfortunately, considerable difficulty was encountered in securing the services of a consultant of sufficient standing and experience in fire protection and prevention, but it was felt that the investigation of the KSAC Fire Service was probably the one element of the Management Audit which could be undertaken as a separate study without prejudicing the timely submission of this report. However, a consultant has now been engaged and a supplementary report containing recommendations on the

uture management and organisation of the Fire Department will accordingly follow at a later date.

n studies of this kind it is important to develop a broad base of contact with, and information from, people with first hand practical experience of the problems involved throughout the entire audit period. This was accomplished in the following three ways:

1. By the appointment of a Senior Officer in the Ministry of Local Government to act as Liaison Officer between the Government of Jamaica and the Management Audit Team. This Officer had responsibility for keeping senior officers of other Ministries fully aware of the audit's progress so that it was seen to be a "Government" and not just a single Ministry concern.
2. Through an overall Advisory Committee for the Management Audit. This Committee was responsible for guidance and oversight of the audit process as a whole and for giving advice on any interim or early action proposals for change suggested by members of the Audit Team which might be commenced in advance of this report. The bodies represented on the Advisory Committee and their named representatives are set out in Appendix A.1.
3. Through working level groups (comprised of individual consultants and related Jamaican professional officers) operating as integral parts of the Audit.

I. Historical Note

ocal government in Jamaica dates from the 17th Century. The Kingston and St. Andrew Corporation was established in 1923 when the formerly separate parishes of Kingston and St. Andrew were amalgamated to form a single municipal unit by the Kingston and St. Andrew Corporation Law (No. 3 of 1923). This statute has been amended from time to time to provide for constitutional changes such as the abolition of aldermen and the introduction of elections based on universal suffrage (1947), the discontinuance of Members of Parliament as ex-officio Councillors (1956), and the control of staff appointments and promotions through the Municipal Services Commission (1956). However, the present Kingston and St. Andrew Corporation Act (Cap. 192), in terms of its depictions of the Council's powers, its principal officers, its financial administration and the operation of Central Government controls, is basically the same as its earlier predecessor. It was framed in the colonial era and adapted, with additional constraints imposed by the former Colonial Office in London, from 19th Century English local government legislation.

ne progressive changes and reforms and the introduction of modern management practices which have occurred in local government in the

United Kingdom and elsewhere have not been matched in Jamaica. Here the Central Government's controls over local authorities are probably greater than those which existed prior to Independence. The Kingston and St. Andrew Corporation Act alone contains no less than thirty-five instances where the specific consent, sanction, approval, direction or determination of the Minister of Local Government is required. The ultimate control, namely the power of the Minister to dissolve the Council and vest its powers in Commissioners, has been exercised twice in the case of the Kingston and St. Andrew Corporation; for one year in 1930-31 and again for nearly five years from June 1964 to March 1969.

III. Previous Proposals

The Audit Team has had the privilege of studying several proposals for the reform of local government in Jamaica which have been produced over the past four decades, including reports by the following:

- A. L. C. Hill (1943)
- B. M. Brownstone (1963)
- C. The Association of Local Government Authorities (1968)
- D. M. R. Rodrigues (1970)
- E. The Committee chaired by Professor G. E. Mills (1974).

However, these reports dealt with local government reform generally and covered Parish Councils as well as the Corporation. Although some of their findings may be echoed here, our recommendations relate solely to the management of the Kingston and St. Andrew Corporation. It is not our intention that they should be regarded as being automatically applicable to other local authorities.

In another category was the report on Solid Waste Management in the Kingston Metropolitan Area, prepared for the National Planning Agency by Wallace Evans and Partners (Jamaica) and Environmental Resources Limited. This report covered part of the parishes of St. Catherine and St. Thomas as well as the corporate area. Unfortunately, the value of this professionally prepared and informative report has been somewhat diminished because of the city's subsequent development and the limitation of our own investigation of the public cleansing service now being provided by the KSAC.

IV. The Political Dimension

There is no doubt that party politics play a highly significant part in local government in Jamaica. In the Kingston and St. Andrew Corporation this applies to the extent where political allegiance and the desire to make party political capital out of a particular issue is paramount in the minds of most Councillors. It is not unusual for the major part of a Council meeting to be taken up in

debating political issues of the moment which have no connection with any function of the KSAC. Questions of extreme importance, which are of direct concern to the effective governance of the city, are often deferred, left unresolved, or receive scant attention. These party political allegiances have also led to the following problems: patronage; widespread involvement and interference by elected members in day-to-day administration; the fettering of free debate by caucus decisions; public criticism of the actions of officers of the Council; and, consequently a marked reluctance by officers to make management decisions because of possible political repercussions which might affect their future career prospects. The complaints made to us about laxity in discipline are, in our view, directly related to this management failure.

In addition, there is evidence of tardiness on the part of officers to provide information and guidance to elected members; sometimes this is politically inspired. Councillors ex-officio have a legitimate interest in the progress of matters involving their constituents. It is frequently only a lack of information to which they are entitled which causes them to try and pursue such matters through the administrative machine. Thus, largely stemming from a highly charged political atmosphere, there is an absence of unity in the internal organisation of the Council. Elected members and officers are too often critical and suspicious of each other's role. This friction has impaired both morale and efficiency. We believe that one of our tasks is to try to clarify the relationship between elected members and officers in order to promote an effective and harmonious working partnership.

Alternative Management Possibilities

The terms of reference for the Management Audit permitted consideration of (1) a possible transfer of all of KSAC's present responsibilities to another body, or (2) the separate transfer of functions to Government Departments, parastatal organisations, ad hoc authorities or private enterprise. We are aware, for example, that local authorities have been completely abolished in Barbados, and that their former functions are now performed island-wide by the Central Government. After careful study, however, the Audit Team is of the unanimous opinion that responsibility for the local Government of the capital city should continue to rest with the KSAC.

Our reasons for this recommendation are as follows:

- A. The population and extent of the corporate area (565,487 and 174.7 square miles) are both greater than the whole of Barbados; it would be almost unthinkable to have a city of this magnitude without a local authority.
- B. To substitute an appointed body for an elected council would be the negation of the democratic system to which the Government of Jamaica is so firmly committed. Furthermore, the abolition of the KSAC would nullify that greater public participation in local affairs which the Government wishes to encourage.

- C. There is certainly no guarantee that a substituted organisation could manage the city or any individual function more effectively. Because of the size and complexity of KSAC's operations, the only alternative body tried so far (Appointed Commissioners) had to use its existing organisation and staff. A fragmentation of the multitude of functions now undertaken by the Corporation is likely to result in less rather than more efficiency.
- D. People elected by and in close contact with the citizens of the corporate area are likely to be more sensitive to local problems and to have greater knowledge of the locality concerned. Decisions affecting local problems are best made locally by people known to and approachable by those citizens rather than by "faceless" bureaucrats at the centre who would be more remote and have a less intimate knowledge of any special circumstances involved.
- E. Successive Prime Ministers have voiced their firm commitment to local democracy. This has been evidenced by the continuous designation of a Cabinet Minister with specific responsibility for the oversight of local government.
- F. Though palpably absent at the moment, there is a capacity within the KSAC for enlisting public support and enthusiasm for projects aimed at improving environmental, social and economic conditions in the city and for engendering civic pride.

However, while urging the retention of KSAC, we are equally unanimous in the view that significant changes are needed in the structure, organisation, management and resources of this major local authority. Even present functions are not sacrosanct. The changes recommended in this report are not cosmetic. Although some improvements can be effected quickly within the existing legislative structure, the more important recommendations will require Ministerial and Parliamentary action. None can be adopted without a realisation, by both Government and the KSAC, that this is not just a further study report which can gather dust on the shelf, but one which presents a critical opportunity to provide effective management machinery for "the good rule and government" of Jamaica's capital.

VI. Summary of Recommendations

1. Despite its present shortcomings, responsibility for the local government of Jamaica's capital city should continue to rest with KSAC, but
2. Significant changes are required in KSAC's structure, organisation, management and resources in order to improve its effectiveness and the quality of its performance.

CHAPTER IV

CENTRAL GOVERNMENT AND KSAC RELATIONSHIPS

I. Introduction

Local government is subordinate government. It is controlled by the authority of a State (or nation). Local government, however, should not in fact be considered a "subservient" government. It is not inferior to, or of lesser quality than, a central government. In fact, there are many examples throughout the world where citizens feel closer to their local government and maintain that it is of superior quality.

Where local authorities are valued and respected, there is typically a creative tension between them and the central government. Such tension is particularly stimulated when local governments are provided substantial autonomy in respect to finances, structure, and services to be provided. The contrast, of course, is where there is no unit of government to integrate local, area interests, and thus where the local authority is simply an extension of the higher level of government.

A local authority such as the Kingston and St. Andrew Corporation, then, must define the following two issues in considering its future:

A. The significance of a unit of government that covers a geographic area and speaks for its people. Such a role is closely allied to the opportunities for democratic participation in the affairs of a society.

B. The scale at which it is most appropriate to undertake functions that have direct impact on the lives of the people of a community.

Today Kingston is neither fish nor fowl. It is not a fully functioning local government able to fulfill the two demands placed on local authorities in a democratic society. But neither is the KSAC simply a bureau of the Central Government. Though it is drifting perilously toward this latter status, the Corporation still has the tradition and much of the support to return to the role of a true local authority. Clearly there is a decision to be made on Kingston's direction; it is critical not only to the future of a specific metropolitan area, but to the whole nation.

An understanding of the issues involved can be furthered by a detailed examination of current conditions within which the Kingston and St. Andrew Corporation operate. Such an examination can help

to highlight the starkness of the alternatives; and it can create a better appreciation of the complex, inter-organisational environment within which the KSAC operates.

Before proceeding further, however, we should leave no doubt about the basic conclusion of the Management Audit. It has been detailed earlier in this report: the Kingston and St. Andrew Corporation should be continued and should be helped to become a fully functioning, effective local authority.

Such a recommendation is not new! It follows similar conclusions reached in virtually all previous studies of local government in Jamaica. Beginning with the 1943 Hill proposal and followed by the Brownstone (1963), Rodriguez (1970), and Mills (1974) reports, the message has been the same. "Now is the time to concentrate on local government." Persons inside and outside the government regularly voice a similar message. Despite this rhetoric, however, the situation has worsened. The time has come to turn things around. What the economic, social, and political conditions of Jamaica now require is a highly effective, highly responsive local authority in the nation's capital city.

Thus this chapter states again the basic recommendation of the Management Audit; the challenge now is to provide further logic for this highly significant judgement. In developing that logic, it will be necessary to:

- A. Review briefly the broad organisational issues implicit in these considerations.
- B. Provide a further sense of the role and mission of local authorities, particularly as they are to be found in democratic societies, concluding with indications of the ingredients required in a model local authority.
- C. Compare the current role and status of the Kingston and St. Andrew Corporation to the suggested model, with particular reference to the aspects of the Corporation that do not accord with the ideal local authority.
- D. Propose the essential steps which must be taken to provide for the support to a development process by which KSAC will become a fully functioning local authority.

II. The Broad Organisational Question: Centralisation or Decentralisation?

Jamaica, like many other societies, is becoming increasingly centralised, both in a political and economic sense. Yet most of the formal argument for such movement tends to rest on economic grounds, namely that organisational integration leads to greater efficiencies.

It has been increasingly demonstrated, however, that, even in the short run, large-scale organisations produce diseconomies rather than economies. In one of the most popular management books ever published in the United States, In Search of Excellence, Peters and Waterman particularly focus on the fallacies of high centralisation in the industrial, and business contexts. Indeed, they make the argument that diseconomies begin to appear when enterprises move even beyond a small size.

Important as economic considerations are, they are not in many respects the most significant. In today's rapidly changing, highly complex world, the real problem of organisation involves the capacity to change with the shifting needs and requirements of a constituency. Put another way, it is far more desirable to be engaged in relevant, needed activities with somewhat less efficiency than to undertake the irrelevant with maximum efficiency. An MIT professor, Donald Schon, has written particularly eloquently on the point, demonstrating that the concentration of intelligence at the centre tends to deprive the periphery, where the challenge of change really exists, of needed capacity to learn and to change. Thus the closer decisions and actions can be brought to the scene of action, the more likely it is that change will not only occur but that it will have the required quality.

Finally, we must understand that government organisations are different from those in the private sector. Governments are created not merely to deliver services but, more importantly, to protect and support democracy. Certainly local authorities, as the "grass roots" in which citizen participation is easiest and most likely to occur, lie at the heart of such considerations. Yet much of what is happening, even in the nations most devoted to local authorities, seems to be operating in violation of such basic premises. Regard the writing of Anthony Sampson, in Changing Anatomy of Britain, in which he makes the following comment: "The combination of bureaucracy and centralisation in the metropolis had marked many declining empires, whose hopes for revival lay in provinces which were less demoralised by extravagances and overmanning. But the flow of power towards Whitehall and the Treasury has increased over recent years as local authorities, lacking their own proper accountability, have lost still more of their autonomy. Each mistake at the centre has been reflected round the periphery. When the Treasury retrenches, every university, school and local council has to retrench: the centre can only keep all these overlapping circles in check by the crudest yardstick of money."

III. Local Authorities and Their Role

As part of the analysis, it is important to develop an appreciation of the highly significant role and functions local authorities discharge in many societies. The more decentralised societies (in terms of the amount of revenues and expenditures of local authorities) include Switzerland, Sweden, Yugoslavia, Great Britain, and the United States.

The grass roots institutions that aggregate local citizen demands and discharge important service functions vary considerably from nation to nation. Indeed, in the larger societies, there tends to be more than one form of local authority. In the United States, for example, the two basic forms of local government are cities and counties. Though they perform similar tasks and functions in many ways, it is interesting that their origins are quite different.

In the case of municipalities (cities), three key ingredients generally lead to their establishment. They are: (a) geographical proximity of a population who mutually desire the delivery of services; (b) the ability and willingness of those same citizens to pool their fiscal resources; and (c) agreement among the citizens on the appropriate administrative mechanism.

Counties, in contrast, were created for an entirely different set of reasons. In their case, land area was designated by a higher level of government (the state) and assigned to the county jurisdiction. Such a designation occurred without regard to the location of population. Thus the primary reason for creating a county was to decentralise state functions and administrative mechanisms. What the state needed was an organisational structure which was uniform throughout all counties; a system of financial resources adequate to fund the activities; and an administrative structure in keeping with the philosophy of checks and balances. In direct contrast to the city, the county was instituted from the top down, not from the bottom up. As urban population grew, however, settlements moved well beyond municipal boundaries and required "municipal-type" services; thus many counties have become cities for all intents and purposes. In the very broad sense, they are local authorities charged with special responsibilities to their communities, no matter what their origins.

There is no clean definition of the services that ought to be provided by a local authority. Certainly they ought to be broad in order to meet the wide range of needs of a community. Because an authority does not provide a particular service, however, there is no reason to assume its general responsibilities to its community have been significantly diminished. Here are the kinds of activities in which local authorities typically engage:

A. Health Services: Mental health services, communicable disease control, home health, maternal and child health, alcoholism and drug programmes, sanitation inspection, animal control, and developmental disability programmes.

B. Public Safety and Recreation: Police patrol, emergency medical services, fire protection, fairgrounds, parks, museums, and convention centres-stadiums.

C. Transportation: Road construction and maintenance, airports, safety programmes, mass transit, and bikeways.

D. Land Use: Comprehensive planning, subdivision control, zoning, growth management procedures, and open space control.

E. Utilities: Sewage treatment, water, and power (gas-electric).

F. Social-Economic Services: Indigent legal defense, long-term indigent financial support, emergency financial services, family social services, aging and child welfare, day care, human resources training, libraries, hospitals, job training, and public housing.

G. Natural Resource Control: Soil conservation, flood and drainage, energy conservation and management, solid waste collection and disposal, and air-water-noise pollution control.

Beyond these functions there is a set of traditional activities that support the institution, such as property tax assessment and collection, judicial administration, elections, and road maintenance and retention facilities. (In the United States these types of activities tend to be associated with county governments.)

IV. The KSAC Situation

The Kingston and St. Andrew Corporation cannot today be considered a "full service" local authority. It has lost too many responsibilities over the years. As observed earlier, it is perilously close to the point where it cannot be characterised as a true general government, with the responsibility and the capacity to integrate the service needs of its community. The critical functions that give it a relevance in the metropolitan context are public cleansing (refuse collection and disposal), some street maintenance, fire protection, some health and welfare responsibilities, and a variety of institutional-administrative objectives.

Sadly, there is a general ignorance of the decline in status and significance of the Kingston and St. Andrew Corporation and the implications for grass roots democracy in Jamaica. It first must be remembered that the Corporation serves a population of approximately 575,000 people. By world standards, this is a community of substantial size, with a need for substantial local authority activity.

Yet the spending levels (at approximately 60 million Jamaican dollars per year) are shockingly low on any comparative basis. Spending levels are, of course, a means by which to gain a rough measure of the quantity and the quality of services performed by a government. Cities of roughly comparable size in the United States (Atlanta, Jacksonville, Boston, Kansas City, and Cleveland) have expenditure levels that range from 334 million U.S. dollars in Kansas City to 899 million U.S. in Boston. Quite tiny authorities (such as Portsmouth, Ohio; Gillet, Wyoming; and Stillwater, Minnesota) have expenditure levels equal to that of KSAC.

Within the overall level of spending, it is noteworthy that approximately 50 per cent of KSAC monies go to only two departments: Public Cleansing and the City Engineer. In the Mills report (1974), the City Engineer unit was described as the "road department." It then had the responsibility for construction, improvement and maintenance of roads and streets within the corporate area.

In the decade since, the City Engineer has suffered further erosion of his responsibilities and now is responsible for some street maintenance, building design approval and inspection, minor building maintenance, and rural water supply. In the same period much of the planning function has been moved to the Town and Country Planning Department of the Central Government; road construction is almost entirely handled by the Ministry of Construction; and the responsibility for maintenance of roads is increasingly confused. While basic maintenance is technically performed by the KSAC, the work is actually performed by private contractors, with the Members of Parliament apparently having considerable say in the award of such contracts. Further, there is a proposal to move traffic engineering to the Ministry of Construction; and there are suggestions to concentrate vehicle purchase, maintenance, and management in a single agency, very likely a parastatal or a private sector organisation.

While public cleansing is widely regarded as perhaps the major responsibility of the KSAC, approximately 40 per cent of the work currently is performed by private contractors. Further, there is continuing pressure to expand that percentage. Interestingly, it is a subject addressed elsewhere in the Management Audit, where it is concluded that the current balance should be maintained, solely on efficiency and economic grounds.

Water supply, which formerly was a responsibility of local governments, is now assigned to the National Water Commission. This organisation, which until recently depended upon the local governments for the distribution of water, is now in the process of taking over these tasks. Thus, in the near future, the local authorities will have no role in the entire water supply and water distribution system.

In the context of these events, all of the recommendations of the past to broaden the role and responsibilities of local authorities seem notably out of touch with reality. But the consistency of those recommendations should not be ignored. To earn respect and to secure the participation of citizens in their operations, local authorities must be able to make a difference in the life of the community. It is not enough simply to function as a vehicle through which money passes from one set of persons to another as a form of income redistribution. Yet that is substantially what the KSAC is becoming -- simply a "pass-through" whereby employees and contractors receive direct payments for few services. The citizens

of Kingston are left relatively little; there is no incentive to participate in an enterprise so drained of life and vitality. Clearly, it is in these kinds of circumstances that local authorities become purely fictional entities and contribute nothing to the maintenance of democracy.

V. Fiscal Autonomy

Fiscal autonomy really has two faces: (a) the freedom to raise revenues in the amount a community feels is necessary to meet its needs and expectations; and (b) the freedom to spend and allocate resources available in terms of the priorities established within the community.

In terms of these two criteria, the Kingston and St. Andrew Corporation has virtually no fiscal autonomy.

- It collects only about one per cent of money it spends and must go through endless approval procedures to impose any new levies, fees, or other charges.
- It spends very much in accord with the orders of the Central Government. It has no authority to make equipment purchases without specific approval. It does not set its salaries, and it is so chronically in debt that it has virtually no credit.

While the centralised controls over the Kingston and St. Andrew Corporation must be regarded as excessive and extreme, it is important to observe that the trend toward such centralisation is observable in most societies, even those where there has been a substantial tradition of fiscal autonomy. In fact, what has happened is that tax collection systems have become more centralised, in part for reasons of economy but more importantly because of the imperative to apply uniform standards over a wide geographic area. Thus the central governments have acquired the money that means control. Relatively little thinking has been done world-wide to consider the institutional costs of such tax centralisation, most particularly their long-term implications for democratic societies.

The Kingston and St. Andrew Corporation derives 99 per cent of its income, as noted above, from the Central Government. These transfers take three forms:

A. Collection and sharing of real property taxes, spirit licenses, and motor vehicle licenses. It is our understanding that all of the property taxes and spirit license income is to be subvented to the local authorities, as well as 50 per cent of motor vehicle revenues. In fact, however, local officials were unable to provide us data on amounts collected and the sum to which the Corporation has an entitlement.

B. Direct grants for public health, poor relief, and water supply maintenance. These grants tend to be proportionate to work or case loads and can be labelled as categorical grants. In the literature they are regarded as extremely inflexible and in effect they require the local authority to conform to a mandate of the Central Government.

C. The third source is a "non-recurring" grant, which, in fact, occurs every year. Interestingly, it is also labelled a "deficit" grant rather than an operating subsidy. Its size is set in terms of a determination by the Central Government on monies needed to balance the Corporation budget. It is significant that there is no real distinction made between the "deficit" grant and the shared revenues (category A). All are perceived as a gift from the Central Government, instead of as money rightfully belonging to KSAC.

It should be pointed out that the Central Government spends many other dollars in the Kingston metropolitan area. They are obviously not allocated to KSAC and are functionally distributed to such areas as public utilities, transport, public works, housing, education, youth and community development, health and justice. There is no opportunity for KSAC to integrate community area needs and thus to direct resources to most vital requirements. While citizens of the geographic area do benefit from such expenditures, their capacity to influence the flow of such funds is nil. Indeed, KSAC has little influence over the allocation of the \$60 million (plus or minus) it receives from the Central Government.

Under these circumstances there is little incentive on the part of the KSAC to discipline itself financially. The Corporation is constantly faced with cash flow problems. Bills go unpaid; overdrafts are floated with private banks. There is a persistent juggling of funds to meet the most urgent needs, regardless of what these actions may mean for the efficiency and effectiveness of various programmes. This financial "legerdemain" is characterised by a stream of informal understandings, misunderstandings, and political maneuverings. It is about as distant from an orderly, disciplined financial process as one could conceive.

If local authorities are to be valued by their community, they must have the capacity to respond to local needs. They must have money. Their own discipline and self-respect require that resources not be simply a "dole" from a higher level of government. The KSAC must, for example, significantly improve its building control and enforcement. Today there are not even enough vehicles to enable inspectors to visit sites of construction on a regular basis. Yet such costs should not be borne by general tax revenues, either national or local. The persons benefiting from the development should sustain the costs of insuring that construction today will not mortgage the future of Kingston. While such financing approaches have become increasingly typical in other urban

governments, the KSAC currently has no authority to undertake such financing of a highly important function. Central Government approvals are required; we were reminded constantly that approvals of this type "take years".

In management literature it has been abundantly demonstrated that financial discipline and cost consciousness are inextricably related to the freedom to exercise responsibility over finances. Put another way, cost consciousness only becomes a reality when an organisation has some capacity to determine its own level of resources and considerable control over the way in which such resources are allocated. As higher levels of organisation exercise increased control and deprive the lower unit of such opportunities to exercise responsibility, there is a rapidly declining incentive to engage in economising behaviour. That is understandable because such efforts are not likely to have effect either on amounts of resources available or on the ways in which they are allocated. It is in just such a condition that the Central Government and KSAC now find themselves. The time has come to break out of this vicious cycle.

VI. Political Issues

As is true of local authorities around the world, the KSAC is a direct reflection of the economic, social, and political conditions of the larger society. Its actual role is defined by that larger society; one must be aware of such role expectations in considering its future. To a considerable degree such expectations function as constraints to moving KSAC to status as a fully responsible local authority. Four of these characteristics deserve further attention:

A. KSAC is often regarded as an "employer of last resort".

For many, the Corporation's reason for being is to provide employment opportunities to persons otherwise not employable. In such circumstances, quality in the delivery of services becomes a minor consideration. Further, with the "jobs" orientation of KSAC, those institutions which represent the employee community -- the unions -- become extremely influential in the system.

When such a reality is tied to a cultural and political tradition of top-down control, local officials are left with very little influence. It is also a system which creates significant conflict, a logical outcome when the system contains a high degree of "spoils", such as government grants, housing, jobs, and so forth. When decisions are made in terms of political interests, rather than in terms of optimal response to community needs, high tension will exist between the two political institutions involved, KSAC and the Central Government.

B. In Jamaica's centrally-controlled political environment, there is a felt need to sponsor governmental institutions that will support that control.

Approximately one-third of Jamaica lives in Kingston. It follows that there will be a perception of great political risk in permitting the KSAC to exercise a greater degree of responsibility in serving the citizens of the community. Yet there are costs, usually unrecognised, in the concentration of a political system. The centralised mechanism lessens the possibility of generating a high quantity and a high quality of public services; and that has its political implications. Regardless of the cynicism often expressed, the members of the community do expect to receive services for the taxes they pay. Indeed, where citizens feel they are getting real rewards for their tax dollar, the political leadership can almost be guaranteed continued tenure. Citizen alienation is a constant threat in any political system. There is perhaps no easier way to develop that alienation than failing to respond to legitimate citizen interests and needs.

C. Participation by citizens is vital to a healthy political process, yet the participation in KSAC elections appears to be declining.

In 1966 there was a 65.6 per cent participation in the KSAC election while the national election in 1967 produced a turnout of 81.5 per cent, a difference of 15 per cent. By 1977 voter participation in the KSAC election was down to 58 per cent while the turnout in the national election in the previous year was up to 84.5 per cent, a difference of 26 per cent. In the 1980/81 election the gap widened even further to 27.5 per cent. Such statistics must be examined in light of the diminishing role of the KSAC in the life of the metropolis. As responsibilities are siphoned off, either through direct transfers or through the failure of the Central Government to provide necessary funding, it must be expected that citizens will act rationally. They will understand there is no particular gain to be achieved through participation in KSAC affairs.

In the larger scheme of a democratic society in Jamaica, such a trend should be regarded as unacceptable. Most certainly, a local authority deserves to exist only to the degree that it commands the involvement and the respect of its citizens.

D. In the highly centralised government of Jamaica, the local elected officials of KSAC are placed in a position where their "true" constituents are the political leaders above them.

The traditional values of grass roots democracy, namely responsibility to the people of the community, have been largely displaced in Kingston. The key to election in Kingston is the approval of the national party rather than the constituents of the Kingston and St. Andrew Corporation. There is the realisation that a political career depends upon the support of the national apparatus.

Top-down politics, with its resulting lack of responsiveness to citizen need, is probably best documented by the fact that the KSAC Council was abolished by the Ministry of Local Government from 1965 to 1969. In many contexts such an act by the central authority would have been totally unacceptable. Yet there appears to have been relatively little public outcry.

Given these conditions, the primary responsibility of Councillors in the KSAC is to carry the message from the central decision-makers to the public, indeed to function as salesmen or public relations agents. Rather than determining Corporation policy and setting directions for the local authority, their political survival depends upon their ability to sell their constituents on the rightness of decisions taken at the centre.

These constraints on any effort to reform the KSAC do not indicate necessarily that Jamaica is unique. Such demands exist in virtually all societies; in many respects they can form a healthy tension in the construction of productive relationships among levels of government. The problem is one of degree. In our judgement the balance has shifted far too much toward the political centre, making it difficult for the Kingston and St. Andrew Corporation to become a fully functioning local authority.

VII. Recommendations

We have examined three possible alternatives, only one of which we believe to be congruent with the long-run interests of the Kingston metropolitan area and of the nation as a whole. The basic recommendation of the Audit Team is that the KSAC has a potentially important role to discharge in the governance of Kingston and should be reestablished as a fully functioning local authority.

Two other alternatives were examined and rejected. They are:

A. Allow present trends and directions to persist in the expectation that the KSAC will function as a political symbol and as a means of redistributing certain governmental funds.

For reasons that are hopefully apparent, we do not think such a development is either desirable or viable. The maintenance of such a symbolic vehicle would involve a high cost for very little output; obviously that is not desirable. The alternative is not viable because election turnouts are already suggesting that citizens see through such maneuvering. There is no virtue in maintaining structures that are likely to exacerbate citizen alienation.

B. Abolish the KSAC and let the Central Government, either through its own entities or through parastatal enterprises, perform needed functions.

As has been indicated, there is growing evidence that increased scale does not bring comparable economies and efficiencies. Indeed, the literature suggests just the opposite. Further, it does not appear that the Central Government in Jamaica provides evidence of its capacity to out-perform the KSAC in significant degree. We found that the criticism of the management of the Central Government was almost on a par with that of KSAC.

In this context, we have also considered the possibility that services performed by the KSAC could be significantly reduced. The assumption would be, of course, that vital needs would be met by private sector, market responses. The analysis does not support this possibility. Much of the present activity of KSAC is regulatory in nature; an expansion, not a contraction, of such activity is required. Even in Public Cleansing, the conclusions of the Management Audit are that private sector contracting has been carried out as far as is managerially and economically desirable.

Yet the criticism of this alternative should not be made on narrow instrumental grounds alone. Local authorities can, and should, be highly important contributors to the effectiveness and stability of the national political system. They must be valued for this potential to contribute to a healthy society.

Our preferred alternative is to reverse the trend toward centralised dominance and to support the reestablishment of a fully functioning local authority. In making this recommendation, it should be emphasised again that there is no intent to weaken the national party system. There are numerous examples in both the United Kingdom and in the United States of highly competitive political parties operating within a context of strong local authorities. The gain to be achieved by both the public and political leaders is that the highly focused "winner takes all" system will tend to diminish in scope. That being the case, more concentration can be placed on public service quality, quantity, and economics. The result should be a KSAC that is more disciplined, more accountable, more effective, and more responsive to the needs of its citizens.

To achieve this objective, four highly critical steps should be taken:

1. Work from the premise that the KSAC keep at least its present range of services and further expand into areas of critical need to the Kingston community. Realignments of authorities and responsibilities between KSAC and the Central Government obviously should be considered, but within the context of KSAC's maintaining at least the scale of responsibility with which it is now charged.

2. The focus in KSAC should be on those activities in which there is the greatest community stake. Important objectives of attention should be streets, public cleansing, planning and development control, and public health.

3. Change the perceived mission of the KSAC from one of serving its employees to the actual one of serving the public.

4. Build financial and personnel systems that will enable the Corporation to operate in an orderly, disciplined, and efficient manner.

CHAPTER V

FINANCE AND FINANCIAL MANAGEMENT

PART A. STATEMENT OF KSAC'S PROBLEMS

I. Overview of the Financial Management Process

Financial management is one of the central functions of municipal government. In the broadest sense it involves three principal relationships:

- * Decision-making, the process of planning and analysis in which the central activity is budgeting;
- * Implementation, the process of management and control in which the central activities are accounting and performance measurement;
- * Assessment, the process of evaluation and feedback in which the central activity is auditing.

This part of the report deals with these three central issues in terms of the activities which each involves. Separate sections are devoted to assessing the four components of budgeting, accounting, performance measurement and auditing. Another section addresses the special problems of the capital budget. As will be noted, KSAC faces major problems with respect to each of these matters.

Perhaps the single overriding problem that characterises the financial management processes of KSAC is a lack of credibility. Clearly evident failings include: (a) continuing year-end overexpenditures of available revenues that have resulted in a major overdraft of the Corporation's bank account, and (b) the inability to produce either timely monthly expenditure reports or year-end statements. These shortcomings have caused many national and local officials to conclude that KSAC's entire financial system is in a state of shambles. This loss of credibility has led to a series of makeshift efforts to resolve one or another problem; these efforts in turn have led to increased strains on an underdeveloped and understaffed financial system.

In order to try to help break this difficult cycle (of problems leading to "quick fix" solutions that in turn lead to other problems) the Audit Team has tried to view the financial management system as a whole. By doing so we believe it should be possible to identify the key points where the most immediate attention is needed and where remedial action will make other advances possible. In the initial stage, this effort to identify the most important starting

points for action was based on an attempt to see what can be done within the existing framework of systems, processes and staffing. Over the longer run it will be desirable to move toward more fundamental changes; these are suggested in the section on recommendations below.

The place to begin, in our view, is with the very weak budgeting process. The budget is the prime mover of the financial management system, setting targets and defining limitations. The virtual absence of a realistic KSAC budget has been at the heart of the Council's financial problems.

Next to budgeting, accounting is of most vital importance in order to provide information to control expenditures against budget allocations. KSAC's accounting system has some notable weaknesses, but it also has some underlying strengths, the most significant of which is an in-place computerised expenditure and payroll system. Action is needed to clear up many problems that now beset the city's accounts. Some important steps in this direction appear possible through efforts that are within the capacity of KSAC with the help of Central Government agencies.

Performance measurement and audit functions are as yet little developed or utilised within KSAC. These are shortcomings that will take time, resources and management commitment to overcome. Fortunately, these two system components are not at this time as vital to KSAC's needs as are the more basic budget and accounting components.

A recent book prepared for the United States Department of Housing and Urban Development (LINKAGES: Improving Financial Management in Local Government, by Frederick O'R. Hayes, David A. Grossman, et al) contains a checklist of desirable financial management practices for municipalities. Assessment of KSAC's current systems against the 45 items in this checklist indicates that a positive answer could be given with respect to KSAC for less than five out of the 45 items. In the book, the authors suggest that a minimal acceptable score would be 20 positive answers out of 45. This suggests some of the distance that KSAC has to go to achieve a fully acceptable financial management system.

II The Recurrent Budget

There are two main elements to KSAC's recurrent budget: revenues and expenditures. These are dealt with successively in this section. A final sub-section notes the problem created by KSAC's failure to keep its expenditures within the constraint set by its revenues.

A. Revenues

The great bulk of KSAC's operating revenues are derived from a lump sum grant from the Central Government, appropriated as part of the national budget allocation to the Ministry of Local Government. In this respect, KSAC is treated the same way as other local or parish authorities in Jamaica.

KSAC itself raises only about 1.5 percent of its annual revenues. These "own source" revenues come from a variety of fees for permits and services (such as market fees, rural water service fees, etc.). KSAC's revenue-raising from its own sources is characterised by a number of problems. Most of the fees and service charges are extremely low. In many cases, they barely cover (or even fail to cover) the cost of revenue collection. From time to time KSAC has requested approval to increase fees from the Ministry of Local Government but has failed to achieve it. The problem appears to be, at root, a political one; the Central Government seems unwilling to allow KSAC to raise its fees. However, the arguments against such action cited by some national officials include KSAC's poor record of collection of existing fees, especially those for rural water supply.

Apart from local fees, all of KSAC's revenues are allocated to it by the Central Government. KSAC lost all revenue-raising authority some years ago when the Central Government assumed all taxing and revenue collection authority in Jamaica.

KSAC receives an annual allocation from a national appropriation to the Ministry of Local Government that is based on three elements:

- * General assistance: an amount derived primarily from revenues raised by national actions within Kingston from such sources as real property taxes, spirit licences and 50% of the revenue from motor vehicle licences.
- * Special grants: an amount based on 100% of local expenditures on public health, 75% of poor relief spending and 50% of water supply maintenance.
- * Non-recurrent grant: an amount needed to increase the funds available from the prior two sources up to the level of expenditure allowed in the national budget.

The non-recurrent grant (for which no specific formula is set in law) amounts to roughly half of all KSAC funds. Thus, despite the appearance of a three-part formula set in national financial legislation, the reality is that virtually all of KSAC's recurrent budget appropriation is set at the discretion of the Central Government.

In the current financial year, April 1, 1983 to March 31, 1984, KSAC's national allocation is approximately \$60 million.

There are a number of important difficulties associated with the way in which KSAC receives its revenues:

- * Because KSAC lacks authority even to set the fees for the few revenues it can raise, and because the Central Government has refused to allow fees to be raised or extended to other activities, local action in collecting revenues has been, at best, half-hearted.

- * KSAC's failure to submit a timely and realistic budget request has led in recent years to what appears to be almost arbitrary action by the Ministry of Finance in setting a revenue level for the municipality. The current \$60 million appropriation has been too low to meet what KSAC sees as its "mandatory" spending on personnel and the other most basic items. KSAC has lacked any resource to increase this amount by its own actions.
- * Because KSAC has perceived a conflict between two signals it believes are being sent by the Central Government (the too-low appropriation and a policy not to lay off personnel) the Council has failed to cut its spending to live within its constrained means.
- * Because KSAC's Council makes only spending decisions, not revenue-raising choices, a valuable component of policy balance and fiscal management has been lost.
- * One result of this unfortunate pattern of national/local relationships has been that, when KSAC went on spending at a rate above that allowed by the national budget, the Ministry of Finance, in effect, concurred in the overspending by approving an overdraft on the KSAC bank account (estimated at about \$5 million at present). KSAC has itself taken other undesirable actions, such as postponing vendor payments for goods and services already received.
- * To try to control KSAC's spending, the Ministries of Finance and Local Government keep it on a monthly cash allotment. This monthly doling out of cash to KSAC has exacerbated the city's problems because payments do not always come on time. This has led to a "crisis" atmosphere that has further worsened relationships and reduced the already low credibility of KSAC's financial processes.

In many respects the KSAC revenue problem is part of several larger issues which affect the Central Government and all local authorities in Jamaica. First, the very severe budgetary problems of the Central Government are a significant factor in its unwillingness to provide more adequate sums to KSAC or other local Councils. Second, the consolidation of virtually all revenue-raising authority in the Central Government has contributed to what appears to be less than responsible behaviour by KSAC (and some other Parish Councils). Third, the apparent political signal that KSAC must not reduce its recurrent budget by cutting staff (perceived by KSAC whether or not intended by the Central Government) has helped lead to recurring deficits in KSAC's budget.

B. Expenditures

An unfortunate pattern has developed with respect to the expenditure side of KSAC's budget:

- * Departments have been slow in submitting their annual estimates for the coming financial year. This, in turn, has led to late preparation of the overall set of estimates and, after only brief consideration by the Council, late submission to Ministries of Local Government and Finance. Instead of meeting the December 1 target date, KSAC has often submitted its budget in February or later, i.e., after the national budget process is essentially complete.
- * For the past few years KSAC submitted what it believed to be a "realistic" budget which included funds to address local needs now unmet (such as street paving). For the current financial year this budget totalled to \$90 million. However, by the time the request was submitted, the Ministries of Finance and Local Government had already decided on an allocation to KSAC of only about \$60 million.
- * KSAC then failed (or refused) to reduce its expenditure budget to the level of its revenues, but went on spending at what it perceived to be a "mandatory" level of \$70 to \$75 million. Because there was no true budget which balanced expenditures and revenues, the essential discipline of the financial management process was very seriously weakened.

The combination of events described above has been heightened in its unfortunate effects by a number of other problems as well. For one, no current budget was included in the computerised budget-accounting system; thus, knowledge of the actual state of spending against budgeted levels was largely lost. For another, the lack of a system to record (and control) commitments for spending led to the recognition of expenditures very late in the process. This, in turn, led to an undesirable pattern of late payments to suppliers or of other charges against the budget.

The structure of the KSAC recurrent budget does not appear to be a major contributing factor to the current problems. The budget is structured in terms of organisational units and objects of expenditure. While this is not the most advanced or useful form of recurrent budget for analytic and planning purposes, it is well-adapted to expenditure control, a matter which is of the highest priority to KSAC at the present time. At a future date, when the most pressing problems of the budget process are under control, it may be desirable to think of restructuring the budget to introduce such features as:

- * A programme structure that would provide information on functional as well as organisational lines.
- * Summary reports that provide a better basis for financial analysis and planning.

The most urgent recurrent budget need of KSAC at the present time, however, is to arrive at an agreed-on expenditure level with the Central Government that meets KSAC's basic needs (or to obtain approval to reduce expenditures by cutting staff or other functions in line with available revenues). Toward this end, a major advance for financial year 1984-85 could be made if the following steps could be taken:

1. KSAC to submit its estimates in timely fashion.
2. The Ministries of Finance and Local Government to agree to review these estimates and to advise KSAC in advance of the start of its financial year, i.e. prior to April 1, 1984, of how much revenue it will be allocated and of a national commitment to support KSAC in cutting its spending to that level.
3. KSAC to restructure its estimates to conform to the allowed spending level and to utilise its computer-based accounting system to control and report on its spending against the approved budget.

As noted in the second part of this report, a working group of national and local officials has undertaken to try to meet these targets.

C. Budget Balance and Past Deficits

Because KSAC has spent at a level in excess of its revenues in recent years, it has developed a continuing deficit of large, but not specifically known, dimensions. The accumulated deficit, which exists in the form of a bank overdraft and unpaid bills and charges, appears to be over \$10 million. Failure to keep spending within bounds in the 1984 financial year will increase this deficit, and no means are presently in sight to eliminate the accumulated deficit.

Proper financial management by KSAC requires taking steps to stop any increase in this accumulated deficit, making a careful measurement of the size of the deficit and developing a plan to deal with it over the longer run.

I Accounting

In its design, KSAC's accounting system contains many usable features (although full advantage is not now being taken of many of these). It also contains some very serious weaknesses.

Among the principal strengths of the accounting system is that it is designed to deal well with the principal components of municipal expenditure: payroll and associated costs such as pension payments, various allowances, etc. These items account for well over half of the Council's total recurrent spending.

The payroll system, based on our review, uses a generally adequate approach that includes time sheets, payroll records and other documents that build a useful record of obligations. The basic payroll data has been computerised in a suitable fashion both to generate checks in a controlled and timely manner and to record the data for accounting reports. During the course of our work we have heard many allegations about abuses of the personnel system and the recording of employee work; we have been unable to investigate these sufficiently to find out how far they are valid. What we can say is that the basic record-keeping system in the Treasurer's Office is sufficiently sound to record commitments accurately -- if the data it receives from other departments is valid. What appears to be most lacking in this respect is an internal audit function capable of assessing the honesty of the payroll and time card data submitted to the Treasurer by the various municipal agencies.

The accounting system also seems sufficiently well developed to record payments for other than personal emoluments in a detailed fashion. Both personal emoluments and other payments are recorded in the computerised financial reporting system at the same time that cheques are drawn. In addition, the reporting system is designed to be fully consistent with the structure of the KSAC expenditure budget, thus making possible prompt and generally accurate reports of spending against budget.

Despite these positive features, however, the accounting system has some very serious, though remediable, flaws. These include:

- * The absence of a current, approved budget. Without this, there is no basis against which to assess current spending. As a result, a very valuable feature of the computerised system is wholly wasted.
- * The flexibility and speed made possible by the computerised accounting system is little utilised, because no reports are generated until all data for the month are classified. A largely accurate "flash" report could be produced much more quickly. Thus, there is a system which is capable of providing substantially valid reports of expenditure shortly after a month's end and at almost any desired level of detail for control and management purposes. In reality, however, produces only detailed reports (not useful for any management overview) that are as much as four months late.

- * The failure to record commitments as well as expenditures in the accounting system can lead to a loss of control over some elements of spending and has led to a crisis mode in the payment of creditors'.
- * Some other system elements (such as the pension accounts) are not yet included in the computer system and are kept in a poorly coordinated manual system.

The continued reliance on a cash basis of accounting is also a weakness of KSAC's system, but not one that is of very serious proportions, at least as compared to other shortcomings. Because KSAC collects virtually none of its own revenues, there is little difference between a cash and a modified accrual approach to its revenue receipts. Because most of its expenditures are for payroll and related items, there is also relatively little accrual problem on the spending side; a commitment recording and accounts payable system would help reduce the shortcomings in this regard even more.

In addition to the system shortcomings noted above, there are a number of practical problems that afflict KSAC's accounting process. These include:

- * The continuing inability to balance the Corporation's bank account. Efforts have been and are being made to resolve this problem (such as opening a new bank account and developing a check-matching system in which KSAC's computer centre and its bank exchange computer tapes).
- * The failure to develop any year-end financial statements since 1977. The absence of such statements in turn makes it impossible for the Auditor-General to review KSAC's books in any overall fashion and obstructs any calculation of the accumulated deficit.

To some degree, these problems can be traced to staff shortages, particularly of staff with sufficient professional training and experience to cope with the complex systems and issues that are associated with KSAC's financial management processes. For example, the entire budget staff consists of two professionals, one to deal with personal emoluments and the other with other expenditures; this is a level so minimal as to preclude any but the most mechanical budget processes. In addition, the staff operates in limited quarters with the most elementary security arrangements; it is apparently not uncommon for individuals concerned about their pay or bills to walk directly into the Treasurer's office without challenge. The ground floor location of the Treasurer's office, with two of its major units separated by the main entrance to all of the municipal offices, is a very unfortunate position for financial functions that require a high level of security and control.

IV Audit

In a competently run municipal financial system there are at least three points where different audit functions are appropriate:

- * Internal audit to monitor controls and processes for the financial management staff, so as to assure that problems are identified and remedied quickly.
- * Independent audit by an outside organisation that examines both the financial management system and the year-end accounts.
- * Oversight audit which examines selected aspects of municipal operation from both a financial and managerial point of view.

KSAC's audit arrangements fail to measure up to good practice standards with respect to any of these three types of audit function.

The internal audit function reports to and operates at the discretion of the Town Clerk, not the Treasurer. It does not appear to be a strong or well-staffed function, nor does it very often address issues of direct concern to the Treasurer.

In theory, the independent audit function is performed by the Office of the Auditor-General, which has the responsibility under Jamaican law (as contrasted, say, to common United States practice where an independent outside audit firm is retained by many municipalities). Because KSAC has not completed year-end financial statements for many years, even the full-time assignment of several members of the Auditor-General's staff to inspect KSAC accounts has failed to perform the independent audit function. The result is the assumed existence of a deficit of unknown proportions and the persistence of major unanswered questions about past expenditures.

The Auditor-General's staff has, from time to time, performed audits of specific KSAC functions, activities and transactions. These reports appear to be a highly useful set of guides as to weaknesses in KSAC's systems that need to be remedied. However, the Auditor-General indicates that the lack of any response to his audits by KSAC has been a major problem. Unless audits are used to remedy defects and shortcomings, they serve little function.

A key step toward improving the audit function and processes in KSAC would be the speedy completion of year-end financial statements for the financial year 1978 and subsequent periods. At present, only one KSAC staff person is assigned to this function; this is clearly not adequate for the task.

V Performance Measurement

Performance measurement is the means by which a government or local authority introduces into its financial management practices a system to monitor the efficiency and effectiveness of the services it provides. A performance measurement system provides better and more systematic information on the goods and services produced by governmental agencies than is otherwise available. With this information the heads of operating agencies, central agency managers and elected members can more easily answer questions such as "How well are we doing?" or "What can we do to provide better services?" To answer these questions requires being able to identify the strengths and shortcomings in current performance and make choices based on this information.

At present, KSAC lacks a management measurement system in any consistent sense. There is no central management staff that gathers data and provides reports to the Town Clerk and other top officials. The Town Clerk does not rely on a data system in his own management activity.

There are, however, some rudimentary elements of such information being produced and, from time to time, utilised within KSAC. To assess them, the Audit Team reviewed management reports and capacity for the fire, public cleansing and road maintenance functions. These services were selected as starting points because it is easier to measure performance for visible and quantifiable services like these. The quality of the existing reports within each service is summarised below:

- * Fire. The Fire Brigade has the best internal reporting system of the three departments that we examined. A report is prepared after each fire which notes the type of fire, the substation which responded, the time of call, the dispatch time, the response time, the estimated loss and the estimated value of property saved. The report is prepared to protect KSAC and the Brigade in case of a court suit. A copy of the report is sent to the Town Clerk's office. It appears that the reports are not used for analytic purposes by either the Brigade or the Town Clerk.

- * Road Maintenance. The City Engineer oversees the road maintenance functions. A few years ago he and the Chairman of the Roads and Works Committee designed a weekly road work report which listed the roads repaired, the amount of asphalt used and the total cost of materials. Scheduled work was reviewed with the Council committee and periodic progress reports were prepared. This year the reporting system has fallen into disuse because the road maintenance unit of approximately 150 men has essentially no funds available for the purchase of asphalt and other materials.

* Public Cleansing. The Public Cleansing Department has no scale at the disposal site for its collection vehicles. Because of this it has no reliable record of the amount of refuse collected or of whether drivers have completed a full route before going to the dump. Instead, the Department relies on its foremen to check on cleanliness along each route. The Department used to send daily reports on collection activities to the Town Clerk. This has been stopped unilaterally by the Department, and nobody has asked PCD for the report since its preparation ceased.

PCD has better information on its vehicle fleet. A monthly report is submitted which lists the number of collection units that are available and those that are unavailable. Although the Department knows the number required on a daily basis, this information is not included in the collection unit report. PCD also has a manual system which records the repair history of each vehicle allocated to the department.

Our conclusion after this review is that the starting point for a performance measurement system does exist within at least some of the KSAC departments. Considerable action would be required, however, before these beginnings could be extended and amplified into a usable management planning structure. Action toward this objective is discussed in the recommendations section below.

VI The Capital Budget

KSAC's capital budgeting process is very limited in its scope and time-frame. In part, this is the result of the fact that, to an even greater extent than the recurrent budget, KSAC's capital budget is wholly dependent on decisions made by the Central Government.

A capital budget request should be made annually by the Town Clerk. The City Treasurer's Office, however, apparently has not been involved in the process of estimate preparations at all, though requests have been made by the City Engineer. The Council's capital budget request normally is submitted to the Ministry of Local Government. The Ministry of Local Government in turn submits the KSAC request, together with requests made by other local authorities, to the Ministry of Finance. Because of KSAC's frustration with the inadequate allotments of capital funds it has received, however, the Town Clerk has made no capital budget submission in most recent years.

Funds for capital projects to be located in the corporate area are appropriated as part of the national budget. These funds are generally of two types: funds allocated to national ministries or

parastatal organisations for projects that they undertake directly; and funds allocated to KSAC for its direct use. The only items specifically appropriated to KSAC in the capital section of the national budget in financial year 1984 were the following components of the Ministry of Local Government budget allocation:

- * \$6.7 million for construction of parochial roads (out of a total appropriation for all parishes of \$11.9 million).
- * \$0.5 million for general amenities such as sanitation, mechanical equipment, etc. (out of a total appropriation of \$2 million for all parishes).

In addition, KSAC is eligible for a share of the remaining amount of \$4.8 million in the Ministry of Local Government capital appropriation.

The great bulk of the Ministry of Local Government capital appropriation which is distributed to local parishes (including KSAC) is in the form of direct grants -- \$17 million of the total \$18.7 million in 1984. The remaining \$1.7 million is in the form of loans; of this, \$0.25 million is specifically earmarked for General Amenities in KSAC.

The 1984 capital appropriation for the Ministry of Local Government, as approved in the national budget at \$18.7 million, is well below the revised estimate for 1983 of \$56.8 million. Apparently this reflects the serious fiscal constraints under which the Central Government is operating. However, the disparity with the original 1983 appropriation of \$26.2 million is much less sharp, suggesting that there is a pattern of revision of the initial national appropriation during the course of each financial year.

A. Linkage of Developmental Planning

- * KSAC does not prepare a multi-year capital budget to supplement its annual request to the Ministries of Local Government and Finance. In cities that have established effective linkages between planning and capital budgeting, the multi-year capital programme is a key component of such a connection.
- * The principal role in developmental planning for KSAC has increasingly been taken over by national agencies. In some cases, these agencies establish at least the outlines for a capital needs analysis for the KSAC jurisdiction. For example, a 1978 document prepared by the Town Planning Department of the Ministry of Finance and Planning (Kingston Metropolitan Plan: A Preliminary Report) sets forth long-range capital needs under a number of headings, such as Social Facilities and Amenities, Open Space and Recreation, Infrastructure, Housing and Transportation. There is, however, little evidence that the elements contained in this plan are the basis for KSAC's annual capital budget requests.

B. Revenues for Capital Investment

The Central Government finances virtually all of KSAC's capital expenditures. The lack of available funds in the national budget has led to a relative underdevelopment of capital budgeting practices for activities within the jurisdiction of KSAC. The capital expenditure request for 1981, the most recent one made available by the Office of the Town Clerk, cites many past requests to which no positive response has been made by the Ministries of Local Government and Finance.

Further, the document provides only part of the detail that might ideally be desirable in a capital budget, although it does contain a detailed schedule of requests for improvement works and requests for plant and machinery. There is only a partial explanation of why the particular items requested are those of the highest priority and little indication as to other projects that would be desirable if additional funds could be made available.

Until recently, KSAC mingled its capital receipts from the Central Government in its single bank account, thus making it very difficult to ascertain the status of funds advanced but not yet expended for capital purposes. At the request of the Ministry of Local Government this practice has now been curtailed, but it seems possible that some portion of past overexpenditure in the recurrent budget has been financed at the expense of such capital advances.

In separating its capital and recurrent budget accounts, KSAC may have gone too far. It now keeps separate bank accounts for each capital project, a process that is cumbersome and not necessary to maintain an adequate accounting trail.

C. Linkage to the Recurrent Budget

Potentially, there are many desirable forms of linkage that should be developed between the recurrent and capital budgets of a municipal government. These include such features as:

- * Inclusion of both recurrent and capital expenditures on an integrated basis within the scope of the municipal budgeting and accounting system.
- * Inclusion of the debt service related to prior capital projects within the scope of expenditures planned in the recurrent budget.
- * Explicit consideration of the cost of maintaining and operating capital projects within the expenditures included in the recurrent budget.
- * Examination of "trade-offs" and potential savings that occur between capital investments and recurring expenditures -- for example, "buy versus rent" decisions on structures or equipment.

In general, these linkages have been little developed within the financial systems of KSAC. This has been due in part to the very limited discretion available to KSAC with regard to the financing of either of its budgets; virtually all of the key revenue decisions are made outside its jurisdiction (either by the Ministry of Local Government or the Ministry of Finance). Another fact that has limited the development of such linkages has been the concentration of KSAC's accounting system on recurrent expenditures to the near exclusion of capital projects and the absence from the accounting system of either a commitment-recording function or a fixed assets accounting system.

Another factor that appears to limit the development of such linkages is the generally separate pattern of responsibility for the budgets within KSAC's management structure. The Treasurer is responsible for the preparation and submission of the recurrent budget estimates and for the subsequent monitoring and control of recurrent expenditures. The Town Clerk, assisted by the City Engineer, is responsible for most of these functions with respect to the capital budget.

VII Summing Up: Strengths and Weaknesses

The KSAC Management Audit defines the financial management system of the municipality as an area for high priority attention. This is both because of the vital importance that such a system plays in any large municipality and also because there are many highly visible shortcomings that afflict KSAC's financial management practices.

A. Strengths of the Existing System

The strengths of KSAC's financial management system are not readily apparent either to most of the policy-level Councillors and officials within KSAC or to the oversight agencies in the Central Government. There are highly visible shortcomings, such as the inability to balance the annual budget, collect revenues due to the Corporation, provide audited year-end statements of operating conditions, or even to balance the current municipal bank account. These shortcomings tempt one to believe that there are no centres of strength in the system and that it would be as well to discard it in its entirety and to start again on an entirely new basis. While this option cannot be wholly rejected, the more intensive examination that has been possible by the Management Audit suggests that this is by no means an inevitable conclusion. In fact, such a radical option could create as many problems, at least in the near future, as it might resolve.

The key strengths of the KSAC financial management system, as the Audit Team have identified them in the course of interviews and examination of the system, are:

- * The existence of a well-conceived computerised accounting system that has the potential to become the keystone of a competent financial management and control structure based on the recurrent budget. This is an asset of very great significance; if it did not already exist, a recommendation to move toward its development over what would probably turn out to be a period of years would be high on our list of priority recommendations.
- * The existence of a small but dedicated core group of public officers, (especially in the Office of the Treasurer and the Municipal and Water Computer Service) who are familiar with the pressures and many of the shortcomings of the system but who nonetheless continue to keep it operating as best they can.
- * The availability of a number of knowledgeable and responsible national officials in the Ministry of Local Government and the Ministry of Finance who appear ready and able to assist KSAC in the process of improving its current financial systems.

None of these strengths is without flaw. The system lacks a number of necessary components (such as a valid budget against which to control expenditures). There are too few skilled municipal personnel to cope with the very difficult conditions under which they must operate. Cooperation between Central Government and KSAC officials exists more in potential than in reality. And the entire process is seriously troubled by a current lack of resources, or the political will to reduce expenditures to what can properly be financed. But the net effect is far from that of a total disaster or a total absence of strength. There is a basis to begin building a competent financial system within the current municipal structure or to adapt the best of what exists to an improved structure.

B. Weakness of the Existing System

The preceding sections of this report have spelled out the weaknesses of the KSAC financial management system in considerable detail. To cite only the most serious:

- * The recurrent budget has been so late in its preparation, so unrealistic in its treatment of available resources and so poorly utilised in many of its aspects as to be of only the most limited use for either management or control.
- * The capital budget has failed to become the planning document it should be and has virtually failed to exist as a mechanism for management.
- * The accounting system is flawed by the absence of a commitment recording method and exists largely as a

detailed record of actual expenditure. Computerised accounting statements are produced too late for timely use by municipal managers. The financial management information reports the system makes possible have not been developed or utilised.

- * There is little done in the way of internal audit and the absence of year-end statements has seriously obstructed the efforts of the Auditor General to audit the Corporation's accounts.
- * The limited management reports on KSAC departmental performance that do exist have not been integrated into a performance measurement system.
- * Overall, the financial management system is weakly staffed and poorly linked to the overall management and policy-making structure.

The Audit Team has not tried to place blame for these flaws on individual municipal or Central Government officials, past or present. To our minds, this would not be a useful or constructive exercise. What we have done is to identify shortcomings that need correction as well as strengths that can be relied on in improvement efforts. The next part of this report contains recommendations for action that can be taken (and in some cases is already under way) to strengthen KSAC's financial management system.

PART B. RECOMMENDATIONS

This part of the report turns from an analysis of financial management problems to recommendations for their solution. The first section describes an early action programme which is focused on what can be done immediately. Subsequent sections address longer-run concerns: improvement in organisation and staffing; system changes; and the potential for changes in the relationship between KSAC and the Government of Jamaica.

VIII The Early Action Programme

The original scope for the KSAC Management Audit placed emphasis on analysis that could lead to recommendations for long-term improvement and also on early action that could have visible and positive effects. With the cooperation of key officials from KSAC and the Central Government, it has proved possible to initiate a number of promising early action measures in the financial management area as an integral part of the Management Audit. These are briefly described in the following paragraphs.

A. The Recurrent Budget for Financial Year 1984/85

Agreement was reached early in November, 1983 among the members of a sub-group of the Management Audit Advisory Committee¹ that a key component of an early action programme should focus on the KSAC budget for financial year 1984/85 (which begins on April 1, 1984). The sub-group agreed that several key actions were called for, including:

- * Timely submission of a KSAC budget estimate. December 1 is the statutory date for such submission but in prior years KSAC had failed to meet this date by as much as three months.
- * Submission of a statement of actual expenditures through to about the middle of financial year 1983/84 so that the requested sums could be compared against actuals.
- * Prompt initiation of a detailed process of review and examination of the KSAC estimate by staff of the Ministry of Finance.
- * Early development of a Finance recommendation for the level of KSAC's 1984/85 budget to give KSAC the opportunity for both a timely response (if it considered the allocation insufficient) and to modify its estimates so that a detailed budget could be included in the computerised budget-accounting system at the start of the new financial year.

At the time of writing, this ambitious programme was under way and proceeding in conformity with a very demanding time schedule. Initiatives by the Mayor and Deputy Mayor supported a major effort by the KSAC Treasurer and succeeded in meeting the target date for budget submission (December 1, 1983). Action by the KSAC Treasury and the Municipal and Water Computer Service produced detailed data on actual disbursements through midyear by January, 1984. The Ministry of Finance's budget staff began work on examination of the budget in mid-December and produced their initial analyses by late January, 1984.

¹ The core participants in the sub-group included Mrs. Jeanne Marshalleck of the Ministry of Finance, Mrs. Marie Isaacs of the Ministry of Local Government, Mrs. Ruby Taylor, KSAC Treasurer, and Consultant David A. Grossman. Many other people participated in some of the meetings of the sub-group, however, including the KSAC Town Clerk, Mr. Joscelyn Clarke, and Mr. Berkeley Thelwell of the Auditor-General's Office.

What has been accomplished to date represents meaningful progress. Considerable credit is due to all of the participants in this process. It has led to the first serious national/local dialogue over the KSAC budget that has taken place in many years. If continued with the same high level of cooperation it could well result in a major clarification of KSAC's financial situation and its relationship with the principal national Ministries.

B. Production of Management Information

In the Audit Team's judgment, the KSAC computerised accounting system has the capacity to produce a broad array of highly useful management information reports with only modest amounts of programming. This assessment was put to the test in January, 1984.

The objective was to see if the computer system could produce an initial management report designed by the KSAC Treasurer. Within a period of three days the Municipal and Water Computer Service produced the report which was then distributed to KSAC and Central Government officials.

The significance of this accomplishment was not so much in the report itself (a sample summary of categories of expenditure) but in the demonstration of the capacity of KSAC's existing system to produce management-relevant data. What is needed now is to follow up on this breakthrough to programme and regularly produce a full range of the data that KSAC's management needs.

C. Expediting Year-End Financial Statements

Movement toward clearing up one of the major fiscal embarrassments of KSAC, i.e. the failure to produce year-end financial statements since 1977, was initiated as another early action project. The steps that have been taken toward this objective include:

- * Agreement by the Auditor-General to work with the Ministry of Local Government and KSAC towards the approval of an expedited plan to close out past KSAC accounts. The Auditor-General noted that this action had precedents in recent actions of this type undertaken in respect of certain Parish Council accounts.
- * Agreement by Mrs. Isaacs of the Ministry of Local Government to have such a plan developed by Mr. Kitchin, the Ministry's head of financial systems, and to assist KSAC in obtaining additional staff resources to implement it.
- * Agreement by the KSAC Treasurer to assign personnel from her limited professional staff to give high priority to this close-out process.

At present it is not yet feasible to set a date for completion of the close-out process, but it seems reasonable to believe that KSAC's financial statements could be brought current within a period of less than twelve months.

D. Summing up: The Early Action Programme

The early action programme has had two principal effects.

First, it has started to resolve some of the most critical current financial management problems of KSAC. Whatever subsequent developments may also be required, these three items of progress are relevant to KSAC's longer run needs as well as being useful in the short run.

Second, the demonstration of what is possible through positive, cooperative action has helped educate the participants in these efforts as to how they can help resolve problems on their own. The role of the Audit Team has been to help start the process and give credibility to it when the level of doubt was very high. But the participants know (and one hopes that others also learn) that they themselves took all of the actions that were involved. The early action programme has been a Jamaican accomplishment.

IX Improving Organisation and Staffing

The single most important long-run action that KSAC can take to strengthen its financial management is to improve the organisation and staffing of these functions. Despite the diligent efforts of key people now involved in the Council's financial management, there are serious shortcomings that appear likely to be remedied only through modest but significant changes in organisational structure and the addition of a small number of professionally trained and experienced staff.

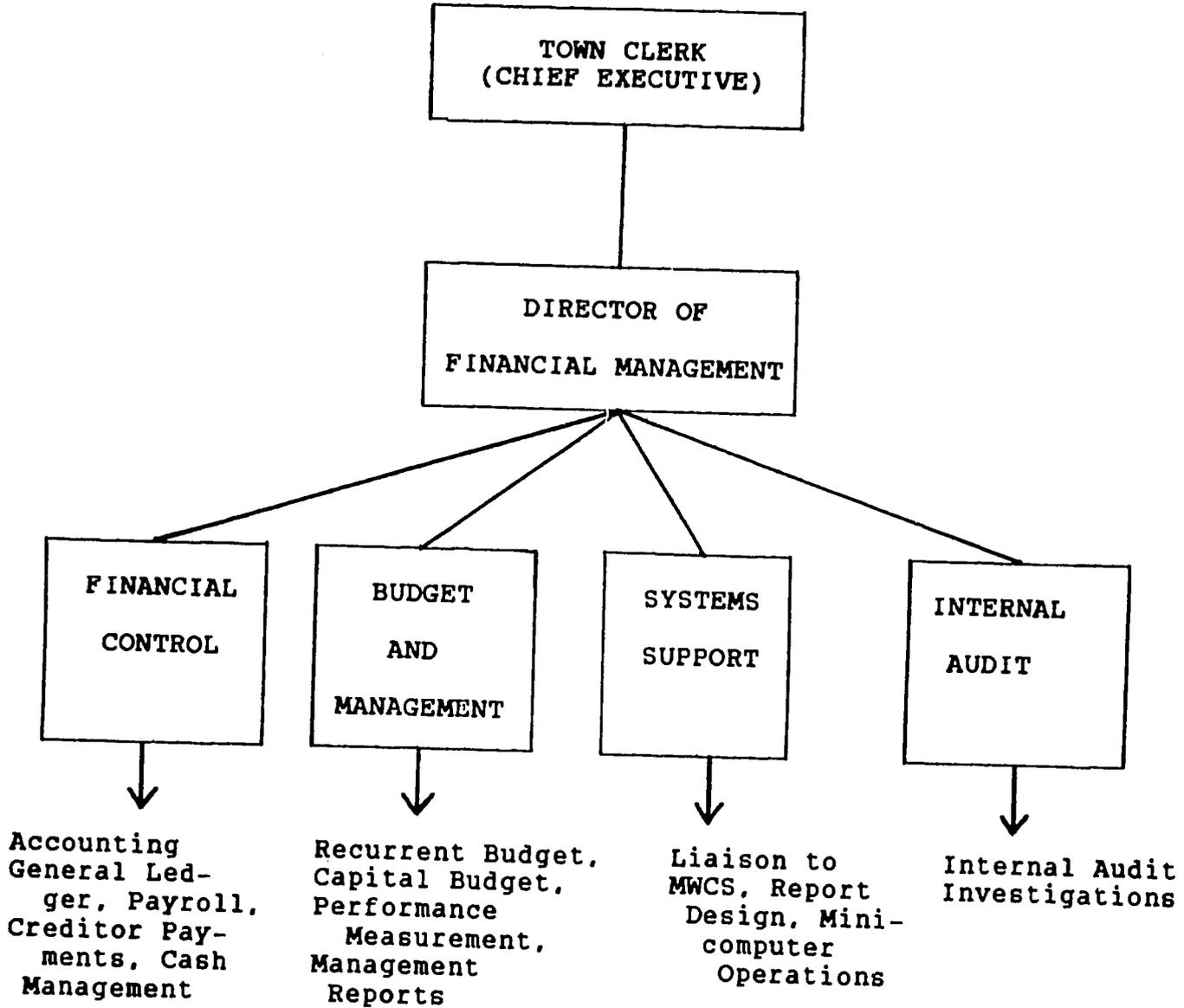
A. Organisation

It is recommended that the current office of the KSAC Treasurer be replaced by the structure shown in Exhibit I. The new organisation would have a number of features that distinguish it:

- * The Director (Head) of Financial Management. First, it would be headed by a single person who would have purview over all financial management functions. This Director of Financial Management would report directly to the Town Clerk (Chief Executive). Other sections of this Management Audit report describe proposed changes in the character of the Office of the Town Clerk (Chief Executive) and the relationship between the Chief Executive and the Director of Financial Management, who would be a key Chief Officer.

Exhibit I

Proposed Reorganisation of KSAC Financial Management



* Financial Control. The largest single unit in the Office of Financial Management would be a Division of Financial Control. This would subsume most of the functions now performed in the Office of the City Treasurer, as well as most personnel now associated with that office. The principal functions of Financial Control would be the maintenance of the operation of the accounting system and associated systems, such as: payroll and creditor payments; receipt and recording of revenues; cash management; maintenance of all Corporation bank accounts for recurrent and capital budget funds; and associated activities. The Division of Financial Control would also be responsible for setting standards of performance for the accounting officers in each municipal department and overseeing their activities in this regard.

* Budget and Management. A new unit, which might initially consist of five to ten professional staff members, should be established as the Division of Budget and Management. This new unit would be responsible for: preparation of the annual recurrent and capital budgets and their negotiation with the Ministry of Finance; administration of the adopted budget through the introduction of such control techniques as periodic allotments of funds to departments and modification of the budgets as changes arise during the course of the year; and the development and operation of a management planning process, linked to the budgets, which would negotiate performance targets with operating departments and measure progress toward them.

Among the goals of the Division of Budget and Management should be the development of analytic capacity to enable its small but select staff to examine the operations of municipal agencies for efficiency and effectiveness. The Division should also take on the lead role in the development of a system of management information which provides periodic reports to the Council, the Town Clerk (Chief Executive), department heads and concerned national agencies such as the Ministries of Finance and Local Government. The management reports should utilise (and build on) the capacity of the computerised budget and accounting system to report on progress against fiscal targets and should be extended to report on management plan targets as well.

While it will be desirable to select a head for this division with broad experience in municipal budgeting and management, the bulk of the staff can be individuals with university-level training in such fields as business, economics or public administration who display

outstanding intelligence and capacity to learn on the job. Properly recruited and utilised, such a core group of budget analysts can become a key part of the future management cadre of KSAC.

* Systems Support. For the present, it is the Audit Team's recommendation that KSAC continue to rely on the Municipal and Water Computer Service for the operation of its central budgeting and accounting system. Even as it does so, however, it is vitally important for KSAC to build up its own capacity in computer-based systems so that it can get the most out of MWCS. To do this, a small Division of Systems Support (which could initially consist of just a single highly trained individual) is essential. The Systems Support unit would assist the Divisions of Financial Control and Budget and Management in defining their needs for computer support and help translate these needs to the MWCS.

In addition, the Division of Systems Support should oversee the introduction of microcomputers into KSAC's operations (both financial and administrative) in ways that would help strengthen many of these functions. Among the early candidates for such systems would be the Stores (where voluminous records are now kept by hand) and the development of a quick-response management information system capable of being used for both analysis and forecasting. These minicomputer systems would be supplements to, not replacements of, the main frame computer operation at MWCS.

Over time, it may prove desirable (or necessary) for KSAC to move toward establishing its own central computer facility for the financial management process. Fortunately, this is not a near term necessity; if it were, the problems to be overcome would be very severe. Instead, KSAC has the luxury of continuing to rely on the current capacity of MWCS to do essential operations (such as the very demanding payroll function) while building up its own capacities to utilise MWCS more fully and construct its own new mini-systems.

* Internal Audit. The existing internal audit unit should be transferred from the Office of the Town Clerk to the Office of Financial Management. Its functions should also be reoriented toward more attention on examining, verifying and testing the various financial processes of KSAC, as well as investigating situations where fraud or corruption is suspected.

B. Staffing

The proposed structure of the Office of Financial Management can be created with a modest number of additional staff. Over a relatively short time, it should be possible to compensate at least in part for the cost of the incremental staff as computerised operations make it feasible to reduce some of the clerical functions now performed in the Office of the Treasurer.

The principal staff additions should be as follows:

- * Three high-level administrators with technical training and skills will be required to fill the new positions of Director of the Office of Financial Management and the Divisions of Budget and Management and Systems Support.
- * Up to five individuals will be needed initially to staff the Division of Budget and Management. While it would be desirable for at least some of these to have prior experience as well as relevant education, this is not crucial if the Director of the new Division is a skilled trainer and leader of staff. Exchange programmes with U.S. cities could also be used to help budget and management analysts get relevant working experience.
- * The Systems Support Division should have at least two technically trained and experienced staff members as a core start-up group. But this function could also start with the benefit of people hired through local data processing organisations if direct recruitment proves initially difficult.

It will also be important to offer to existing staff (in units such as the Office of the Treasurer and Internal Audit) an opportunity to upgrade their skills and understanding of financial management. In particular, it would be useful if the top professionals in these units were offered an opportunity for brief but intensive exposure to how their opposite numbers in leading U.S. cities operate.²

C. Facilities and Equipment

Another highly useful improvement in KSAC's financial management operations would be an upgrading of the facilities and equipment available to the staff.

² Appropriate locations for such experience could be Dade County, KSAC's "sister city," which has a highly competent financial management and computer function, or New York City, where officials of the Office of the Comptroller have already expressed a readiness to participate in such an effort.

The current location of the Treasurer's office is very exposed to outside intervention, whether by citizens upset by fees or fines, aggrieved employees or potential criminals. It would be highly desirable to relocate these offices to a more secure location and in a more amenable work environment. (Among the more pointed remarks we heard with respect to the need for a more secure environment for Treasurer functions were from staff of the Auditor-General who visit the KSAC Treasurer's office frequently in their work).

The single piece of modern equipment most notably absent is the computer. While there appear to be major obstacles to obtaining direct staff access to the MWCS computer via CRT because of its batch-mode operation, there should be no bar to the installation of one or more low-cost personal computers in the Treasurer's office or those of the new units proposed in this report. These computers could be used for analysis, forecasting and the preparation of management reports as well as for clerical-type activities.

X. Improving Financial Management Systems

As noted in the preceding part of this report, KSAC financial management systems range from the relatively sophisticated (the computerised budgeting and accounting framework, for example) to the rudimentary (as, say, in the case of management information). What will be important in the years ahead will be to build on the current base, fill in the most significant gaps and move toward a generally higher level of performance. The early action programme has shown that such movement is entirely feasible, even before desirable organisational changes have been introduced. With organisational and staffing changes, greater progress should be feasible.

This section recommends action on those components of financial management to which priority attention should be devoted in the next few years.

A. The Recurrent Budget

It is an important first step for the recurrent budget to be prepared, submitted to the Council and then forwarded via the Ministry of Local Government to the Ministry of Finance in time for the Central Government to review it prior to making its own fiscal commitments. But a number of additional steps must be taken before KSAC can be said to have even a minimally adequate budget process. These include:

- * Budget Formulation. The process of formulating the estimates needs to be strengthened by adding an analytic and review stage in connection with departmental submissions. Based on this stage, the Town Clerk (Chief Executive) and the Committee responsible for finance should be presented with options and recommendations. At present, KSAC's budget is assembled rather than examined.

- * Budget Negotiation. The early action programme has initiated a dialogue between the Ministry of Finance and KSAC that needs to be built on and strengthened. In particular, KSAC needs to support its budget presentation to the Central Government with careful analyses and arguments as to why it needs the funds it is requesting and also on the options (and their consequences) that it will be forced to consider if lower levels of support are forthcoming.
- * Budget Revision. Because KSAC has virtually no control over its revenues it must reformulate its budget once the Ministry of Finance sets the actual level. This is an important time for a final choice of where and how to cut. The budget staff must define these options and present them to the Town Clerk (Chief Executive) and Council for decision. (Note: KSAC and national financial legislation apparently already require this action, as well as approval by the Ministry of Local Government of the revised budget. In past years, however, this process has apparently not been followed.)
- * Budget Administration. Once the budget has been decided on, it must be administered. This involves advising each head of department and sub-department of his/her budget and setting controls to prevent overspending or spending not in accord with the approved budget. Monthly or quarterly allotments, and a defined modification process (to change the budget when "real world" conditions obtain) are the standard approaches to this process. KSAC now uses neither.
- * Budget Reporting. The existing computer system is well designed to provide monthly and quarterly reports of actual spending against the budget, either in great detail or in management-level summary. KSAC must move to take advantage of this valuable feature.
- * Budget Structure. At a future date KSAC may want to revise its budget structure to include the capacity to analyse programme categories as well as organisational units so as to create better links with a performance measurement system. This is a sophisticated step which will not be essential until more progress has been achieved in producing performance measures. As an interim step, however, the budget should be revised (through modification) to correspond to the realities of municipal departments; there is some evidence that this has not always been done as departmental organisation has shifted.

B. Performance Measurement

Some, but by no means all, of KSAC's operating departments generate data on their operations which are then used as the basis for monthly reports to City Council committees. As noted in an earlier part of this report, however, these submissions fall far short of what would constitute an adequate performance measurement system.

Ideally, such a system should be based on a management plan, i.e., a comprehensive set of goals and targets for the performance sought by each municipal agency. The plan would become the basis for monthly or quarterly reporting of actual performance against the targets. Shortfalls in meeting targets would become the focus of management improvement efforts designed to upgrade the quality, timeliness and level of agency performance. The plan would also include special projects to enhance productivity, assess unit structure and capability, decide on the need for additional equipment and the utility of outside contracting and otherwise improve agency activities. At its best, the management plan would be clearly linked to the municipal budget process.

The development of a comprehensive management plan, with a supporting information and measurement system, calls for a major effort that is likely to take at least three to five years to install and to train staff (and managers) in its use. Such a plan is a worthwhile, long-range target for KSAC, but shorter-term interim steps can be taken which will begin to build the groundwork. In the Audit Team's view, these short-term steps, such as those described below, are a more appropriate beginning point for KSAC than would be a full-fledged effort.

- * Management Leadership. Top-level management commitment is the sine qua non for beginning work on a performance management system. The Town Clerk (Chief Executive) and his key chief officers, such as the heads of the Finance and Personnel systems, must set the tone and provide continuing commitment. They must want to have such a system and must want to use it to manage the city.
- * System Focus. A specific unit must be assigned the lead responsibility to initiate activity, set standards, and provide both help and constructive criticism to the participants. The proposed Division of Budget and Management could be given this assignment.
- * Selected Starting Points. It is best to begin work in one or two agencies. The best starting points are agencies where there is already an inclination to manage by use of information and measurement and whose activities lend themselves to target-setting and assessment. The single most appropriate starting point in KSAC would appear to be the Fire Department where an excellent recording system is already in place and where

there is a strong sense of organisational identity and discipline. Public Cleansing would be another plausible candidate, but there would be a lot more groundwork needed in that instance.

- * Labour Union Involvement. In a highly unionised environment such as that of KSAC it is desirable to try to involve union leadership at an early date. This may slow the start but if successfully undertaken can have lasting positive effects.

While the reports currently used for internal record keeping purposes are of uneven quality, they do constitute a starting point for collecting basic data on agency operations. If KSAC moves to introduce a performance system into its operations, a number of enhancements will need to be made to the way data is gathered, reported and used. Some of these changes are:

- * Daily Reports Must Be Aggregated. Top management cannot be expected to review the voluminous information included in the daily reports. This information must be aggregated on a monthly or a weekly basis and presented in a concise format which highlights the issues.
- * Data Must Be Analysed. Data collection must be seen as a means to an end. Once gathered, information on programme performance must be considered as the factual basis for subsequent analysis of current results. This review would provide information to strengthen agency performance and improve the budget-making process. To further this goal a management analysis team could be reconstituted in the Town Clerk's office or the assignment given to the proposed Division of Budget and Management.
- * Manpower Usage Must Be Measured. Manpower usage is a good measure of input in a labour-intensive government such as the KSAC. Some common output measures, such as number of square yards of roadway patched or the number of tons of refuse collected, are more informative if they illustrate efficiency in the use of resources by showing the ratio of output to input.
- * Regular Management Review Sessions Must Be Held. The department heads we spoke with were frustrated by the sense that no one reviewed the reports they submitted. If a performance management system is to be successfully introduced to KSAC, there will need to be regular and continuous involvement by the Town Clerk (Chief Executive). His office should regularly review departmental performance, provide critical judgements and prepare an agenda for review sessions between the Chief Executive and his management team of Officers.

- * Critical Issues Must Be Highlighted. The reports submitted by department heads must not be limited solely to numerical summaries. Each report should also highlight those critical issues identified by the department which need the attention of the Town Clerk (Chief Executive) and the Council. Each department should be expected to define the problem and suggest alternative courses of action. The Town Clerk (Chief Executive) and the Council should be expected to offer guidance, assistance and firm decision-making.

A modest system of performance reporting could be introduced within KSAC in the near future. This can be approached in different ways. The classic way to start is with goal formulation and target setting. For KSAC, however, it may be better to start by regularly reporting actual results for a select number of key agencies. As better information becomes available, realistic and achievable objectives and targets can be set.

C. The Accounting System

Generally, the KSAC accounting system appears to be sound, with internal controls generally adequate to normal needs. There are, however, a number of steps that need to be taken to strengthen the system and eliminate existing flaws. The most notable of these are:

- * Manual. KSAC has not adopted a written manual of accounting standards and procedures. Because KSAC accounting generally follows accepted municipal procedures (except for the use of cash rather than accrual methods) it should be possible to use a standard guide as the base for such a manual, adding or changing only those elements where KSAC has special needs or conditions.

In addition to an accounting manual, KSAC should develop a guide to its computerised system explaining what the system does, including what the numerical codes stand for, etc. Without such a guide, much of the value of the system is lost.
- * Accounts Payable. A major missing component of the computerised accounting system is an accounts payable subsystem capable of recording commitments and invoices as well as actual disbursements. In this regard, the current practice of the KSAC's Management Committee in holding all invoices while it decides on payment weakens the integrity of the accounting system; the Council should advise the Treasurer of its priorities for payment and delegate the actual recording and payment.

- * Stores. The accounting control system used at the Stores appears adequate, but the manual recording system is cumbersome and should be computerised as soon as possible. Of even higher priority, however, is better physical security at the Stores where window bars and adequate locks are lacking.
- * Payroll. The payroll system appears to be of adequate design and apparently has all normal controls. However, there continue to be allegations of improper payment that call for a careful review and sample testing by the Internal Audit staff. There are also numerous allegations that employees do not actually show up even though they are recorded as present and working.
- * Bank Accounts. There continue to be some problems with balancing the municipal checking accounts. In the Audit Team's view, these are in the process of being resolved. However, should the problem continue, it may be sensible to bring in an outside specialist (such as an accounting firm) to deal with the issue. The progress that has been made by separating the recurrent and capital accounts is a good step, but in our view, the establishment of separate bank accounts for each capital project was an unnecessary and cumbersome move.
- * General Ledger. It is of vital importance that the general ledger be computerised. This will be an essential follow-on to the early action project to close out prior year accounts so that in the future year-end financial statements can be generated shortly after the end of the financial year.
- * Independent Audit. It has become accepted good practice in the United States for municipalities to retain an outside accounting firm to conduct an annual independent audit. This practice provides assurance to top municipal management of the soundness of the accounts and provides many useful recommendations for strengthening the accounting system and internal controls. Such an audit would be a useful supplement to, but not a replacement of, the reviews conducted by the Auditor-General.

D. Audit

There are three aspects of the auditing process that call for action by KSAC:

- * Audit Response. Jamaica's Auditor-General has assigned a full-time staff of auditors to KSAC in keeping with his basic responsibility for the audit function. Their work has encountered two obstacles. First, because of

the absence of year-end financial statements they are unable to complete their basic work in ensuring that KSAC's accounts are complete. As noted above, under the Early Action Programme progress has been initiated on this score. Second, the Auditor-General's staff cites poor KSAC response to specific audits; KSAC responds slowly or, in many cases, not at all. Audits are an important management tool, even when they contain unpleasant findings about shortcomings. The Town Clerk now has the basic responsibility for assuring prompt and relevant response to the Auditor-General's surveys. Under the future organisation recommended above, it might be appropriate for him to delegate the action phase of response to the Director of Financial Management, but he can never delegate the ultimate responsibility for response and the institution of corrective action.

- * Internal Audit. KSAC needs to strengthen its internal audit function and to apply it more extensively to its financial functions.
- * External Audit. As noted above, we consider it a good idea for KSAC to retain a private accountant to examine its accounts annually.

E. Capital Budgeting

KSAC needs to begin almost from scratch to create a capital budgeting process. The principal difficulty in this regard is that the municipality is wholly dependent on the national Treasury to finance its capital requests. The constrained national budget situation has resulted in very little money being available to KSAC. What there is has usually come in response to one or another specific need (for sanitation trucks, or cars for inspectors) rather than as part of any general appropriation as in the case of the recurrent budget. Thus, even a rational KSAC capital budget with carefully designated priorities linked to measured needs carries with it little prospect of a change in funding level or pattern.

What KSAC can do is to initiate a more rational planning and capital budgeting process in the hope that this will help to guide both its own limited investments and those made by national Ministries within its borders. It may also be possible for KSAC to obtain national approval to charge development fees or levy special assessments to support basic infrastructure projects such as streets, sidewalks and storm drainage. This concept is discussed at greater length below in connection with revenues.

KSAC also needs to link its capital budgeting to a better approach to development planning and control. This process, and suggestions for improvement, are described elsewhere in the Management Audit report. (See Chapter VII.)

XI. The Role of the Central Government

Basic improvement in KSAC's financial affairs necessarily involves the Government of Jamaica. Without national agreement, there is little that KSAC can do to resolve many of its most pressing problems. This is especially the case with respect to the revenue side of the KSAC budget, where Central Government actions are wholly determining.

This section addresses the national role in KSAC's finances. Three dimensions of the issue are considered: first, the role of the Central Government in KSAC's revenues; second, its potential role in addressing the municipality's accumulated deficit; and third, how the Central Government might move toward alternative methods of control of the capital city's finances.

A. Revenues

This section recommends action by the Central Government that would allow KSAC a greater degree of self-determination with respect to its revenues. As compared to the situation elsewhere in both the developed and developing world, Jamaica has an extraordinarily centralised revenue system. In the view of the Audit Team, a consideration of moves toward at least limited local autonomy appears warranted.

1. Fees and Fines

The modest amounts of revenue that KSAC can generate on its own behalf principally come from a variety of fees and fines. The level of these charges is generally set by KSAC's Council, but the concurrence of the Minister of Local Government is also required. In practice, the Minister has referred KSAC's requests to increase fees and fines to the Cabinet, but in most instances no approval has been forthcoming.

Some 'home rule' authority that would allow KSAC to set its own charges would enable it to increase its revenues at least to the level that it costs to collect them. Some possible options to break the current freeze could include:

- * Allow KSAC to increase all fees and fines, without the need to obtain national approval, by an inflationary factor dating back to when their level was originally established.
- * Allow KSAC to establish its own levels for fees and fines subject only to a negative veto to be exercised by the Minister of Local Government. In this case, KSAC's Council could set its rates, notify the Ministry and, if no negative veto was forthcoming within, say, one month, the new rates would go into effect.
- * The Cabinet could act on specific requests from KSAC rather than postponing such action.

Some part of the low level of revenue derived from fees and fines is also due to a collection problem. This is especially true with respect to the rural water system, where KSAC has had major problems identifying the parties responsible for payment and in obtaining payment. This problem will not be resolved but will at least be transferred out of KSAC's jurisdiction when the National Water Commission assumes responsibility for rural water delivery, as it is scheduled to do.

2. Shared Taxes

Assuming that the Central Government does not desire to reverse the pattern under which it has assumed all responsibility for collecting taxes in Jamaica, there are still actions that it could take that would allow local authorities power to levy additional taxes which would in turn be collected by the Central Government.

Perhaps the most appropriate tax for such consideration would be the real property tax. In much of the world, local authorities rely on property taxes as a mainstay of their own source revenues. KSAC is unusual among both developing and developed world cities in this complete exclusion from direct involvement in its own property tax, even though the receipts from such taxation are one component in the national revenue sharing formula for local authorities.

The property tax is one of the revenue sources being studied in an AID-supported project for the Jamaica Revenue Board. According to the prospectus for the study, there are a number of problematic features of the real property tax which will be reviewed. These include:

- * Property taxes are levied on unimproved land only and not on the structures erected on the land.
- * Assessments are only being revised now after a decade since the last assessment.
- * A very high proportion of properties are exempt from the tax for various reasons.
- * The tax varies with the value of the land involved, rising as that value rises, unlike the flat rate most common elsewhere in the world. But, the general rate of tax is so low that revenues from property taxes fell from 5 percent of national receipts in 1974 to only 2.5 percent in 1983.
- * The tax rate is island-wide, rather than varying by jurisdictions as is most commonly the case elsewhere.

The scope of the Management Audit did not allow an intensive examination of the possibility of shared taxes or of the development of a separate taxing power for KSAC. However, the existence of the Revenue Board project presents a valuable opportunity for such an extension. It is recommended that AID and the Revenue Board ask the consultants carrying out the national tax review to extend their work to include specific attention to whether it would be appropriate to allow KSAC to participate in the national taxing process, with particular attention to the real property tax. One possible variant of such participation might be to allow KSAC's Council to add a surtax to the real property tax to cover the cost of services above the level that the Central Government is willing to finance through its budget.

3. Development and Service Charges

Another approach under which KSAC might develop additional revenues to help support the cost of its services would be through provision of the application of charges for specific public services or charges applied where new private development increases the requirement for public facilities and services.

The general principle of service charges has been most widely accepted where a defined service is provided to properties, as in the case of water supply and drainage. With the national assumption of responsibility for water supply, this is no longer an issue for KSAC. However, there are other services which might be appropriate for such charges, such as the provision of street lighting, a service which accounts for nearly a tenth of the entire KSAC budget. If a street lighting charge were to be levied, it would be necessary to find a means to apply the cost equitably and to collect it efficiently. The most suitable present candidate for the purpose would appear to be the real property tax system which is already in place.

New developments, especially those of a commercial nature, often require additional municipal expenditures for streets, sidewalks, surface water drainage and other facilities or services. It would be highly desirable for KSAC to explore means to place at least part of the burden of these costs on the property owners whose new developments will benefit from them. One of the means available is the assignment of special assessment districts; in this system landowners are required to pay into a common fund which is then used to finance public expenditures for their benefit. This procedure is most applicable either in a specific zone where major improvements are under way or where a specific public improvement will benefit a defined group of properties. At present KSAC receives no incremental revenues at all when new construction occurs (as in the environs of New Kingston) and as a result often finds itself unable to provide the public amenities and facilities that could enhance new private investment.

B. Funding the KSAC Deficit

As a result of budget overruns in recent years, KSAC has accumulated a deficit of unknown but potentially substantial proportions. The Audit Team estimates that this deficit is at least \$10 million and could be as high as \$30 million or more. The early action project to complete year-end financial statements plus related actions (such as updating benefit payments due to national accounts) is needed to define this deficit.

Because KSAC has no revenues of its own and no realistic debt-incurring capacity, the Government of Jamaica will have to accept the basic responsibility for meeting the KSAC deficit either through a single payment or funding over a longer period. In the Audit Team's view, any such action by the Central Government should be accompanied by the installation of a set of rigorous controls to prevent the recurrence of a KSAC deficit in the future.

C. Toward a More Positive Relationship

It is possible to view KSAC's difficulties as the result of either local irresponsibility or the absence of clear national guidance and control. In the Audit Team's view, both positions have some claim to accuracy. In order to resolve the situation in the future, both KSAC and the Government of Jamaica need to take positive steps.

* KSAC should move promptly to set its own house in order, building on the successful early action steps along the lines set forth in this report. KSAC should also move to reorganise and strengthen the staffing of its financial management functions, as well as making clear their relationship to the top administrative and policy-making functions of the municipality.

* The Central Government should move in two directions: first, by allowing KSAC more freedom in raising revenues and/or cutting back on its staffing and services; and second, by instituting a more credible system of control and fiscal discipline.

We believe that these steps toward a more positive relationship are both feasible and well within the capacity of the two parties. The steps required do not involve radical changes in the existing structures or relationships -- but they could well have rapid and marked impact on KSAC's financial situation.

XII. Summary of Recommendations

The following briefly summarises the key recommendations with respect to financial management.

A. Continue the Early Action Programme

- * Concentrate effort on putting in place a realistic recurrent budget for financial year 1984/85 and get an early start on the financial year 1985/86 estimates.
- * Continue production of a basic set of Management Information Reports on a regular monthly basis.
- * Institute a focused effort to close-out outstanding year-end financial records.

B. Restructure Organisation, Strengthen Staffing and Improve Facilities

- * Create and fill a high-level position of Director (Head) of Financial Management.
- * Create and staff a new unit for Budget and Management.
- * Create and staff a new Systems Support Unit. Use this unit to strengthen KSAC's use of the shared computer service while building complementary in-house capacity.
- * Transfer the Internal Audit Unit to the Office of Financial Management.
- * Designate the existing Office of the City Treasurer as the Financial Control Unit in the Office of Financial Management.
- * Provide improved service, space and essential working tools for the Office of Financial Management.

C. Improve Financial Management Systems

- * Give top priority to strengthening the process of budget-making and administration.
- * Initiate a management planning and performance measurement system to support the budget process and serve the Town Clerk in his role as Chief Executive.
- * Bring the accounting system up to generally accepted municipal levels, including introduction of missing components such as an accounts payable system and a computerised general ledger.
- * Use the audit function to identify weaknesses that need to be corrected.
- * Establish a restructured capital budgeting process linked as closely as possible to development planning.

D. Central Government Actions to Help KSAC

- * Allow KSAC to upgrade and modernise its fees and fines to enhance local revenue collection.
- * Explore the potential to allow KSAC to add a surtax (or "piggy back") on an improved real property tax system which would remain a component of the national revenue system.
- * Introduce new approaches to the private development process that would allow KSAC to mandate developer contributions (in cash or kind) to supporting infrastructure installation.
- * Identify the size of the accumulated KSAC deficit and develop a method to resolve it.
- * Establish a more clearly defined framework for KSAC fiscal responsibility and national financial control in cases where local discipline breaks down.

CHAPTER VI

THE PERSONNEL SYSTEM MANAGEMENT

I. Background

Policies and problems of recruitment, promotion and training are the central focus of this chapter of the Management Audit report. In order to provide a solid underpinning for the analysis, findings, and recommendations which follow, it is important that the Jamaican environment be understood and that the following matters affecting this subject be studied:

- * The relationships between the personnel management of the KSAC, the KSAC Councillors, and the Municipal Services Commission.
- * The impact of policies and legislation, as well as the practices of the Ministry of the Public Service and the Ministry of Local Government, on effective personnel management.
- * The current responsibilities of the Personnel Office of KSAC, the Councillors, the Town Clerk, and statutory officers of KSAC. This portion of the study wishes to determine whether personnel management activities would be more effective if there were changes in organisational structure, laws, rules, regulations, or procedures, including reporting relationships.
- * Personnel Office relationships to line department staff responsible for personnel actions and service delivery systems in the field.
- * The impact of unions on personnel policies and practices, with particular emphasis on such subjects as exclusive representation, contracting out, redundancy, appointment procedures and salary and benefits administration.
- * Adequacy of organisation, competence, and staffing of the central personnel office. This includes the ability of the Personnel Office to deal effectively with the internal needs of the KSAC service and to cope with external pressures from Central Government, KSAC Councillors, unions and politically motivated persons.

- * Methods of recruitment, selection, discipline, performance evaluation, promotion, compensation and classification of staff in the context of accepted modern personnel management practices, as well as in the context of procedures and practices utilised in the Central Government, parastatal, and private sector organisations in Jamaica.
- * Manpower development programmes and the level of training programme competency in the KSAC, with particular attention to the potential for enhancing management skills, using mobility assignments, and recruiting college graduates as management trainees.

The author of this report made contact with more than thirty officials in the KSAC and Central Government at all levels for the purpose of better understanding local perceptions of problems and their potential solutions. He sought opinions about the competence of individuals directly involved in the system. He also solicited opinions about the adequacy of the organisational structure for personnel management and legal constraints which have an impact on the system. Most of the findings and recommendations set forth in this chapter were tested against such perceptions, and data was collected to support or reject the suggestions made for legal or organisational changes.

II. Findings

Personnel administration in the KSAC must be completely restructured if the management and service delivery systems are to be improved. The Central Government has taken inappropriate measures to eliminate politics in appointments; this, according to the records and discussions with personnel officials and staff members, lies at the heart of many management inadequacies in the KSAC. Therefore, the findings and recommendations which follow focus on those statutes which limit drastically the ability of managers to manage effectively because of their lack of control over appointments to key, or even low-level, positions.

The laws and regulations which now control the engagement, discipline, pay levels, promotions, and separation of KSAC staff are not well-administered. This has affected both the ability of KSAC to retain competent staff and to attract college graduates without practical experience.

It was found that the status of records, the level of leadership skills and the technical competence of the KSAC managerial staff did not lend themselves to personnel remedies applicable to a more sophisticated working environment. Therefore, the so-called "Westminister Model", the model found in most city manager local authorities (and the pattern found in successful Jamaica private

sector or parastatal organisations), would not work in KSAC immediately but must be viewed as a long-range target. The KSAC's most serious personnel problems lie in the following areas: low salaries; a willingness to continue the hiring and retention of managers and professionals of lesser competence; interference from other governmental levels necessitated by continuing suspicions of corruption and political patronage; and such practices as "acting appointments" and overstaffing. This chapter, therefore, deals with these matters first. The internal functioning of the Personnel Department will become manageable if improved systems, procedures and policies are put in place and combined with firm leadership from technically competent personnel professionals. If responsible management is retained at the top, if the role of the KSAC Council is changed to that of policy makers, and if competent professional staff is employed in the Personnel Department, significant progress can be made (provided the responsibilities of the Municipal Services Commission are also restructured). The specific elements of the structure and management of KSAC that require remedial action are as follows:

A. Authority to Make Appointments

Appointments and other major personnel actions involve such a variety of actors that responsibility cannot be effectively ascribed to any one of them. The Town Clerk may not make appointments at any level without review and approval of the KSAC Councillors and the Council's decisions are, in turn, subject to review, veto or substitution by the Municipal Services Commission. Thus, responsibility and accountability for the effectiveness of managerial staff and decision-making cannot be fixed. Neither the Mayor nor the Councillors can require compliance with their policies by the Town Clerk. Staff members, who neither the Councillors nor the Town Clerk can appoint or control, often fail to comply with the Council's legitimate policy decisions. The Mayor and Councillors respond by attempting to interfere, usually unsuccessfully, with the Town Clerk's and staff actions.

B. The Problem of "Acting" Status

Approximately 50% of the KSAC staff are employed on an "acting" basis, and some have been in this status for upward of 13 years. Understandably, morale is low and the performance of such staff is often marginal.

C. Failure to Maintain the Classification and Pay Plan

KSAC salaries and classification levels have not been subject to a general review for over 10 years. Such individual studies that have been made (upon the creation of new positions or reorganisation of higher levels) are undertaken by the Ministry of the Public Service, apparently without sufficient staff to make a comprehensive audit and without decisions being subject to appeal or reversal.

D. The Public Cleansing Department Dilemma

About one-quarter of the KSAC employees are assigned to the Public Cleansing Department. Interviews with responsible officials in that Department, and in other parts of the KSAC, reveal egregious personnel practices, probable overstaffing, unnecessary overtime payments, and unrealistic disciplinary procedures.

E. Impact of Personnel Management on the Budget

The 6,000 employees of KSAC consume at least 65% of the operating budget, if not more. Failure to utilize them effectively, or to limit and reduce their numbers by the application of modern management methods, seriously inhibits the ability of the KSAC to perform effectively within budget constraints.

F. The Personnel Record System

The KSAC personnel records are not sufficiently complete or accurate to permit proper personnel programmes for training, promotion, manpower planning or pension administration.

G. Management-Union Relations

Many obvious management actions are not taken because of apparent union interference; this includes threats of retaliation, e.g., strikes, violence and intimidation.

H. Inability to Fill Key Positions

Key positions, such as those of the professional engineers and the training officer, have not been filled due to low salaries, poor regard for the KSAC work environment, or inadequate recruiting practices.

I. Appointments by the Municipal Services Commission

Many appointments of key staff in the KSAC are made by the Municipal Services Commission which has no responsibility for either the delivery of services or the control of expenditures.

J. Municipal Services Commission Oversight Role

The oversight role of the Municipal Services Commission, exercised through the control of appointments, has not entirely accomplished the purpose behind its creation, namely to eliminate political influence.

K. Mobility

There are virtually no training programmes, executive development programmes, or any movement of staff on a lateral basis between KSAC

and the Central Government to either broaden the skills of incumbents or to expose KSAC staff to more skilled or experienced managers or professionals elsewhere (or even within KSAC).

L. Discipline

Disciplinary measures, while available, are unevenly applied against employees who are consistently in violation of work rules, rules for attendance or failure to adequately respond to directives of superiors. To some extent this is a response to the strength of the unions and threats of retaliation if sanctions were applied. However, some disciplinary matters have reportedly been so poorly handled by management that union interference should have been expected. There is no evidence of an operational grievance procedure that would defuse potentially confrontational situations. The resolve of managers to apply sanctions is questionable because of the potential for political, union or physical reprisals. Sanctions, when applied, as in the Public Cleansing Department, result in straight pay for no work.

M. Communications

A Staff Manual has been promulgated by the Ministry of Public Service as a guide to personnel policy for all departments of Central Government. We were advised that it is rarely revised and there are no assurances of its circulation to line departments of the KSAC for guidance and application. Neither could a manual be found usable for lower level employees as to their rights, prerogatives, working responsibilities and sanctions in case of failure to perform. It was determined that none of the KSAC departments had Personnel Assistants whose responsibility would be to serve as liaison between employees of the department and the Central Personnel Office, or to process personnel documents to maintain essential records on a decentralised basis. Also, there is no procedure in place for periodic orientation of new employees; this results in a general ignorance of work rules.

N. Promotions

Virtually no attempt is made to fill vacant positions in KSAC from external sources. Furthermore, the major consideration in the filling of vacancies within the KSAC has been seniority, unless for some reason, not necessarily superior performance, an individual is promoted over others senior in terms of service. Often no attempt is made to recruit from outside KSAC, or to advertise for potential applicants from the Central Government, the private sector, or parastatals. In some instances, when insiders with limited qualifications are recommended for promotion by the Town Clerk,

either the Councillors or the Municipal Services Commission have insisted, quite appropriately, that the individual so promoted be made "acting" (see finding B above).

O. Attracting Skilled Managers

It is alleged that low salaries do not permit the KSAC to attract persons of competence to fill the many positions that require professional or managerial skills. We were advised that four of the thirteen professional positions in the City Engineer's Office are filled or are occupied by less than qualified persons. This is the result of low salaries or because qualified engineers prefer to work for the Central Government, public enterprises or the private sector, which offer better working environments. We also were advised that there is not a single management trainee employed by the KSAC. Trainees do not want to work at KSAC because of the difficulty of gaining promotions due to the seniority system, as well as the lack of trained supervisors who can help them develop managerial or professional skills. These allegations were checked in a number of ways during interviews. There is a general perception that the improvements recommended in this report with regard to management development cannot be made without major corrective measures.

P. Performance Evaluation

Review of employee performance is now done at the time of proposed salary increases or promotions. It is not done for the purpose of advising and counselling employees on their progress, strengths and weaknesses, or their discipline or dismissal because of the poor quantity or quality of their work. Performance evaluation should be a continuing function of managers and should be carried on by the immediate supervisor. Then it should be reported, after consultation with the employee, to superiors at higher levels. It should not be done only in connection with salary reviews or promotions.

Q. Personnel Records

There are in existence individual employee records that purport to give detailed information on all transactions affecting an employee from near engagement to retirement. Questioning and a review of selected files disclosed that they were incomplete, disorganised and of such limited value that they could not be used for the most simple personnel control functions. It was found that upon retirement (see below) it may take up to five years to complete the record in sufficient detail and accuracy to pay a retirement gratuity or pension. We were unable to ascertain numbers, pay grades, titles and status (permanent, temporary or acting) of KSAC staff from the records. In order to obtain this information it was necessary to request each department to make a listing that could be utilised by the Audit Team.

R. Retirement

As noted above, the prompt retirement of hourly paid employees has been impeded by the inability to produce service records on a timely basis. We were advised that this has caused extreme hardship for such employees awaiting their final gratuity payments. Also, the original record is costly to reconstruct since it not only requires an extensive search and reconstruction of records by the KSAC but also detailed checking and auditing by the Ministry of Public Service and the Auditor-General. Not the least of the expenses are incurred by KSAC by reason of an apparently widespread policy of retaining certain employees on the payroll who are waiting (up to 5 years) for their gratuity.

S. Labour-Management Relations

Many of the problems of KSAC management stem from a lack of strength and firmness in dealing with the unions. Furthermore, it is evident that in Jamaica the political-union relationship is so close that even the managers and employees who are not active union members are fully as sensitive to union pressures as they are to those of the Councillors. Some of the latter are said to be more responsive to union demands than they are to their constituents and the problem. Therefore, the problem is not that there are active and strong unions, but rather that the KSAC is saddled with weak and passive management.

Apparently the leaders of the unions that have been described to the Audit Team, as well as those with whom the Team consulted, are careful not to bring excessive pressure to bear in the use of their power. It is, however, power without authority; without benefit of contracts; without exclusive representation and with some privileges that should be discontinued, even in the best interest of the unions. What is referred to here are multiple checkoffs, labour agreements without contracts (or even memoranda of understanding) and lack of exclusivity on representation. Accordingly, the recommendations made here should result in regularising many undesirable (and possibly illegal) arrangements that result in payments to employees for which approved documentation cannot be found. An example of this is the long recognised payments for overtime to employees of the Public Cleansing Department for work not performed, and, to a lesser degree, to certain Fire Brigade personnel. The payment for overtime to Cleansing Department employees is of such proportions that KSAC should consider it a priority matter to develop strategies for negotiating with the unions to phase out the present arrangements.

T. Personnel Department Organisation

Many of the principal weaknesses of the KSAC management stem from the failure of that agency to establish effective methods of recruitment, promotion, selection and training. The lack of stature of the personnel function, the comparatively low status of the

Personnel Director and the subordination of personnel practices to interference from the Central Government ministries and elsewhere have also contributed to these weaknesses. In other findings in this report some of the deficiencies have been outlined in detail. It is evident that to correct them it will be necessary either to make changes in the law or changes in the directives of the Town Clerk, the KSAC Council or the Ministry of Public Service and Ministry of Local Government. Most of the problems, however, can be corrected given a strong and independent staff and professional approach to personnel matters. The framework must be put in place for an improved leadership system which will establish a Personnel Director position with status, independence, and clear obligations to get results. The system and commitments must cut across all functional lines and result in attracting superior experienced and young recruits who will have a positive attitude and commitment to finding solutions.

III. Recommendations

The following are recommendations for improving the KSAC personnel system is to function effectively. The numbering of these recommendations follows that of the findings presented above.

A. Authority to Make Appointments

1. All appointments for the KSAC should be made by the Town Clerk (Chief Executive) without review by any outside authority, either the Council or the Municipal Services Commission. The only exception is that both the appointment and removal of all department heads of KSAC would be subject to confirmation by the Council.
2. The Town Clerk (Chief Executive) should be authorized to delegate the appointment of all subordinate staff to department heads under policies established by the Council. These should provide that appointments be made from lists of persons who meet qualification standards established by the Personnel Director.
3. Removal actions and other disciplinary actions of department heads should, in each instance, be subject the approval of the Town Clerk (Chief Executive). The member of staff concerned should have the right to appeal to the Municipal Services Commission (see Recommendation J below).
4. Adoption of these recommendations should be preceded by legislative or other appropriate actions divesting the KSAC Council and the Municipal Services Commission of authority to make appointments. The only exception should be that

the Council have reserved to it the appointment and removal authority relating to the Town Clerk (Chief Executive). However, in the event of dismissal or specified disciplinary measures the Town Clerk should also have a right of appeal to the Municipal Services Commission on the grounds of unfairness, unreasonableness or insufficient cause.

5. The Municipal Services Commission Act should be amended to reflect the Commission's new role and status as an appeals and oversight body. (See Appendix B.1, Appendix B.2 and Recommendation J.)

B. The Problem of "Acting" Status

1. All "acting" appointments should be reviewed immediately and over a period of no more than one year. Incumbents should be made permanent, dismissed or returned to their former substantive post. An exception could be made for those who would be allowed a 90 day grace period as "temporary" appointees.

C. Failure to Maintain the Classification and Pay Plan

1. A classification and compensation study of all positions in the KSAC should be undertaken without delay. Future recruitment, selection, compensation, promotion, and training programmes should be predicated on a newly established plan.
2. The new classification and pay plan should be adopted by the Council and maintained subsequently by a Manpower Planning and Position Control Section in the Personnel Department.

D. The Public Cleansing Department Dilemma

1. A solution to the findings on overtime, disciplinary problems, and overstaffing in the Public Cleansing Department should be given priority consideration because of its impact on the balance of the personnel system from the viewpoint of morale, equal treatment, and cost. (See Recommendation R also.)

E. Impact of Personnel Management on the Budget

1. Position controls should be established under the newly created Manpower Planning and Position

Control Section, in cooperation with the Financial Management Director's Office, and pursuant to policy guidelines established by the Council. -

2. Studies leading to reductions in the workforce, within limits to be set by the Council, should be started immediately with a view to establishing a balance between manpower requirements and available fiscal resources.

F. The Personnel Records System

1. Personnel records should be updated in order to permit the installation of personnel procedures which will facilitate pension and retirement gratuity administration, regularity of promotion, and to provide for planning for replacements resulting from retirements. (See also Recommendations Q and R.)

G. Union-Management Relations

1. A policy about management rights should be established in order to limit effectively the scope of bargaining with respect to testing, classification and similar personnel administration matters. (See also Recommendation R.)

H. Inability to Fill Key Postions

1. A programme to review salary levels of key professional and managerial positions should be undertaken. The newly restructured Personnel Director's office should be required to advertise vacancies and undertake positive recruitment without delay. (See Recommendation O.)

I. Appointments by the Municipal Services Commission

1. Appointments to KSAC positions and the review of such appointments by the Municipal Services Commission should be discontinued by amendment of the Municipal Services Commission Law. This could be initiated by the Minister of Local Government. (See Appendix B.2.)

J. Change of Municipal Services Commission Role

1. The role of the Municipal Services Commission should be changed to that of an appeals board and

oversight agency in order to prevent any attempts to politicise the personnel system. (See Appendix B.2.)

K. Mobility

1. A new section for Manpower Development (formerly Training Officer) should be established within the Personnel Director's Office, with authority to negotiate mobility assignments across governmental lines (or with private and parastatal agencies) in order to accelerate the acquisition of management skills by KSAC staff.

L. Discipline

1. A grievance procedure should be devised and uniformly followed by all KSAC departments. It should permit managers in the field to apply sanctions within prescribed limits. It should also provide for review, on request of the employee to superiors, as to the appropriateness of the action taken.
2. Final actions of the Town Clerk (Chief Executive) on disciplinary matters should not be reviewable by the Municipal Services Commission unless the action involves suspension in excess of 14 days or dismissal.

M. Communications

1. A personnel policy manual for departmental use and as a reference to which all employees would have access should be prepared for adoption by the Council.
2. An employees' manual should be prepared in simplified form for general distribution. A copy should be given to each employee when hired in order that there may not be misunderstandings about the management rights to direct work; sanctions, if discipline is required; and the perquisites to which each employee is entitled.
3. Until the Personnel Department is reorganised, the Training Officer should undertake the preparation of manuals -- both a policy manual for eventual Council adoption and an employee manual for general distribution. The Officer should also begin orientation courses for all employees on the subject matter to be covered in the manuals.

N. Promotions

1. Competitive tests should be introduced for promotions to all vacancies within KSAC. Applicants for promotion should be judged on prior performance, education, experience, potential for further growth on the job, and relative performance or aptitude, performance or skills tests.
2. A significant number of promotions and vacancies should be filled by external recruitment to attract candidates who would be required to compete with insiders.
3. In no case should persons who lack qualifications be promoted on an "acting" basis. In emergency situations temporary appointments should be made while recruitment takes place for periods not to exceed 90 days.

O. Attracting Management Skills

1. Compensation levels of top management staff should be reviewed immediately for comparability with those in equivalent positions in Central Government.
2. The compensation of the Town Clerk (Chief Executive) should be restored immediately to its former level. That is to say, it should be at least comparable to a Permanent Secretary, including all perquisites and emoluments.
3. Open recruitment for management vacancies should be instituted as a policy for the foreseeable future. Positions should be filled only after the advertising of such vacancies and the application of appropriate merit system procedures. (See also Recommendation N.2.)
4. The Training Officer should make contacts with the University, and with professional and technical schools, to attract graduates suitable for rapid advancement into middle management positions.

P. Performance Evaluation

1. A simplified performance evaluation form should be devised by the Personnel Director.

2. Performance evaluations should be completed no less often than annually, and used as a means of improving performance. The record of the evaluation should be placed in the file of each employee and reviewed for progress against defined targets for improvement jointly agreed upon by the supervisor and subordinates.

Q. Personnel Records

1. An immediate study of personnel files should be undertaken to provide clear records for all employees of KSAC. All personnel records should include the following: date of original appointment; dates and titles on promotions or demotions; changes in compensation; training undertaken; disciplinary actions, if any; commendations, if any; sick leave, vacations, and leaves of absence.
2. As soon as possible after completion of the initial review of personnel files and preparation of data on each employee, a computerised record should be installed as a basis for producing, expeditiously, the information required for effective personnel management and for facilitating prompt employee retirement.

R. Retirement

1. The above recommendation regarding the updating of records on all employees also has application to pension payments. The temporary re-engagement of employees awaiting retirement should be discontinued immediately.
2. A system for paying gratuities based on claims of employees for prior service credit should be undertaken, subject to immediate audit. This would replace the current system that interminably delays payments at great cost to the Council and the individual service delivery systems. Disagreements, in the absence of complete records, could be arbitrated or appealed to the Municipal Services Commission. (See Recommendation J.)

Labour-Management Relations

1. The Labour Relations and Industrial Disputes Statutes should be amended to require periodic review of labour-management relations in KSAC, as well as the negotiation of written memoranda of agreement with unions representing specific classes of employees.
2. Appropriate bargaining units should be established by the KSAC Council in consultation with the Ministry of Labour. Elections should be held to determine which union, if any, will represent employees within a defined bargaining unit.
3. Each employee should be allowed to check off dues to only one union and should have the right to join any union of his choice, or not to join at all.
4. The extraordinary payments for overtime in the Public Cleansing Department, in excess of two and one-half million dollars annually, should be brought under control by a series of arrangements which could include:
 - a. Reduction of staff (with emphasis on attrition through retirement) by agreement with the union involved;
 - b. Discontinuance of overtime payments to all temporary employees now on the payroll;
 - c. Disallowance of overtime for any new employees.

T. Personnel Department Organisation

1. Create a new position of Personnel Director at a level immediately below that of the Town Clerk (Chief Executive) to serve as Chief Officer of a separate department responsible for personnel administration. The Personnel Director should have sufficient status, compensation, experience and authority to put in place the personnel management recommendations of this report.

2. Immediately undertake the appointment of a properly qualified and experienced Training Officer with KSAC-wide responsibility for in-service training. The Training Officer should make training policy recommendations to the Council; recruit and select management trainees; and monitor the progress and placement of the trainees. It is understood that this could be done by the secondment of such a person from the Ministry of Public Service.
3. Establish an Administrative Section with responsibility for permanent employee records, routine transaction processing, confidential files, benefits administration, and pension and gratuity calculations.
4. Establish a Planning Section with leadership and staffing competent to do manpower planning. The Planning Section also should write rules and procedures for the guidance of line departments and employees; make continuing compensation studies; and maintain the classification plan.

IV. Conclusion

The recommendations of this Chapter are aimed at accomplishing a major turnaround in the effectiveness of KSAC management. It is proposed that the role of the Town Clerk be changed to that of a real Chief Executive Officer (hence the alternative nomenclature given throughout this chapter) with concomitant responsibilities, authority, accountability, and compensation. This requires that the KSAC Council be a policy, not a management, board with the Town Clerk (Chief Executive) implementing the Council's policies and being responsible for the appointment of competent staff.

The recommendations also suggest a restructuring of the role of the Municipal Services Commission. The Commission's main responsibility still would be to assure the community that the KSAC personnel system is not politicised and that employees are treated fairly and equitably. The Municipal Services Commission also would have oversight responsibilities; it could initiate studies of the fairness of the personnel system.

Finally, a new post of Personnel Director, or Head of Personnel Services, would be created at the top level of management and would be subordinate only to the Town Clerk (Chief Executive). The incumbent would be responsible for the quality of KSAC staffing. The post would be equal in status to a departmental Chief Officer, e.g., the new Director of Financial Management, if created.

These are the major recommendations with respect to personnel management resulting from this Management Audit. They would lay the groundwork for the needed changes in recruitment, promotion and training practices. Their adoption is also a prerequisite to the fundamental turn-around of the KSAC and an effective delivery of services.

It is critical to note that the changes proposed cannot be imposed by fiat. They must be carefully introduced on an incremental basis. The first requirement, therefore, is to introduce the distinction between policy making and policy execution and to prepare the organisation for these changes through new leadership, new attitudes, and, most of all, a new professionalism that will attract high calibre managers to the system.

The key element is that the changes proposed be introduced gradually (not abruptly) as the organisation is readied to accept them. The need is for a step-by-step movement towards effective top-management and qualified and respected personnel management staffing. This, in turn, should lead to the recruitment and training of young and qualified potential middle managers and the incremental installation of the proposed changes by persons committed to the success of KSAC as a respected institution.

CHAPTER VII

PLANNING AND REGULATION OF DEVELOPMENT

IN THE CORPORATE AREA

I. Introduction

Preparation of land use plans and ordinances, as well as permit processing and enforcement, are components of the regulatory process for physical development. These are among the most complex functions of municipal government and demand a high level of professional performance. Physical development in Kingston is subject to a regulatory process for which responsibility is shared among the KSAC, the Town and Country Planning Authority, the Central Government's Town Planning Department and several agencies concerned with specific aspects of infrastructure and public health. In this respect the situation in Kingston parallels that of most major communities in North America where, traditionally, several governmental bodies play roles in setting standards, reviewing permit applications and otherwise exercising control over land and building. Kingston's context is complex, but not atypical.

Before examining the situation in Kingston directly, it is useful to make some general comments about development regulation and control from the standpoint of the public sector and the perspective of the private entrepreneur.

From the public standpoint, regulatory procedures are a means of channeling needed land uses (e.g., housing, industry, commerce) to areas of the community where each is best located singly or in combination with others. Even more important, they are mechanisms for protecting community health, safety, and welfare, e.g., through the exercise of powers to prevent traffic hazards or undue congestion, strains on public services and utilities, soil erosion, and a host of negative impacts on the human and physical environment that can occur when landforms are altered and buildings erected.

The regulatory process is also the means through which a government establishes basic standards of amenity and service (open space, landscaping, off-street parking) which contribute to the quality of the urban environment. It can be a positive instrument to foster community goals for the shape and form of that urban environment.

A private builder or developer is invariably reluctant to enter into the regulatory process. Large amounts of money and time are at stake. Review procedures are often subject to delays, and the

results of review procedures often add conditions and restrictions which affect project cost. A private developer participates in the regulatory process because he has to under a system of laws (presumably enforced), and he will seek to come away with the minimum possible restraint on his plans and operations. Many developers accept governmental intervention as needed to establish guidelines. However, the political favoritism, bribery, and corruption so often associated with development controls have been among the private sector's responses to the constraints of a regulatory system. Even when the illicit is not attempted, some consider the system at best a nuisance to be tolerated.

Thus, there is an inherent tension between the private sector applicant and the public sector reviewers and inspectors. Under an equitable system, however well-administered and professionally staffed, that tension can be creative. By creative, we mean a situation where give-and-take between applicant (and/or his technical advisers) and reviewer occurs under conditions of mutual respect. This results in a better quality project (layout, amenities, use mix, etc.) and one which is economically viable for the successful applicant. An equitable system demands that the ground rules, those standards and requirements to be exercised by the public sector, be absolutely clear to all parties involved from the outset. It demands that the various review procedures occur in an orderly fashion within reasonable periods of time. An equitable system also demands that conditions and standards be demonstrably related to their objectives, updated as necessary, and above all be consistently enforced.

While an equitable development control system is important in any urban area, we believe it is particularly crucial for Kingston and St. Andrew at this point in Jamaica's history. Jamaica's economic development depends a great deal on the extent of new construction in the capital. Kingston is the nation's primary population and economic centre and the major potential location for new investment in industry, office space, commerce, and housing. Over half of the outline plan applications made during the past year have been within the corporate area. The construction industry is a major employer and a major potential source for new employment. At a time when new investment is desperately needed, along with sources of jobs, the development industry in Kingston has to be seen as a key contributor to the nation's economic recovery. Thus, the regulatory process, which has to guide where and how construction takes place in the capital and has to be consistent with protection of public health and safety, must occur in such a way as to expedite development. This is because the rapid growth of jobs and enterprise in Kingston is a matter of public concern.

The Audit Team examined certain key aspects of the regulatory process: planning, subdivision approval and the enforcement of controls. We did this through reviewing relevant legislation, interviewing participants from both the private and public sector, examination of project files at KSAC and the Town Planning Department, and on-site investigation of facilities for which permit decisions had been recently made.

As anticipated, we identified deficiencies in the current system which serve to hurt both the private developer and the public. At the same time, we have concluded that the most serious problems can be addressed through realistically modest changes in policy and performance by Central Government, preferably supported in some instances by international technical assistance. The problems are difficult, but far from insoluble. While certain long-term structural changes may be desirable (i.e., new institutions, major legislative revision), none of these changes is needed in the short-run. The present institutions, the present personnel, the present distribution of responsibilities can all be absorbed into an improved system. Indeed, we believe that if Central Government acts on the recommendations which follow, major improvements can be visible within six months.

II. Components of the Process

A. Legislative Authority

Three pieces of legislation, each enacted many years ago and none revised since the mid-to-late 1970s, establish the regulatory framework. These are the Town and Country Planning Act, the Local Improvements Act, and the Kingston and St. Andrew Building Act. In addition, the land use framework for the capital area is established by the "Development Order" enacted in 1966. This Development Order, an amalgam of a conventional master plan and a zoning ordinance, establishes permitted land uses and densities for sections of the corporate area as well as basic amenity standards. From the standpoint of development guidance, the Order, as administered by various reviewing bodies, is the controlling instrument. Although coterminous with the most densely-developed sections of the city, the Order does not cover certain suburban sections within the corporate area. The Order is a relatively flexible instrument, permitting some discretion by reviewing bodies, but it is long since obsolete in certain neighborhoods such as New Kingston, where economic forces have already substantially altered the land use patterns whose desirability it established. Since 1980, text revisions have been drafted and new maps have been drawn. The proposed revisions have not been widely circulated within the government or to the public. No changes have been enacted, and the Town Planning Department has but a single copy of each map.

B. Procedures

The procedures for development approval at various stages and the relevant reviewing bodies are depicted in Appendix C. As a procedural system, the framework is both orderly and equitable. Once a development is conceived, or a change of land use contemplated, the application is taken through a three stage process of plan review and approval. Principal actors are the Town Planning Department, various infrastructure agencies, and the KSAC as the final authority. Prior to actual development, a complex project involving multiple parcels undergoes a more detailed subdivision approval procedure which entails scrutiny by the same and additional agencies. Detailed plans are approved by the Building and Town Planning Committee of KSAC and ratified by the Ministry of Finance and Planning of which the Town Planning Department is a section. Once the subdivision is prepared and actual building construction is to commence, the iterative process is repeated, and the Building and Town Planning Committee of KSAC issues the final decision. For individual buildings not involving a use change and for remodelings and additions, only the building application process is relevant, and the KSAC Building and Town Planning Committee must act on the recommendations of its technical staff. With two exceptions, the stream of procedural reviews is quite comparable with the situation in major North American communities. The exceptions are (1) the participation of a body at a higher level than the municipality in subdivision review and (2) the requirement that elected Councillors (e.g., the KSAC Building and Town Planning Committee) ratify technical staff recommendations on subdivisions and building permits.

As an aid to potential developers throughout the country, the Town Planning Department has prepared a guidebook to the standards and procedures required for plan submission and review. Entitled A Manual for Development, the document is clearly stated and well presented. It is readily available to a potential applicant and apparently is widely used.

If a nonconforming use is created (in direct violation of stipulations in a plan or subdivision approval, or in absence of obtaining such permission) the KSAC Building Department serves a "breach" notice on the violator. If permission is not granted to legalize the nonconforming facility (application for such permission is an option granted to the violator), the developer is liable to a fine and the use must be removed or he faces more severe penalties.

In October 1983, the Town and Country Planning Authority made a major change in the development plan approval portion of this procedure under its powers within the Town and Country Planning Act. It "called in" planning approval from the KSAC (i.e., revoked its approval authority). From then on, all plan reviews were to be made directly by the Town Planning Department, and all final decisions were to be made by the Town and Country Planning Authority. The Government Town Planner is Chairman of the Town and Country Planning Authority, and KSAC technical staff are represented on that body. Interestingly enough, this revocation of authority does not completely withdraw the KSAC from plan decision-making within the corporate area. It covers only that section of the area which was included in the 1966 Development Order. A substantial portion (perhaps 20 percent) of the corporate area lies outside the old Order's boundaries and is still within the approval purview of KSAC. Once undeveloped rural land, this section contains some of the fastest-growing suburban portions of the region and still requires KSAC planning approval. Thus the responsibility is split, a factor contributing to the confusion which currently prevails.

A number of reasons have been cited for the calling in, which reflect difficulties in the current situation. Perhaps the most straightforward is the lack of professional staff in KSAC (only one professionally-trained planner) to deal with the increasing volume of proposed development. Others include:

1. outright circumvention of the entire approval process by developers who (as in the case of a shopping centre in Dunrobin Ave.) proceeded to build without even making plan or use change applications.
2. tolerance by KSAC of actions which occurred in contravention of the appropriate review procedures, such as applications for building approval of nonconforming uses, followed by petition for a use change to make the project "legal".
3. grant of detailed plan approval by the KSAC Building Committee of projects whose outline plans had been rejected by technical reviewers.

Removal of the planning authority for major portions of the corporate area thus had a solid rationale. As we discuss at some length below, however, the Town Planning Department which is now the principal reviewer (for the Authority) in Kingston and St. Andrew, as well as in every other parish in the country, lacks the tools and staff for adequate attention to the job.

III. Degree of Pressure

The real estate development industry is vigorously active in Kingston, more so than at any time in over a decade. Many projects (residential, office building, commercial, and light industrial, both large and small) are under construction, and many more are on the drawing boards or at some point in the approval process. Pent-up demand seems to be strong, and, despite the country's continuing economic difficulties, large sums of capital seem to be available through the banks and insurance companies and through private resources. No statistics are available on the scale of construction (or construction employment) which is legal or that which is not. Both types appear considerable.

Illegal buildings and illegal changes of use proliferate throughout the corporate area, but especially in two or three transitional neighbourhoods near New Kingston. The extent of illegal activity suggests that many developers do not take seriously either the approval process or KSAC's ability to enforce the law.

Illustrative figures exist that can put the extent of pressure for growth in some perspective.

For instance, in 1980, during the depths of the Jamaican depression, the Town Planning Department recommended only nine outline or detailed plans for approval throughout the country. Over the period April 1981 to March 1982, the Department recommended approval of 84 outline plans and 55 detailed plans, again island-wide. During the period October 1982 to May 1983, the Town Planning Department received 160 outline and 344 detailed plans for its review.

Within the corporate area itself, during the six-month period prior to the calling in action of October 1983, the Town Planning Department was asked to review (for KSAC itself) a total of 225 applications of various types and recommended action on 134 of these. No figures were available on the extent of the Department's activity subsequent to the calling in.

As indicated above, the Town Planning Department is the review body for planning applications throughout Jamaica. The corporate area represents the largest single portion of these applications, but there is no dearth of activity in provincial parishes. To perform all of its review responsibilities, the Town Planning Department has a permit review staff of only seven people whose number has not grown substantially since the flood of permit requests began. This staff works cooperatively with the one planner on the KSAC staff, but it faces formidable obstacles in performing tasks effectively. We turn to these obstacles below.

IV. Obstacles to an Equitable System

A. Lack of Planning Ground Rules

When the ground rules affecting development are clear and well-disseminated, there is a firm basis for compliance and accommodation. Everyone has the same information on which to base expectations: applicants, reviewers, and affected citizens. Without ground rules, everyone is confused. Confusion is especially dangerous in a big city where it exposes the regulatory process to suspicion of arbitrariness or favoritism. Perhaps the most important form of ground rule is a development policy, general at the scale of an urbanized area, and more specific at the level of individual neighbourhoods. A development policy, spelling out appropriate uses and densities by location and relating them to the availability of existing or planned public infrastructure, is normally contained in a physical plan. A physical plan includes a text and accompanying maps. In the Jamaican context, the Development Order fulfills the function of a physical plan.

But Kingston's Development Order was promulgated in 1966, when the corporate area had less than half its present population and development was less complex and more contained. Unrevised, it is effectively useless today. Even more serious than the lack of an overall policy instrument is the absence of any sub-area or sector plans to provide guidance in neighbourhoods subject to the most intense development pressures. New Kingston was residential or empty in 1966. Today it is the city's primary office centre. Other areas which have undergone transition or conversion over the past 17 years include Constant Spring, Dunrobin Ave., Molynes Ave., the Cargill Lands, and Downtown Kingston outside the designated UDC redevelopment area. All told there may be six to eight neighbourhoods or districts within the corporate area where land uses are being changed and development levels intensified (as witnessed by traffic congestion and inadequate intersections), in total absence of an officially adopted plan for growth or conservation.

No forward planning is possible without up-to-date base information about the existing system of roads, streets and footways and the location and capacity of both underground and overhead utilities (water mains, sewers and electricity and telephone lines). No comprehensive maps containing this information exist for the corporate area; the only infrastructure maps are those maintained by the individual authority or utility company concerned. Nor are there current land-use maps which are essential for dealing with applications for change of use permission or monitoring the cumulative effect on particular neighbourhoods, or perhaps the whole city, or unauthorised departures from existing use patterns. Also,

in these days when comprehensive large-scale development of land in several different ownerships is becoming more common, it is very desirable to have land records cross-referenced to maps in order to show the extent of individual landholdings. All such maps should be readily available to the public.

Lack of basic information and area plans, or "Action Plans" as they are termed by the Town Planning Department, affects both potential developers and the Government's technical staff. Neither knows the absorption capacity of utilities and roads in a neighbourhood. The developer does not know how far he will be permitted to depart from present conditions with a proposal, and technical staff members have little objective direction on which to base their judgement.

This is not to say that the subject is being ignored. Top officials have considered and debated policies for various neighborhoods, but little has been written down or made available to the public. Most current policy is in the heads of one or two people. This helps little in establishing an equitable regulatory process. In the extreme case of New Kingston, where development pressure may be the most intense, the authorities have responded in a manner guaranteed not to inspire confidence. Subsequent to approval of Life of Jamaica's major project (see below), they have frozen further plan approvals, ostensibly because the street system and other utilities cannot absorb further growth without major increases in capacity. Several proposals are bottled up in the pipeline. The freeze is to last until an action plan is adopted for New Kingston and ways established to finance construction of necessary public improvements. Although the Town Planning Department states that such an action plan has been prepared, nothing has been promulgated publicly. No timetable for a plan or financing package exists. Other permit freezes are apparently in effect for nearby transitional areas.

Faced with an absence of guidelines for New Kingston, Life of Jamaica retained a skilled management and design team during the late 1970s, including former staff members of the Urban Development Corporation, and prepared its own plan for a major portion of the area. The technical advisers presented the proposals to the Town Planning Department and KSAC who, in the absence of a clear public planning policy, accepted the proposed uses and some developer-financed street alterations. Construction of this project, including Life of Jamaica's main headquarters, has begun while proposals submitted later have subsequently been frozen. Life of Jamaica's experience could be repeated only by others with ample resources and technical expertise. Whether or not this was good public policy, furthermore, is questionable, since the traffic and utilities impacts of that project, along with the scale of other prospective development in the area, were apparently not weighed in the review.

B. Issues of Technical Staff

A whole series of impediments relate to the professional staff. First, there are too few. The Town Planning Department has seven development control division technicians for all of Jamaica and one research officer on contract; KSAC has only a single professional planner. None of these is a transportation expert, able to evaluate the traffic impacts of plan proposals, understand traffic capacity constraints within an area, or design street improvements in relation to a land use pattern. Staff members are thoroughly overworked, some beyond their level of professional expertise. Much staff time is wasted tracking down information not properly provided on application forms (items as elementary as actual site location and dimensions of the subject property). Adequate review of the more complex proposals involving multiple uses or higher densities is outside the training and capability of some. Plan preparation and permit review are certainly not functions which are top-heavy with staff; quite to the contrary.

Staff members are poorly paid, not an unusual situation in the public sector. The situation is particularly serious in the development field because professionals with comparable backgrounds earn considerably more at the Urban Development Corporation (UDC), and salaries in the private sector are two to three times the present \$18-20,000 levels. For the more skilled to stay at the Town Planning Department or KSAC is a matter either of high dedication or inertia. Certainly no incentive exists to attract bright young professionals, even for the experience.

A similar situation applies in the field of building inspection and control. There is a need for much more post-entry training so that individual inspectors can keep abreast of the latest building techniques and specialise in certain (unusual) types of building construction. The task of building inspection, particularly in such a large and extensive local authority area, also requires mobility; the Building Department is woefully short of transport to convey inspectors from site to site.

The low salaries seriously affect staff morale. They also contribute to the lack of respect with which some of the staff are regarded by architects, engineers, and other professionals who represent developer applicants. Without such respect, the public sector technicians will never be in a position to negotiate freely and forcefully to upgrade the quality of development in the corporate area. Creative work to improve developer submissions is severely hindered.

C. Fees and Levies

Processing fees are artificially low. This deprives the public purse of revenue to defray the cost of reviews and contributes to the lack of seriousness with which applicants hold the process. Filing charges for outline plan submission are one-tenth of the total filing fee. This in turn is well below what could readily be absorbed by the development industry: \$6.60 for the first 400 square feet of building area, plus \$1.20 for each additional 100 square feet. Jamaica Mutual Life's Atrium, a 130,000 square foot project valued at J\$18 million, was thus assessed permit fees of J\$1,720. Filing fees on the 215 unit Great House Lands project at Cherry Gardens, a J\$22.4 million project on 30 acres, were J\$464 for outline review submission. A two-story shopping centre, worth an estimated J\$225,000, was assessed J\$149 for outline plan review. The balance of the permit fee was never paid because the centre was built in violation of outline stage conditions and cease construction orders. There does not appear to be any clear relationship between the charges and the building value or the public costs of processing applications.

Even more important, no provisions exist to require applicants to absorb costs of public facilities needed to support their developments. No mechanism is available to require or receive a developer's financial contributions for public works. In many Commonwealth countries, as well as in North America, benefit assessments are levied on property owners to defray costs of road improvements or utility lines which the public sector deems necessary to increase capacity in a newly developing area. In the United States, moreover, many resource-thin communities have requirements for developers to finance and build public works, or make dollar contributions towards costs needed to service large-scale projects. These exist in Jamaica, but only for open space and sites for community facilities, not for basic urban infrastructure. The absence must be considered an opportunity lost.

The freeze in New Kingston illustrates this point. Were developers required to contribute to road and utilities extensions, the logjam could be broken and a more orderly construction flow could commence. While Life of Jamaica has established a precedent in its street widenings, this has been a modest contribution indeed. Much more could be exacted, especially if the private sector has prospects for a generous return on investment. During our interviews, private sector people stated a willingness to finance or construct needed improvements if this were a condition of project approvals and if satisfying this requirement would enable projects to proceed.

D. Other Reviewing Bodies

Thus far our comments have concerned deficiencies in KSAC and Town Planning as principal regulatory bodies. One of the major impediments, both in the plan review and the subdivision process, lies with the functional reviewing agencies. Several agencies must sign off on plans at various stages. These include the Ministry of Construction (Works) in respect to roads, the National Water Commission in respect to adequacy of water and sewer service, the Ministry of Health and Environmental Control, and the KSAC Fire Prevention Department. Our investigation revealed that no specific staff members are charged with review responsibility in these agencies, and there is no mandatory time limit for agency response to submissions. Tasks of permit examination within the corporate area are assigned on a "catch as catch can" basis to staff. This situation is most critical during subdivision approval, when highly detailed plans are required. This contributes to considerable delays at the planning stage as well.

One positive aspect of the Town Planning Department's project review is a regular Monday meeting in which staff members, joined by representatives of KSAC, jointly discuss individual permit applications. No such "round table" discussion, involving all the relevant functional agencies who need to comment on a particular project, occur, although we have been told that joint permit reviews were customary a decade or more ago. As a result, individual agency comments straggle into the Town Planning Department, creating considerable delays in processing and forcing the planners to act as a conduit for opinions rather than as integrators of related conclusions. Here, too, one can question the equity of the regulatory process and understand the private sector's resentment against the system.

E. The KSAC Building and Town Planning Committee

A major actor in the review process, even after the partial calling in of planning approvals, is the Building and Town Planning Committee of KSAC, composed of elected Councillors from the corporate area. In theory, this Committee could play an important role in policy formulation. On matters such as area action plans or a new development order, it could articulate goals for Kingston and its neighbourhoods. It could be a sounding board for technical staff recommendations on development policy. It could debate revisions to the Town Planning and Local Improvements Acts and thereby provide guidance from elected local decision makers to the Minister of Local Government and to Parliament. Playing such a policy role is difficult for elected municipal councillors the world over in view of other more routine tasks that must be handled, but not impossible. In KSAC, policy making is impossible under present

circumstances: the deluge of tiny matters with which the Committee deals, and its unwieldy size.

As with municipal authorities elsewhere, the Council Committee has been an approving authority for outline and detailed plans and for subdivisions. It is the only jurisdiction we know, however, where individual building permits are subject to approval by elected decision makers. These are more appropriately technical staff matters, with the Council only acting as an appeal body if at all. From reading the Committee hearings and from discussions with KSAC representatives, we conclude that an inordinate amount of time is spent on building permits. These and other trivia (such as much debate about the height of a wall around a house in a wealthy neighbourhood) prevent the Committee from even trying to debate policy issues.

The Committee is also extremely large for an effective working body. In addition to over 20 elected Councillors who vote, there are ex-officio and co-opted members representing architects, developers, and Central Government agencies. This broad representation could be useful as a sounding board on major issues. Decision making on building permits and subdivision approvals at that scale is cumbersome, to say the least.

We were unable to ascertain the extent to which the Committee itself, its members, or its procedures may impede the regulatory process. In its present form, however, with its present agendas, it can hardly be a creative component of that process.

F. Enforcement Issues

In an equitable regulatory system, where rules are clearly stated and even-handedly administered, it is appropriate to establish severe penalties for breaching the law and to enforce these penalties. In Kingston and St. Andrew, the extent to which builders, developers, and individual householders make decisions in contravention of the law is extraordinary. Many of these are gross violations meriting severe punishment. However, because of the Central Government's failure to update development controls or provide alternatives to land use restrictions set down almost two decades ago for a different kind of community, one cannot but view some individual decisions to proceed outside the system with a measure of understanding. The situation is not clear-cut. Nevertheless, neighbourhoods and citizens of the corporate area are suffering in a variety of ways: noise, pollution, traffic, blockage of views, degradation of residential areas by intrusion of incompatible business activities, etc. The violations range from high-rise office buildings to auto repair shops, shopping centres, homes converted to offices, and extensions of existing buildings.

The nature of violations varies also -- from the simple conversion of a house into an office, to a direct contravention of KSAC approval conditions such as building a structure in the right-of-way of a planned street or building more stories than permitted, to the case of a neighbourhood shopping centre which appeared with no permit at all. We saw examples of all of these during field visits around the city.

There are also procedural breaches, such as the case of one developer who decided to construct his buildings first (with legal permits) and then apply for subdivision approval in the hope that the authorities, confronted with a "fait accompli", would grant him quick approval.

Again, there is only illustrative evidence of the extent of the problem. In 1982, the Town Planning Department conducted a survey in certain areas of Kingston and St. Andrew (Eastwood Park Gardens, Rest Pen, Camperdown, Constant Spring) and identified about 12 percent of the lots (312 in all) as having nonconforming uses. Of these, 82 (or 26 percent) were automotive service facilities of some kind.

By way of contrast, over the five-year period 1978-83, only 175 "breach" notices or citations for violations were served by the KSAC enforcement staff. Again, garages represented the largest amount (33 percent) followed by offices (29 percent).

KSAC has an enforcement staff of seven inspectors to issue breach notices. They labour under impossible conditions. Penalties are set at only \$200 for any kind of violation and are easy to ignore. If payment is not made, the penal liability at the other end is equally unrealistic in its severity, up to six months in prison. If the use is continued, the fine is \$10 per day for the period of continuance. Under Sec. V of the Town Planning Act, a breach notice can be served only within two years of actual construction, a totally unrealistic time period because of the enormous backlog of investigations. Court proceedings to bring violators to trial are extremely cumbersome, and many escape just through the passage of time.

Citizen complaints are mounting. The violations themselves are becoming more flagrant, such as the Dunrobin Ave. shopping centre which received no permits and an entire office complex of remodeled residential properties east of New Kingston. The public is becoming bitter, and many question whether KSAC and its inspectors lack the will to enforce the law. Certainly very little can be accomplished towards achieving an orderly growth pattern for the corporate area until potential developers respect the law and the Central Government establishes standards and enforcement procedures which command this respect.

G. Forms

There are over thirty different types of forms being used by applicants within KSAC for processing development applications and subsequent building inspection, a considerable number of them requiring the same or closely similar information. This number could be drastically reduced by the careful design of combined forms, printed in sets with different colouring for individual copies, suitable for both external and internal use (including inter-departmental use and references to outside agencies which have to be consulted).

V. Recommendations for Early Action

Much can be done soon to remove confusion, to expedite development, and to create an equitable regulatory system for Kingston. No major structural changes are required. We propose a series of actions by the Government of Jamaica with the support of international technical assistance. These measures, like the problems they address, are interrelated. They require that the GOJ and individual agencies be willing to move simultaneously and seriously on a number of fronts. International technical assistance should be contingent on policy decisions that chart such a course.

A. Ground Rules

1. The Ministry of Finance and Planning, through the Town and Country Planning Authority and the Town Planning Department, should give the highest priority to the completion and publication of a new Development Order for Kingston and of several small-area action plans.

No long-term improvement in the development process for the corporate area will occur without an updated Development Order to give legal weight to planning guidelines and standards. It is important to make knowledge of those guidelines and standards widely available among developers and citizens alike. We recommend updating the Order and maintaining it in current condition. Considerable work would be entailed, with perhaps as much as a year for preparation and publication. Pressures in certain sections of the city are so intense that a year may be too long to wait for definitive guidance. Therefore, we propose that several area action plans be initiated immediately, prepared while work on the overall Development Order progresses, issued in draft form as soon as possible, and accepted by the Town and Country Planning Authority as operable interim instruments for use in reviewing development proposals. The Town Planning Department is best equipped to delineate the precise number and areas for these plans, which should include at least New Kingston and surrounding neighbourhoods, the Cargill Lands, and the Constant Spring corridor. Planning for Downtown Kingston is needed also and can best be addressed in consultation with the Kingston Restoration Company and UDC.

2. Increase resources of the Government Survey Department, the Town Planning Department and KSAC to enable them to produce up-to-date mapping needed for forward planning in the corporate area. These maps are to be made available to the public.
3. Since New Kingston is in most critical need of immediate guidance, and since a plan has already been drafted by the Town Planning Department, this should be the first area of which an action plan is completed and granted interim approval.
4. Staff members of the Town Planning Department and KSAC should be detailed to a joint task-force to prepare these plans and a new Development Order. Since existing staff members cannot handle these tasks in addition to their ongoing regulatory functions, supplementary technical assistance should be obtained from two sources: (a) contracts with Jamaican professionals who, as consultants, would gather data and draft planning reports and recommendations under the Department's supervision and ultimate responsibility for content; and (b) outside experts provided through international assistance agencies.

We recommend that international agencies such as USAID, the UN, SIDA etc., provide both short and long-term technical advisers in a number of disciplines such as traffic planning, environmental sanitation, urban economic analysis and urban design. These advisers would work together with the Town Planning Department and KSAC staff and functional agencies, preparing area plans and reviewing permit applications (see B below). One particularly promising avenue for such assistance would be the "pairing" of the Town Planning Department with a major metropolitan planning agency in North America. Under arrangements between this agency and Town Planning Department, the agency could detail a number of experienced staff members to work in Jamaica over an extended period on a number of related tasks. Support envisioned under this proposal would complement recently initiated UN assistance to the Town Planning Department, which is focusing on larger regional planning issues.

Discussions with USAID or other donors to explore assistance opportunities would be appropriate only in the context of decisions to prepare and maintain an up-to-date Development Order and action plans.

An immediate source of help could be Jamaican firms (both management and design) who could supplement staff work, especially in data-gathering, mapping and analysis, if the Town Planning Department is provided with a budget for contracting.

B. Technical Staff

1. The planning and project review staff positions in the Town Planning Department and KSAC should be upgraded by moving them to higher civil service schedules and increasing salaries.

We make this recommendation fully cognisant of Jamaica's economic difficulties and constraints on public sector salaries. Nevertheless, professionals in these posts have much direct responsibility for economic growth in the corporate area. They must be able to deal with the private sector from a position of respect. Their morale and the attractions of this type of public sector job must increase. Very few positions are involved; we believe this recommendation and the one which follows are essential to establish a viable planning cadre for Kingston.

2. Once positions are upgraded, openings for several additional professionals at the Town Planning Department and KSAC should be created.

Assuming increased levels of development in Kingston and St. Andrew, the present staff cannot handle the flow of work. Salaries and benefits for additional staff should be sufficient to attract Jamaicans currently in other employment and those living overseas who have been trained in planning and related skills. Among the critical permanent skills needed for the Town Planning Department are traffic analysis, sanitation, and research to build a data base for decision making in the corporate area. With the prospect of increased staff and advisers, the Department will need to prepare more effective work plans than currently in effect.

3. Provide further post-entry training for building inspectors to enable them to keep abreast of new building techniques and to specialise in particular types of construction.
4. Increase mobility of building inspectors through better transport provision.
5. In the short run, the plan and subdivision review activities of Town Planning Department staff should receive international technical assistance to improve performance and formulate more effective developer guidelines.

Our concept for support is to link experienced zoning/design/traffic analysts with responsible staff from the Town Planning Department or KSAC in the review of specific permit applications. This would serve both as on-the-job training and as a way to expedite backlogs in processing. If the idea of a long-term relationship with a North American planning agency can be carried forward, professionals from that agency would assist both in permit review and plan preparation.

C. Developer Levies and Processing Fees

1. A benefit assessment method should be created for levy on all property owners in a newly-developing area which requires major street and infrastructure improvement to support growth. New Kingston should be the first application, coincident with establishing an action plan and lifting the permit freeze.

In an area where major transformation is expected and all landowners will benefit from an increase in land values and accessibility, a benefit assessment district is the most equitable and effective means for obtaining public works financing. New Kingston is a section of the city very suitable for such a district. The prospect of earmarked revenues will permit removal of the freeze. The levy will reduce land speculation and will force development to occur, in a timely fashion, in accordance with a reasonable area plan. Jamaican law may require that Parliament act to create benefit district legislation. If so, this would be the single most important legislative measure for immediate action.

2. Formal provisions should be established, through legislation or administrative means, to permit the Authority to require public works expenditures by major developers as a condition of plan approval.

In situations where a major development project is otherwise desirable, but nearby road capacity is insufficient or main water or sewer systems require extensions to the site, options for developer payment as a condition of plan approval should be introduced. In lieu of direct financial contributions, the developer should also be permitted to build such facilities with his own workforce in conjunction with the project construction, provided these works meet public agency specifications.

3. The Ministry of Finance and Planning should raise processing fees for plans, subdivisions, and building permits to levels more closely approximating actual processing costs.

We believe the development industry can readily absorb a fee increase and thus provide additional revenues for local government. While the precise levels require greater study, a doubling of present fees could be considered minimally reasonable.

D. Other Reviewing Bodies

1. The Ministry of Finance and Planning should request the Ministry of Construction, the National Water Commission and other functional agencies to assign specific staff members to perform reviews

of plans and subdivision requests within the corporate area. A procedural time limit should be established so that these reviews are completed and returned to the Town Planning Department or KSAC within 30-45 days of referral.

2. Prior to issuance of project recommendations or decisions, the Town Planning Department should convene all of the responsible reviewers from the various agencies for a face-to-face discussion of their recommendations. Scheduling should be arranged so that a single round table session would deal with a number of applications.

E. The KSAC Building and Town Planning Committee

1. Within the confines of its present agendas the Committee should try to find more room for policy matters. It could begin by discussing drafts of the new Development Order and area action plans as they are produced. Such Committee review, while having an advisory status only, would provide valuable input.
2. The Committee's responsibility for approving specific building permits should be removed as soon as practicable. Building permit approval should be made a function of the City Engineer. The Council should act only as an appeals body to hear complaints of applicants aggrieved by technical staff decisions.

These changes will permit the elected Councillors to devote more time to policy review and debate, which will make their role in the development process more meaningful. If technical assistance is forthcoming from international sources, the advisors' tasks should be structured to include time for working with the Committee on reorienting its focus and procedures.

F. Enforcement

1. Penalties should be revised both upward and on a graduated scale commensurate with the seriousness of the violation.

For example, construction of a building in a right-of-way violating specific approval conditions should merit the most costly fines; a base payment of J\$10,000 would not be unreasonable along with the demolition of the structure. Under no circumstances should occupancy of the project be permitted. At the other extreme, conversion of a house to an office contrary to the Development Order might warrant a J\$500 penalty combined with the prospect that the

occupant could apply for a temporary nonconforming use permit to be revoked upon sale of the property. The proper balance of penalties merits further investigation.

Serious efforts to establish an equitable regulatory system should be accompanied with a thoroughgoing revision of the fines and other penalties for breaching that system. Without a strong enforcement structure the public will not take land use regulation and control seriously.

2. The statute of limitations for pursuing a violation should be raised from two to five years after construction.

Both 1 and 2 above would require minor revisions to the Town Planning Act.

3. Once these measures are enacted, the enforcement and legal department staff should be increased (possibly by a lateral transfer of personnel from other, top-heavy, sections of KSAC) and compliance procedures streamlined.

In any larger programme to upgrade members of the City Engineer's staff, training for enforcement inspectors should merit priority.

G. Forms

Introduce better designed planning and building inspection forms so that they are both reduced in number and suitable for both external and internal use.

VI. Recommendations for Longer Term Action

As indicated above, we do not believe major structural changes are needed to improve conditions affecting physical development in the corporate area. If, on the basis of the Management Audit, Central Government considers instituting major changes in the functions and character of the KSAC, we recommend that its present roles in planning and building review be adjusted in that broader context. If development levels increase significantly in Kingston and St. Andrew, as we anticipate, thought should be given to creating a planning and review body especially for the entire corporate area, either under the Town Planning Authority, the KSAC, or as a separate entity so that the capital could command appropriate and consistent attention from both policy makers and technical staff.

CHAPTER VIII

THE OPERATION AND MANAGEMENT OF PUBLIC CLEANSING

I. General Findings

The Public Cleansing Department (PCD) of the Kingston and St. Andrew Corporation (KSAC), despite its many deficiencies, is still a viable entity which substantially performs its major mission of collecting and disposing of privately generated solid refuse, and marginally performs in drain and gully cleaning. Significant, visible, and timely improvements can be effected at this time at relatively low cost, without resorting to mass layoffs, extensive privatisation, and the expensive introduction of exotic technology. Although this chapter of the Audit report is sharply critical of many aspects of PCD, a comparison of true collection costs between PCD and private carters clearly indicates that the frequently cited advantages of the private sector are not attributable to higher productivity, but to markedly lower wages.

II. Public versus Private

When the Ministry of Local Government and KSAC gave their approval to the Management Audit, it was felt (1) that PCD epitomised all the shortcomings of KSAC, (2) that any attempt to significantly enhance its performance and productivity within its existing organisational framework would be futile, and (3) that privatisation was the only tenable solution.

However, in making any comparison, we ought to consider comparable operations. The private carters do not clean the streets, and do not sweep together the heaps in the gutters. That is done by the KSAC sweepers ("street auditors"). In fact, of the 42 private trucks working for KSAC, not one carries a broom. Neither do the 33 KSAC trucks which roll every weekday. So we can only compare the costs and performance of the respective trucks and crews. Not one of the private trucks is of the packing or compactor type, like the KSAC trucks. Most are open body tipping trucks, but some stake bodies are actually used. Some of these trucks do not tip. A wooden pallet is put on the truck bed, a chain is hitched to it at the dump, and the load is dragged off. We are not digressing in pointing this out. A public sanitation department can pick up all the refuse in a city, but still leave the streets littered by spills and blowing from an open body.

The private carters in Kingston largely are one truck operations, with the contractor himself driving in about two-thirds of the contracts. The crew is the driver and two sidemen (loaders). The carters' own figures show they pay the sidemen \$10 per day, with no deductions, on the basis that they are casual labour, hired by the day and paid by the day. They cite the driver's pay at \$100 for a 7 day week, or \$14 per day.

The PCD trucks are crewed by a driver and 4 sidemen. For a normal day they are guaranteed 3 hours of overtime, although the Audit Team so far has been unable to find a formal agreement. With the overtime plus other increments, a sideman receives \$206.48 per week (\$41.30 per day), and a driver gets \$229.68 per wk (\$45.94 per day). Since the PCD employees average about 50 working days off each year, as per their union rights, the payroll to keep a truck on the road must provide over 18% additional manpower to cover the personal business, vacation, holiday, and sick leave time off. These are factored into the computations on the real cost of PCD operation. In addition, the cost of PCD collection reflects the Bumper Hall Yard support, the contractual repair of vehicles, the Hanover Street headquarters' clerical and administrative support, the field supervision, and the KSAC's overheads. The PCD trucks make 467 collection trips per week, and the private trucks make 289 trips per week, so the latter account for 38.3% of all trips. However, this does not mean that they pick up 38.3% of the load.

There is a peculiar concept that determines the allocation of collection between PCD and the private carters. This is the magic word - "route". A route is theoretically a run of streets that will yield 10 tons of refuse per day. It is presumed that a packer truck would do this in two trips, at 5 tons per trip. It was further presumed that a diligent crew would merit 3 hours per day overtime if indeed they did make these two trips. It is purported that these routes, over 70 of them, were set in 1977 by field survey and when access to a private weighbridge was possible.

It is interesting to note, however, that in the contracts with the private carters, "areas to be cleaned", not "routes", are specified. It goes on to say that payment will be made "on satisfactory completion of assignment". However, the contractor signs an agreement to accept a certain sum "per route". Generally, these contracts are for about \$90 - \$110 per day, with all parties pretending that the contractor picks up a full 10 tons in two trips.

If KSAC could indeed have the municipal refuse picked up for \$9 per ton, and a private carter could still make a profit while operating a truck and paying a crew, it would be miraculous! If these 70 routes were laid out with such exquisite precision that each yielded the same tonnage as a basis for payment, that would be equally miraculous!

Mr. Rupert Buchanan, the knowledgeable and frustrated Chief Administrative Officer of PCD, has no illusions about these routes. He knows they all vary as to distance, travelling time to the dump, and above all, whether the bulk of the refuse has to be picked up a shovelful at a time from a heap, or is in dustbins and plastic bags. A route in Beverly Hills will have boxes, bins, or bags, but one in Trench Town will be largely small swept heaps in gutters. It is recognised that the tonnage per trip will vary widely.

In effect, in a quintessentially pragmatic Jamaican approach, Mr. Buchanan strives to apportion the routes for a real target cost of \$35 per ton, regardless of the ostensible 10 tons per route, or 5 tons per trip.

Loads of both the PCD and the private contractors are never weighed since there is no weighbridge at the disposal site. Some assumptions and extrapolations had to be made in the attached Appendix D (even if we generously credited these private uncompacted loads at 3.9 tons per trip).

Essentially, comparing working crew against working crew, the unit costs are:

PCD - \$56 per ton (5 man crew)
Private Carter - \$44 per ton (3 man crew)

The PCD pays its sidemen 4 times the rate of the private sidemen and its driver 3 times as much as the private driver. If the private carters paid their workers on the same scale, however, their unit cost would be \$58 per ton.

In effect, the PCD cost per ton is 25% higher, not because the private carters pick up a greater tonnage per trip (they don't), or because their two sidemen can outshovel the 4 PCD sidemen (they might), but simply because the carters pay rockbottom wages to men scuffling for a day's work, and PCD pays 15 man-hours overtime for each collection truck day.

To be absolutely fair, this comparison was made between crews actually working on collection. These costs do not include all those sidemen and drivers not working on loading or driving.

III. Collection Staffing

The basic PCD collection schedule, including coverage for time off, requires 45 drivers and 181 loaders. However, on the payroll, permanent, temporary, and casual, there are 78 drivers and 318 loaders.

The PCD is subject to political patronage pressures. The Superintendent's phone would be busy constantly from Councillors and MP's, but his office private line was disconnected for non-payment. However, Mr. Buchanan's line works. Realistically, we can ascribe 10 drivers and 10 sidemen to some special tasks, political or otherwise, hopefully connected to collection. Accordingly, the 'excess' manpower becomes 23 drivers (29%), and 127 loaders (40%).

Incidentally, if we charge these 20 men to collection costs, the unit cost becomes \$58 per ton, and if we charged the whole driver and sideman payroll to collection, the unit cost becomes \$71 per ton. Why is PCD burdened with this payroll, when a hiring freeze was purportedly instituted in 1978?

The official PCD explanation, after all these years, is that the use of private carters is an interim, temporary expedient until KSAC gets enough vehicles. This is why these contracts are not openly advertised and bid, and why there are no termination dates on them. We seriously doubt, however, that there is a real intent to stockpile men while awaiting more vehicles.

Coming to the hard core of the matter, we do not believe that any sizable layoff should or will take place despite continued criticisms of bloated KSAC personnel with a suggested "redeployment" of the surplus. There is nowhere to redeploy them among KSAC departments, it would be like trying to make a living by taking in each others' washing.

If we consider the age distribution of PCD employees we find that at least 200 employees are at retirement age (60) now, and within 4 years another 200 will be eligible (p.8 of Appendix D). The bulk of them are in the titles of sweepers and sidemen (p.7 of Appendix D). The nominal mandatory retirement at 60 seems to be applied in a random and dilatory manner. We have discovered, to our dismay, the indefensible fact that KSAC may take 3 to 4 years to process the final lump sum retirement payment, and also that retired employees do not get a regular pension. It has become the accepted practice to keep the 'retired' employee on the payroll as a 'temporary' worker for some years awaiting the paper processing at KSAC. Apparently, every daily tattered time sheet must be exhumed from the archives, going back for decades, for perusal and verification. This incredible procedure makes management reluctant to press retirement, and makes workers conceal, at times, their age. In scanning some PCD records, it is striking to observe how many men seem to hover at 58 years of age forever.

The attrition of the staff down to a productive level by retirement is a morally and politically palatable procedure. There should be no concern about replacement hiring to ensure enough younger men for a physically taxing task. Although there has been a hiring freeze for 'casual workers' since 1978, there are 152 remaining on the payroll. Many of them are below 30 years of age and are

interchangeable as street auditors or loaders. Therefore, this major and politically acceptable move to a realistic manning level is available to KSAC. In our view, the price is the elimination of an indefensible, morally wrong, and archaic procedure. Such attrition, if implemented, would maintain the PCD five man, packer truck crew, and would make it reasonably competitive with the private carters, even with wages three times higher.

The four sidemen in the crew is a carryover from the days of mule-drawn carts. If attrition proceeds, and the spectre of a mass layoff recedes, reassured union leadership might be more amenable to a renegotiation of working conditions down to a three-man loading crew.

IV. Street Cleaning

Most municipal sanitation departments clearly distribute manpower and resources between "Cleaning" and "Collection"; they are treated as separate functions. In Kingston, there is an overlap.

In about 50% of the city, solid waste is not left at the curb or the sidewalk in dustbins, boxes, or bags. The sweepers ("street auditors") manually push the refuse into small heaps in the gutter in advance of the collection truck crews who load these heaps by shovel. They do this for both PCD and private carter routes. In effect, they clean and collect. There are 710 street auditors on the payroll, at an annual cost of 5.5 million dollars. They have one tool - a broom. Handcarts, widely used by street sweepers elsewhere, were once used in some areas in Kingston, but were abandoned some years ago.

The brooms are smaller than those in street use in other countries, and the handles are of unturned peeled branches. Nevertheless, it is the basic cleaner of Kingston streets. It is incredible to report, then, that recently there were at least 100 sweepers with no brooms at all, and there was not one broom to give them in all PCD.

There is a ratio of one headman to about 15 sweepers. The sweepers are supposed to report at 5 a.m. to gather their heaps in advance of the trucks, which are supposed to leave Bumper Hall about 6:30 a.m. In several dawn visits, the Audit Team could not find the headman. There is no central or local sign-in or sign-out point for this large contingent of personnel. In practice, of course, nobody appears on the streets until full daylight. It is a tribute to those sweepers who do appear and do sweep that the streets of Kingston are reasonably clean.

The bulk of the sweepers are in the downtown area. If the collection trucks cannot follow on the heels of the sweepers (and such exquisite synchronism is not possible) the morning traffic build-up and the onshore breeze scatters the heaps. The general visual impact of the streets is degraded by littered empty lots and

abandoned buildings, which are not the responsibility of PCD. As the day goes along, refuse continues to accumulate in the gutters and at the curb, by which time the sweepers have long since gone. However, early morning inspections, which trailed the collection trucks, found a reasonably acceptable appearance, at that time. Of course this is not true for some alleys and closes, where the long-term accumulation is far beyond what a broom or hand shovels can manage. Such sites were surveyed in areas like Trench Town and Rose Town where a front-end loader and truck would be required to remove mounds. This again is the result of just dumping refuse at the curb or at the side of a gully. One recommended and relatively cheap procedure would be the construction of a concrete pad at the end of an alley for dumping. This is primitive, but the loaders could clear it every trip. The placement of such a pad should be preceded by local community involvement and approval.

Marked improvement, nevertheless, can be achieved in the short run by:

1. Imposing tight control on this loosely dispersed group to insure that they are on the streets and sweeping at the prescribed times.
2. Insuring that each sweeper has a broom.
3. Putting a broom on the collection truck, to properly collect a dispersed heap.

It is illuminating and helpful to have a private carter as a measurement yardstick against PCD; this can also be done for sweeping. The private carters, almost unanimously, expressed interest in contracting to sweep their routes. After all, their total investment would be a man and a broom and they are sure that the gathering of heaps could be synchronised with their pick-up. With over 700 sweepers on the PCD payroll, this would not net any savings now. However, several such prototype routes should be let to private carters to strengthen PCD's eventual negotiating position and to compare costs and productivity. Future private carter refuse collection contracts should specify the presence and use of a broom on the truck. At present, if a heap is strewn along the gutter, neither PCD nor the private carter will stop to gather up the mess with a shovel.

V. Supplies

We mentioned the ultimate travesty of sweepers without brooms. Recently, however, eight new packer trucks were put in use, but as a result PCD was hard pressed to find shovels for the sidemen.

The Audit Team verified that there were, indeed, no shovels. The Chief Administrative Officer keeps one shovel and one spade in his office, to be loaned out in an emergency.

There was not one pair of gloves in all PCD stores at the time of our investigation, although the agreement with the union calls for quarterly replacement of gloves. The gloves themselves are very poor, with open mesh on the backs.

We mentioned that the Superintendent's private line was disconnected for non-payment. This is the most vital communication link in the Department. A tragic aspect of this is that these situations do not arouse any indignation, furor or response when reported to KSAC through the Town Clerk!

This, then, epitomises all of KSAC. In an attempt to restore some credibility to it and reduce nugatory expenditure, at the very least brooms should be put in the hands of a 5.5 million dollar payroll sweeper force.

VI. Bumper Hall Facility

All vehicles and collection personnel are dispatched from the Bumper Hall yard, adjacent to which are the empty shell of a headquarters building and the gutted remains of what was a fully equipped vehicular maintenance building.

The facility has contracted in size into a wired-in yard, guarded by armed private security personnel and guard dogs. Security conditions override all nominal schedules. The men are supposed to report in at 6 a.m. and a "night" collection of 5 trips is scheduled. In practice, all arrivals and departures of men and vehicles are limited to daylight. In darkness, the approaches to Bumper Hall from Spanish Town Road and Trench Town are deemed unsafe and, in effect, all "night" collections must start early enough in the afternoon to allow personnel to return from the disposal site to Bumper Hall and then depart in daylight.

The Yard itself is cluttered with wrecked vehicles which PCD has repeatedly requested KSAC to survey and sell off. Meanwhile, the active trucks mill haphazardly around the single fuel pump. Under strong urging, some trucks may initially roll by 7:30 a.m.

This facility does not possess any real ability to carry out even first echelon maintenance, though a number of drivers are detailed as "mechanics". There is no ramp or hoist; men change the oil by crawling under the trucks. With this severe lack of servicing facilities all but the simplest maintenance is performed contractually. Recently the ratio of operable to inoperable trucks has improved dramatically with the delivery of eight new trucks. There are 33 trucks deployed on an average day, with 3 in reserve, and 7 down. With almost \$1 million per year in vehicular repair contracts, there should be a more formal procedure in preparing specifications and monitoring contract compliance.

The fleet is run by a relatively new Executive Mechanical Engineer (Mr. P. A. LaTouche), a forceful and articulate leader. He gets the trucks out every day, not by rules, regulations, organisation, or procedures, but by his direct personal intervention. He has a zest for direct action, and will send trucks out for contractual work with no concern for budgetary restraints. He has no direct assistance, and no real yard dispatcher. He runs Bumper Hall almost as an independent fiefdom. Like any KSAC executive, he is unable to institute real formal disciplinary measures and have them upheld. He does, however, have one power, which he exercises. He can take a driver or a loader off an active truck crew and thus deprive him of overtime. The man, of course, still draws his basic pay sitting on the "hot bench" in the yard.

Because Mr. LaTouche's salary is only \$12,000 per year, there is some doubt that he will still be there at Bumper Hall a year from now. He enthusiastically endorses the suggestion to clear the yard of unsalvageable junked vehicles. This would provide ample space for spotting and dispatching vehicles in an orderly fashion and, hopefully, achieve earlier starting times on collections.

VII. Management and Communication

There are three centres of control of KSAC's PCD activities. These are the Town Clerk's office in King Street, the PCD administrative headquarters on Hanover St., and the Bumper Hall facility. Mr. Henry Miller (PCD Superintendent) and Mr. Rupert Buchanan (Chief Administrative Officer) are at the Hanover Street headquarters.

As previously stated, Mr. LaTouche sees himself as running his own operation at Bumper Hall. His communication with the others is limited and infrequent. Communications with the Town Clerk are stiffly formal, by correspondence. Mr. Miller, formerly Assistant Superintendent at Bumper Hall, has only been in his position since November, and he is obviously just getting the feel of command.

With some twenty years of KSAC experience, Mr. Buchanan is knowledgeable, zealously devoted to his mission, and is virtually running a "one man gang", trying to cope with grievances from the union, complaints from citizens, requests from politicians, and a shortage of stores. He is also busy responding to the Town Clerk, placating and negotiating with private carters, and reacting to emergencies. He has no official vehicle, he has no home telephone, he has no personal assistant, and his annual salary is \$13,000 per year.

Typically, he personally tries to update his maps, he tries to borrow transportation to make field observations, and his office is open to all comers. He epitomises the type of career employee who plugs away at keeping things somehow functioning. He knows that he is trying the impossible, and is pleading for a "planner" to assist him. He appears not to have seen the top of his desk for years, for

it is under a mound of paper. What he and PCD need is a rudimentary Management Information System -- not sophisticated, not even computerised. One person, a graduate from the University of the West Indies in Kingston, could do it.

There is a certain "need to know" by Messrs. Miller and Buchanan of PCD activities that must be satisfied. At present, Mr. Buchanan is trying to do it himself in a random and time-consuming fashion. When requested to give the age distribution of personnel he had to dig through papers for hours. This upward flow of information can be organised and institutionalised. The provision of even one person to generate this MIS, and assist Mr. Buchanan, would expand his contribution to PCD and hopefully train a future administrator.

Because the action in PCD is on the streets, the Superintendent and Chief Administrative Officer should have transport. It is too easy to lapse into a ceremonial office role and become the passive recipients of what their zone supervisors tell them. Mr. Buchanan has the will and the capacity to recognise and rationalise the routes. With a weighbridge installed, an assistant, and transport, he will do it. For sheer efficiency, he deserves a larger office than his present cramped space and he needs an assistant to buffer him from the clamorous horde that invades his office. This is particularly acute when over a thousand people mill outside on Thursday payday (they are all paid at one place for security reasons).

The Audit Team has followed the "paper trail" which purports to verify that somebody showed up, worked and left. Scrawled unknown initials by some alleged supervisor make the whole process suspect. The mere generation of additional forms will not ensure control, and this is confirmed by field observation. The entire process must be tightened and enforced from above. The provision of one assistant to Mr. Buchanan should be the start to infuse additional managerial talent into PCD.

VIII. Drains and Gullies

The Public Cleansing Department organisation for the maintenance of drains and gullies is structured within the three zones of general operation of PCD. One foreman in charge of drains and gullies is assigned to each zone. The Zone 3 foreman in charge of drains and gullies has three headmen reporting to him. One of the headmen has responsibility for the maintenance of all drains within Zone 3, and each of the other two headmen has responsibility for one Sector within Zone 3. Each sector is a designated area for gully cleaning and maintenance. Zone 2 has five headmen reporting to the drain and gully foreman. One headman has responsibility for drains, and each of the other four has a Sector for gully cleaning. Zone 1 is organised in the same way as Zone 2. In general, drains are underground conduits and gullies are open structures, mostly lined with stone, for stormwater runoff.

Procedures observed during field inspections of drain and gully maintenance operations indicate that most gullies are cleaned with hand tools and the debris is thrown above the gullies to either side. It is common practice to burn piles of debris which are burnable, but there are apparently no operating procedures for removing the spoil from the disposal areas to the sides of the gullies. In many locations, it is not possible to throw material to the sides because the walls of the gully are too high or there are private structures built right up to the gully walls. It is a reasonable generalisation to say that little material is hauled away from the gullies. It also appears that a substantial quantity of domestic solid waste is included in the cleanings. In fact, in many areas solid waste is the predominant material cleaned out, although vegetation can be a severe local problem.

The effectiveness of operations in each sector is difficult to evaluate because manpower is distributed to different headmen in accordance with total available workers and specific requests from the Public Cleansing Committee. Although a routine and scheduled programme has been attempted, there has been little success in maintaining a schedule. Certainly, any public policy on solid waste collection improvement which would reduce the quantity of refuse dumped into gullies should be supported in the interests of aesthetics and proper functioning of the gullies. However, the reality of current conditions prompts the following comments and recommendations for improving the gully cleaning operations.

- A. Hand tools observed on the job were inadequate. One five-man crew had two shovels, two brooms, and one machete. The operation at the time could have been conducted more efficiently with four shovels. It is understood that only one tool is provided for each worker. There is, however, an obvious need to supply a broom, a shovel, and a machete for each worker. These would not be needed at all times, but the flexibility provided for a work crew and the assignment of responsibility to each worker based on the availability of these tools would increase the potential for productivity. Each headman could be held more accountable for crew productivity if these hand tools were assigned as part of the standard organisational structure. It is recognised that control of tools inventories would be more complex, but this is a minor problem compared to the importance of having proper hand tools available for each worker.
- B. It appears that gully crews in many locations cannot transport waste from the gullies to a reasonable storage point or to a vehicle to be hauled away. This is because there are no wheelbarrows or carts available to move waste to acceptable storage or disposal points.

Many of the gullies have no access from roadways, and use of a hand cart or wheelbarrow in the gully offers a practical solution to proper handling of wastes picked up. Several wheelbarrows or handcarts of proper size should be made available to headmen for use when appropriate.

- C. The Public Cleansing Department has no truck-mounted crane for lifting debris out of the gullies. There are many locations where there is no other practical way to lift waste out of the gullies for loading on trucks for disposal. It is recognised that there are few trucks available for use with such a crane, but the crane and appurtenant bucket or other container could be provided at low cost. The type of crane needed depends on the availability of support vehicles (trucks), but a minimum specification would be for a container loading boom which could be installed on a flat bed truck.
- D. The drains operation also suffers from lack of proper tools and equipment. Debris from drains ("catchbasins") was observed on the ground adjacent to the drain line which had been cleaned. The availability of equipment (trucks) for removal is limited. It is not possible to recommend specific actions to reduce the time lag experienced for picking up such piles because the total utilisation of designated trucks is not known. However, an inventory of hand shovels, catchbasin shovels (if any are available), and drain augers should be made. The organisation of the drain crews should include at least one serviceable catchbasin shovel and one drain auger for each crew and a standard shovel for each crew member. None of this equipment is now available.

IX. Sanitary Convenience Stations

There are currently about twelve sanitary convenience stations operated by the Public Cleansing Department of KSAC. In addition, there are about twenty stations which are now closed, plus thirteen rural (pit latrine) stations. There is an obvious need for the stations operated, and many of the closed stations would be used extensively by the public if reopened. Many of the closed stations are located in public parks and have been closed due to vandalism and security problems. The station on Barry Street adjacent to the Temple Lane garage was visited during daylight, and the general cleanliness and practical functioning of the station reflected reasonable attention by the caretakers. However, even at this station there had been vandalism and pilferage which affected the operation (flush valves had been broken or stolen and buckets of water were used for flushing).

The most obvious way for PCD to provide clean and efficient public sanitary convenience stations is to build such stations with an appropriate design. The locations should not be isolated from public activity, as some of the park stations are. There are several commercial systems available which are designed to minimize vandalism; these should be considered. However, a standard design which uses concrete and tile instead of china bowls can be developed for local construction. Water lines, valves, and flush tanks must be made inaccessible to the public. A vandal resistant facility is necessary to enable caretakers to assume responsibility for cleanliness and functioning. Current staffing appears to be more than sufficient to service existing facilities, and improved construction should reduce maintenance requirements.

X. Riverton Disposal Area

The Audit Team visited the Riverton refuse disposal site on several occasions. The operation was observed and physical conditions were noted. A property map of the area was obtained and an effort was made to identify the area where refuse has been placed, but no aerial photos or recent surveys of the site were located. Previous recommendations (in the 1979 Environmental Resources Limited report) to identify parcels needed for landfill purposes and to secure the property, or rights to use of the property, are still appropriate. The property to be used by KSAC should be clearly staked for the guidance of the landfill staff and to avoid future controversy with adjacent property owners.

The landfill entrance is at two locations off the Spanish Town Road. The westerly entrance is the longer of the two roads, but it has less conflict with local squatter residences. The easterly entrance, which is used most frequently by both KSAC and private trucks, is limited to a single traffic lane for several hundred yards east of the Duhaney River. A bridge over the Duhaney River appears to be the starting place for refuse tipping. The real extent of past tipping was not identified.

A house for the recordkeeper is located along the entrance road a few hundred yards beyond (southwesterly of) the Duhaney River Bridge. All KSAC vehicles and all private collection hauliers under contract to KSAC are provided with a ticket to verify the delivery of a load to the landfill. During the times the Audit Team visited the tip (December 1983 and January 1984), the active dumping areas extended from a few hundred feet from the bridge to twelve or fifteen hundred feet and out to several hundred feet west of the entrance road. The active dumping area is usually confined to space adjacent to a road cleared by the landfill bulldozer, but there appears to be no clear pattern to the operation. The total active area during the inspection visits was probably in the range of ten to fifteen acres. The KSAC has one bulldozer on site which is said to run, but it apparently has not been operated on a sustained basis for at least several months. A private contractor provides a

bulldozer and operator to level loads dumped and to prepare areas for truck access. There appeared to be no particular effort to compact refuse, and there is no cover material available. When KSAC trucks occasionally deliver loads of rubble and construction debris, these are used for roadway access construction.

The landfill is open to the public from 6:00 a.m. to 6:00 p.m., and KSAC vehicles sometimes use the landfill until 8:00 p.m. or later. The landfill staff works two shifts. There is one recorder on duty, one headman, and two tractor drivers. Six watchmen are employed to maintain twenty-four hour surveillance within the dump area. Labourers are employed to rake out refuse and cover material after spreading by the bulldozer.

Currently, the operation is conducted without cover material and with limited equipment. It appears that a Caterpillar D-6 bulldozer or equivalent is provided by a contractor and that support by KSAC equipment is rare. The landfill staging area does not have electricity, water (although a water service line is in some stage of construction), communications equipment, fencing, or a weighbridge (scale). Fire in all exposed fresh refuse is accepted as a standard operational hazard. There are fifty to seventy-five private "dump-pickers" who forage on a daily basis; pigs and goats also feed on the refuse. No attempt is made to control the operation except to provide access for trucks to dump their loads.

It is recognised that conversion of this dump into a sanitary landfill would cause social and political turmoil. The cost probably could not be justified by the environmental improvements obtained, and KSAC budgets for other items will no doubt take precedence for many years. However, it is felt that certain improvements are justified because they would improve KSAC collection operations, reduce truck maintenance, speed the refuse disposal operation for KSAC trucks, and provide controls (records) on quantities of solid waste collected within each route.

Cost estimates for recommended landfill improvements have not been made, but the total costs would be appropriate considering the potential for improving the considerable KSAC collection operation. The advantages and benefits of a weighbridge are discussed elsewhere, and the general operating efficiencies and controls which could be effected within the collection organisation are the primary justifications for proposed landfill improvements. The following is a brief description of the proposed improvements.

1. Construction of an all-weather roadway from the Spanish Town Road to the bridge over the Duhaney River. Improvements to the road beyond the bridge are also recommended, but these could be limited to grading and widening with the application of stone or other base material. The present road is narrow, rough, and unstable in wet weather. Construction of a permanent

paved road to the bridge is justified on the basis of the expected long-term use of the landfill land and the (expensive) truck maintenance problems caused by the present conditions. (We understand that construction of this road is provided for in the forthcoming KMR-UTP project.)

2. Establishment of an efficient landfill office with water, electricity and yard lighting, communication equipment (telephone and two-way radio), and a weighbridge. Such an office should be protected by a substantial chain-link fence and have a secure area for the storage of landfill equipment.
3. Purchase and use of a bulldozer with a greater capacity than existing KSAC equipment or the contracted bulldozer. The equivalent of a Caterpillar D-7 is recommended, although a machine in the range of 32,000 to 45,000 pounds gross weight could provide the minimum service necessary. Current operations do not provide sufficient spreading or land compaction to assure rapid unloading and turnaround for collection vehicles. Also, the remedial work recommended in item 4 could be completed in conjunction with daily operations if a larger, more dependable landfill bulldozer were available on site.
4. Remove the material dumped along the access road. If KSAC has disposal rights along the entrance road, this material can be pushed into limited areas, compacted, graded, and covered with suitable material. If the area outside the road right-of-way is not available for disposal, the randomly-dumped material should be loaded into trucks and land-hauled to the landfill.
5. Establish the boundaries for KSAC landfill operations. These should be clearly marked for use by KSAC landfill equipment operators. If there is "spillage" beyond the boundaries there should be an attempt to clean up such areas. If substantial encroachment onto adjacent property has occurred, arrangements should be made to obtain disposal rights within the appropriate areas.

The above recommendations do not include a description of control features to be incorporated into the landfill office and weighbridge station.

It is pointed out that a location near the Spanish Town Road may be more suitable than within the active landfill area because utilities would be less expensive to provide and security may be better near an arterial road. Fencing and road construction should be designed to limit access to the active fill via the weighbridge station entrance.

It is desirable to regrade and compact much of the landfill area and to cover exposed refuse with soil. This would be very expensive in relation to benefits which could be quantified. Therefore it is recommended that a long-term plan for the development of the Riverton site into a sanitary landfill be prepared before consideration is given to regrading, compaction, and application of cover material. It is probable that a groundwater mound is well above the base of deposited refuse, and the generation of leachate is undoubtedly very high. There is no inexpensive way to mitigate impacts from the leachate produced by the landfill, but this should be addressed during the landfill design.

XI. SUMMARY OF RECOMMENDATIONS

1. Accelerate attrition of excess staff by mandatory retirement.
2. Eliminate 3 year lag in processing retirement papers.
3. As attrition proceeds, negotiate for 3 loader refuse collection vehicle crews.
4. Retain present use of private contractors, but impose stricter, competitively bid, contracts.
5. Survey and sell off unserviceable vehicles.
6. Provide dispatcher or yardmaster at Bumper Hall depot.
7. Supply extra brooms to street auditors.
8. Mandate brooms on trucks.
9. Contract two prototype private sweeping routes for cost comparisons.
10. Reestablish proper control of overtime sheets to verify personnel working.
11. Build prototype alley concrete pads for refuse.
12. Provide Management Information Assistant to the Chief Administrative Officer.
13. Provide transport to Superintendent and Chief Administrative Officer.
14. Stock gloves, shovels, brooms, and other basic supplies.
15. Restructure collection and sweeping routes on a rational basis.
16. Install a weighbridge at the Riverton disposal site.
17. Restructure schedules to reflect changes for security reasons.
18. Provide wheelbarrows and additional hand tools for gully crews.
19. Provide truck-mounted crane and allocate transport to support gully crews.

20. Construct paved roadway from the Spanish Town Road to Duhaney River bridge at the Riverton disposal site (as called for in KMR-UTP project).
21. Provide Caterpillar D-7, or equivalent, at the Riverton disposal site.
22. Establish a secure landfill office at the Riverton disposal site.

CHAPTER IX

THE KSAC CITY ENGINEER'S OFFICE

I. Introduction

The City Engineer is one of the three statutory officers in the Kingston and St. Andrew Corporation; the other two positions are the Town Clerk and the City Treasurer.¹

The City Engineer's Office has, at present, the following primary functions:

1. a portion of building control, planning and development;
2. rural water supply;
3. traffic engineering;
4. road construction and maintenance; and
5. maintenance of KSAC buildings, vehicles and equipment.

The City Engineer has attempted to fulfill these responsibilities through his decentralised work force of approximately 600 people and by contracting services from private companies.

The City Engineer's Office has three major and interrelated problems:

1. erosion of its organisational functions, as well as a lack of clarity about (or timetable for) its present and changing responsibilities;
2. lack of funds and adequate cost and project accounting procedures; and
3. significant management and staffing problems.

¹ The 1981 Handbook of the Standing Orders of the Council, Financial Regulations, Duties of Committees, and Other Matters of the Kingston and St. Andrew Corporation also denotes a fourth officer function, that of the Superintendent of Public Cleansing.

This report will make the following principal recommendations:

1. that the City Engineer's Office adopt a strategy of consolidation, developing credible system capabilities around remaining functions;
2. that funds be made available for technical assistance and capacity building, specifically to improve and update the accounting system and to provide management assistance; and
- 3 that a decisive plan be adopted for retiring superfluous positions and for hiring capable and expert management according to a new reorganisation plan.

Secondary recommendations will suggest specific ways in which these three principal recommendations can be achieved.

This report also will define each of the City Engineer Office's problems and the recommendations for their solutions in terms of the certain impact that the upcoming Kingston Metropolitan Region Urban Transportation Project (KMR-UTP) will have on its structure, accounting system and functions.

The KMR-UTP Project, to be funded jointly by the Central Government and the World Bank, will function as an independent project unit feeding into both the City Engineer's Office and Ministries of the Central Government. It will provide an infusion of much-needed funds and technical assistance for roads and works, a new cost accounting system and vehicle repair and purchases. Perhaps its most important potential contribution to the City Engineer's Office will be the construction of a new roads and works depot.

While the KMR-UTP Project holds great promise for improving the City Engineer Office's situation, there are technical assistance gaps, problems in timing, and unclear definitions of transitional and parallel responsibilities which must be clarified in order for the City Engineer's Office to benefit from the KMR-UTP.

II. Observations and Findings

A. Contraction of the City Engineer Office's Responsibilities

One could characterise the City Engineer's Office as being in the midst of planned obsolescence. At least parts of all five of its principal functions face eventual takeover by the Central Government or by projects such as the KMR-UTP working in conjunction with the Central Government.

1. The rural water supply responsibility will be deleted from the City Engineer's Office eventually and be transferred to the National Water Commission.

2. Because of the City Engineer Office's loss of key staff and the plans of the KMR-UTP Project, KSAC will probably relinquish all traffic engineering responsibilities to the Ministry of Construction.
3. Road construction, due to lack of funds and skilled personnel, is a very limited current activity; furthermore, such activities under the KMR-UTP will be undertaken by the Ministry of Construction.
4. The building, vehicle and equipment maintenance function is carried out in due proportion to budget allowances, stock of real property and assets, and the state of other City Engineer Office functions. However, three World Bank/Ministry of Construction (Works) highway maintenance projects (two current, one pending) contain provisions to spin off the vehicle/equipment purchase/management/maintenance function to either a parastatal or private organisation. The goal of this concept (called the "Hire Fund") is to create a leasing agency to be used by all public sector units.
5. The Prime Minister recently directed the transfer of most planning approval authority from the KSAC Council to the Town and Country Planning Authority. The KSAC Council has retained its approval authority for about 20% of the KSAC area (see Chapter VII). This means that the City Engineer's Planning section is now primarily responsible for planning 20% of KSAC, though its technical staff is still involved in planning the entire KSAC area. The City Engineer also retains responsibility for subdivision approval, final building permits and construction inspection for the entire KSAC area.

In sum, the following is the scope of appreciable City Engineer Office responsibilities which will be left if these deliberate or de facto takeovers by the Central Government do take place:

- * Road maintenance;
- * Minor KSAC building maintenance;
- * Final building permits, subdivision approval, construction inspection; and
- * Technical staff involvement in town planning.

There has been no clear division or assignment of responsibilities for the inevitable periods of transition from the City Engineer's Office to other agencies. This results in decreasing the quality of service delivery and makes it impossible for the City Engineer to develop a rational plan for allocating budget and staff resources.

Political intervention and confused lines of authority also make it difficult for the City Engineer's Office to plan the implementation of its responsibilities. For example, the so-called yearly capital budget is provided by the Ministry of Local Government at the start of the fiscal year in the form of a list of projects identified by costs and constituencies. However, projects appear to be implemented over time at the direction of the MLG on an ad hoc basis and not necessarily as a result of a City Engineer master plan.

The City Engineer should establish a forward plan of required construction and maintenance works (by constituency if necessary) so that he will have a Master Plan suitable to infrastructure needs and political requirements.

The City Engineer also should speed up reorganisation of the department to reflect the reduced/collapsing scope of City Engineer's Office responsibilities and to accommodate the new KMR-UT Project. He should make a clear and precise definition of his present functions and a definite schedule for those in transition. Consolidation of his Office's responsibilities and resources will enable the City Engineer to focus on functions which he can perform fully and well. On the basis of those he should be able to build a stronger City Engineer's Office, with the possibility of eventual growth of responsibilities in the future.

B. Major Financial and Accounting Problems

1. Financial Problems

The City Engineer Office's financial problems are two-fold: (a) a budget that is insufficient for its needs; and (b) a set of costs that are poorly distributed, with too much for labor, particularly for redundant personnel and unwarranted overtime.

a. Budget Estimates

The City Engineer has forwarded to the Ministry of Local Government (MLG) a two part 1984/85 budget projection: The "Recurrent Budget" estimate of J\$15,000,000 covers personnel emoluments, road maintenance, vehicle repairs, and routine building maintenance for KSAC. The "Capital Works" budget estimate of J\$26,000,000 is targeted for major construction; most of this work is contracted out. It is doubtful that either request will be met in its entirety. Appendix E.1 summarises the budget submitted by KSAC.

Operating on the assumption that the first quarter costs (current fiscal year) can be annualised, the claim of KSAC that a J\$60,000,000 budget is not sufficient may be borne out by extrapolating KSAC/City Engineer actual first quarter costs for 1983/84. Indeed, a J\$60,000,000 budget may be a break-even budget which covers only personnel emoluments. In the case of the City

Engineer, this leaves no funds for capital, operations and maintenance. Appendices E.2 and E.3 provide some of the comparative data.²

b. Budget Distribution

Manipulating the cost data has produced some useful information about the distribution of the City Engineer Office's budget. Assuming a constant spending rate, projected annualised cost relationships appear as follows:

Estimated Expenditures of City Engineer's Office, 1983/84

<u>Categories</u>	<u>Cost</u>	<u>Percentage of Total</u>
o <u>Personnel</u>	\$9.0 million	82.6
- Payroll (3.8 million)		
- Benefits (1.3 million)		
- Contracted & Consulting & Temporary (3.9 million)		
o <u>Non-Personnel</u>	\$1.9 million	17.4
- Transport/Subsistence (0.1 million)		
- Materials/Supplies (0.8 million)		
- Operations/Maintenance (0.5 million)		
- Vehicle/Equipment/Hireage (0.1 million)		
- Other non-personnel (0.4 million)		
Total	\$10.9 million	100%

A look at the labour cost components reveals the following: (1) the total matches the estimate forwarded in the 1984/85 budget request; (2) benefit costs are one-third of wage/salary costs; (3) temporary labour costs equal permanent payroll costs (in effect adding several hundred more labourers to the workforce); and (4) all personnel costs equal 83% of forecasted expenditures. (If, on the other hand, the City Engineer were to receive his full request of J\$15,000,000, the labour ratio would be 63%.)

² In addition, the Arawak Consulting Corporation produced an annualised breakdown (by cost section) of the City Engineer Office's expenditures. It was based on first quarter data 1983/84. This additional material is available upon request from the KSAC or Ministry of Local Government.

Labour costs are unduly high at least in part because of too many redundant personnel (see "Staffing Problems" below) and unwarranted overtime costs. The overall annualised charge for overtime is J\$767,000, or 20% of the total projected payroll cost for the year.³ While a memo from the Town Clerk forbidding any nonessential overtime has been circulated in the recent past, significant expenditures have continued to occur. These expenditures have been explained as activities which are traffic or day dependent. That is, traffic/pedestrian markings must be made at non-peak traffic times; cleaning of markets occurs on weekends. (The latter is a public cleansing charge, but the City Treasurer purportedly has not seen to it that the cost centre charges are properly allocated.) With overtime taking such a high percentage of an already overstretched budget, its cost bears additional, critical review.

In sum, every effort must be made to bring personnel costs down. The City Engineer is capable of identifying where and how, but he is not currently allowed the means to do so. At least a part of his difficulty is the present state of the City Engineer Office's accounting system.

2. Problems in Cost and Project Accounting

The accounting system is antiquated, out-of-date, and cannot be manipulated as a management tool. A print-out of capital expenditures is made available by the City Treasurer, but is not produced in a format which would enable budget tracking or control by the City Engineer. A detailed print-out of recurring costs is available to the City Engineer on a quarterly basis -- generally with a one quarter lag.

However, other than as a record of expenditures, the recurring cost print-out has limited utility. There are labour classifications which no longer bear any resemblance to actual job duties. For example, waterwomen used to carry water to labour crews; now personnel with this classification are used as messengers, porters, and for other such support work. Of the ten separate cost sections, two are no longer in existence. "Bumper Hall" (cost section #8) used to house the vehicle repair workshop; the City Engineer's Bumper Hall facility was destroyed four years ago. "Construction" (cost section #6) has been merged organisationally with Roads and Works; the #6 account is now used as a general fund account. There is a cost line for motorcycles, but there are no KSAC motorcycles; rather, this line is used to record expenditures for buses and taxis. Finally, the manually produced payroll files are disorganised and incomplete. It is doubtful whether a reconciliation of the Electronic Data Processing (EDP) data and hard copy data could ever be accomplished if required.

³ A breakdown of annualised overtime charges is presented in Appendix E.4.

Planning or tracking capital budgets and expenditures cannot be done in an organised way under the present system. First, capital budget authorisation is a two-fold process. The so-called yearly capital budget is provided by the Ministry of Local Government at the start of the fiscal year in the form of a list of projects identified by costs and constituencies, but are implemented only on an ad hoc basis at the direction of the Ministry of Local Government. Second, "Christmas Works" budgets are established by the Ministry of Local Government in November and forwarded to the City Engineer in the form of single action letters. That is, each letter identifies the general project, geographic area, and dollar amount allocated. The bearer of the letter is generally the contractor who is preferred for the work.

The capital cost items are tracked and approved by the City Engineer via a manual system. The cost data themselves are fed to the Data Processing Centre by the City Treasurer's Office. A copy of a capital expenditure print-out was viewed in the City Engineer's office; the data are presented and coded in such a fashion as to make it practically impossible -- from cursory examination -- to isolate specific costs or projects.

Moreover, neither the City Engineer nor the Cost Accountant could provide either a definitive source document or an accurate estimate of all personnel on the payroll. There is only a list of approved positions. The recurrent cost computer print-out does not lend itself to tabulating personnel with any precision; quantifying temporary labour is particularly problematic. Also, the City Engineer has been instructed to allocate payroll costs to unfilled positions, ostensibly to insure the availability of the posts for potential engagements in the future.

The City Engineer's Office, like KSAC in general, is burdened with redundant personnel. The "easiest" resolution would be to expedite retirements. This, however, is complicated by the state of payroll records. The hard-copy payroll records do not appear to be reliable, and payroll data is purged from the mainframe system after a few months. In other words, every retiring individual's history must be reconstructed. The Ministry of Local Government is understandably reluctant to initiate the process.

In sum, the accounting system is presently in disarray and must be updated and improved in order to reflect recurrent costs and capital expenditures clearly and accurately.

C. Major Staffing and Management Problems

The City Engineer's Office has a geographically decentralised total workforce of about 600 people. Core technical, administrative and management staff members are housed at King Street; Roads and Works and Traffic Engineering staff operate from three facilities in various parts of the city. Waterworks personnel operate from twenty-three stations.

The City Engineer has a workforce that is bloated at the labourer end, but depleted at the management end.

1. Overstaffed Labour Force

The Roads and Works labour force, with about 250 labourers for the current six trucks, is massively overstaffed. It will continue to be so even after a new fleet of some twenty new trucks (funded in part by the World Bank) is put in place.

An example of wasteful labour costs can be found in the case of the twenty-three watchmen employed to guard construction tools/materials storage containers; these containers have not been used for years. Several communications have gone back and forth between the City Engineer and the Town Clerk about this one issue over the past year, but the watchmen are still on the payroll. This example is not simply a singular, almost amusing, anomaly, but rather is indicative of the deeply imbedded, endemic problem of overstaffing and misuse of scarce public funds in KSAC.

2. Inadequate Management Capacity

The status of the supervisory and management force in the City Engineer's Office can be viewed as both a symptom and a cause of problems. As a symptom, the inability of KSAC to recruit personnel with the requisite credentials is indicative of a downward spiral in terms of credibility. As a cause, the continued use of personnel whose credentials or experience is insufficient means a continuation of inefficiency and poor service delivery. The number of "acting" personnel in key positions, as depicted below, illustrates the extent of the problem.

o City Engineer's Office/General Administration

- City Engineer/Civil Engineer. Acting
- Deputy City Engineer/Architect. Acting
- Assistant City Engineer/Civil Engineer. Acting
- Cost Accountant. Acting⁴
- Chief Administrative Officer. Permanent

o Construction, Roads/Works

- Roads/Civil Engineer.) Both seconded from Ministry of Lc
- Roads/Civil Engineer.) Government/Part-time/Acting
- Construction Superintendent. Acting
- Chief Superintendent. Acting
- Superintendent. Acting
- Superintendent. Acting
- Superintendent. Acting
- Superintendent. Acting

The "permanent" Cost Accountant is on paid leave while attending the University of West Indies.

o Building/Design/Survey

- Building/Chief Planning Officer. Permanent
- Building/Architect. Part-time
- Survey/Chief Surveyor. Acting
- Design/Engineer. Acting

o Mechanical/Hydraulics/Traffic

- Hydraulics/Executive Engineer. Retired/Acting
- Traffic/Executive Engineer. Acting
- Mechanical Engineering Workshop/Executive Engineer. Acting

Of the twenty managerial posts, fifteen are filled by personnel who are in an acting capacity (some for as long as four to five years) and/or are part-time. Only five are permanent. In order to begin to reconstruct his department, the City Engineer must take a hard look at his management staff. For example, the four Roads and Works Superintendents, all acting, are of retirement age. Opening up these positions and others down the chain could enable the City Engineer to bring in new blood.

There are indications that the KMR-UT Project Director and the City Engineer already plan to streamline the personnel system by collapsing and redefining first-line supervisory roles in Roads and Works (Superintendent down to Field Assistant). What is needed as well is a complete analysis of workflow, staff requirements and job content in order to develop a rational staff load plan and to rectify the "acting" status of key staff (i.e., hire qualified staff or construct a narrower set of duties for various posts) so that the City Engineer can devise a management plan according to clear definitions of its own responsibilities.

Another part of the Office's management problem is that the City Engineer is saddled with too many routine administrative duties. He has a load of operational activities, telephone traffic and routine meetings which divert him from his more important administrative and managerial responsibilities. He needs a full-time executive or administrative assistant as well as a management consultant who could help to identify needs and implement improvements.

How is the City Engineer's Office to find capable top-level management personnel? Management pay-scales are notoriously low in the public sector, and efforts to recruit new managers have been singularly unsuccessful. Let us look at these two factors more closely.

a. Pay Scales

Although a formal (i.e. scientifically valid and reliable) wage and salary survey of the City Engineer's Office was not conducted, the consensus opinion is that KSAC pay scales (relative to comparable jobs elsewhere in Jamaica) are exceedingly low. Considering the usual differential between the public and private sectors, a lower scale would be expected; the security provided by public sector employment is generally assumed to be a reasonable economic trade-off (i.e., lower risk=lower return).

Some rough comparisons have been made which suggest that the compensation packages for the higher level posts of City Engineer and Deputy City Engineer are significantly lower than those provided in the private sector while the package for the Assistant City Engineer is more comparable. Appendix E.5 shows the results of these rough comparisons. Obviously, no absolute conclusions should be drawn on these rough figures. However, a broader-scale wage, salary, and benefit comparability survey certainly seems called for in order to provide an objective analysis of the issue.

b. Recruitment

Recruiting engineers into KSAC and other public institutions is a problem in many respects. For example, the Ministry of Construction (Works) has lost over 50 engineers to parastatals, the private sector and overseas during the past three or four years. Especially since Jamaican engineers can probably double their purchasing power and disposable income in the United States, Canada, or the United Kingdom, there tends to be an exodus of engineers from Jamaica.

This portends a critical problem for the City Engineer in filling the two engineer positions for KMR-UTP (to be discussed below) as well as for other City Engineer posts. The probable solution will be the recruitment of low cost junior-level engineers coming out of engineering schools either from the University of West Indies (UWI), College of Arts, Science and Technology (CAST) or elsewhere.

Presumably, two years worth of counterpart training would fill the experience void and accelerate the learning curve. However, retention of these individuals after this training process would become the next problem plateau. There appears to be no solution to this, as there are no legal means to create an iron-clad, long-term employment contract. In other words, the cycle may very well repeat itself in two to three years.

KSAC should consider systematising its recruitment effort if it thinks it can attract engineers currently residing elsewhere. That is, it seems likely that there is a record of Jamaicans studying or working abroad which could be used as a source list for "blind" recruiting. This, combined with a better working environment and pay scales that compete reasonably with the private sector, should enhance the possibility of recruiting capable engineers.

III. KMR-UTP and Structural Change

Fortunately for the City Engineer's Office, the KMR-UTP will accomplish at least four positive ends, namely: (1) provision of funds for technical assistance, a new roads and works depot, repair tasks, and vehicle purchases; (2) facilitation of a much needed structural change; (3) creation of a cost accounting system; and (4) commitment of funds by the Ministry of Local Government for basic roads and works activities.

Loan negotiations were successfully concluded in mid-January 1984, and World Bank Board approval was accomplished in mid-March 1984. The chart below provides some details on project costs and component parts. Note, however, that this information has been superseded somewhat by recent modifications. The project was originally conceived as a five year programme, but it is now scheduled for seven and one-half years. Also, the Jamaican currency has experienced continual devaluation since the original estimate. The figures serve, however, to illustrate resource allocations.

KMR-UTP Project Scope

<u>Project Years:</u>	7.5
<u>Total Cost:</u>	US\$29,800,000 (almost half in J\$ equivalent)
<u>World Bank Component:</u>	US\$16,000,000
<u>Sub-Component Costs:</u>	
- Depot	J\$ 3,700,000 (54% World Bank)
- Periodic Maintenance	J\$22,500,000 (57% World Bank)
- Equipment	J\$ 2,200,000 (100% World Bank)
- Training/Technical Assistance	J\$ 2,600,000 (100% World Bank)

A. KMR-UTP Project Implementation

The most important feature of KMR-UTP, from the perspective of KSAC organisation, will be the construction of a roads and works depot. The depot will replace three zonal offices and will consolidate both line staff and some administrative staff at one location. Traffic engineering will also be housed at the depot. KSAC will be required to hire a Roads Maintenance Engineer (who will manage operations), a Works Engineer (periodic works), and an Accountant (development and operation of a cost accounting system). Government has also proposed hiring a Mechanical Engineer⁵ and Administrator.

Counterpart training and technical assistance will be provided by consultants. The consultant engineers each will provide almost continuous service and support for two years. The consultant accountant will be available only on an episodic basis during the two year period; total time will be ten man months.

⁵ The need for this position has been debated during the Management Audit. The City Engineer has agreed (with reluctance) that it is not absolutely necessary.

B. Technical Assistance Gaps

The plan for a local accountant and consultant accountant makes sense for the KMR-UT Project, but not for KSAC/City Engineer. The major drawbacks are:

- o The consultant accountant is not available during months five to ten;
- o The accounting system will be project-specific; and
- o The KMR-UT Project Director is planning to use micro-computers which probably will not be compatible with (a) the KSAC mainframe computer and (b) the current data coding and entry system.

While the plan seems appropriate for the Project, it does not address the broader needs of the City Engineer's Office. As was discussed earlier, the KSAC accounting system used by the City Engineer is woefully inadequate. There is a real opportunity to improve it considerably by having the counterpart and consultant accountants work towards an objective of developing a macro-system. Both the World Bank Project Officer and the KMR-UT Project Director agree that this is a viable concept. However, there is justifiable concern, given KSAC's dearth of professional personnel, that too much time and effort would be diverted from the KMR-UTP.

Therefore, in the light of both the episodic nature of the training and technical assistance, as well as the project-specific terms of reference for both accountant components, every effort should be made to secure funds for more technical assistance time in order to broaden the scope of both accountants so that their efforts are targeted to both KMR-UTP and the City Engineer's Office.

C. Construction of the Depot: A Critical Factor

The depot will accomplish some important managerial and behavioural objectives. They include, but are not limited to, the following:

- o Centralisation will enable better management control and improved efficiency;
- o Instituting a strong mission objective;
- o Creation of a "Hawthorne Effect" and new esprit;⁶ and

⁶ People in organisations respond positively if signals are given that they are "important" and that their effort has meaning. However, the sense of well-being lasts in direct proportion to the "health" of the organisation.

- o Developing a showcase which ultimately should attract new blood.

Note that there are two problems which need to be considered: one is timing, the other is location. That is, according to the current project timetable, the depot is scheduled for completion in June 1986. While the depot is not the only critical need or factor, two-plus years more of the current unsatisfactory situation will frustrate any major changes in the City Engineer's Office. Furthermore, in two year's time, the on-site consultants will be gone.

Selection of a site is the other critical factor; care must be exercised. Because KSAC is not currently attractive to professionals, the provision of appealing quarters in a desirable location might serve as an intangible inducement. From a cost control and managerially pragmatic perspective, Bumper Hall could be rehabilitated and used as the depot. However, Bumper Hall is in one of the areas which are described as "dangerous, volatile and not a place to be after dark."

In conclusion, it is imperative that KSAC choose its site carefully and build the depot quickly. The consultants should be present for at least six months after the depot has become operational.

D. Other Critical Timelines

A number of activities and events of KMR-UTP implementation have a serial nature which will create some bottlenecks and further inhibit speedy improvements in the City Engineer's Office organisation and efficiency. Some examples are:

- o The opening of the new depot is to take place after the consultants have been phased out;
- o The vehicle and equipment purchase specifications are to be prepared by the consultants (who are scheduled to arrive only after the counterpart staff is hired) but it will take at least six months after this before purchases are accomplished;
- o As of January 1984, there was not as yet approval for the counterpart positions, nor a list of potential candidates in the process of being prepared; and
- o If the depot is finished in two years, but all the new equipment is bought within one year, there will be no secure area for storage.

These, and all the other factors considered, should be assessed for potential time-phase realignment. The City Engineer should develop an operating plan which uses a tool such as PERT or CPM if for no other reason than to provide a conceptual or visual reality check in order to track performance and adjust schedules.

E. Organisational Change Strategy

The prospect of the KMR-UTP has already defined the direction of certain structural changes in the City Engineer's Office. For example, there will be a consolidation of some activities at one physical plant, some functions will be turned over to the Ministry of Construction, there will be some additions and changes of senior personnel, etc. The City Engineer is ready to exploit these possibilities; however, it is important to order priorities appropriately.

For example, he would prefer to hire a Mechanical Engineer, using the KMR-UTP vehicle repair function as a justification. Inserting this capability into the structure while the Project has momentum is a good idea, but considering the probable difficulties in filling the absolutely necessary posts (two engineers and an accountant), it seems practical to concentrate on more immediate needs.

The City Engineer also would like to elevate the position/status of the key KMR-UTP posts from the project level to a City Engineer level. This idea has merit and should be considered. It would demand, at a minimum, the additional staff and funding described earlier (i.e., hire City Engineer executive assistant, fund an organisational/management consultant, increase the funding level for accountant consultant).⁷

This increased level of management support also would enable the City Engineer to focus on other management changes he plans to institute. KMR-UTP has provided an excellent rationale to reevaluate job classifications and content. The City Engineer and the KMR-UT Project Director plan to collapse and redefine first line supervisory roles in Roads and Works. Currently, the supervisory chain includes, in hierarchical order, Superintendent, Assistant Superintendent, Foreman, and Field Assistant; other subcategories are also used.⁸ This plan will require large amounts of time, effort, and political jockeying. Additional management support to the City Engineer can give him the resources he needs to focus on this change.

Finally, the City Engineer needs to develop an orderly transition from the current organisation to one which reflects the changes given impetus by KMR-UTP.

⁷ See Appendix E. 6 for sample Terms of Reference.

⁸ The ratio of all professional/supervisory to skilled/semi-skilled/unskilled labour is now approximately 1 to 8.

The three exhibits on succeeding pages illustrate various stages in the reorganisation of the City Engineer's Office. They are obviously not meant to be definitive, but rather guideposts; the City Engineer has the best understanding of his organisation. He can be expected to fine-tune it according to his special knowledge. The organisations discussed below, therefore, simply outline phases of development.

Exhibit II is an organisation chart which approximately reflects the current structure and span of control of the City Engineer's Office.

Exhibit III is a proposed organisation chart for the Roads and Works Section which is associated with KMR-UTP. It will have no real organisational meaning or impact until the depot is built and all the personnel are housed together. Also, note that personnel loading is somewhat speculative, that is, supervisory levels have been compressed (only zonal superintendents and work overseers). Also, the City Engineer would like to cut back the size of the work crew force to a smaller number than is depicted. Obviously both concepts will have union implications. Furthermore, the implication of KMR-UTP is that a self-contained satellite office will emerge and thus the City Engineer's administrative system will address only the remaining functions of planning, waterworks, and mechanical engineering/building maintenance.

In short, KMR-UTP will have created a mini-parastatal as a potential base for urban transport management, but from which little capacity building will (directly) accrue to the Office of the City Engineer. The proposals to expand the scope of the KMR-UTP accounting component, add an executive assistant, and provide further technical assistance in the form of an on-site, long-term management consultant are intended to prevent this from happening.

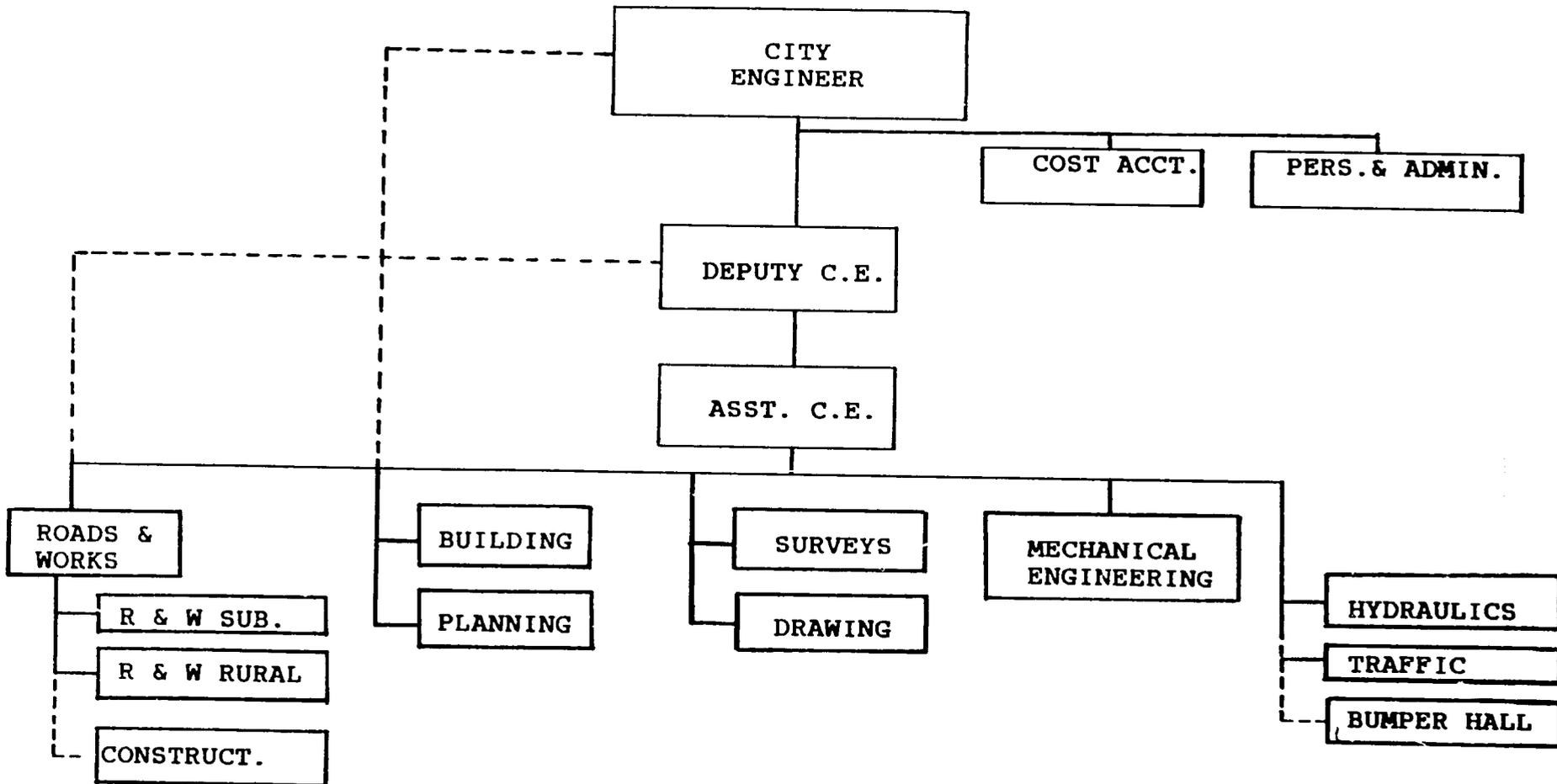
Exhibit IV represents a proposed structure for the City Engineer's Office which could evolve from this additional intervention (over the intermediate term). Essentially, three critical new posts, and a concomitant manager layer, would be created. One, Chief of Finance, would be a divisional post filled by the KMR-UTP accountant. The second, Chief of Works, would be another divisional post filled by the KMR-UTP Roads Maintenance Engineer. The third, Chief of Administration and Planning, would be a divisional post filled (eventually) by the proposed Executive Assistant or another qualified manager. Note that two functions, namely vehicle maintenance and water works, are not shown since rural water supply is scheduled to be taken over, in time, by the National Water Commission and since vehicle maintenance may well be absorbed within a new and centralised national agency.

Exhibit IV, accordingly, represents a three-fold change: consolidation of functions; reorganised structure; and enhanced management capacity. It recognises the political drift, but also leaves the nascent capability to expand. Exhibit IV, therefore, is, albeit idealized, a goal for the future of the Office of the City Engineer of KSAC.

Exhibit II

CURRENT ORGANISATION OF THE CITY ENGINEER'S OFFICE OF THE KSAC

(based upon function/accounting)

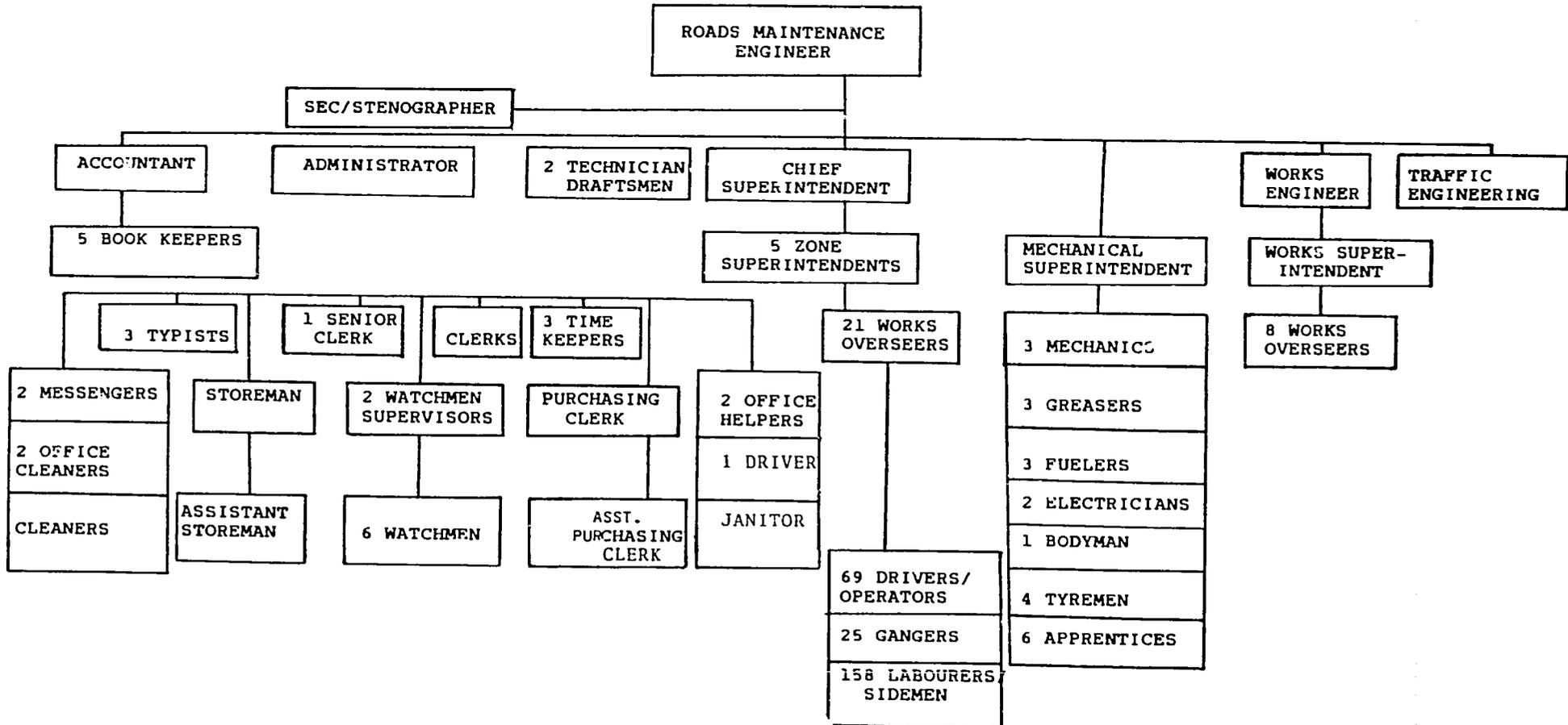


Notes: Construction and Bumper Hall are cost accounting codes. They do not exist as component parts of the organisation.

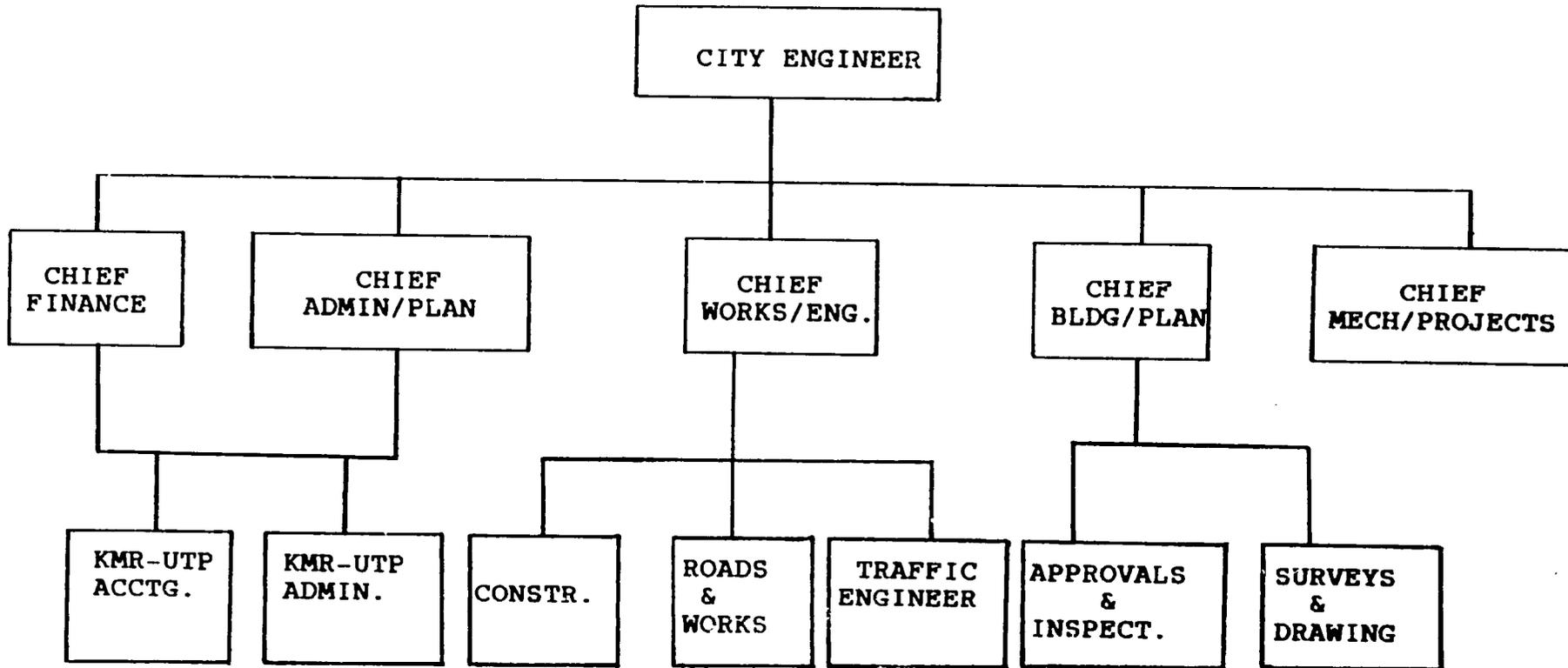
Source: Adopted from KSAC Organisational Chart produced October, 1981.

Exhibit III

PROPOSED STAFF STRUCTURE: ROADS AND WORKS SECTION
CITY ENGINEER'S DEPARTMENT, KSAC



EVOLVED CITY ENGINEER'S OFFICE ORGANISATIONAL STRUCTURE*



* Based upon discussions with City Engineer, tentative structure(s) he has already considered, and functions left after current attrition of scope.

IV. Recommendations

The following recommendations are categorised according to the three main problem areas under consideration: (1) the need to redefine and/or clarify organisational responsibilities; (2) issues in finance and accounting; and (3) management and staffing problems.

The need to redefine and clarify organisational responsibilities

1. It is recommended that KSAC and the City Engineer's Office adopt a strategy of consolidation and not attempt to set unrealistic goals to recapture lost ground. KSAC has lost ground precisely because it lost the capacity and capability to hold it. The City Engineer should therefore plan to develop credible system capabilities around the remaining primary functions of: (a) roads and works; (b) technical staff involvement with town planning; (c) final building permits, subdivision approval, and construction inspection; and (d) mechanical engineering/maintenance. Implicit to this strategy would be the development of staff capabilities to assume "special project" work as a longer-term tactic to increase, eventually, the scope of the City Engineer Office's responsibilities. Retrenchment is necessary now, however, if growth is to occur in the future. For now the most important priorities are co:

- a) Speed up reorganisation of the department to reflect the reduced/collapsing scope of City Engineer Office's responsibilities and to accommodate the KMR-UTP requirements. The exhibits presented at the end of the previous section suggest some ways in which this could be accomplished. A plan for reorganisation should be completed by June of 1984.
- b) Formulate decisive plans regarding (1) final spin-off of rural water works functions; (2) final disposition of the traffic engineering function; (3) clarification of responsibilities for planning functions; and (4) clarification of the disposition of vehicle repair responsibilities. This should be completed by December of 1984.

2. The City Engineer's Office also needs to develop a budget and operational plan suitable to infrastructure needs and constituency requirements. By July of 1984 it should have established a forward plan of required construction and maintenance works with associated priorities (by constituency if necessary).

3. It is also important to accelerate completion of the KMR-UTP's roads and works depot. According to the current project timetable, the depot is scheduled for completion in June of 1986. Two-plus more years of the current structure will frustrate any major changes in the City Engineer's Office. Moreover, the depot's location and

amenities can be viewed as one of the few psychological rewards available (in lieu of monetary rewards) to attract professional personnel. Therefore, the completion date should be moved up to April of 1985.

Financial and Accounting Problems

1. Funding for technical assistance is strongly recommended to provide for (a) making the KMR-UTP consultant accountant full-time (see recommendation #2 below), and (b) hiring a management consultant to assist the City Engineer for at least a year (see staffing recommendation #3).
2. A consultant accountant has been funded for the KMR-UTP Roads and Works component on an episodic basis only. This assistance should be augmented by providing funds so that the accountant would be able to develop systems and train personnel for KMR-UTP and the remainder of the City Engineer's Office on a more regular basis. In this respect, it is important to expand/adjust the scope/content/role of the counterpart and consultant accountants who are targeted for KMR-UTP implementation as soon as possible, preferably by April of 1984.
3. The KMR-UTP accounting system development (a) should be made compatible with the general KSAC system; (b) should not be run parallel to the rest of the City Engineer's Office; and (c) should be thought of as a tactical device to drive similar improvements through the entire KSAC accounting system. In this regard, it would be important to assess the possible need for micro-computers and to address the issue of their compatibility with the ICL mainframe.
4. The Electronic Data Processing (EDP) accounting system should be updated to (a) reflect a reorganised department and personnel descriptions; (b) enable production of timely management information system reports; (c) merge the capital expense EDP report with the recurrent expense EDP report; and (d) provide capability of producing cost accounting data suitable to meet World Bank loan administration requirements.

Management and Staffing Problems

A decisive plan should be adopted for retiring superfluous positions and for hiring capable and expert management according to a new reorganisation plan. The following recommendations suggest ways to achieve this:

1. Appoint a City Engineer, not an acting one.
2. Hire an executive or administrative assistant to the City Engineer who can be delegated organisational, management, and public relations responsibilities. This will afford the City Engineer the time needed to restructure his department. See Appendix E.6 for proposed Terms of Reference.

3. Provide technical assistance (a management consultant) to the City Engineer. Such a consultant, with organisational/management expertise, should be funded to work on a regular basis with the City Engineer and the proposed executive assistant for at least a year. (See Appendix E.6 for draft/proposed Terms of Reference.) The entire organisation needs the support of a capable individual who can identify needs, implement and enhance/expedite management improvements.
4. Speed up the recruitment process of the KMR-UTP staff (two engineers and one accountant). Ideally this should be completed by April of 1984. Consider the City Engineer's proposal to elevate the position/status of the key KMR-UTP positions from the project level to City Engineer level so that they will become permanent additions to the establishment of the City Engineer.
5. Perform workflow, staff requirement, and job content analyses to (a) develop a rational staff load plan; and (b) rectify the "acting" status of key staff (i.e., hire qualified staff or construct a narrower set of duties for various posts), in order to (c) devise a management plan which will enable the City Engineer to adjust the organisation and management systems as various developmental phases occur (e.g., eventual assumption by the National Water Commission of KSAC rural waterworks). The analyses should be completed by August of 1984, the management plan by January of 1985.
6. Conduct a compensation review of pay scales for essential professional staff.
7. Remove all retirable personnel from the City Engineer's Office payroll.
8. Clamp down on overtime. Develop a two or three person control system to ensure that overtime is not abused.
9. KSAC should consider systematising its recruitment effort to attract engineers currently residing elsewhere. For example, a record of Jamaicans studying or working abroad could be used as a source for "blind" recruiting.

CHAPTER X

THE ORGANISATION AND MANAGEMENT OF KSAC

AS A LOCAL AUTHORITY

I. The "Westminster Model"

Many of the Councillors, Officers and other people interviewed during the course of the Audit used the term "Westminster Model" to describe the way in which KSAC is presently organised and administered. However, this term really relates, not to local government, but to the British system of central government. It involves Parliamentary supremacy, a Bicameral Legislature, and Cabinet and Ministerial (political) policy initiative and responsibility. The execution of policy is in the hands of permanent and politically unaligned civil servants. There are superficial similarities with English local government; councillors are public political figures responsible for policy, and local government officers are professional, permanent and unaligned. In reality, however, the two systems are greatly different. Thus, while Jamaica can be said to follow the "Westminster Model" in the form of its Central Government, the pattern of local government operating in KSAC should be likened more to that of a large-sized American or English city which is predominantly urban but with suburban and rural environs. As such, it is far removed from the system of parliamentary government originating from Westminster.

II. Councillor-Officer Relationships

The Kingston and St. Andrew Corporation Act designates the Council as the ultimate decision making body within the local authority and, by the very nature of the democratic institution which local government is, that role is one which must remain with the Council. The role of the staff is to execute the decisions of the Council. Senior officers, however, have an additional obligation to provide professional advice in the form of a written or oral report so that members have available the necessary information and evaluation to enable them to make the best decisions. They also have a further duty to keep the elected members informed of the progress being made in the implementation of a decision when it cannot be carried out immediately.

It is the responsibility of the Officers, whatever their personal views may be, to see that the decisions taken by the Council are executed and that services are effectively and efficiently managed. The words underlined in the previous sentence are important since it is essential to an understanding of the proper roles of Councillors and Officers. Councillors should be confident of the loyalty of the staff, whatever their respective personal political views may be.

Staff members, on the other hand, should be free of political harassment. It should be an axiom that a local government officer is "special" in that he should never use his official position for party political purposes.

The general principles of the relationship between members and officers may be summarised as follows:

- A. ultimate direction and control of the affairs of the KSAC should lie with the members;
- B. the members, with professional advice from the officers, should take the key decisions on the objectives of the authority and on the plans to attain them;
- C. the officers should have full responsibility for the execution of those decisions; and
- D. the members should monitor performance progress through the regular feedback of information by the officers.

Unfortunately, this model relationship does not obtain in KSAC. Decisions by elected members are not confined to key or policy matters; Councillors interfere in the execution of Council or Committee instructions and in the day-to-day administration by the officers. This may be due (particularly with such a high proportion of newly elected Councillors) to a belief that decisions are not being carried out effectively. Councillors consider the lack of staff cooperation to be politically motivated. The answer is not to interfere in matters outside their purview as Councillors, but rather to adopt a far more critical and positive attitude, accompanied if necessary by disciplinary measures to deal with poor performance.

We have suggested, in Section III below, a way in which the provision of information on councillors' constituency problems might be improved.

III. The Council in the Public Eye

Section 118 of the KSAC Act allows the Council to delegate all but two of its functions to committees whenever it considers that any function would be better regulated or managed by a committee rather than the Council itself. KSAC has taken full advantage of this provision; there are no less than fifteen committees, each of which is vested with full executive powers and presents its minutes at the monthly Council meeting for the information of, but not for discussion by, the Councillors. The consequence is that nothing comes before the Council unless it is (1) demanded by statute; (2) is tabled either by the Mayor or Town Clerk; or (3) is specifically requisitioned by a member through formal notice of motion or question. In our opinion the full Council is being increasingly regarded as a body whose major functions, in terms of agenda content if not in importance, are to be a "talking-shop" and to rubber stamp

decisions which have effectively been taken elsewhere. These decisions are made by a committee, which is usually controlled via party caucus, or (rarely) by the Mayor or individual Officers. The result is that the proceedings of the full Council have become more and more formal and unrealistic. Its role has been downgraded in the eyes of the members, officers, the Government and Members of Parliament, the press and, most important perhaps, the public which the KSAC was created to serve.

The KSAC Council is an extreme case of too many councils which have failed to move with the times. Much of what is said in the following quotation (from a report by a firm of management consultants, McKinsey and Company, on an English council which they had studied) could apply with equal force to the KSAC in 1984.

The New Local Authorities - Management and Structure
(the Bains Committee Report), 1972 - p.23

".... in common with many other authorities, (the Council) finds itself with an organisation and a system of making decisions that has changed little since the present structure of authorities was created out of the tangled web of local boards and functional administrations in the latter half of the 19th century. The democratic forms of Council and committee and the rigid hierarchical structure of the service have some great strengths but in many ways are not geared to the modern task of managing thousands of people and hundreds of millions of pounds of assets, nor to making complex often technical decisions on the development of those assets. The city has neither the organisation structure nor the planning system nor the management methods commensurate with the job".

Another feature of KSAC Council meetings is the tendency for Councillors to propose and debate motions which have no connection with any function of the KSAC or the health, welfare or economic and social conditions of its citizens. Because of this tendency to give priority to discussing what are really national political issues, the proper forums for the debate of which are at Gordon House and not 24 Church Street, it might be advisable to introduce a new standing order restricting deliberations to matters affecting the functions of the Council and the interests of the inhabitants of the corporate area - to better use of land instead of the war in Grenada, or to more markets rather than Jamaica's attitude towards "Moonies".

How can the Council again become, and be seen by both Councillors and the public to be, the final debating and decision making body for major policy matters affecting the capital city? This could be done by a revision of Committee terms of delegation. Such a revision would specify that important policy issues must be brought to the Council only in the form of recommendations by the committee concerned; The committees should not have the executive powers they have at present. Debates on the broad policy options, with the committee's report providing a stimulus to informed discussion of the issues involved, would enable the arguments on each side to be

heard before effective decisions were made. The media and the public, too, would be better informed. The media could highlight issues which are more newsworthy while these are still at the proposal stage; they could be present to hear and report on the overall debate before final decisions are taken. Undoubtedly the present paucity of media coverage to KSAC affairs is due to the fact that no television, radio network or newspaper likes to waste valuable space reporting stale news; formal committee resolutions by their very nature do not radiate "human interest".

We also believe, as did the Mills Committee in its 1974 Report, that the widest possible publicity to the problems, policies and achievements of local authorities in Jamaica can only be to the greater benefit of those authorities. Greater publicity can lead to a better understanding by the public, which is now intensely critical of their performance without appreciating the difficulties they encounter. We therefore endorse the recommendation of the Mills Committee that the KSAC should be required, as a statutory obligation, to prepare an Annual Report on its activities. Though the formal legal requirement would be that it be made to the Minister of Local Government, such an important account of the Council's stewardship ought to have the widest possible circulation to the media, political parties, community associations and prominent industrial and commercial concerns, as well as to the public.

There also should be a regular and frequent distribution of news by the Council about the KSAC and its leading personalities, supplementary to the occasional press releases which are now issued. It is understood that the idea of a professionally produced civic news-sheet, financed through advertising revenue, has not been well received in the past. Nevertheless, this method of projecting the Council as a vital organisation in which all citizens have a concern is worthy of reconsideration.

Finally, the Public Relations Office, which has been plagued by frequent changes in directors, should be strengthened so that it provides speedier replies to complaints by the public and has the capacity to deal promptly with requests for information on Councillors' constituency problems.

Heads of Departments also should realise that lackadaisical or nil responses to complaints and requests for information invite criticism from the complainant or inquirer. They are quite inexcusable and reflect badly, both on his or her particular department as well as on the reputation of the Council as a whole. Speedy responses, on the other hand, even if their content happens to be unpalatable, at least give the impression of efficiency and quick attention to a problem. Though seemingly trivial to the Officer called upon to deal with it, the issue is certainly important to the person raising it, whether the person is a member of the public or a Councillor wanting to pass on information to a constituent. Heads of Departments also should appreciate that a nil reply usually fosters dissatisfaction as well as a determination to

try again with the "top man". A change of attitude to outside enquiries will result in reducing chief officers' present personal and constant involvement in minor details.

IV. The Committee System

Reference has already been made to the large number of committees now operating in KSAC. At least one, the Poor Relief Committee, with the same Councillor membership, has divided its functions into three parts and holds separate meetings to deal respectively with (1) outdoor relief (Dole), (2) indoor relief (the Eventide Home) and (3) policy. There is no doubt that such a large number of committees presents severe problems of coordination, particularly when, as in KSAC, these committees are not linked to the overall objectives of the Council, but to the separate departments through which these objectives should be secured. Added to this the system is subject to the criticisms that -

- A. the decisions which the Committees now concern themselves with are those which could equally or even more effectively be made outside the committee room through delegation to responsible Officers;
- B. because of pressure on agendas (and their greater emphasis on detail rather than policy) the time available for the more important decisions to be taken is wholly inadequate; and
- C. the system is wasteful of Officers' time, which could be better used in more productive work. For example, the minutes of one committee record the attendance of twelve Councillors and no less than 8 Officers!

The Audit Team believes that the number of committees should be reduced in order to give them wider scope for policy decisions. Their present narrow terms of reference actually encourage attention to detail at the expense of wider policy considerations. Furthermore, all committees should work to a corporate plan which embraces the main policy objectives of the Council.

The exclusion of detail from committee decision making means that Officers must be allowed to make decisions within a policy framework laid down by the members either in Council or in committee. This, of course, brings us back to our point about mutual confidence and respect. Without the trust and confidence of the members, Officers' skills will become under-utilised and the Officers themselves will lack motivation and impetus. We must also emphasize again the need for KSAC to be manned by Officers with professional training and proven management skills to justify that trust and confidence; this applies particularly to those to whom delegated powers are to be given.

As for the overall structure of Council committees, there are wide variations in the actual groupings which could take place. Some

committees, like Public Cleansing and Public Health, as well as Civic and Cultural Affairs and Trusts, seem sufficiently interrelated and suitable for merger. However, we do not wish to put forward any rigid guidelines. This task, to be guided by the notion of "the fewer the better", is best left to the KSAC itself.

The committee groupings require very careful consideration before they are formed and should be made flexibly enough to meet changing requirements. While reductions in committees and the number of chairmen are likely to be resisted, it should be borne in mind that an incidental result of such groupings could be a saving in attendance allowances.

Because of the severe constraints imposed by the limitation of money to finance the overall objectives of, and service provision by, the KSAC, the Audit Team feels that policy and finance should be closely linked at the elected member level. This could be done by the creation of a "Policy and Resources" or "Management" Committee to control the major resources of the Council - namely finance, manpower and physical assets - and to monitor performance regularly. In KSAC this would mean the disappearance of the present Finance, Management and Establishment Committees. No doubt it would still be necessary to undertake the policy work falling within the main purviews of the new Committee, (e.g. "Finance", "Personnel" and "Performance Review") through sub-committees, but they would all be responsible to the central Committee.

This "Policy and Resources Committee" would, as its name implies, have ultimate responsibility under the Council for directing the major resources of the Council. The central role of finance has long been accepted in KSAC and elsewhere. The other roles of this Committee would be equally important - namely to advise the Council on (1) future plans and objectives, (2) their effect on the budget and (3) to coordinate the implementation of those plans. Any proposed deviation from the Committee's plans by a functional committee would need the central Committee's concurrence. It would be the responsibility of the "Policy and Resources Committee" to advise on priorities and the broad allocation of the various resources of the Council. To do this, it must also have the authority to oversee the management and review process and to ensure that those resources, once allocated, are properly used. The "Committee" would need to keep the organisational structure and management processes of the Council under continuous review to see that they kept pace with the demands made upon them. This would involve close links with the new Budget and Management Unit recommended in the financial chapter of this report. Exhibit V illustrates the kind of new Committee organisation we have in mind and Exhibit VI sets out suggested terms of reference for a Policy and Resources Committee.

In such a highly political body as KSAC, consideration needs to be given to the question of whether the "Policy and Resources Committee" should include members other than those of the majority party. On balance there is much to be said for minority

representation since participation by the minority in policy debates and decisions serves to ensure that different points of view are heard and more informed decisions arrived at. Also, because a high proportion of local authority decisions are bipartisan, such an arrangement should lessen mistrust and, in so doing, might avoid some of the violent reversals of policy which can occur following changes in political power.

V. The Departmental Organisation

It is readily apparent that KSAC's present departmental organisation is inward-looking and tightly compartmented with little intercommunication. There are no regular joint meetings of Department Heads and the accepted form of intercommunication is the exchange of written memoranda; it is as if their authors were working miles apart instead of in the same building. Moreover, these memoranda are regularly produced by Chief Officers as evidence to show that they have 'passed the buck' to someone else when complaints are made about failure or tardiness in the execution of Council and committee instructions.

The Audit Team considers that the present departmentalism should be replaced by a corporate management approach through team management at the chief official level. This is dealt with more fully in Section IX below.

Exhibit VI

TERMS OF REFERENCE FOR A POLICY AND RESOURCES COMMITTEE

1. To guide the Council in the formulation of its corporate plan of objectives and priorities, and for this purpose to recommend to the Council such forward programmes and other steps as may be necessary to achieve those objectives, either in whole or in part, during specific time spans. For this purpose to consider the broad social and economic needs of the authority and matters of comprehensive importance to the corporate area. To advise the Council generally as to its financial and economic policies.
2. Without prejudice to the duties and responsibilities of the functional committees, to review the effectiveness of all the Council's work and the standards and levels of service provided. To identify the need for new services and to keep under review the necessity for existing ones.
- . To submit to the Council concurrent reports with the functional committees upon new policies or changes in policy formulated by such committees, particularly those which may have significant impact upon the corporate plan or the resources of the Council.
- . To be responsible for allocating and controlling the financial, manpower and physical asset resources of the Council.
- . To ensure that the organisation and management processes of the council are designed to make the most effective contribution to the achievement of the Council's objectives. To keep them under review in the light of changing circumstances, making recommendations as necessary for change in either the committee or departmental structure, or the distribution of functions and responsibilities.

VI. The Town Clerk's Present Role

As has been indicated in previous chapters, the key figure in the officer management of KSAC is the head of its paid service, the Town Clerk. Since it was known that the present holder of the post was approaching retirement age, the authors of the preliminary survey which preceded the Management Audit thought it opportune for us to look at the possible adaptation to KSAC of the city manager system of local government operating in the United States. That has been done; section VII deals with this question. It is, however, necessary to examine the present role of the Town Clerk before proceeding to a study of alternatives.

Section 19 of the KSAC Act requires the KSAC to appoint a fit person to be its Town Clerk (plus a City Treasurer, a City Engineer and such other officers as may be required by law or as the Council feels necessary). While saying that he may be removed from office by the Council, the Act specifies that he hold office "during good behaviour". By the Kingston and St. Andrew (Duties of Officers) Regulations (1945) the Town Clerk was designated the Chief Executive Officer of the Corporation and empowered to give to all and any officers (presumably including the City Treasurer and City Engineer who are also specified statutory officers) "such instructions or directions as may appear to him necessary for the purpose of carrying out the policies and directions of the Council and such instructions and directions shall, unless and until otherwise determined by the Council, have the same effect as if the same had been given by the Council".

This would seem to give the Town Clerk very wide powers over staff. These powers have been eroded, however, by the Municipal Services Commission Act of 1956 and Regulations made thereunder, which empower that Commission to make appointments and promotions and to exercise disciplinary control over municipal officers. In addition, the Kingston and St. Andrew Corporation (Disciplinary Procedure) Regulations (1958) limits the Town Clerk's power to discipline other employees to those earning less than J\$1100 per annum; this is a steadily diminishing portion of the work force.

The Town Clerk's influence over the financial affairs of KSAC has also declined because of (1) the Kingston and St. Andrew Corporation (Financial) Regulations (1969) which made the City Treasurer responsible for preparing the annual budget and submitting it to the responsible committees and the Finance Committee (the Town Clerk being merely consulted on his own departmental estimates) and, (2) the decision of Central Government in 1972 to remove the power of local authorities to levy rates and to substitute them with the present system of grants-in-aid (centrally determined expenditure allocations).

As a result of these pieces of legislation, new regulations and Central Government actions, the legal status of the Town Clerk has been eroded. His authority has been drastically reduced and the occupant of this important office, in contrast to his counterparts

in other parts of the world, has been made virtually ineffective as a manager. This situation can be improved only by legislative and other measures. Not only must his authority be restored, but he must be made accountable to the Council for the efficient and effective implementation of its policies. That is, the Town Clerk's role, duties and responsibilities must be changed so as to make him a Chief Executive Officer and Manager in reality rather than just in name. It must, of course, be appreciated that this will entail a commensurate raising of the remuneration attaching to the appointment, for only in this way will it be possible to attract candidates of the required calibre, qualifications and management experience. It is therefore the view of the Audit Management Team that a person possessing these essential qualities required of a modern-day Chief Executive is unlikely to be found from within the KSAC's present staff establishment.

VII. Is the City Manager System Appropriate to KSAC?

Since the first appointment by Staunton, Virginia, of a "general manager" to oversee the administrative affairs of their city, the idea has grown rapidly that professional management can improve the efficiency of local government. By 1980, there were 2517 council-manager plans in the United States and 133 in Canada. While each city in the United States is generally free to choose its own system of local government, a city is nonetheless a geographic subdivision of the State. The state government defines and limits the city's powers (e.g. permitted tax levies and a prescribed debt ceiling) and specifies the type and quality of services to be provided. The Federal Government also channels the execution of certain national programmes through the cities (with the use of grants) to secure the delivery of services at nationally recognised levels and standards.

By charter or ordinance, the city manager is granted authority and responsibility for all of the administrative functions of the city; the members of the city council are normally prohibited from any interference in administrative matters. However, the city manager serves at the pleasure of the council and his tenure of office is strictly in the terms of a personal contract.

The city council is the policy-making body; for example, it is responsible for choosing the method of delivery of a service and for the funding mechanism. However, it is the responsibility of the city manager (1) to implement current policies, (2) to frame forward planning proposals, and (3) to advise the council of the alternative ways they could be carried out. His professional skills, plus the mayor's political acumen in bringing about such compromises that lead to the making of the final decisions, largely determine the city council's effectiveness and the reputation on which its members will be judged at the next election. This requires the provision of a mass of information to enable (a) the city manager to examine the resource implications of the alternatives available, and (b) the councillors to make properly informed judgements. This can be

provided only through a proper management information system (MIS); this is essential for management analysis and the measurement of actual performance against set objectives.

The city manager is personally accountable for all of the functional arms and administration of his council. This includes police, fire department, public health, public works, recreation and amenity facilities, personnel (including full power to engage, discharge and discipline), public relations and, most important of all, the budget. It is a characteristic of the city manager system that he is given an unambiguous statement of duties and responsibilities. Appendix F.1 provides an example; it follows a model prepared in 1975 by the Institute of Government at the University of Georgia. The city manager has a recognised chain of command through the heads of departments, who in turn have line responsibility for the operation and staff of their departments. He does not generally have any line department responsibilities himself and, particularly in the spheres of overall policy implementation and forward planning, operates through a management team of principal chief officers.

Management practices have also developed rapidly in both the private and public sectors in the United Kingdom since the 1950's. The reforms of local government in 1974 were accompanied by the introduction of management techniques adapted from those already tested in the United States. Appendix F.2 sets out a typical job description for a council chief executive in a British authority.

The Audit Team considers that the adoption of the city manager system in its entirety to KSAC would be inappropriate. The main objection to such a change is that under that system the city manager should be in a position to influence the budget and the implementation of the Council's policies. This might well require increased expenditure and a consequent increase in revenue. As the financial chapter of this report shows clearly, even if the KSAC were able to increase its "own source" revenues, these would be a small proportion of total income, and that ultimate financial control rests, not with the Council, but with Central Government. However, there are features of the city manager system which can be usefully adopted by KSAC in deciding the future responsibilities of their Town Clerk (Chief Executive). These include better management methods and greater accountability.

VIII. The KSAC's Chief Executive of the Future

What should be the character and role of the KSAC's Chief Executive Officer (and head of its paid service) when the present Town Clerk retires? In this chapter we use the term "Chief Executive" to differentiate the future role from the present one and refer to this person in the masculine gender though it could equally apply to a woman.

KSAC has been engaged over a long period of time in the provision of a variety of services controlled by separate departments, each with its own professional head. Strong departmental loyalties have

developed from this situation. Quite apart from what is said in the Kingston and St. Andrew Corporation (Duties of Officers) Regulations, and apart from the erosions and encroachments referred to in the last section, the position of the Town Clerk has always had a rather superior status over other Chief Officers. As well as managing his own large department, he has a coordinating role and is the Council's medium of communication with the KSAC staff, Central Government and other official bodies. However, those erosions and encroachments have curtailed the KSAC Town Clerk's legal status and managerial capacity to the extent that the standing of the present incumbent comes more from his own personal qualities and character than from any formal written authority.

The recommendations made throughout this report (and particularly those parts relating to personnel) propose that the position of KSAC's Chief Executive be publicly and authoritatively established as:

- A. the leader and controller of the Council's paid staff;
- B. its principal adviser on matters of general policy;
- C. the person responsible and accountable to the Council for ensuring that its resources and organisation are managed efficiently and effectively. Manpower being a major resource, he would thus become responsible and accountable for staff selection, deployment, discipline and general management, subject to broad financial and establishment parameters laid down by the Council; and
- D. the coordinator of a team of principal officers fully committed to corporate management.

The issues and problems facing a local authority are too numerous and varied for the Chief Executive to grasp them all in great detail. KSAC's other chief officers must retain direct accountability for the effective and efficient running of the services for which their departments are responsible. At present the Town Clerk himself has direct line responsibility for one of the most important departments. Town Clerks have been expected to deal with all of the problems and responsibilities of a large department, plus all Councillors' personal queries (ranging from the important to the trivial), as well as performing the role of chief adviser, manager and coordinator. In the Audit Team's view, the KSAC should see that its new Chief Executive is kept free of all departmental responsibilities. If he is not given this freedom, he will be operating for at least some of his time at the same level as other departmental heads. This means that his departmental staff will expect him to defend their interests, which will make it difficult for him to rise above his departmental role. He must be allowed to manage and coordinate in the general interest of the corporate area and its inhabitants without the bias of the special ties which an association with a particular department might give.

To this end it is proposed that the present Town Clerk's Department be split into the two divisions now headed by the Deputy Town Clerks. The division would become separate departments named after their respective major functions, Administration and Personnel. It will be noted that this accords with the recommendation in the chapter dealing with personnel matters.

What are to be the qualifications of this paragon, this Chief Executive? Primarily he should be a good and thoroughly experienced manager. He should welcome challenge and responsibility and have the capacity to motivate and communicate with his staff. He should be diplomatic in character, but tough when necessary; his sense of duty should remain uninfluenced by political pressures. Although he should be a university graduate (preferably, though not essentially, in public administration, law, business or management studies, planning or other appropriate disciplines), it will be his abilities as a manager with practical "across the board" top management experience in a large public or private enterprise which will be of supreme importance in his selection.

The Audit Team feels that this unique appointment should be regarded as "special" in terms of both salary and conditions of service. It has been accepted by Government that the Town Clerk's salary scale, which used to be equated with that of a Permanent Secretary but is now much lower, should be revised upwards substantially. A particularly attractive salary package must be offered. However, it is also our recommendation that the new Chief Executive be subject to an individual service contract, with appropriate provision for a right of appeal to the Municipal Services Commission against dismissal or certain specified disciplinary measures on the grounds of unfairness, unreasonableness or insufficient cause. It is understood that the Jamaica National Investment Company, Ltd., which has considerable experience in this field, would be willing to assist both in selecting and advising on potential appointees and in negotiating a suitable contract on behalf of KSAC and the Ministry of Local Government.

To emphasise the changed role of the head of the Council's paid service, other titles might be used, such as, "Chief Executive", "Chief Executive Officer", "Chief Executive and Town Clerk", or "Principal Chief Officer" with or without the addition of "Town Clerk".

XIV. The Corporate Management Team

In earlier paragraphs we referred to the Chief Executive as the leader of a Team. What we have in mind is a small management team of principal chief officers which has a corporate identity and a positive role to play in the overall management of the KSAC. It would be the counterpart, at officer level, of the Council's Policy and Resources Committee. Its members would not attend primarily as representatives of particular departments; they would be there as members of a body created to aid the management of the Council as a whole. Experience elsewhere has shown that the formation of a

Principal Officers' Management Team serves to bring such officers together into regular consultation. This results in a new awareness by each Chief Officer of the problems of the others and a common solution can be arrived at that is more compatible with the respective contributions of all departments involved. In this connection, we suggest that there are few, if any, major decisions which can be made in isolation without some impact upon others' areas of responsibility. Most of the wrong decisions in KSAC have been made because all the issues involved have not been properly thought out and discussed beforehand.

We also propose that the Principal Officers' Management Team be responsible for the advance preparation of plans and programmes on long-term objectives. This should precede their consideration of the plan by the Policy and Resources Committee and the Council, as well as, of course, the coordination of their implementation by the Chief Executive.

It is essential that such a team be small; six to eight appears to be the optimum number. Obviously not all Chief Officers can be members. It is probably better to have some permanent members (possible candidates are the heads of Administrative Services, Personnel Services and Financial Management and the heads of the largest departments such as City Engineer, Public Cleansing, Public Health and Fire Brigade) as well as others who would normally attend only if matters of specific concern to them were being discussed. However, we recommend that Chief Officers who are not present either as permanent or additional members be kept informed of matters discussed by the Team; if the Management Team's activities are not known to those who are not members, will arise.

We do not propose to lay down specific terms of reference for such a management team; these would be for the Council to decide. We suggest, however, that it have two broad functions. The first would be the long-term strategic function of considering and advising on what policies and priorities the Council should be adopting to cope with changing needs and circumstances. The second overall function would be the coordination of management and implementation of present Council programmes.

XV. Overlapping and Inappropriate Functions: Some Questions

Our report has been limited to the main fields of study listed in the introductory chapter. However, we have noted also the following organisational problems: (a) there are some functions carried out by KSAC where Central Government also has responsibilities in the same or a similar field; (b) the supervision of a function which is essentially "local government" is not with the Ministry of Local Government but another Ministry; and (c) the KSAC is undertaking activities in areas where it has no primary function. It is accordingly recommended that Central Government and/or KSAC should examine:

1. Whether greater clarity of responsibilities can be

achieved between the poor relief functions of the KSAC and the public assistance functions of the Ministry of Social Security.

2. Whether Ministerial responsibility for the Board of Supervision (now with the Ministry for Social Security) should revert to the Ministry of Local Government. (Poor law administration is a definite and historically the oldest function of local authorities in Jamaica.)
3. Whether the time has come for a complete review of Jamaica's social services, both those provided by public agencies (including KSAC) and private organisations; and whether some of the archaic provisions of the Poor Relief Act should be revised.
4. Whether the school medical and dental services in the corporate area should be transferred to the Ministry of Health. The KSAC has no direct responsibility for education. The Ministry of Health provides these services in the parishes with a 100% grant from the Central Government.
5. Whether, in view of the considerable amount of legal work generated by KSAC, a study should be made of the comparative costs of legal services provided (a) by a private firm of attorneys paid on a fee basis as at present, or (b) by KSAC having a small legal section of its own with a qualified lawyer in charge. Due to overlapping duties within the Town Clerk's Department, the deeds and records of the Council's land holdings are incomplete; these would normally be the proper responsibility of the legal section of a large local authority.
6. Whether sufficient thought has been given to the KSAC's future obligation for indoor poor relief. The Eventide Home is being allowed to deteriorate rapidly in the expectation that its elderly inmates will be transferred to the Golden Age Home, now in the course of construction, under the sponsorship of the Ministry of Social Security. It is also considered undesirable for an institution of this kind to be sited in such a high risk area. However, only 327 (or just over half) of the present 579 residents of the home are aged 60 and over. The remaining 252 (43.53%) consist of 209 adult destitutes, including a number discharged from Bellevue Hospital, as well as 43 mentally and physically handicapped children and young persons under 18 years of age. Though proposals exist for transferring the latter to special institutions, the Audit Team feels that the KSAC has a duty under the Poor Law to provide relief to the destitute who are

unable to help themselves and a concurrent obligation, like all the Parish Councils, to maintain an institution of this kind. If the present site is unsuitable, early plans should be made for the building of such an establishment elsewhere in the city.

XVI. Summary of Recommendations in This Chapter

1. Both Councillors and staff members should know their respective roles and perform them in a spirit of mutual confidence and trust.
2. The Council must have ultimate direction and control of the authority's affairs and make key decisions with professional advice from the officers. The officers, in turn, should be given full responsibility for the execution of decisions and should provide regular feedback information to enable Councillors to monitor performance.
3. A new standing order should be introduced to restrict deliberations to matters affecting the functions of the Council and the interests of the corporate area and its inhabitants.
4. Committees' terms of delegation should be revised so that important policy issues are determined by the full Council.
5. The KSAC should be required by law to prepare an Annual Report on its activities. This Report should have the widest publicity. There also should be a regular and frequent distribution of civic news.
6. The KSAC Public Relations Office should be strengthened to provide speedier replies to public complaints and deal promptly with Councillors' requests for information on constituency problems.
7. The structure of Committees should be changed so that they all work to a corporate plan embracing the main policy aims of the Council. This will widen their scope for policy decisions and reduce the time presently wasted on detail. This should be accompanied by greater delegation to officers.
8. The number of committees should be reduced by grouping together those which are allied functionally. An incidental result could be a saving in committee costs and Councillors' attendance allowances.
9. Policy and Finance should be closely linked at elected member level by the creation of a Policy and Resources

Committee to control the major resources (financial, manpower and physical assets) and to monitor performance, vis-a-vis the corporate plan, by functional committees.

10. The presently compartmentalised departmental organisation must be replaced by a corporate management approach, with team management at chief officer level.
11. The Chief Executive must be made truly accountable to the Council for the efficient and effective implementation of its policies.
12. The adoption of a complete City Manager System for KSAC is generally inappropriate, though certain features could be utilised to improve KSAC's operations.
13. The future Chief Executive Officer of KSAC must be a thoroughly experienced manager, with the capacity to motivate and communicate enthusiasm in his staff, and with a sense of duty which is uninfluenced by political pressures.
14. The future Chief Executive should be subject to an individual service contract containing a right of appeal to the Municipal Services Commission against dismissal or certain specified disciplinary measures on the grounds of unfairness, unreasonableness or without cause. A particularly attractive salary package would be essential.
15. The changed role of the head of KSAC's paid service could be emphasised by an alteration in official title.
16. Central Government and/or KSAC should consider present overlapping and/or inappropriate functions.

CHAPTER XI

ACKNOWLEDGMENTS

The Audit Team wishes to acknowledge the great debt they owe to all the people who have given them assistance in their work, whether in Central Government, the Kingston & St. Andrew Corporation, the national statutory bodies or in private enterprise. To most of us, whether in the public service or private business, the very word "audit" has a chilling ring to it. Therefore, we would like to place on record our sincere appreciation of the frank and open way in which everyone in Jamaica has dealt with our enquiries and given us every assistance. Of particular value was the helpful and constructive attitude of both the elected councillors and the officers of the KSAC and their willingness to meet and answer questions from the individual consultants engaged on the various parts of the Management Audit. Although a great many people gave us the benefit of their knowledge, it is only possible to mention a few of those most closely involved. However, every contribution was greatly appreciated, not only by the consultant or consultants actually requesting information, but by the Audit Team as a whole.

We are well aware that the Management Audit, with a span of inquiry extending over several months, imposed a heavy burden upon the time of very busy Ministers, Civic Leaders and Senior Officials in both Central Government and the KSAC. We are most grateful to them for so willingly accepting the extra burdens.

We would like to express our thanks to the Hon. Alva Ross, M.P., the Minister of Local Government during the planning and initial stages of the Audit and to his successor, the Hon. Neville Lewis, M.P., for his great personal interest in our work and its objectives. A particular debt is owed to Her Worship the Mayor (Councillor Mrs. Colleen Yap) and her Deputy (Councillor Richard Sasso), not only for their continued lively interest in the progress of the Management Audit, but also for their willingness, at all times, to meet members of the Audit Team when their views as Council leaders or chairmen of major committees were of special significance. We are, of course, equally grateful to the other chairmen of committees and councillors (of both political parties) who were similarly consulted from time to time.

At the official level we are deeply appreciative of the encouragement given to us by the Permanent Secretaries of the Ministry of Local Government, Mr. Horace Davidson, Mr. Joe Morris and Mr. Ed Miller during the pre-Audit assessment period as well as the Management Audit proper. Our sincere thanks are also expressed to the Permanent Secretaries and Senior Officials of other Ministries

and Government Departments involved in various aspects of our work as well as those with the Ministry of Local Government. Special thanks are extended to Mrs. Marie Isaacs of the latter Ministry who acted as liaison officer between the Government of Jamaica and the Management Audit Team and was also the Secretary of the Advisory Committee responsible for guidance and oversight of the Audit process as a whole. It was particularly fortunate that Mrs. Isaacs and our own coordinator combined knowledge of the somewhat tenuous relationship between the English system of local government and its counterpart in Jamaica and other countries of the British Commonwealth. The assistance of Mrs. Isaacs' secretarial staff is also warmly appreciated.

We are also indebted to the many officers of the KSAC who provided forthright and valuable opinions on various aspects of the Corporation's functions and management. We would like to pay tribute to the then Town Clerk, Mr. Jocelyn Clarke, for his infinite patience and unfailing courtesy during our lengthy enquiries, to his two deputies and the other Chief Officers of the Corporation, Mrs. Ruby Taylor, the City Treasurer, Mr. Milton Hodelin, the City Engineer and Mr. Henry Miller, the Public Cleansing Superintendent, for the helpful and constructive way in which they dealt with the many questions raised by a succession of consultants about the workings of their departments. The same appreciation is extended to the other senior officers of KSAC who gave of their valuable time during the course of the Audit. We are also mindful of the great assistance rendered by Mrs. Sadie Craig, the Town Clerk's secretary, in arranging a very complicated programme of meetings between consultants and members and officers of the KSAC so successfully.

Reference has already been made to the KSAC Management Audit Advisory Committee which proved to be such a valuable link between the Management Audit Team and people with first-hand knowledge and practical experience of the problems involved. The members of this Committee are listed in Appendix A. We thank them all for giving us the benefits of their time and experience.

Throughout our report we refer to an earlier study on local government reform by a Committee whose chairman was Professor Gladstone Mills, Dean of the Faculty of Social Sciences at the University of the West Indies. We are truly grateful to Professor Mills who has made himself available for consultation throughout the course of the Audit despite the many other important calls upon his time.

No acknowledgment of the help the Audit Team has received would be complete without reference to the wise counsel of our constant mentor and adviser, Professor Robert Abramson of the Jamaica National Investment Company. His vast experience with the World Bank and previous management audits in Jamaica has been invaluable. To him our grateful thanks.

Finally, we turn to the United States Agency for International Development, without whose assistance and sense of purpose the KSAC Management Audit would not have been possible. Our special thanks are extended to Mr. Lewis Reade, the U.S.A.I.D. Mission Director, to Miss Sara Frankel, the Director of the Housing and Urban Development Office for the Caribbean Region, and Mr. Jack Hjelt, the Regional Housing Officer, for their enthusiastic confidence and support which we trust has not been misplaced. The conclusion of any project of this kind is, of course, the production of the final report. Therefore, our concluding words of appreciation are to Miss Carol Brown and Mrs. Tessa Chang of Miss Frankel's office; they have cheerfully accepted the many demands we have made upon them.

APPENDIX A. 1

THE KSAC MANAGEMENT AUDIT ADVISORY COMMITTEE

<u>Appointing Body</u>	<u>Representative</u>
The Auditor General's Department	Mr B Thelwell, Chairman
The Association of Local Government Authorities of Jamaica	Mr G Lewars
The Jamaica National Investment Company Ltd.	Professor R Abramson
The Kingston & St Andrew Corporation	The Worshipful the Mayor of Kingston, (Councillor Colleen Yap)
	The Deputy Mayor, Councillor R Sasso
	Councillor B Gordon
The Ministry of Finance and Planning	Mrs J Marshalleck
	Mrs N Gathchair
The Ministry of Local Government	Mrs M Isaacs
	Mrs J Dennis
	Mr L Kitchin
The Ministry of Public Utilities and Transport	Mr K Bisnott
The Municipal Services Commission	Mr D Robinson
The Private Sector Organisation of Jamaica	Mr L Byles
The Urban Development Corporation	Mr C Woodstock

APPENDIX A.2

KINGSTON AND ST. ANDREW CORPORATION MANAGEMENT AUDIT

LIST OF CONSULTANTS

Joseph H. Whitfield, M.A., D.P.A., F.C.I.S., formerly Deputy Secretary of the National Association of Local Councils of England and Wales and Local Government Advisor to the Governments of Belize, Cameroun and Botswana (Co-ordinator).

Clarence D. Beatty, B.S., Solid Waste Engineer and formerly Director of Sanitation, City of Rochester, N.Y. (Camp, Dresser McKee, Inc.).

Edward C. Gallas, B.Sc., Vice-President of Organisation Resources Inc., Personnel Management Consultants, and formerly Personnel Director of the New York and New Jersey Port Authority and Chairman of the Personnel Appeals Board, United States General Accounting Office.

David A. Grossman, B.Arch., M.C.P., President of the Nova Institute, Financial Management Consultants, and a former Director of the Budget for the City of New York.

Bruce W. Gombos, B.A., M.P.A., Performance Management Consultant and Vice-President of the Nova Institute.

Martin Lang, B.S.E., M.C.E., Environmental Engineer and former Commissioner, respectively, of Water Resources, Sanitation, and Parks and Recreation of the City of New York. (Camp, Dresser McKee, Inc.).

Mrs Joan Miles, M.Bus.Admin., Chief Accountant, Office of the Comptroller, City of New York.

Malcolm D. Rivkin, A.I.C.P., M.C.P., Ph.D, President of Rivkin Associates Inc., Planning and Urban Development Consultants, and a former member of the Maryland National Capital Park and Planning Commission.

Mrs Goldie W. Rivkin, A.I.C.P., M.C.P., Vice-President of Rivkin Associates Inc., Washington, D.C.

Frank P. Sherwood, Ph.D, Chairman of the Department of Public Administration, Florida State University.

Eran Spiro, B.Sc., M.Sc., A.S.C.P., A.P.A., J.I.A., Senior Partner, Eran Spiro and Associates, Architectural and Town Planning Consultants.

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John P. Thomas, B.A., M.A., D.P.A., Executive Director, State Association of County Commissioners of Florida.

Archie J. Twitchell, B.A., D.P.A., Vice-President, New Computer Management Center, Washington, D.C., and a former City Manager.

John C. Williams, M.B.A., Vice-President, Arawak Consulting Corporation, Management Consultants.

Special Adviser to Consultants:

Robert Abramson, B.A., M.S.W., Senior Management Adviser, The World Bank, Seconded to Jamaica National Investment Company.

APPENDIX B.1

PROPOSED REORIENTATION OF THE COUNCIL ROLE IN PERSONNEL MATTERS

The Management Audit of KSAC personnel functions has revealed the need for a change in laws, procedures and organisational structure with respect to personnel administration. It is asserted by employees and senior management staff that the current selection and promotion arrangements contribute to low morale and an ineffective organisation for fixing responsibility for quality and effectiveness of staff.

These problems are directly related to the inability of the Council to hold its Chief Executive Officer (presently the Town Clerk) responsible for performance of his principal assistants, and, they, in turn, for their subordinates' actions because he does not have final authority for their original appointment or subsequent promotion. As we are all aware, the Council may initiate, approve or reject personnel actions that have a direct bearing on effectiveness of KSAC operations.

It is also known that this review or initiation of personnel actions within KSAC can be disruptive to effective management and the fixing of responsibility.

Therefore, it is proposed that action be taken by the Council to do the following:

1. Remove the Council and the Establishment Committee from intervening in selection, appointments, promotions, removals or any other personnel actions. The Council would, in the future, confine its activities in personnel matters to making of policy, or acting, when requested, on the recommendations of the Town Clerk (Chief Executive).
2. The sole appointment of the Council would be the selection, and if required, the removal of the Town Clerk (Chief Executive), the latter being subject to his right to appeal to the Municipal Services Commission on the grounds of unfairness, unreasonableness or insufficient cause.
3. The Town Clerk (Chief Executive) would be required to submit the names of his nominees to fill vacant department head positions to the Council for confirmation only. All appointments at lower levels would be made by department heads from lists of qualified applicants, prepared in accordance with equitable, and technically acceptable personnel, practices.

-Page ii of B.1-

4. The Municipal Services Commission would be requested to concur in this action which might, for legal reasons, be required to be implemented by action of the Minister of Local Government.
5. The Minister of Local Government would be requested further to seek changes in the law to remove the Municipal Services Commission from the selection process for KSAC and to restructure that Commission as an oversight and personnel appeals body. A draft proposal to effect the letter result is attached.

The above actions, if taken now, would reassure both the public and the employees of the Council's commitment to improving the effectiveness of the KSAC and removing any hint of political influence and favouritism in the personnel system of KSAC.

This proposal was submitted to the Mayor, Deputy Mayor and the Council for consideration during the course of the Management Audit and it appeared to have been favourably received.

APPENDIX B.2

PROPOSED AMENDMENT OF THE MUNICIPAL SERVICES COMMISSION ACT

1. The following supercedes the Municipal Services Commission Act of 1956 as amended.
2. The membership of the Municipal Services Commission shall be fixed at five, appointed by the Governor General on the recommendation of the Minister of Local Government to serve overlapping four year terms. The current membership shall be continued until expiration of the terms for which they have been appointed, except that if the current membership of the Municipal Services Commission exceeds five, the vacancy(ies) first occurring shall not be filled. Upon expiration of the terms of other current members of the Commission they may be reappointed for only one subsequent four year term.
3. Qualifications of members of the Commission:
 - A) Experience in adjudication or resolution of personnel matters as an arbitrator, manager or union representatives;
 - B) Not a current employee of KSAC, or a union having a contract with KSAC, or a member of Parliament or of the KSAC Council;
 - C) Nomination for appointment by the Minister shall be from a list of qualified persons representing each of the following in order as vacancies occur:*
 - (1) A nominee of the Minister of Local Government;
 - (2) A nominee of the Council of the KSAC;
 - (3) One nominee of the Jamaica Association of Local Government Authorities;
 - (4) One nominee of the unions (in consultation) representing at least 20% of the employees of KSAC;
 - (5) One nominee of the Mayor.
4. Members of the Commission shall not be eligible for reappointment.

The list of nominees submitted by each of these organisations or individuals shall not be less than three and shall be made in the form, at the time and according to procedures which the Minister of Local Government may require.

*Note: The list provided in Section 3(C) 1-5 is suggestive only. Other possible sources of nomination (such as the Minister of Public Service) should be considered.

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5. Any vacancy in the membership of the Commission shall be filled in the same manner as original appointments from lists presented to the Minister of Local Government by the same nominating authorities for the period of the unexpired term.

6. Any individual appointed to fill a vacancy shall serve only for the unexpired portion of the term with respect to which such vacancy has occurred, except that, if the unexpired term is less than one year the Governor General may appoint the individual for a term which is equal to four years plus the unexpired portion of the term.

7. A member of the Commission may continue to serve after the expiration of the term for which that member was appointed until a successor has taken office, but not to exceed six months after the date on which that member's term was to have expired.

8. Removal Procedures

- (1) A member of the Commission may be removed by a majority vote of the Commissioners (other than the member who is subject to the proposed action of removal) but only for inefficiency, non-feasance or malfeasance in the office;
- (2) Upon request, a member of the Commission subject to removal under the above procedure shall be given notice of charges and opportunity to a hearing before the Commission prior to a vote of its members.

9. Compensation

Each member of the Commission shall be paid such remuneration as the Minister of Local Government may determine.

Chairman

The members of the Commission shall select a Chairman from among the members of the Commission. The Chairman shall be chief executive and administrative officer of the Commission.

Appointment of Officers

The Chairperson shall appoint a secretary to the Commission and such other officers and employees as he may consider expedient for securing the proper discharge of the functions of the Commission under this Act.

10. Duties of the Commission

The Staff of the Commission shall:

- i) Investigate allegations of prohibited personnel practices to determine whether such practices exist, or are or may be taken by an officer or employee of the KSAC;

- ii) Investigate any allegation of prohibited political activities;
- iii) Investigate matters under the jurisdiction of the Commission if requested by the Commission or any member of the Commission;
- iv) Conduct oversight studies and investigations of KSAC personnel activities.

11. Corrective or Disciplinary Actions

The Commission may consider, decide or order corrective or disciplinary action (as appropriate) in cases arising from:

- a) Employee appeals concerning any removal, suspension for more than 14 days, reduction in grade, or reduction in pay;
- b) Prohibited personnel practices or prohibited political activities;
- c) Prohibited labour practices;
- d) Actions involving discrimination;
- e) Any other issue relating to the personnel management of KSAC which the Commission, by regulation, determines is most appropriately resolved by the Commission.

12. The Town Clerk (Chief Executive) of KSAC shall promptly implement any corrective action ordered by the Commission, in cases which the Town Clerk (Chief Executive) had authority do do so.

13. Any action, or final decision of the Commission, may be appealed to the Privy Council, which shall advise the Town Clerk (Chief Executive) what corrective action, if any, shall be taken.

14. The Commission shall promulgate regulations providing for employee appeals and establishing its own operating procedures.

APPENDIX C.1



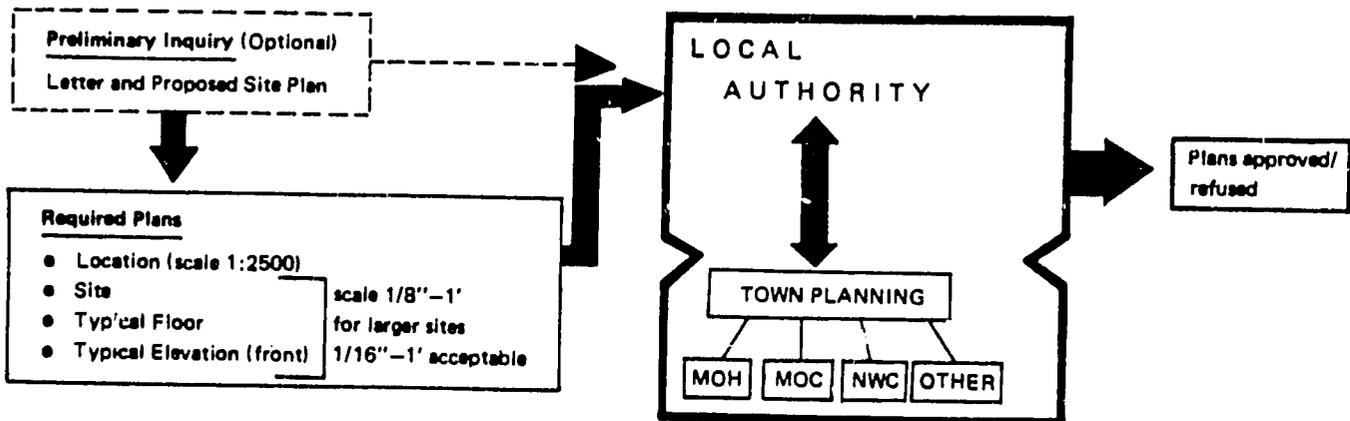
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OUTLINE APPROVAL PROCESS

An Outline Application does not constitute approval to build but provides information to proceed to detailed drawings. Outline Approval determines land use, density, access, etc.

PREPARING THE APPLICATION

GOVERNMENT PROCESSING



N.B. For development in excess of 7,000 sq. ft. copies of application must be submitted to JNIP, 15 Oxford Road, Kingston 5

KEY: MOH – Ministry of Health & Environmental Control
MOC (Works) – Ministry of Construction (Works)
NWC – National Water Commission

Prepared by
JNIP 10/82

Source: "Building Construction, Guidelines to the Approval Process." Jamaica National Investment Promotion, August 1982.



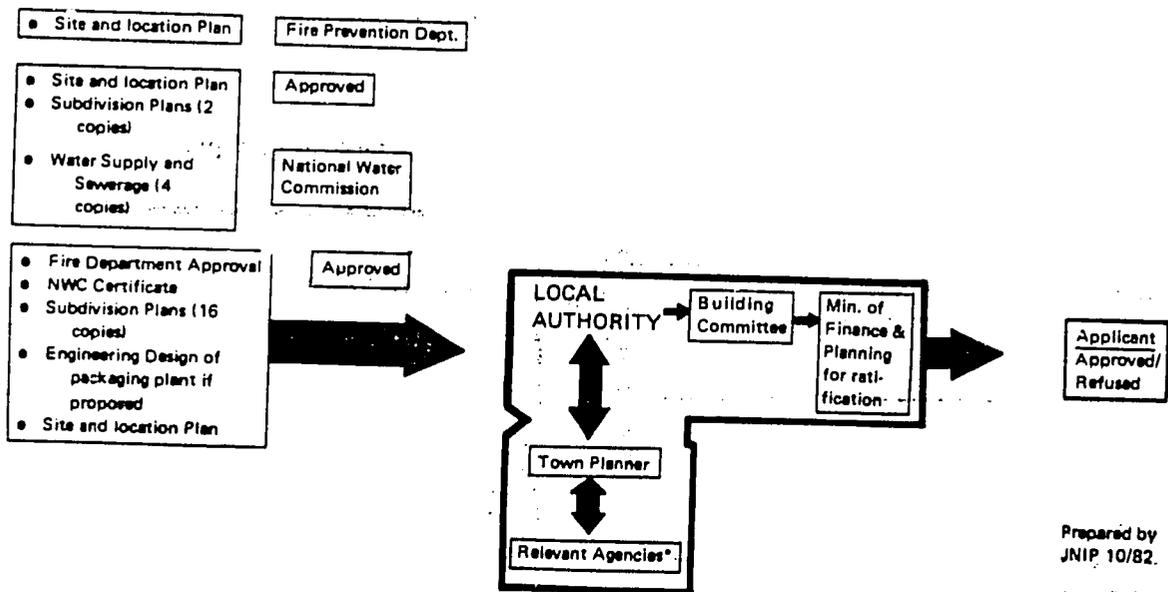
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SUBDIVISION APPROVAL PROCESS

PREPARING THE APPLICATION

GOVERNMENT PROCESSING

RESPONSE TO APPLICATION



Prepared by
JNIP 10/82.

• Relevant Agencies

- Land Development & Utilization Committee
- Jamaica Bauxite Institute
- Ministry of Agriculture
- Beach Control Authority
- Geological Survey Dept.

- Ministry of Health & Environmental Control
- Ministry of Construction (Works)
- National Water Commission
- National Resources Conservation Department

APPENDIX C.3



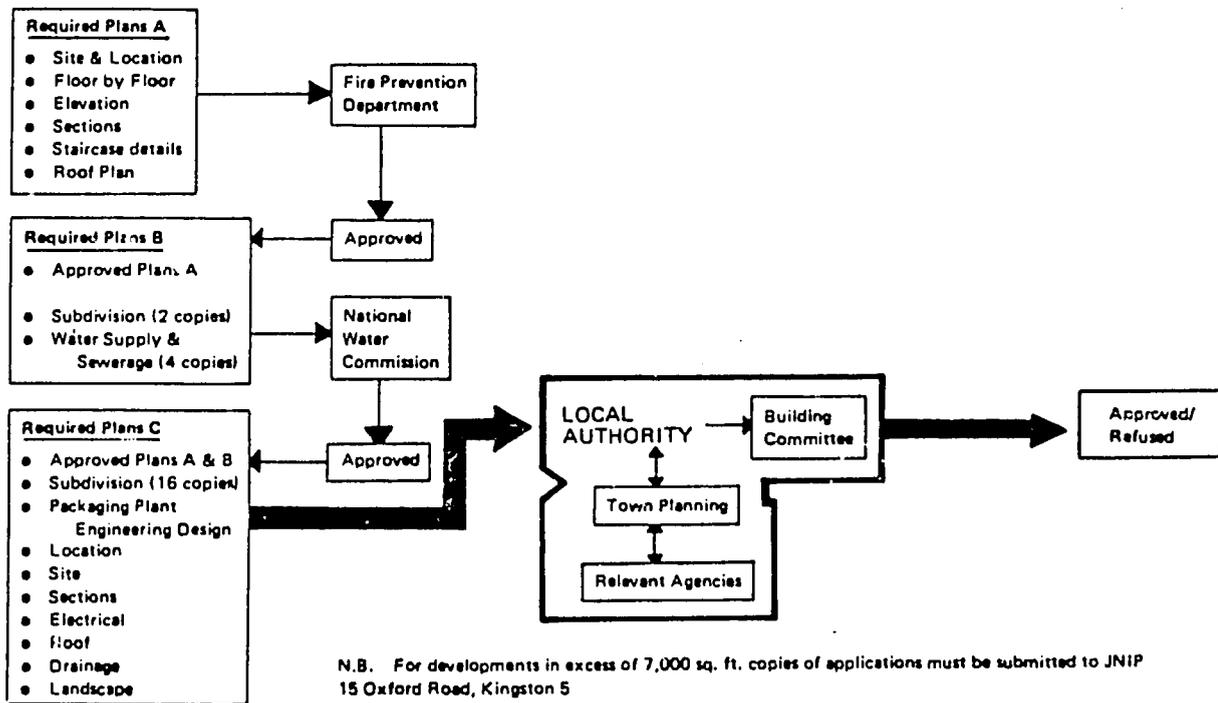
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BUILDING APPLICATION PROCESS

PREPARING THE APPLICATION

GOVERNMENT PROCESSING

RESPONSE TO APPLICANT



Prepared by
JNIP 10/82

APPENDIX D

ANALYSIS OF KSAC PUBLIC CLEANSING OPERATIONS

ISSUES DISCUSSED

Crew Composition
Time Off
Payroll Support For Full-time Position
Basic Straight Pay
Increments
Overtime
Differential
Assumption Of Seniority
Straight Salaries, Senior Men
Senior Men + Overtime
Weekday Night Men
Sunday - Daytime
Definition Of "Route"
Schedule
Weekly Crew Cost, PCD Collection
Other PCD Costs To Support Collection
Contractual Repair Costs
Supervisory Cost For Collection
Bumper Hall Yard Support
Hanover St. Clerical & Admin. Support
KSAC Overhead Support
Total Cost Per Week, Collection
Nominal Tonnage
Nominal Cost Per Ton
PCD Field Personnel
Excess Of Sidemen & Drivers
Age Distribution - PCD Personnel
Private Routes
Private Route Payment
Viability of Commercial Operation
KSAC-PCD Support For Private Carters
Unit Costs Of Private Collection
Public vs. Private Unit Costs
Conclusion

Unit Costs Of Collection & Disposal-PCD Operations

Crew Composition, Compactor Collection Truck

1 Driver & 4 Loaders (Sidemen)

Time Off

10 days - departmental leave. Personal Business, not cumulative
21 days vacation leave, cumulative to 63 days
14 days Sick leave (Dr's lines for beyond 3 days)
9 holidays, straight time if worked
54 days

Assume 48 days/man/year

How many people on payroll to support one full-time position?

Assume each individual off for 48 days
Assume 260 working days per year
48 = 1846. Need 1.18 on payroll full time position
260

Basic Straight Minimum Pay

Sideman (and Auditor)	\$132.35/wk
Driver	\$149.35/wk

Increments

Washing Allowance	\$ 5/wk
3.25/wk each yr. 1st 5 yrs	\$16.25/wk
3.25wk/one time, after 7 yrs	<u>\$ 3.25/wk</u>
	\$24.50/wk

Overtime

Working on Collection truck, 15 hrs. O.T./wk

Differential

\$0 10/hr, night shift, before midnight
\$0.12/hr, night shift, after midnight
Double time, Sunday work

Assumption

Assume employees to be seniormen, of over 7 yrs service

Straight salaries, senior men

Sideman	132.35 + 24.50 = \$156.85/wk
Driver	149.35 + 24.50 = \$173.85.wk

Seniormen + 15 hrs. Overtime

Sideman	$132.35 \times \frac{55}{40} + 24.50$	-	\$206.48/wk
Driver	$149.35 \times \frac{55}{40} + 24.50$		\$229.68/wk

Weekday night men - No Overtime

Assume \$0.11/hr differential

Sideman	156.85 + .88	\$147.73/wk
Driver	173.85 + .88	\$174.73/wk

Sunday-daytime

Sideman	$\frac{132.35}{5} \times 2 + \frac{24.50}{5}$	\$57.84/day
Driver	$\frac{149.35}{5} \times 2 + \frac{21.50}{5}$	\$64.64/day

Defintion Of "Route"

Nominally, a specified run of street purported to yield 10 tons per day, presumed to be collected in 2 trips. (3 trips for Saviem truck)

Schedule

Weekdays (Mon-Fri), days, 33 routes (10 tons each /day)
 Weekday 'nights' (Mon-Fri), 5 trips (each 5 tons) - markets
 Sundays, 12 trips (5 tons each)

Nominal PCD Tonnage

5 x 33 x 10 + 5 x 5 x 5 + 12 x 5 = 1835 tons/wk (PCD only)

Weekly Crew Cost Of PCD Collection Schedule

Crew, Driver + 4 Loaders, 'Senior' men (all increments)
 Day shift, Sr. men + Ovetrime
 4 x 206.48 (Sideman) + 224.68 (Driver)
 = 1055.60/wk/truck/day shift
 33 x 1055.60 = \$34,8356 (day schedule)

'Night' trips, no overtime

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4 x 157.73 + 174.73 + \$805.65/wk/truck night
 5 x 805.65 = \$4,028 (night schedule)

Sunday, double time, no overtime

Sideman $\frac{132.35 \times 2}{5} + \frac{24.50}{5} = \$57.84/\text{day}$

Driver $\frac{149.35 \times 2}{5} + \frac{24.50}{5} = \64.64

4 x 57.84 + 64.64 = \$296/Sunday trip
 296 x 12 = \$3,552 (Sunday Schedule)

Straight Crew Cost Of Weekly Schedule:

33 truck shifts per day for 5 days	34,835
25 night trips during week	4,028
12 Sunday trips	<u>3,552</u>
	\$42,415.wk

The actual payroll cost must include the crew coverage for all working days in the year, hence we apply the factor of 118.46%.

42,415 x 1.1846 = \$50,245.

Basic collection truck payroll to maintain schedule = \$50,245/wk.

Other PCD Costs To Support Basic Collection Schedule

1. Operation of packer truck (annual basis) - as of Nov. '83

NIS, NHT, & Educ. Tax, sideman	89
NIS, NHT, & Educ. Tax, driver	182
58 cakes of soap @ 0.75	44
7 pts. Detol @ 4.00	28
16 pr. gloves @ 9.00	144
1 shovel @ 36	36
1 "A" Fork @ 29	29
Depreciation of compactor truck	12,000
6 100 x 20 tyres @ 884	5,304
1200 gallons diesel fuel @ 3.50	4,200
Washing vehicle @ \$40/wk	2,000
Truck License @ 450	450
Insurance	2,800
1/2 case brake fluid	180
2 batteries @ 194.40	389
2 drums Hydraulic fluid	870
1/2 drums engine oil	239
1/2 drums grease	234
6 tubes @ 24	144
1/2 drums insecticide	<u>1,687</u>
	\$31,049/
	truck/annum

or \$597/week/truck in use
Say, 33 trucks, average deployment
or \$19,704 per week (exclusive of truck repairs).

2. Contractual repair costs, collection vehicles

Audited annual contractual repairs for entire KSAC fleet maintained by PCD for KSAC = \$899,000.

Of this, packer trucks represent 90% of cost. One major overhaul can easily cost \$20,000.

Therefore, compactor truck repairs = \$809,100/annum
= \$15,560/week

3. Supervisory Costs for Collection

We can ascribe the following to collection supervision:

3 Assistant Superintendents
5 Field Supervisors
8 Foremen
25 Headmen
41 Supervisory, at, say \$10,000/annum = \$7,885/wk

Note: This represents 2/3 of all supervision. This is equivalent to a 1:10 supervisory ratio for all sidemen and drivers. This is equivalent to a 1:6 ratio for the sidemen and drivers required for basic schedule.

4. Bumper Hall Yard Support For Collection

Private guard security service	\$3,000/wk
Tool Room, yard cleaning, gas pumping, building, housekeeping, clerical: say, 15 people @ 140/wk	\$2,100/wk
	\$5,100/wk

5. Hanover Street Clerical Administrative Support For Collection

Headquarters has 30 employees @ 600/month.
50% can be ascribed to collectons of PCD.

15 X 150/wk = \$1,500/wk

6. KSAC Overhead Support to PCD Collections

Payroll preparation, personnel records, pension records, procurement, stores, Town Clerk correspondence.
Say, 10 people @ 150/wk \$1,500/wk

Total cost per week to maintain PCD collection schedule, exclusive of redundant personnel and based on drivers and loaders actually working on collection trucks.

1. Basic Driver & Loader Payroll	\$ 50,245
2. Collection Truck Operation	19,704
3. Collection Truck Repairs	15,560
4. Supervisory Costs	7,885
5. Bumper Hall Yard Support	5,100
6. Hanover St. Clerical & Administration	2,250
7. KSAC Overhead Support	1,500
	<u>\$102,244/wk</u>

Nominal Tonnage, PCD Collections

(Based on 10 tons/"route", 5 tons/trip)

5 X 33 day routes @ 10	1,650
5 X 5 'night' trips @ 5	125
12 Sunday trips @ 5	60
	<u>1,835</u>
	tons/wk

Nominal Cost Portion, PCD Collection

102,244 by 1,835 = \$56/ton

THIS DOES NOT INCLUDE STREET SWEEPING COSTS, AND DOES NOT REFLECT THE TOTAL PAYROLL OF DRIVERS AND LOADERS.

PCD Field Personnel

<u>Positions</u>	<u>Present</u>
4 Assistant Superintendents	4
8 Field Supervisors	7
16 Foremen	13
48 Headmen	36
29 Street Auditors, Grade I	18
644 Street Auditors, Grade II	553
286 Sidemen	259
90 Drivers	76
114 Caretakers - Public Sanitary Conveniences	62
9 Artisans	1
9 Plumbers (Serve all KSAC and Markets)	9
28 Part-time Cleaners	28
130 Temporary Workers	59
41 Market Cleaners	30
Casual Workers	<u>152</u>
	1,307

Composition of Temporary Workers

29 Street Auditors)	Most are retirees kept on
7 Market Cleaners)	at base pay to work during
2 Drivers)	3 year lag to process
4 Caretakers)	retirement payment
17 Sidemen)	

'Casual' Workers

110 Street Auditors)	These are interchangeable at
42 Sidemen)	same base pay.

Personnel that may be ascribed to collection

3 Assistant Superintendents
5 Field Supervisors
8 Foremen
25 Headmen
259 Sidemen
17 Temporary Sidemen
42 Casual Sidemen
76 Drivers
<u>2 Temporary Drivers</u>
438

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Excess of Sidemen & Drivers

- (1) The basic schedule (p.2) calls for 38.2 driver weeks/week, and 152.8 loader weeks/week, for each week of the year.
- (2) Using the factor of 1.185 to cover time-off, the schedule then requires 45 drivers and 181 loaders.
- (3) Permanent, temporary, and casual, there are:
78 drivers & 318 loaders
- (4) Realistically, we can ascribe 10 drivers to miscellaneous duties.
- (5) Realistically, we can ascribe 10 loaders to special assignments.
- (5) 'Excess' drivers = $78 - 45 - 10 = 23$ drivers.
- (7) 'Excess' loaders = $318 - 181 - 10 = 127$ loaders.
- (8) % 'Excess' - Drivers, 29%; Loaders, 40%.
- (9) Cost of miscellaneous assignments, 'senior' men, straight time.
- | | | | |
|---------------------|------------|---|------------|
| 10 Drivers @ 173.85 | \$1,738.50 |) | |
| 10 Sidemen @ 156.85 | \$1,568.50 |) | \$3,307/wk |
- (10) Effect on total & unit cost:
- | | | | | |
|-------------------|---|-----------------|---|---------------|
| Total weekly cost | = | 102,244 + 3,307 | = | \$105,551/wk |
| Cost per ton | | | | = \$57.52/ton |
- (11) Payroll impact of 'excess' personnel:
- | | | |
|-----------------------|---|--------------------|
| Drivers, 23 @ 173.85 | = | \$ 3,999/wk |
| Sidemen, 127 @ 156.85 | = | <u>\$19,920/wk</u> |
| | | \$23,919/wk |
- (12) If 'excess' personnel are charged to collection,
- | | | |
|--------------|---|--------------|
| Weekly cost | = | \$129,470/wk |
| Cost per ton | = | \$70.56/ton |

Age Distribution - PCD Personnel

As of March, 1979

<u>Age</u>	<u>Number</u>	<u>%</u>
Under 30	82	7
30-34	94	8
35-39	169	14
40-44	170	14
45-49	191	16
50-54	199	16
55-60	202	17
Over 60	<u>102</u>	8
	1209	

Does not include 26 personnel of unknown age.
30% of force potentially retirable in next 4 years.
15% of force (about 200) retirable now.

Private Carters Serving PCD

Private "Routes"

- (1) Ostensibly private "routes" were initially set to yield 10 tons/day, presumably by 2 trips, based on a 1977 survey.
- (2) These private 'routes' were initially considered purely "interim" measures until PCD acquired all necessary equipment. This is still the official position.
- (3) Therefore:
 - a. The contracts are loosely worded and just a "suitable truck" is specified.
 - b. The routes are never open for public bidding.
 - c. No specific time limit is set for contracts.
 - d. Referrals for contract are frequently political.
- (4) These routes vary widely as to distance covered, distance from the Riverton disposal point, and whether the bulk of the refuse is heaps, assembled by PCD sweepers, in dustbins, or in plastic bags.
- (5) Generally, the private routes have a greater proportion of refuse in containers than the PCD routes.

- (6) Of the 42 private carters, not one uses a packer truck.
 - a. Most are tipping trucks.
 - b. There actually are stake body trucks in use.
 - c. Some even are not tipping, and their contents are dumped by dragging out a pallet from the truck bed.
- (7) It is impossible to verify and rationalise the equitable distribution and payment for these routes without a weigh bridge and meticulous street by street survey.

Payment

- (1) PCD has a "rule of thumb" to attempt to maintain a cost of \$35/ton. However, the formal contracts all nominally purport to pay about \$100 for collection of 10 tons in a day, with a premium for Saturdays.
- (2) The contracts have no reference to tonnage. They specify "acres", but the payment clause specifies "routes".
- (3) Typically, a contract in September, 1982, for 3 acres, each to be cleaned twice weekly, was for \$3,000/week. If each area yielded 10 tons per day, KSAC was contracting to pay \$50/ton!

At the same time, other contracts for 3 routes, each twice weekly, were let for \$1,650/wk, ostensibly \$28/ton.

Obviously, PCD was attempting to factor in time, distance, and the real load, while adhering to the fiction of the theoretical 10 ton route.

- (4) Significantly, when private owners of compactor trucks (who service industrial and commercial establishments) were approached for negotiation, they wanted at least twice the going rate.

Viability of Commercial Operation

- (1) The private carters own figures for a 5-day week are:

"Gas oil"	\$190
Engine oil	15
2 Sidemen	140
Driver	<u>100</u>
	\$445/week

(2) A very conservative estimate, on an annual basis, would add:

Depreciation & Repair	\$ 8,000
License	400
Insurance	2,500
Tyres	2,500
Lubrication & Batteries	700
\$271/wk	<u>700</u>
	\$14,100/yr

(3) At least two-thirds of private carters drive themselves.

(4) No NIS, NHT, or Education Tax statutory deductions are made. The pretext is that the workers are just casual employees for that day.

(5) Conclusion: This marginal operation is based on low salaries, no tax deductions, part-time operation compatible with other truck use.

KSAC - PCD support costs for Private Carters

Field Supervision & Inspection	\$3,000/wk
Hanover Street Administration	2,000/wk
KSAC Administrative Overhead	<u>500/wk</u>
	\$5,500/wk

This does not include costs, including overtime to cover missed private routes. These costs are inevitable since the private contracts are virtually all one truck operations, and most of these are old vehicles.

Unit costs of private collection

(1) PCD estimates private carters handle 40% of total load.

(2) PCD trucks make 467 trips/wk.
Private trucks make 289 trips/wk.
Private trucks make 38.3% of total trips.
However, these trips are uncompacted loads.

(3) PCD nominal load is 1,835 tons/wk (p.6).
Therefore, private load is estimated at 1139 tons/wk.

For 289 trips, this averages 3.9 tons/trip.

(4) For 1139 tons, KSAC support of \$5,500/wk = \$4.82/ton.

(5) If PCD is paying really \$35/ton, then unit cost = 35 + 4.82 = \$39.82/ton.

(6) If the load is as low as 3.5 tons (which visually it appears to be) then, unit cost = $\frac{3.9}{3.5} \times 39.82 = \$44.37/\text{ton}$.

Public vs Private Unit Costs

Payroll - PCD - Basic 5-day daytime truck shift (5 men) - \$1,056/wk.

Payroll - Private - Basic 5-day daytime truck shift (3 men) - \$171/wk.

Extra cost of payroll = \$1,056 - \$171 = \$885/wk.

On the basis of a private load of, say, 45 tons even, in 5 days, this is a difference of 885 by 45 = \$19.70/ton, say, \$20/ton.

Unit cost - PCD \$56.00/ton) compared on crew by crew basis
Unit cost - Private \$44.37/ton)
\$11.63 greater for PCD/ton

But, additional manning and higher rates translate to \$20/ton greater for PCD.

If private carters paid same rates as PCD:

Basic 5-day daytime truck shift (3 men),
Payroll = 2 X 206.48 + 229.68 = \$642.64/wk
Equivalent to \$14/ton.

Then, private costs would be 44 + 14 = \$58/ton.

This is the same as the \$57.52/ton for PCD, even with 5-man crew, plus payroll of special assignments. This is higher than the straight 5-man crew unit cost of \$56/ton.

Conclusion

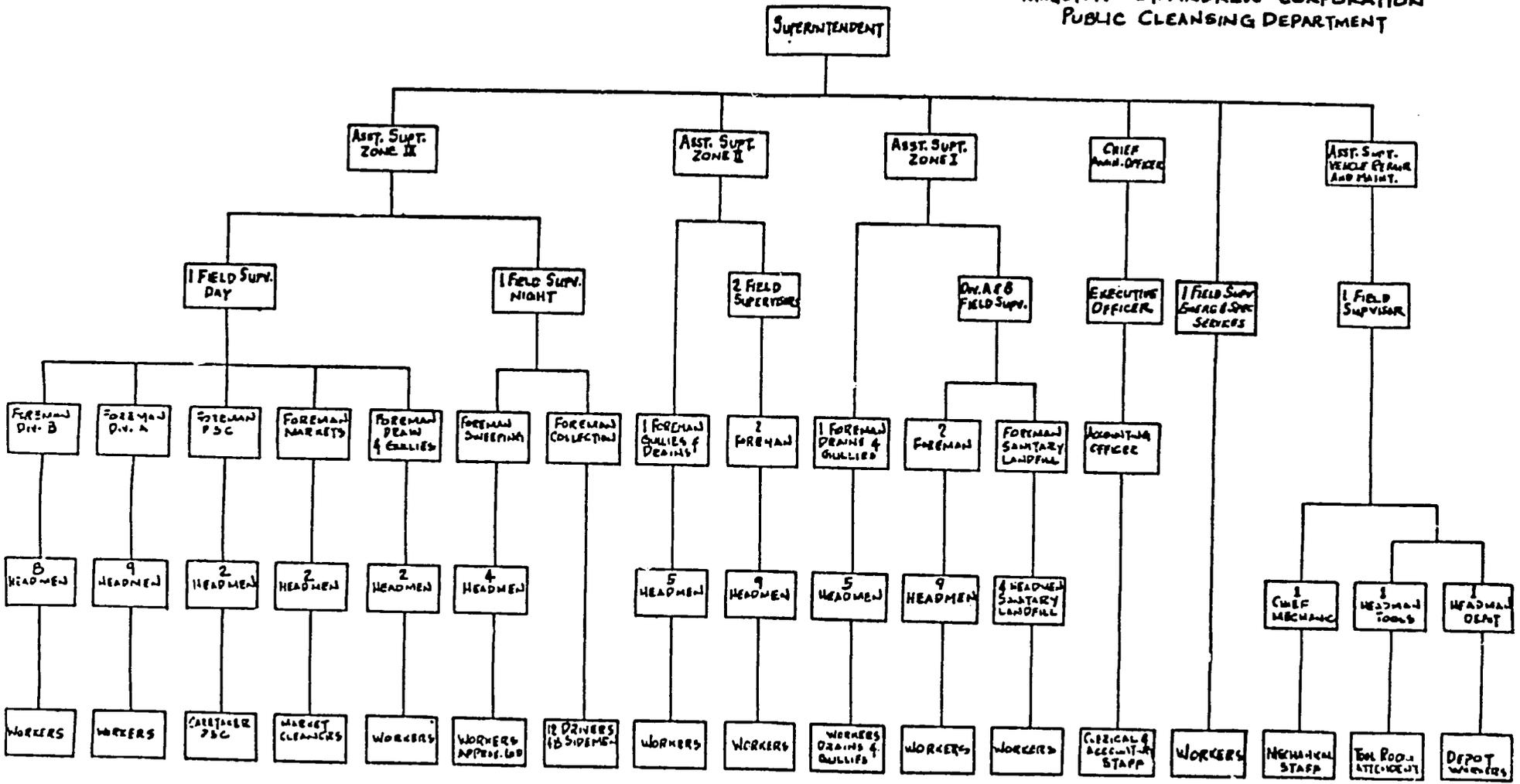
The unit cost per ton of PCD is 25% higher than that of the private carters.

The unit cost per ton of a 5 man crew packer truck of PCD would be the same as a 3 man private crew, if the private carters paid the same wages.

PCD Pays:

- 4 times the private rate for sidemen
- 3 times the private rate for driver

KINGSTON - ST. ANDREW CORPORATION PUBLIC CLEANSING DEPARTMENT



APPENDIX E.1(1)

1984/85 Budget

Estimates of KSAC Forwarded To Ministry Of Local Government

December 1983

Part I - Recurrent

COST CATEGORY	TOTAL
01 Fixed Charges	
02 Town Clerk's Department	J\$ 3,201,953
03 City Treasurer's Department	5,541,371
04 Stores Management	582,291
05 Internal Audit	245,622
06 <u>City Engineer's Department</u>	<u>15,234,663</u>
07 Road Traffic Enforcement & Administration	1,124,336
08 Street Lighting	8,310,744
20 Public Cleansing & Sanitation	25,711,577
21 Cemeteries	398,575
22 Poor Relief Outdoor	2,019,359
23 Eventide Home	3,229,350
24 Maxfield Park Children's Home	2,690,844
25 Public Health Department	3,909,955
26 Protection of Property	14,055,444
27 City Inspector's Office	1,223,105
28 Port Royal	4,155
29 Civic Improvement (Parks & Gardens)	2,235,832
30 Bournemouth	215,368
31 Subventions	2,270,073
32 General Purposes	1,559,500
41 Markets	3,788,943
42 Slaughter	774,687
43 Municipal Bus Terminal	410,730
 TOTAL 1984/85	 <u>J\$98,738,477</u>

Summary of
1984/85 Capital Estimates Relating to
City Engineer's Department
Part II

<u>Project Details</u>	<u>J\$</u>
1. Road Reconstruction and Storm Warn Drainage Act	
a) Newport West	1,750,000
b) Newport West (Free Zone)	1,000,000
c) Patrick City (Free Zone)	1,750,000
d) New Haven	1,750,000
e) Marcus Garvey Drive	1,150,000
f) Waterloo Road	1,400,000
g) Washington Gardens	600,000
2. Circulatory System and Bridgework, Constant Spring	1,500,000
3. Upgrading Waterworks Road	190,000
4. Resurfacing Various Roads	1,000,000
5. Resealing Various Roads	1,100,000*
6. Land Acquisition	8,700,000
7. Gully Repairs	4,000,000*
8. Refurbishing Bumper Hall Workshop and Ancillary Buildings	<u>560,000</u>
TOTAL	\$26,450,000

* KMR-UTP Requirement.

APPENDIX E.2

City Engineer and Public Cleansing Share of KSAC

Recurrent Budget Projections 1984/85

(Estimated City Engineer and Public Cleansing and Sanitation Expenditures
Shown as a Percentage of Total KSAC Expenditures)

	<u>KSAC Total 1984/85</u>	<u>City Engineer's Office (CEO)</u>	<u>%</u>	<u>Public Cleansing & Sanitation (PCS)</u>	<u>%</u>	<u>CEO/PCS</u>	<u>%</u>
1. Personnel Emoluments	\$58,174,268	\$ 9,568,924	16%	\$19,368,279	33%	\$28,937,203	49%
2. Travel and Subsistence	3,798,525	972,568	26%	743,246	20%	1,715,814	46%
3. Supplies and Materials	8,217,988	768,000	9%	3,044,777	37%	3,812,777	46%
4. Rental of Property	913,224	288,000	32%	0	0	288,000	32%
5. Hireage of Heavy Equipment	155,960	10,000	6%	145,960	94%	155,960	100%
6. Public Utility Service	1,859,271	668,499	36%	61,480	3%	729,979	39%
7. Other Operating and MTCE Service	6,530,238	935,246	14%	2,341,835	36%	3,277,081	50%
8. Equipment	597,100	323,400	54%	6,000	1%	329,400	55%
9. MTCE. H/WAYS Urban and Suburban(1)	1,197,726	1,197,726	100%	0	0	1,197,726	100%
10. H/WAYS, MTCE. Rural (1)	502,200	502,200	100%	0	0	502,200	100%
11. All other budget categories (2)	16,791,979	0	0	0	0	0	0
12. Total	\$98,738,477	\$15,234,563	15%	\$25,711,577	26%	\$40,946,140	41%

Notes:

- (1) Budgeted amount for World Bank KMR-UTP project
 - (2) All other budget categories include:
 - a) Grants Contribution or Subsc.
 - b) Retiring Benefits
 - c) Inter. Dept. Purchases/Services
 - d) Health Care and Abatement of Nuisance
 - e) Street Lighting
 - f) Special Expenditures
- (These line-items did not have amounts budgeted for either CEO or PCS)

APPENDIX E.3(1)

Personnel Report Summary - City Engineer's Office
 Estimated Personnel Expenditures 1983/84
 (Annualised from First Quarter Actuals)

Categories	Approved Staffing Level	Actual Staffing Level	Category Pay (Total)	Percentage of Total
Professional	17	6(1)	\$ 73,080.00	0.8
Office Support	77	50	\$299,168.20	3.3
Other Support	62	43	\$239,762.80	2.7
Superintendent/Supervisory	79	55	\$434,513.20	4.8
Skilled Workers	92	76	\$544,502.20	6.0
Semi Skilled	195	179	\$1,495,982.00	16.7
Unskilled Workers	269	218	\$696,952.90	7.8
Benefits	N.A.	N.A.	\$1,252,474.00(2)	14.0
Temporary Labour	0	0	\$3,927,667.00	43.7
Contracted & Consulting	0	0	\$ 17,136.00	0.2
	791	627	\$8,981,239.00	100.0

(1) Excludes two personnel seconded from Ministry of Local Government.

(2) Approximately 60% of benefits are overtime payments.

APPENDIX E.3(2)

Non-Personnel Report Summary - City Engineer's Office

Estimated Non-Personnel Expenditures 1983/84

(Annualised from First Quarter Actuals)

Categories	Category Total	Percentage of Total
Materials	\$ 632,522.80	32.5
Supplies	\$ 195,937.60	10.1
Building & Maintenance	\$ 3,004.00	0.1
Rental Offices/Office Equipment	\$ 105,748.80	5.5
Vehicle & Equipment	\$ 4,348.00	0.2
Insurance	\$ 6,870.00	0.4
Licences	\$ 1,192.00	0.1
Operations & Maintenance	\$ 489,291.80	25.3
Hireage	\$ 119,572.90	6.2
Transportation	\$ 63,107.80	3.3
Other Subsistence	\$ 23,874.76	1.2
Unclassified Cost	\$ 291,880.00	15.1
	\$1,937,350.00	100.0

APPENDIX E.4

Breakdown of Annualised Overtime Charges

City Engineer's Office

<u>Cost Section</u>	<u>Project J\$ Annualized Cost</u>	<u>% of Cost Section Emoluments</u>
#0 CE/General Admin.	J\$10,000	2.2%
#1 Design and Services	0	0
#2 Building and Planning	0	0
#3 Surveys/Subdivisions	7,000	4.5
#4 Roads & Works Urban/Sub	76,000	2.6
#5 Roads & Works Rural	3,000	0.9
#6 Construction	0	0
#7 Traffic Engineering	1,000	0.4
#8 Mechanical Engineering	121,000	21.6
#9 Water Supplies	<u>549,000</u>	16.2
Total	J\$767,000	

Report based on first quarter data of 1983/84.

APPENDIX E.5

Comparison of KSAC/City Engineer
To Non-Public Compensation Packages
(Expressed in Jamaican Dollars)

	(a)	(b)	(c)	(d)
	<u>Base Pay</u>	<u>Benefits and Allowances</u>	<u>Use of Car</u>	<u>TOTAL</u>
(1)	22,000	7,000	20,000	49,000
(2)	20,000	6,000	20,000	46,000
(3)	17,000	5,000	20,000	42,000
(4)	24,000	16,000	20,000	60,000
(5)	20,000	12,000	0	32,000
(6)	22,000	14,000	10,000	46,000
(7)	38,000	0	0	38,000

- Codes:
- (1) Permanent City Engineer
 - (2) Acting City Engineer/Deputy City Engineer
 - (3) Acting Assistant City Engineer
 - (4) Non-Public Sector graduate engineers with over 10 years experience (source: 1981 survey)
 - (5) Non-Public Sector graduate engineers with under 10 years experience (source: 1981 survey)
 - (6) Average of #4 and #5.
 - (7) Average compensation of two architects (with less than four years experience) with private Jamaican firm. Data provided by the principal February 1984.
- (a) Self explanatory
 - (b) May include allowances for housing, entertainment, duty, utilities, etc.
 - (c) Economic value inputed for J\$30,000 vehicle, with 100% duty and compounded interest all paid in 48 installments
 - (d) Self explanatory.

Sources: Items 1 through 3 are very rough estimates based upon data extracted from KSAC's first quarter print-out and interviews. Items 4 through 6 are based upon December, 1981 compensation survey by one of the "Big Eight" firms in Jamaica. (It is not clear from the data if any of the organisations are parastatal.) Item 7 data provided by principal of firm, February, 1984.

APPENDIX E.6

Sample Terms of Reference for

- (1) Proposed Executive Assistant to the City Engineer;
- (2) Organisational/Management Consultant for the City Engineer.

Sample (1)

Position: Executive Assistant to the City Engineer

Scope of Duties: Assist the City Engineer in the performance of routine administrative duties, development of management plans, and execution of City Engineer directives.

General Tasks: Act as City Engineer's delegate in planning or information exchange meetings;

Track and facilitate action on City Engineer directives;

Chair periodic meetings with division/section heads to identify problems and develop action plans for City Engineer review and approval; and

Act as City Engineer's facilitator in KMR-UTP implementation.

Specific Tasks: Liaise with KMR-UTP accountant(s) and administrator to ensure integration of KMR-UTP with all City Engineer office requirements;

Liaise with KMR-UTP accountant(s) to observe development of cost accounting and MIS systems. Report developments to City Engineer;

Help City Engineer facilitate re-organisation plans and events; and

Study methods of, and select means for, developing an exception based management report system for City Engineer.

Credentials: Under-graduate degree (minimum) in business or public administration;

At least two years experience in administrative/management/staff level environment;

Familiarity with computer systems; and

Public speaking ability preferred.

Sample (2)

Title: Organisational/Management Consultant

Level of Effort: 18 person-months of on-going service.

Assignment: Consulting services to the City Engineer of KSAC. Assist the City Engineer in re-organisaion, compensation surveys, planning, workforce analysis, and development of management information systems.

Major Tasks:

Review major milestones of the KMR-UTP project and provide a plan to the City Engineer which maximizes the coincidence of mutually dependent events. Develop PERT/CPM charts, if required.

Conduct review of job classification system to up-date and rationalize.

Liaise with the KMR-UTP Project Director, road Maintenance Engineer to track major milestones (management) of the project.

Liaise/consult with the project accountants (counter-part/consultant), KSAC/NWC data processing centre, and City Treasurer's office to ensure that KMR-UTP cost accounting systems development (hardware and software) are compatible with KSAC's accounting system development needs.

Establish linkages with the National Water Commission management and technical assistance consultants to coordinate/accelerate transfer of water works responsibilities.

In concert with City Engineer, Town Clerk, and City Treasurer, develop system to control overtime.

Facilitate major and minor management/administrative activities at the direction of the City Engineer.

Provide informal training, and seek out appropriate training packages, for City Engineer staff as directed by the City Engineer.

Required Credentials:

Advanced degree(s) in business or public administration.

Five or more years management consulting.

Experience in management position for at least five years.

Experience with MIS development.

Experience with micro-computers preferred.

APPENDIX F.1

THE CITY MANAGER (UNITED STATES PATTERN)

I. Qualifications and appointment

The city manager shall be appointed by and serve at the pleasure of the city council. Such person shall be selected solely on the basis of his executive and administrative qualifications with special reference to his knowledge of and actual experience in municipal management. The city manager need not be resident of the city or the state at the time of his appointment.

II. Bond and oath

Before entering upon the duties of his office, the city manager shall take an oath or affirmation for the faithful performance of his duties and shall execute a bond payable to the city in the sum of \$_____ for the faithful accounting of all funds belonging to the city that come into his hands. The premium on such bond shall be paid by the city.

III. Powers and duties

The city manager shall have the power and it shall be his duty to:

1. see that all laws and ordinances of the city are faithfully enforced;
2. hire and discharge for cause all employees of the city not authorized to be appointed or elected by city council, provided that such power to appoint or discharge may be delegated to any other official or employee by the city manager;
3. fill all appointive offices of the city, except where otherwise provided by law, and to report such appointments or removals to the city council as soon as possible after the action is taken;
4. conduct all sales which the council may authorize as personal property of the city which has become unnecessary or unfit for the city to use;
5. keep a current inventory showing all real and personal property of the city and its location;
6. see to the publication of all notices, ordinances, or other documents required by law to be published;

7. prepare for the election officials all notices, ballots, and election supplies necessary in connection with municipal elections;
8. prepare and have custody of all municipal records required by law to be kept by the city and not by a specific officer; and
9. perform such other duties as may be prescribed by this code, or required by ordinance or resolution of the city council.

IV. Removal

The city manager shall serve at the pleasure of the city council and may be removed from office at any time by a vote of the majority of the members of city council.

APPENDIX F.2

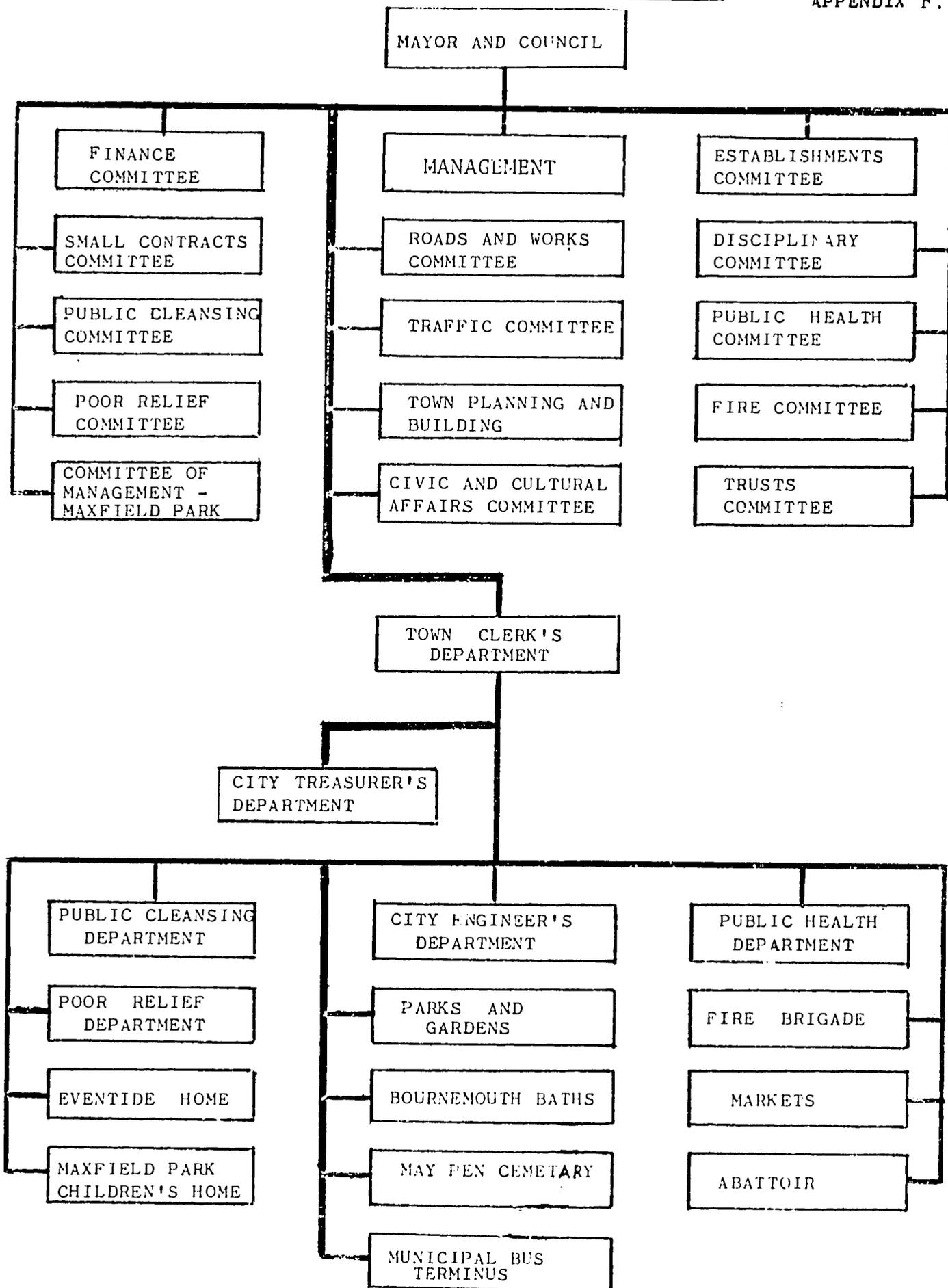
JOB SPECIFICATION FOR A CHIEF
EXECUTIVE (UNITED KINGDOM PATTERN)

- I. The Chief Executive is the head of the Council's paid service and shall have authority over all other officers so far as this is necessary for the efficient management and execution of the Council's functions.
- II. He is the leader of the officers' management team and through the Policy and Resources Committee, the Council's principal advisor on matters of general policy. As such, it is his responsibility to secure coordination of advice on the forward planning of objectives and services and to lead the management team in securing a corporate approach to the affairs of the authority generally.
- III. Through his leadership of the officers' management team, he is responsible for the efficient and effective implementation of the Council's programmes and policies and for securing that the resources of the authority are most effectively deployed towards those ends.
- IV. Similarly, he shall keep under review the organisation and administration of the authority and shall make recommendations to the Council through the Policy and Resources Committee if he considers that major changes are required in the interests of effective management.
- V. As head of the paid service, it is his responsibility to ensure that effective and equitable manpower policies are developed and implemented throughout all departments of the authority in the interests of both the authority and the staff.
- VI. He is responsible for the maintenance of good internal and external relations.

PRESENT ORGANISATION CHART

KINGSTON AND ST. ANDREW CORPORATION

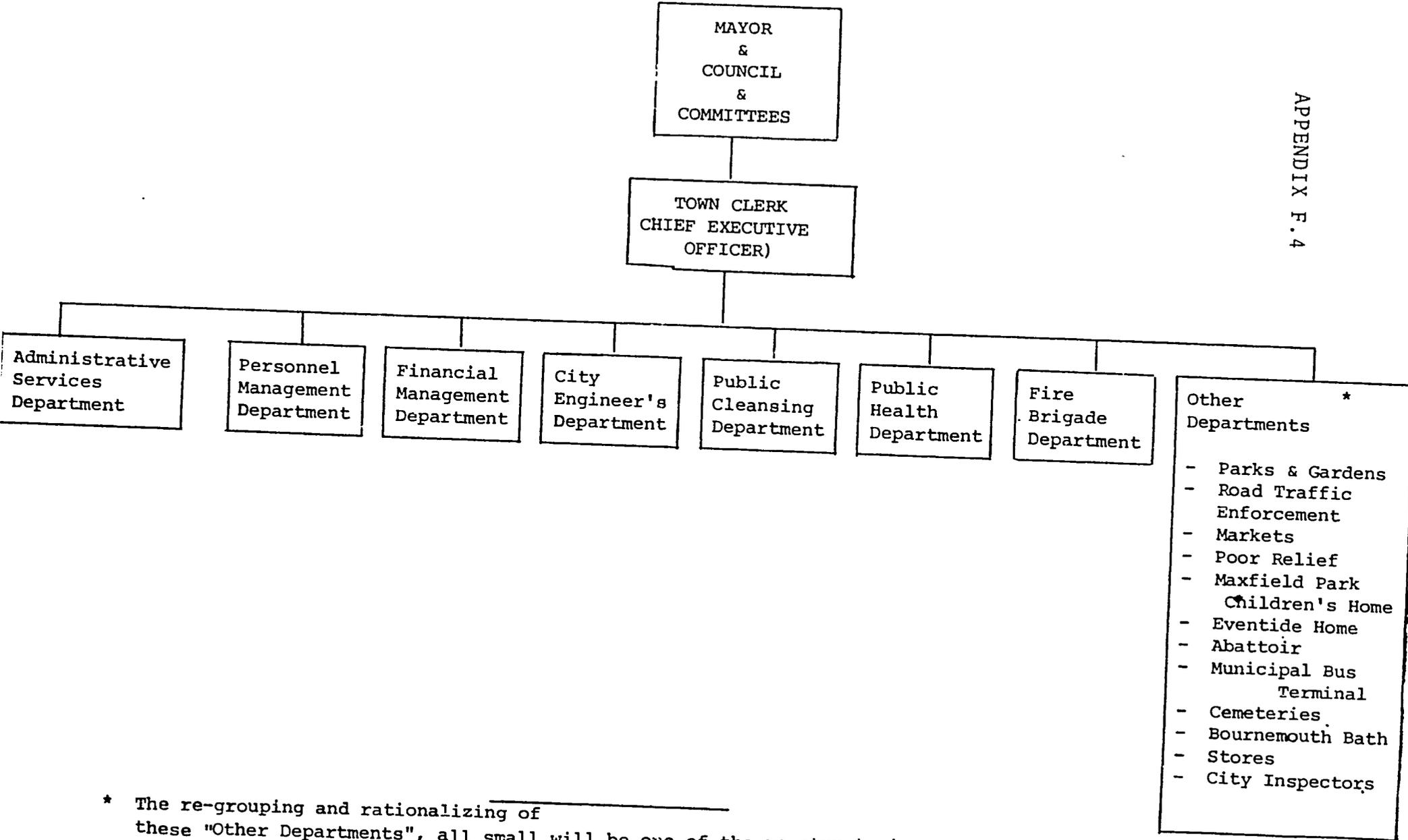
APPENDIX F.3



PROPOSED

ORGANIZATION OF THE KSAC

APPENDIX F.4



* The re-grouping and rationalizing of these "Other Departments", all small, will be one of the re-structuring tasks required to be undertaken by the new Town Clerk (Chief Executive Officer).