



Performance Management Policy Framework

2020/2021

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ABBREVIATIONS

CBOs	Community Based Organisations
CoGTA	Cooperative Governance and Traditional Affairs
HR	Human Resources
HRD	Human Resource Development
IDP	Integrated Development Plan
IPMS	Individual Performance Management System
KPA	Key Performance Area
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MFMA	Municipal Finance Management Act
KLM	Kamiesberg Local Municipality
MSA	Municipal Systems Act
NGOs	Non-Governmental Organisations
PMS	Performance Management System
PA	Performance Agreement
SDBIP	Service Delivery and Budget Implementation Plan

1. INTRODUCTION

Performance management is a process which measures the implementation of an organisation's strategy. At the local government level, this has become an imperative, with local economic development, institutional transformation, governance, financial viability and service delivery being the key performance areas in terms of the Local Government Developmental Agenda. Performance management provides the mechanism to measure whether targets that are set by municipalities to meet its development priorities and strategic objectives are met.

National government has also found it necessary to institutionalise and provide legislation on the performance management process for local government. A comprehensive and elaborate system of performance management has been developed for municipalities. The system is designed to continuously monitor the performance of municipalities in fulfilling their developmental mandate. Central to the system is the development of key performance indicators as instruments to assess performance. These indicators help to translate complex socio-economic development challenges into quantifiable and measurable constructs. They are therefore crucial if a proper assessment of the impact of government in improving the quality of life of all is to be done.

In 2017 the Council of Kamiesberg Local Municipality adopted a Performance Management Policy Framework that has not been reviewed since then. However, the processes of developing, implementation and reviewing Integrated Development Planning (IDP) has been taking place normally.

2. PURPOSE OF THE POLICY FRAMEWORK

The purpose of this document is to review and update the adopted 2017 framework. The revised policy framework will also reflect the linkages between the Integrated Development Plan (IDP), the Budget, the Service Delivery and Budget Implementation Plan (SDBIP) and the Performance Management System (PMS) of the municipality.

As required by the Municipal Systems Act ,2000 and the Planning and Performance Management Regulations ,2001, this revised Policy Framework sets out:

- The objectives and benefits of the performance management system,
- The principles that will inform the development and implementation of the system,

- A preferred performance model that describes what areas of performance will be measured by the municipality,
- The process by which the system will be managed,
- The roles and responsibilities of different stakeholders, and
- The process of managing employee performance.

The purpose of this document is therefore to make provision for the implementation of the Performance Management System at Kamiesberg Local Municipality (KLM), the establishment of appropriate practices and the enhancement of a culture of performance management in terms of the requirements and provisions encapsulated in various policy instruments.

This document, when adopted by the KLM Council, shall serve as its official performance management policy framework which informs the performance management process and practices of the municipality.

3. POLICY AND LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT

This section sets out the principle legislative policy instruments and related requirements implicit for the establishment of a Performance Management System at Municipalities.

3.1 THE CONSTITUTION OF THE RSA, 1996 (ACT 108 OF 1996)

The Constitution (1996), Section 152,

- Dealing with the objects of local government, paves the way for performance management with the requirement for an “accountable government”.
- The democratic values and principles in terms of Section 195(1) are also linked with the concept of performance management, with reference to the principles of, inter alia,
- The promotion of efficient, economic and effective use of resources, accountable public administration, to be transparent by providing information,
- To be responsive to the needs of the community, and to facilitate a culture of public service and accountability amongst staff.

3.2 LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT 32 OF 2000)

The major PMS policy instruments is the 1998 White Paper on Local Government supported by the Batho Pele principles, which policies was given legal status through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000).

Chapter 6 of the Municipal Systems Act (2000) provides briefly that a municipality must:

- Develop a performance management system;
- Promote a performance culture;
- Administer its affairs in an economical, effective, efficient and accountable manner;
- Set Key Performance Indicators (KPI’s) as a yardstick for measuring performance;
- Set targets and monitor and review the performance of the municipality based on indicators linked to their IDP;
- Monitor, measure and review performance at least once per year;
- Take steps to improve performance;
- Report on performance to relevant stakeholders;
- Publish an annual performance report on performance of the municipality forming part of its annual report as per the Local Government: Municipal Finance Management Act, 2003;
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government;
- Conduct on a continuous basis an internal audit of all performance measures;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

Section 55 to 58 of the Act outlines the provisions on the employment and functions of the Municipal Manager and Managers directly accountable to the Municipal Manager.

3.3 MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS, 2001

The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal Performance Management Systems. Each component of the proposed framework in this document is strongly informed by the Regulations. In summary the Regulations provide that a municipality's PMS must:

1. Entail a framework that describes and represents how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;
2. Comply with the requirements of the Systems Act;
3. Relate to the municipality's employee performance management processes and be linked to the municipality's IDP; and that:
4. A municipality must:
 - The setting of performance measures (indicators) and the involvement of communities in this,
 - The setting of performance targets for each of the measures,
 - Annually review its KPI's as part of the performance review process
 - Monitoring, measurement and evaluation of performance;
 - Report on performance to Council at least twice a year;
 - Internal auditing of performance measurement;
 - Community participation in respect of performance management
5. Furthermore, Section 43 of the Systems Act authorises the Minister to prescribe general KPIs that every municipality must report on. Regulation 5(1) mentions the following general KPIs:
 - The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal.
 - The percentage of households earning less than R4000-00 per month with access to free basic services.
 - The percentage of the Municipality's capital budget actually spent on capital projects in terms of the IDP.
 - The number of local jobs created through the Municipality's local, economic development initiatives, including capital projects.
 - The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan.
 - The percentage of a Municipality's budget actually spent on implementing its workplace skills plan.
 - Financial viability with respect to debt coverage; outstanding debtors in relation to revenue and cost coverage.

3.4 REGULATIONS FOR MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS, 2006

The regulations seek to set out how the performance of Municipal Managers and Section 56 Managers directly accountable to Municipal Managers will be uniformly directed, monitored and improved. The regulations include the following:

- Chapter 2 deals with the requirements and provisions of the employment contracts;
- Chapter 3 deals with the performance agreements, which must include prescribes Key Performance Areas and Core Competency Requirements.
- Chapter 4 deals with the content of a Job description for Municipal Managers.

3.5 MUNICIPAL FINANCIAL MANAGEMENT ACT, 2003 (ACT 56 OF 2003)

The Municipal Finance Management Act, 2003 links financial management and the IDP in no uncertain terms, for example

Section 17 -Contents of annual budgets and supporting documents

An annual budget, when it is tabled in Council for approval, must be accompanied by measurable performance objectives for revenue from each source and for each vote in the budget, taking in account the Municipality's IDP.

Section 24 - Approval of annual budgets

An annual budget must be approved together with the adoption of resolutions approving abovementioned performance objectives.

Section -53 Budget processes and related matters

The Municipality's service delivery and budget implementation plan (SDIP) must include service delivery targets and performance measures for each quarter. The annual performance agreements must be linked to the measurable performance objectives approved with the budget and to the SDBIP.

Section 72- Mid –year budget performance assessment

There must be a mid-budget and performance assessment in January of each year.

The Municipal Systems Act and the Municipal Finance Management Act require that the PMS be reviewed annually in order to align it with the reviewed Integrated Development Plan (IDP). As a direct consequence of the reviewed organisational performance management system it then becomes necessary to also amend the scorecards of the municipal manager and section 57 managers in line with the cascading effect of performance management from the organisational to the departmental and eventually to the employee level.

3.6 BATHO PELE (1998)

An important perspective in the management of the performance of a Municipality is its relationship with its customers, namely, local citizens and partners. The Batho- Pele White Paper (1998) provides an approach to building a culture and practice of customer service that is responsive to the needs of citizens and business as consumers and end-users of municipal services. For this to happen, even within the context of limited

resources at the disposal of municipalities, everyone in the public service needs to do so with a high degree of commitment and sense of duty, through living the Batho –Pele principles

Eight Batho –Pele principles were developed to serve as acceptable policy and legislative framework of service delivery in the service.

- (a) Consultation: Citizens should be consulted about the level and Quality of public service they receive, and, where possible, should be given a choice about the services that are provided.
- (b) Service standards: Citizens should know what standard of service to expect.
- (c) Access: All citizens should have equal access to the services to which they are entitled.
- (d) Courtesy: Citizens should be treated with courtesy and consideration.
- (e) Information: Citizens should be given full and accurate information about the public services they are entitled to receive.
- (f) Openness and transparency: Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.
- (g) Redress: If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.

Value-for-money: Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.

"Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilised to assist in building a service culture". - The White Paper on Local Government (1998).

3.7 THE WHITE PAPER ON LOCAL GOVERNMENT

The white Paper on Local Government provides for the development of a coherent planning framework for Integrated Development Planning that informs the effective design and implementation of the Performance Management System to both organizational and individual level which will:

- Enable planning around the needs prioritized in consultation with community groups
- Facilitate vertical integration with the national and provincial policies and programmes, and
- Gear municipal resources and capacity to meet the objectives identified in the IDP's

3.8 PERFORMANCE MANAGEMENT GUIDELINES FOR MUNICIPALITIES, 2001

The Local Government and Batho-Pele White Papers, the Municipal Systems Act and the Municipal Performance Management Regulations do not constitute a framework that details how performance management process should be undertaken in municipalities. Each municipality is expected to develop such a framework themselves, and the Department of Provincial and Local Government prepared the Performance Management Guideline for Municipalities (2001) to assist municipalities in this. The framework is informed by the aforementioned guidelines.

Other legislation that impacts on and relates to performance management includes:

- Labour Relations Act (Act No 66 of 1995): Code of Good Practice
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- The Skills Development Amendment Act (Act 31 of 2003)
- Promotion of Access to Information Act (Act 2 of 2000)

4. STRATEGIC OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM

The objectives of institutionalising a Performance Management System, beyond the fulfilling of legislative requirements, is to serve as a primary mechanism to monitor, review and improve the implementation of the municipality's IDP. In doing so, it should fulfil the following functions:

- Promoting accountability
- Decision-making and resource allocation
- Guiding development of municipal capacity-building programmes
- Creating a culture for best practice, shared-learning within the municipality
- Develop meaningful intervention mechanisms and early warning system
- Create pressure for change at various levels
- Contribute to the overall development of the Local Government System

The performance management system identifies major or systematic blockages on time, ensures accountability between the residents, the political leadership and the administration of the Municipality and provide early warning signals so that corrective action can be taken on a regular basis.

5. The Performance Management Cycle

The key phases involved in the performance management cycle are listed below and is designed to ensure that each phase is taken into consideration when managing the performance of an employee:

5.1 Performance Planning

5.2 Performance Monitoring and managing Performance Information

5.3 Performance measurement and Analysis

5.4 Performance Review

5.5 Performance Reporting /Auditing

5.1 Performance Planning

Planning for performance means developing and reviewing the IDP annually in preparation for continuous implementation. The IDP process and the performance management process are integrated. Integrated development planning fulfils the planning phase of performance management. Performance Management on the other hand fulfils the implementation management, monitoring and evaluation of the IDP process. For the purpose of this policy the following activities will be undertaken by Kamiesberg Municipality to complete the planning process:

- The Head of Department to schedule meeting with Employee to agree performance objectives of the year.
- Both Head of Department and Employee are required to prepare for this meeting
- Manager and Employees to sign Performance Agreement.

5.2 Performance Monitoring

Performance monitoring is an ongoing process throughout the year and will run parallel to the implementation of the IDP .Monitoring will be conducted within each department and evidence of performance will be gathered ,stored by each department and presented to substantiate claims of meeting performance standards or not meeting performance standards .Each Head of Department must allocate responsibility in their offices for information management ,as these performance information files must be separate from normal registry filing .The performance information will be filed according to key performance area and key performance indicators and will be regarded as portfolio evidence .

Roles and responsibilities of stake holders for monitoring and measuring are as follows:

Stakeholders	Roles and responsibilities
Senior officers	<ul style="list-style-type: none"> • Will be responsible for monitoring and reporting on each indicator in their departmental scorecards. • Will monitor performance of those under their direct supervision under their functional areas and • Report as per indicator been set to measure functional area. • Monitor on a daily basis. • Are responsible for compiling section reports on each indicator and • Collect the relevant data related to each project and indicator and facilitate proper storage of the data in files

	<ul style="list-style-type: none"> Responsible for collating this information in preparation for submission of performance reports to Heads of Departments.
Management team	<ul style="list-style-type: none"> Will receive progress reports on progress into the implementation of the departmental scorecards from senior officers on a bi-monthly basis and will be discussed at Management meetings
The Mayor	<ul style="list-style-type: none"> Monitor if targets are achieving, and where not Put proper corrective strategies in place to keep to timelines set for achieving each indicator and targets
Municipal Council	<ul style="list-style-type: none"> Performance reports should be submitted to council twice a year .(A mid –term report and an annual report are the two reports)

5.3 Performance Measurement and Analysis

Performance measuring is the process of analysing the data provided by the Performance Monitoring System in order to assess performance. At organizational level, Performance Measurement is formally executed on a monthly and quarterly basis, whilst Performance Measurement on individual level is done quarterly. The Municipality will use one reporting template for all performance indicators.

5.4 Performance Reviews

Performance review is a process where the Municipality, after measuring its own performance, assessing whether it is giving effect to the IDP. It is a phase where it will be assessing whether it is doing the right thing, doing it right and better, or not. Performance reviews will be conducted through the municipality's scorecard model by assessing performance against the five (5) key performance areas (KPA's), indicators and targets. Kamiesberg Municipality 's reviews will be conducted by using the 'best value review 'approach in the following methods:

- a. Using baseline indicators -as adopted in the organization's scorecard. This method will look at whether the current level of performance is better than the previous year. This reviews will occur on a monthly, quarterly and annually basis.
- b. Customer perception survey's - tis method will be conducted on an annual basis and will assess the community 's perceptions about the performance of the municipality against the delivery in key performance areas.
- c. Benchmarking exercises –this method will look at the municipality's performance by comparison with other local municipalities and is conducted once every two years.

ROLES AND RESPONSIBILITIES for reviews are as follows:

Stakeholders	Roles and responsibilities
Council	<ul style="list-style-type: none"> • Review the performance of the municipal council, its committees and the administration • The review will take place at a particularly strategic and high level and will be conducted annually in the form of a tabled annual report at the end of the financial year.
The Mayor	<ul style="list-style-type: none"> • Drive and Manage performance in the organization • Review performance quarterly-taking the form of an annual review.
Municipal Manager	<ul style="list-style-type: none"> • The Municipal Manager may further delegate responsibilities to another senior manager. Therefore, it is important that Council, within its policy framework in delegation, assigns responsibility accordingly • Ensure a plan is agreed for the PMS development process • Monitor progress and report to the Mayor
Management Team	<p>The municipal manager and the management team will review performance prior to, and more often than, the Mayor and other committees, as follows:</p> <ul style="list-style-type: none"> • The management team must review performance reports monthly, <ul style="list-style-type: none"> • They need to review performance before reporting to politicians so that they can prepare, control the quality of performance reports submitted to councillors and ensure that adequate response strategies are proposed in cases of poor performance.

<p>Supervisors</p>	<ul style="list-style-type: none"> • Review the performance of employees directly to them and will be • Conducted on a monthly basis and • Any deviations can be recommended by the supervisor to their superiors-only if it affects indicators and targets at their levels (not organizational or departmental indicators).
<p>Senior Officers</p>	<ul style="list-style-type: none"> • Review performance of their respective areas on a monthly basis as they are monitoring, analysing and measuring performance as against their departmental scorecards. • The review will cover all organizational key performance areas and indicators with respect to their functional areas and any deviations from original targets can be recommended to their respective managers and can be authorized if it is not organizational or departmental targets.
<p>The Public</p>	<ul style="list-style-type: none"> • The public will be involved in reviewing municipal performance at least annually in the form of the annual report. While good and excellent performance must constantly be improved to meet the needs of the citizens and improve their quality of life, it is poor performance that needs to be improved as a priority. Poor performance may arise out of one or more of the following: <ul style="list-style-type: none"> ➤ Poor systems and processes ➤ Inappropriate structure ➤ Lack of skills and capacity ➤ Inappropriate organizational culture ➤ Absence of an appropriate strategy and departmental business plans

5.5 Performance Reporting / Auditing

Reporting requires that we take the priorities of the organization, its performance objectives, indicators, targets, measurements, and analysis, and present this information in a simple and format, relevant and useful to the specified target group, for review. The reporting process will follow the lines accountability as detailed in the performance monitoring, measurement and review phases as mentioned. Reports will be submitted to all different stakeholders following the internal processes as outlined above and through the different political and community stakeholders as required by the Municipal Systems Act, the Municipal finance management act and the Performance Regulations. It is thus necessary that the municipality follow the reporting process as follows:

- a) Municipal Council reporting to Communities
- b) Municipal Council reporting to Ward Committees
- c) Mayor reporting to council
- d) Municipal Manager reporting to Mayor
- e) Heads of Departments reporting to Municipal Manager and to Section 79 Committees
- f) Senior officers /Supervisors reporting to Heads of Departments
- g) Employees reporting to their immediate supervisors and seniors.

Auditing performance and quality control

In order for the performance manage system to enjoy credibility and legitimacy from the public and other stakeholders, performance reports, particularly the annual performance report must be audited. Audits should ensure that that reported performance information is accurate, valid and reliable.

According the Municipal Systems Act the annual performance report must be audited internally before being tabled and made public. The annual performance report will also be audited by the Auditor General and must be submitted before 31 August every year.

In terms of Regulation 14 of the Planning and Performance Regulations of 2001. every municipality must have developed and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes. The functions of the internal audit include the assessment of the following:

- a) The functionality of the municipality's performance management system;
- b) Whether the municipality's performance management system complies with the provisions of the Municipal Systems act; and
- c) The extent to which the municipality 's performance measurements are reliable in measuring performance of the municipality on its own indicators and national indicators.

The regulations further provide that the municipality's internal auditors must:

- a) On a regular basis audit the performance measurements of the municipality; and
- b) Submit quarterly reports on their audits to the municipal manager and the performance audit committee.

Regulation 14 of the Planning and Performance Regulations stipulates the provisions which guide the establishment of the performance Audit committee and outline the functions and powers entrusted to the committee as the following:

- a) Review the quarterly reports submitted to it by the internal Auditors;
- b) Review the Municipality's performance management system and in doing so, focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the Kamiesberg Municipality in its organizational scorecard are concerned,
- c) Make recommendations in this regard to the Kamiesberg Municipal Council, and
- d) At least twice during a financial year submit an audit report to the municipal council,
- e) Communicate directly with the council and municipal manager,
- f) Access any municipal records containing information that is needed to perform its duties or exercise its powers,

- g) Request any relevant person to attend any of its meetings, and if necessary to provide information requested by the committee, and
- h) Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

Kamiesberg Municipality did not yet appoint its own Performance Audit Committee, but utilize the service of the Namakwa District Municipality's Performance Audit Committee. The municipality will engage in a process of establishing its own Performance Audit Committee whenever her financial status allows it, to perform this function as required by legislation.

6. Employee Performance Management

➤ Legal Framework

In local Government, municipal employees fall into two categories, namely, the employees who are governed by section 57 of the Municipal Systems Act and enter into time specified employment contracts with the municipality and those that are employed on a permanent basis and are governed by the provisions of the Local Government Bargaining Council. In this policy framework, all employees employed under Section 57 will be referred to as **"Section 57 Managers"** and those under the Bargaining Council will be referred to as **"Permanent Employees"**.

The Local Government legislation has provided guidance on managing and rewarding performance of Section 57 Managers, i.e. the Municipal Manager and all Managers directly accountable to her. The Performance Management Regulations for Municipal Managers and Managers directly accountable of 2006 make special provisions for employment and managing performance of these employees. The pertinent provisions will be briefly outlined below.

- Section 57 managers must enter into employment contract with the municipality on assumption of duties and the regulations give a detailed guide on elements of an employment contract,
- Performance Agreements must be signed on each financial year or part thereof,
- A new performance agreement must be concluded within one month after commencement of the new financial year, i.e. by 30 July of every year,
- A personal development plan must be documented at the end of the performance review and form part of the performance agreement,
- The employee's performance must be assessed against two components: Key Performance Areas (KPA's) at 80% and Core Competency Requirements (CCR's) at 20%
- A 5-point rating scale should be provided for each Key Performance indicator in the employee scorecard
- The municipality must establish Evaluation Committees who must meet annually to evaluate the performance of the Municipal Manager and the managers directly accountable to the Municipal Manager;
- The Municipal Manager's annual performance must be evaluated by the Mayor, Chairperson of the Performance Audit Committee, Chairpersons of the Administration Portfolio Committees, Mayor and /or Municipal Manager of the District Municipality and member of a ward committee, with the necessary skills and knowledge, nominated by the Mayor.
- The performance of managers directly accountable to the Municipal manager must be rated by the Municipal Manager, Chairperson of the Performance Audit Committee, Chairperson of the Administration Portfolio Committee and a Municipal Manager from another municipality,
- A performance bonus ranging from a minimum 5% -14% maximum of the all-inclusive remuneration package must be paid as follows:
 - ❖ A score of 80-90 % is awarded a bonus not more than 5%
 - ❖ A score of 90% and above is awarded a bonus from 6-8 %.
- Guaranteed annual cost of living adjustments to salaries must be paid and is not linked to performance;

- Rewarding of Performance of Section 57 employees must be done after tabling the annual performance report and the audited financial statement in February annually.

As can see from the above provisions, the section 57 employees at Kamiesberg municipality will align with the regulations and their performance will be measured through their performance plans/scorecards. The same organizational scorecard will be cascade to the employee scorecard and these will form part of their performance agreements.

It is the intension of the policy framework to formally incorporate the permanent employees into the overall performance management system of the municipality. This will translate into all employees of Kamiesberg Municipality developing annual scorecards that are aligned to their functional areas of responsibility and thereafter entering into performance agreements with their respective seniors. As the case with the Section 57 employee provisions, the performance agreements of the permanent employees will include a personal development plan. The formats of all score cards and reporting formats will be similar for all employees to create uniformity and consistency in monitoring performance on both employee and organizational KPI's and performance targets.

➤ **Phases of managing individual performance**

The performance of an organization is integrally linked to the staff .if employees do not perform an organization will fail .It is therefore important to manage both the organizational an individual performance at the same time .The relationship between organizational performance and employee performance starts from planning ,implementation ,monitoring and review .All the phases in the organizational performance apply to management of individual performance .The monitoring system using monthly, bi-monthly and quarterly reports is informed by individual activities at sectional and departmental levels. However, individual performance reviews differ from organizational reviews as discussed below:

- **Phase 1: Planning**

The IDP informs the development of the SDBIP and the organizational scorecard. The components of the organizational scorecard will be cascade to the municipal manager's performance score card and performance agreement as he/she is responsible for the implementation of the IDP .The municipal manager will than extract relevant indicators to inform scorecards of the different departments .These indicators would then become indicators and targets of the Heads of Departments to be incorporated in their performance scorecards and agreements .The Heads of Departments will in turn cascade the indicators and targets to lower levels in line with the scope of responsibilities at those levels. Therefore, this policy framework establishes a system of individual performance management linked to the organizational performance through the scorecard model.

Kamiesberg Municipality will adopt a weighting approach to show the relative importance of one indicator against another indicator. Every indicator in an employee's performance scorecard /plan will be assigned a weighting. The total of weightings on the performance scorecard must add up to 100 points. An important indicator may, for example, a weighting of 50 out of a total of 100, whereas a less important KPI may be assigned a weighting of 15 out of 100. The purpose of the weightings is to show employees what the key focus areas are in their work.

The weighting of indicators in the scorecard of the Section 57 employees will follow the line of the provisions of the 2006 Performance Regulations. The weighting of 80% will be allocated to KPA related indicators and 20% will be allocated to CCR –related indicators. The 5-point rating will apply in evaluation process of all employee performance. The 2006 performance regulations set out the rating as in the Table attached as hereto in annexure 2.

The outcome of the planning phase in the individual performance management will result in all employees having signed performance agreements and scorecards at the beginning of every financial year.

- **Phase 2: Implementation, Monitoring, Data Analysis and Measurement**

When projects and programs are implemented, the monitoring system as proposed in the organizational performance phases will apply. All reporting timelines and information management responsible will be carried out as detailed in these phases.

- **Phase3: Coaching**

Should an employee not achieve the agreed indicators in his/her performance scorecard the manager/supervisor must assist the employee by managing his/her performance more closely. It is not appropriate that the first employee hears about his/her none – performance is at the formal performance review. Employees must be coached and given feedback at least quarterly before review.

- **Phase 4: Employee Performance Review**

This phase involves jointly assessing actual performance against expectations at the end of the performance cycle so as to review and document planned versus actual performance. The following guidelines will be applicable for conducting performance reviews:

- A Manager/supervisor will prepare ratings of employees' performance against key performance indicators. The rating will be done by considering the year end actual cumulative as well as any other relevant input.
- The Manager/supervisor will request the employee to prepare for formal appraisal by rating him/herself against agreed key performance indicators on their scorecards.
- The Manager /supervisor and the employee meet to conduct a formal performance rating with a view to conclude a final rating. A second meeting will take place. In the event of disagreement, the manager/supervisor has the final say with regard to the final rating is given.
- After the ratings have been agreed upon, the scores are calculated.
- The Manager/supervisor must make own notes during formal review meeting. All the criteria that have been specified must be taken into consideration.
- Only those KPI'S relevant for the review period in question should be rated according to the five-point scale as shown in Annexure 2
- After the year –end review the manager/supervisor and the employee prepare and agree on a personal development plan.

- The total score is determined once all the indicators have been rated and scored. This is done with a view to establish if an employee is entitled to a notch increase or an accelerated salary progression or a non –financial award. Annual inflation related increments will not be affected by the implementation of performance management system and cascading it down all employees.

- **Phase 5: Rewarding performance**

This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviours by determining and allocating equitable and appropriate rewards to employees.

The performance reward system applied to section 57 Employees is different from the performance system applied to Permanent Employees who are not Section 57 Employees. Section 57 employee's reward system is clearly spelt out in the Performance Regulations and these rewards are being allocated after the tabling of the receipt of the Audit report and tabled of the annual report, i.e. in February of each year.

Permanent employees of the Kamiesberg who is covered by the conditions of service of the Municipality, performance is not directly linked to pay. *Currently Permanent employees of Kamiesberg Municipality receive an annually bargained increase determined by the South African Local Government Bargaining Council (SALGBC) and non-cash rewards are not allocated for outstanding performance.*

7. Critical Dates and Timelines

Over and above the different management processes that Kamiesberg Municipality will be using to implement this Performance Management Policy Framework, it will also comply with critical dates and timelines that will make the management of performance aligned with corporate governance principles and enable other stakeholders to perform in roles and responsibilities efficiency and effectively. The critical dates And timelines are listed below.

PHASE	ORGANIZATIONAL ACTIVITIES	INDIVIDUAL ACTIVITIES	TIMEFRAME	RESPONSIBILITY
PLANNING	Development and approval of the SDBIB and organizational scorecard		March -May	Council
		Signing of performance contracts/plans	31 July	Mayor .Section 56 Managers and Senior Managers
MONITOR MEASURE AND REVIEW	Monthly monitoring	Monthly monitoring	Monthly	Municipal Manager. Senior Managers and Senior Officials /Supervisors
	Quarterly reviews	Quarterly reviews	October January April	Municipal Manager. Senior Managers and Senior Officials /Supervisors
		Annual performance Appraisal	July	Municipal Manager. Senior Managers and Senior Officials /Supervisors
REPORTING	Quarterly and Mid-Term Reports	Quarterly Reports	September December March	Management Team
	Annual Reports	Annual Employee Performance Reports	31August	Mayor and Municipal Manager
		Departmental and Senior Officer's Reports	Monthly	Management Team and Senior Officers
IMPROVEMENT	Performance improvement Plans		June	Management and Section 56 employees

8. Evaluation and Review of the Performance Management System

Kamiesberg Municipality will review its performance management system annually alongside the review of the IDP.

9. Conclusion

This framework seeks the basis for a structured approach to performance management within the Kamiesberg Local Municipality. As indicated, proper implementation of this framework depends heavily on commitment and dedicated leadership. The process of implementing a Performance Management System must be seen as a learning process, where all involved are continuously improving the way the system works to fulfil the objectives of the system and address the emerging challenges from a constantly changing environment. With our electronic system we hope that all stakeholders got grip with the whole concept of performance management so that they can fully carry out their roles and responsibilities within the performance system

10. Appendices

1. The 5-point Rating for Employee Performance Appraisals
2. Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers,2006
3. Performance Agreement (template)

The 5-point Rating for Employee Performance Appraisals

5Level Rating Scale	Descriptors	Descriptions	Ratings				
			1	2	3	4	5
5	Outstanding	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significant higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that					

		the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.	
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers,2006

Performance Agreement (template)