

MOHOKARE LOCAL MUNICIPALITY

DRAFT PERFORMANCE MANAGEMENT POLICY

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**MOHOKARE LOCAL MUNICIPALITY
PERFORMANCE MANAGEMENT POLICY**

1 INTRODUCTION

Section 152(1) of the Constitution of South Africa, Act 108 of 1996, refers to the objectives of Local Government, which are:

- (a) To provide Democratic and Accountable Government for Local communities;
- (b) To Ensure the Provision of Services to the Communities in a sustainable manner;
- (c) To Promote Social and Economic Development;
- (d) To Promote a Safe and Healthy Environment; and
- (e) To Encourage the Involvement of Communities and Community Organizations in the matters of Local Government.

In terms of Section 155(1)(b) of the Constitution a Local Municipality (Category B Municipality) is a Municipality that shares Municipal Executive and Legislative Authority in its area with a Category C Municipality within whose area it falls.

Section 38 of the Municipal Systems Act, Act 33 of 2000, introduces the concept of Performance Management for Municipalities. The section indicates that a Municipality must-

- (a) Establish a Performance Management System (PMS) that is-
 - (i) Commensurate with its resources;
 - (II) Best suited to its circumstances;
 - (iii) In line with the priorities, objectives, indicators and targets contained in its Integrated Development Plan (IDP);
- (b) Promote a culture of Performance Management among its Political Structures, Political Office Bearers and Councillors as well as in its Administration; and

- (c) Administer its affairs in an Economical, Effective, Efficient and Accountable manner.

The requirement in Section 38 of the Municipal Systems Act provides a clear linkage between the Integrated Development Plan of a Municipality and the Performance Management System that it adopts. From the Legislation, it is evident that the expectation is that the Performance Management targets as outlined in the Integrated Development Plan are being achieved.

BACKGROUND

- The Constitution of South Africa, Act 108 of 1996, introduces the concept of Developmental Local Government to the third tier of Government in the Country. Section 153(a) of the Constitution indicates that a Municipality must structure and manage its administration and budgeting and planning processes to give to the basic needs of the Community and to promote the Social and Economic Development of the Community. The Developmental Local Government System requires that plans are not only developed by Municipalities but that they are implemented and that the Municipality actually achieves what it planned for. Planning is merely an enabling process, the efficiency and effectiveness of which is measured by the Performance Management System

- With the exception of the District Municipal functions listed as Section 84(1) (o) and Section 84(1)(p), all the functions listed in Section 84(1) of the Municipal Structures Act have corresponding functions listed in either Schedule 4 Part B or Schedule 5 Part B of the Constitution. The effect of this provision is that for each of the District Municipal functions, there is a component that is the responsibility of the Local Municipality. The Minister of Cooperative Governance and Traditional Affairs as well as the MEC for Cooperative Governance and Traditional Affairs (COGTA) in each Province can therefore authorise the District Municipality to perform Local Municipal functions on behalf of all or some Local Municipalities and equally can authorise Local Municipalities to perform the District Municipal functions within its area of jurisdiction.

2 DEFINITIONS / CORE COMPONENTS

As defined in Sec 41 of the MSA

Performance Management is a strategic approach to Management which equips Leaders, Managers, Workers and Stakeholders at different levels with a set of tools and techniques plan, continuously monitor, periodically measure and review performance of the organisation in terms of its indicators and targets for efficiency, effectiveness and impact.

Performance Indicators are measures that reflect whether progress is being made in the achievement of goals. They described the performance dimension that is considered key in measuring performance.

Performance Measurement involves determining the extent to which objectives are being achieved through developing indicators and linking them to targets and related standards. Review of performance is undertaken on a regular basis. Performance measurement is usually, but not exclusively, quantitative in nature.

Baseline Indicators are indicators that measure conditions before a project or programme is implemented

Input Indicators means an indicator that measures the costs, resources and time used to produce an output.

Output Indicator means an indicator that measures the results of the activities, processes and strategies of a programme of the Municipality

Outcome Indicator means an indicator that measures the quality and/or impact of an output on achieving a particular objective

Performance Target is the planned level of performance or the milestones an organisation sets for itself for each indicator identified.

3. LEGISLATIVE FRAMEWORK

The following Policy and Legislative provisions governs performance management in the local government sphere:

- Constitution of the Republic of South Africa, Act 108 of 1996
- White Paper on Local Government published in 1998
- Municipal Structures Act, Act 117 of 1998, as amended
- Municipal Systems Act, Act 32 of 2000
- Municipal Finance Management Act published in 2000
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006
- Municipal Planning and Performance Regulations, August 2001
- Local Government: Municipal Performance Regulations on appointment and Conditions of Employment of SM 2014
- Auditor General Act – Public Audit Act, 2004

4. PURPOSE OF PERFORMANCE MANAGEMENT POLICY

The Municipal Systems Act of 2000 and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006, provide for the establishment and implementation of a performance management system for each and every municipality in South Africa. In order to comply with legislation and to improve on good governance and service delivery it is essential for the municipality to adopt a policy on performance management.

The performance policy framework will provide guidance in terms of the municipality's cycle and processes of performance planning, monitoring, measuring, reviewing, reporting, auditing and

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quality control. The Performance Management Policy as informed by the Municipal Systems Act (2000) and the Municipal Performance Regulations (2006).

This Framework aims to:

- Clarify definitions and standards for performance information in support of regular audits of such information where appropriate
- Improve integrated structures, systems and processes required to manage performance information
- Define roles and responsibilities for managing performance information
- Promote accountability and transparency by providing Parliament, provincial legislatures, municipal councils and the public with timely, accessible and accurate performance information.

The performance dimensions' to which attention must be paid by the Mohokare Local Municipality are:

- (a) Service Delivery** – Mohokare Local Municipality is focused on the needs of the Communities it serves and plans to extend the delivery of services to all Communities within its area of jurisdiction;
 - (b) Municipal Financial Management**- Mohokare Local Municipality will ensure financial sustainability of its operation and the implementation of effective financial management procedures and processes
 - (c) Development Impact** – Mohokare Local Municipality will engage in programmes to promote Local Economic Development and poverty alleviation among its constituent Communities
 - (d) Democratic Governance**– Mohokare Local Municipality will ensure the existence and implementation of mechanisms to regulate the relationship of Political Office Bearers, Municipal Officials and the Community, including mechanisms, processes and procedures for Community participation in the affairs of the Municipality
- The balanced scorecard model is based on addressing the performance dimensions indicated above and will be used by Mohokare Local Municipality in its Performance Management System.

The Integrated Development Plan (IDP) of Mohokare Local Municipality will be aligned to the Performance Management System-

- **In planning** – how the Integrated Development Plan (IDP) and Performance Management System (PMS) is set up
 - **In content** – what “areas” and “objectives” each prioritises, plans for and measures
 - **In the manner progress is measured** – the relationship between Project Indicators and Key Performance Indicators (KPIs);
 - **In how management effected** – how the responsibilities for the Performance Management System and the Integrated Development Plan are distributed throughout Mohokare Local Municipality;
 - **In the manner in which community participation is facilitated.**
-
- The Performance Management System is linked to the operational budget of Kopanong Local Municipality through the determination of performance targets. If the performance target implies expenditures, higher targets will have more costs while lower targets will have less cost. If performance targets have to do with revenue, higher targets will bring more benefit while lower targets will have lower returns. The budget processes of the Municipality should run concurrently and linked with its IDP processes thus ensuring linkage to its Performance Management System. Budget priorities will be Integrated Development Plan priorities and the areas that the Performance Management System is developed to measure.
 - The Municipal Systems Act contains almost identical provisions for the participation of Communities in the process of developing the Integrated Development Plan and the Performance Management System (Section 29(1)(b)(ii) in the case of the Integrated Development Plan and Section 42 for the Performance Management System). The mechanisms used to structure participation in these two instances must not be different as it could lead to confusion. The Municipal Planning and Performance Regulations suggest that a Municipal wide forum be structured to facilitate participation on both the

Integrated Development Plan and the Performance Management System and Kopanong Local Municipality conforms to this suggested approach. This forum will be the already established IDP forum of the Xhariep District.



APPLICABILITY OF FRAMEWORK

This policy framework is applicable to The Municipality.

The Municipal Systems Act (2000) places the responsibility on the Council to adopt a PMS, while holding the Executive Mayor responsible for the development and management of the system.

The Executive Mayor delegates the responsibility for the development and management of the PMS to the Municipal Manager of The Municipality. The Heads of Department will be responsible for executing the PMS in their respective departments according to the approved framework.

5. OBJECTIVES OF PERFORMANCE MANAGEMENT POLICY

The objectives of implementing a performance management system include:

- Facilitates strategy (IDP) deployment throughout the municipality and align the organization in executing its strategic objectives;
- Facilitate increased accountability;
- Continues and sustainable service delivery improvement;
- Create an organisational performance culture;
- Provide early warning signals;
- Develop open and constructive relationship between customers, leadership and employees;
- Encourage reward for good performance;
- Manage and improve poor performance;
- Link performance to skills development and career planning, therefore encourage learning and growth; and
- Comply with legislative framework.
- **PRINCIPLES GOVERNING PERFORMANCE MANAGEMENT**

The process of developing a performance management system for the The Municipality was guided by a detailed process plan whereby the following principles informed the municipality's performance management system:

Simplicity

The system is developed to operate accurately and effectively, but still in a simple and user-friendly manner which will enable the municipality to develop, implement, manage and review the system without placing an unnecessary great burden on the existing capacity of the municipality.

Politically acceptable and administratively manageable

The system is developed to be acceptable to political role players on all levels and flexible enough to be accepted by the municipal council and to enjoy the buy-in across political differences. The process will involve both councillors and officials, but the day-to-day management of the process will be done administratively with regular progress reporting to the political level.

Implementable

Considering the resource framework of the municipality, the PMS should be implementable within the resources of the municipality, which will include time, institutional, financial, and technical resources.

Transparency and accountability

The development and implementation of a PMS should be inclusive, transparent and open. The general public should, through the system be made aware of how the operations of the municipality are being administered, how public resources are being spent and who is responsible for what. The implementation framework, captured as part of this policy, will outline the implementation of this principle.

Efficient and sustainable

The PMS should, like other services within the municipality, be cost effective and should be professionally developed, managed and operated in a sustainable manner.

Public participation

The constituency of the municipality should be granted their legal rights, in terms of the Constitution and the MSA, through encouragement of public participation by the municipality during the development and implementation of a PMS. The implementation framework indicates the time, kind of involvement and responsibilities in terms of public participation.

Integration

The PMS should be developed and implemented in such a manner that it will be integrated within the integrated development process of the municipality and its individual employee performance management.

Objectivity

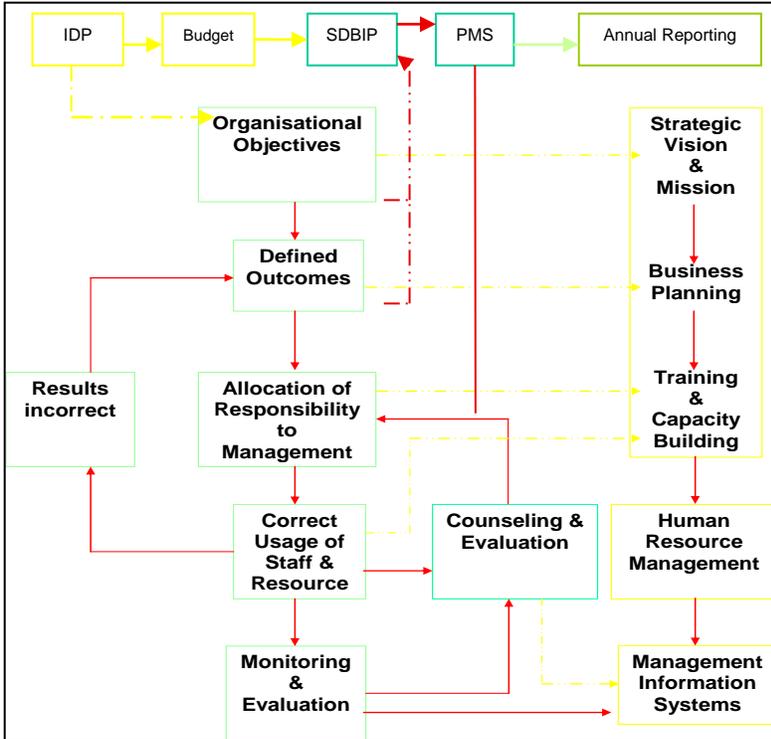
The PM-System must be developed on a sound value system where the management of the system and the information is based upon being objective and credible. The adopted performance assessments ensure objectivity and credibility in the management of performance.

Reliability

The PMS should provide reliable information on the progress made by the municipality in achieving the objectives as set out in its IDP. The system provides for the use of source documents to verify the information put into the system.

10. PERFORMANCE MANAGEMENT CYCLE

The municipality needs to adopt a performance management and reporting cycle which include timeframes to complete the process. The cycle should start with the strategic session of Council and include the IDP and budget processes. The IDP and budget should be converted to a Service Delivery Budget Implementation Plan (SDBIP) as corporate performance management tool and cascaded down to the PMS of the municipality. The interaction of the performance management and reporting framework and other business processes is summarized in the diagram below.



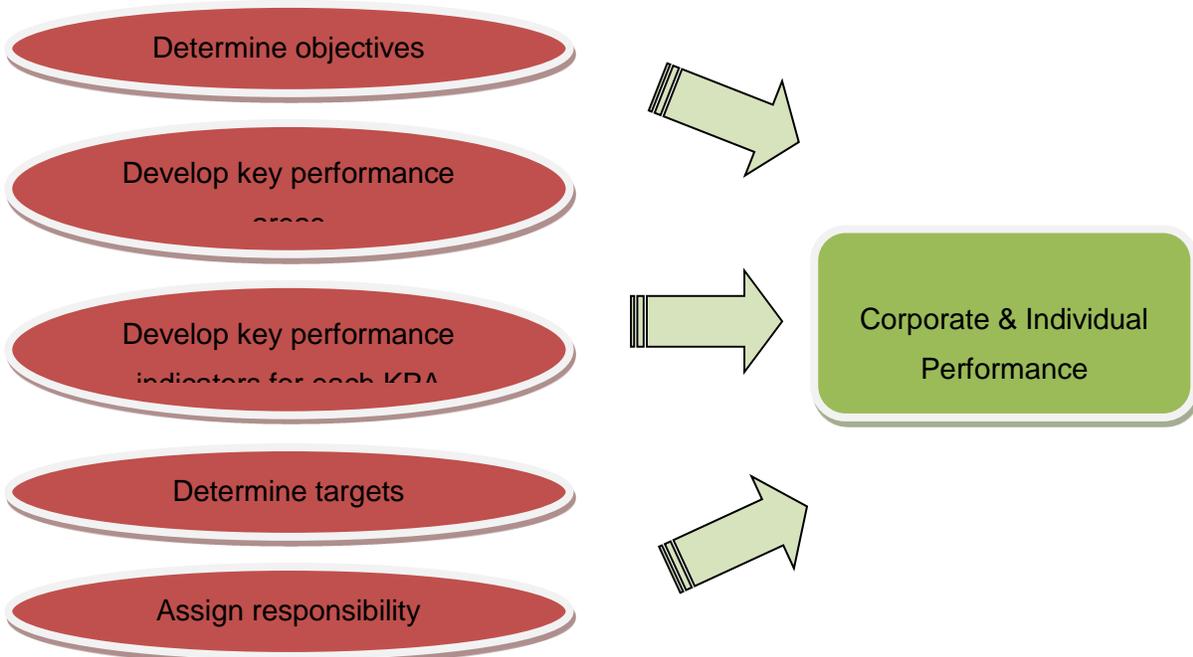
11. CORPORATE PERFORMANCE

The IDP process and the performance management process must be seamlessly integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

Corporate performance is the first step to seamlessly integrate the IDP and performance management. Corporate performance is measured through the SDBIP.

The SDBIP is a plan where the IDP and budget is converted into measurable criteria on how, where and when the strategies, objectives and normal business processes of the municipality will be implemented. It also allocates responsibility to departments to deliver the services in the IDP and budget. The SDBIP needs to be approved by Council within 28 days after the budget has been approved.

The performance areas and indicators are defined in Annexure A and the responsibilities of individuals are assigned as per paragraph 12 below. The process in determining the performance measures can be summarized as follows:



Performance against the SDBIP needs to be reviewed on at least a quarterly basis and the performance against the set criteria needs to be entered on the SDBIP.

The leadership team should use the web-based SDBIP system to manage corporate performance and as an early warning system to identify areas of poor / slow performance and take performance improvement actions. It will be tabled quarterly at Council meetings.

The following diagram illustrates the integration of performance management and sets the scene for managing performance on individual level:

12. INDIVIDUAL PERFORMANCE

Once the SDBIP has been approved, the portfolios of the council, departments and S57 appointees need to be confirmed.

SECTION 56 MANAGERS:

The Local Government Municipal Systems Act 2000 requires the Municipal Manager and the Managers reporting directly to the Municipal Manager to enter into annual Performance Agreements. The employment contract of the Municipal Manager and other Section 57 Managers should be directly linked to their Performance Agreements. These Performance Agreements therefore consist of two distinct parts:

- Performance Agreement: This is an agreement between the Section 57 Manager and the Municipality, which regulates the performance required for a particular position and the

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consequences of the performance. The Agreement deals with only one aspect of the employment relationship, namely performance. This agreement is normally for a period of 5-years but must be reviewed and renewed annually, subject to the individual's annual performance.

- Performance Plan: The Performance Plan is an Annexure to the Performance Agreement and stipulates in detail the performance requirements for a single financial year. The Departmental Business Plan or scorecard (sorted per Department) transcends into the Performance Plan/s of the respective Section 57 Managers according to their areas of responsibility

OTHER EMPLOYEES:

The data obtained from sorting the information in the SDBIP according to Individuals, will provide the user with the respective Individual performance contracts.

Individual performance contracts are agreed with each employee as part of his / her career development plan.

Performance contracts will include the following:

- Performance agreed for all employees on a specific job level. A metrics to be developed.
- Performance agreed with the individual employee unique to the employees daily tasks
- Growth performance – activities agreed that will allow the employee to grow to higher levels



A **career development plan** should be agreed for all employees and include the following:

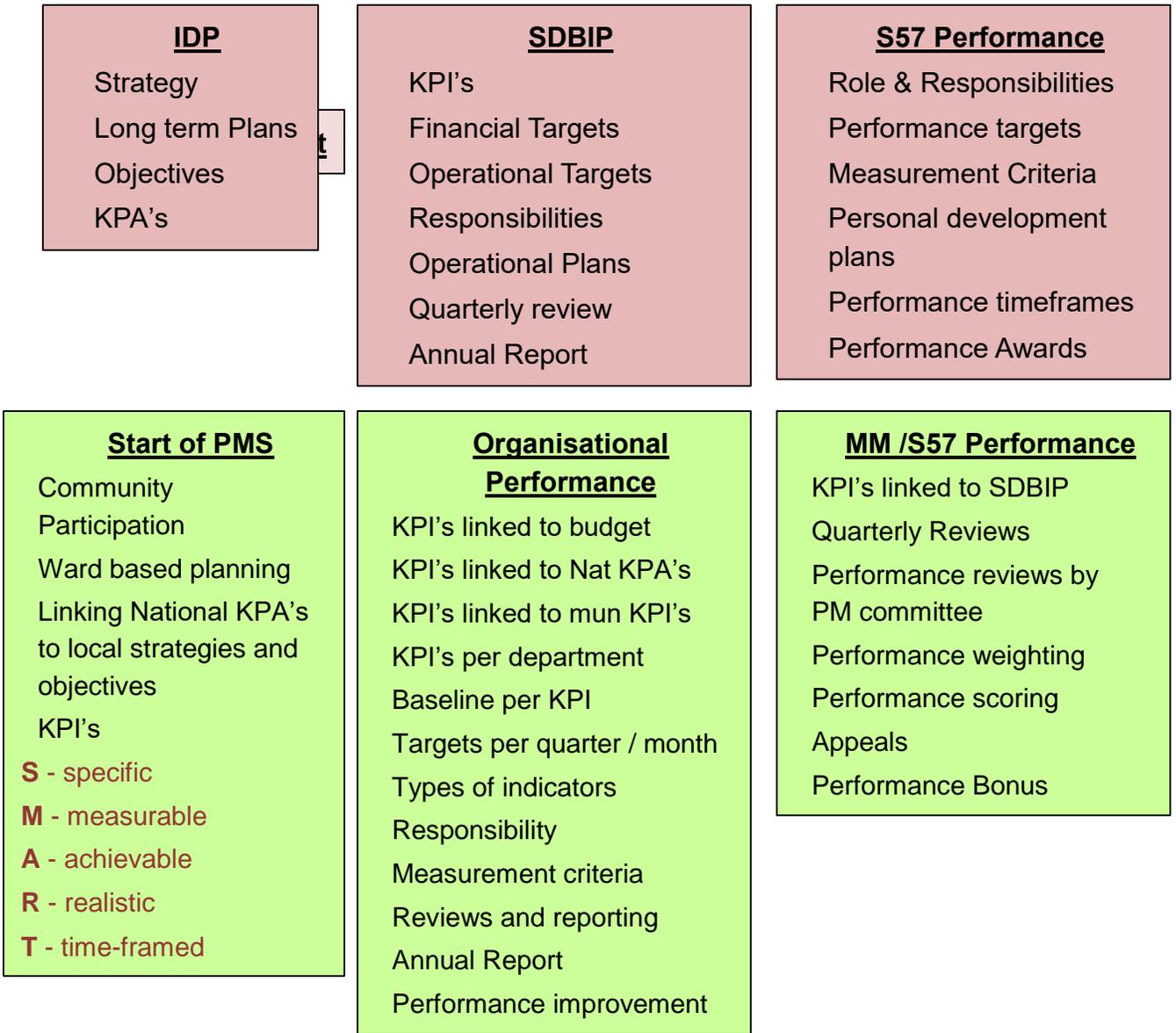
- Performance contract – including core competencies;
- Career path for the respective employee, including long term and intermediate goals; and
- Training or other skills development needs of the employee.

The **skills development plan** needs to be compiled / updated with the information obtained from the career development plans. The human resources manager together with the respective line manager is responsible to facilitate

Formal performance reviews need to be done at least bi-annually to determine the required skills development interventions.

Please note that performance and growth is the responsibility of each individual employee and employees should ensure that his / her career development plan is executed. Performance measurement is an ongoing process and should not only be addressed during the formal reviewing sessions.

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- ItsIts Officials and Political Office Bearers have the skills and expertise required to undertake their respective responsibility efficiently and effectively; and
- Programmes are designed and implemented to promote the development of capacity

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Kopanong Local Municipality is focused on the improvement of service delivery. In order to promote increased effectiveness in this regard, the Municipality will seek to –

- (a) Improve the quality and coverage (the proportion of the community that benefit from or receive a service) of all services;
- (b) Continuously update its information about the nature and the extent of the needs for services and the improvement in services;
- (c) Gather correct information about the impact (the change of status that can be attributed to a particular intervention) of services on the lives of the community; and
- (d) Set clear, transparent and measurable objectives and targets against which the performance of the Municipality and that of service providers who act on behalf of the Municipality and the satisfaction of communities can be measured.

Kopanong Local Municipality is focussed on the efficiency of rendering services – the extent to which the Municipality produces an output of the desired quality in the desired quantity with the least possible resources. It relates to the quantum of the human, financial and other resources consumed and, where applicable, time taken to deliver each service, project and programme at the specified quality and in the specified quantity. In order to improve efficiency, Kopanong Local Municipality will ensure that:

- (a) The Integrated Development Plan includes clear objectives that must be achieved;
- (b) All role players within the Municipality know what those objectives are;
- (c) Standards to measure the achievement of objectives and the use of resources exists;
- (d) Continuous actions to improve efficiency are undertaken; and
- (e) Role players within the Municipality are committed and have the skills (or potential to develop the skills) and other attributes necessary for continuous improvement.

The performance of Kopanong Local Municipality as a whole will improve if the performance of an individual person either employed within or involved with the Municipality improves. The Performance Management Policy provides for mechanisms to

reward superior performance and processes and procedures to address sub-standard performance. The Performance Management System is designed to operate in the context of performance by contract rather than performance by command.

7. PROCEDURES AND PRACTICES OF PERFORMANCE MANAGEMENT

- The **Local Government: Municipal Planning and Performance Regulations of 2001** indicates that a Municipality's Performance Management System entails a framework that describes and represents how the Municipality's cycle and process of Performance Planning, Monitoring, Measurement, Review, Reporting and Improvement will be conducted, organised and managed, including determining the role of the different role players.
- Section 7(2) of the Regulations stipulates that in developing its Performance Management System, a Municipality must ensure that the system –
 - (a) Complies with all the requirements set out in the Municipal Systems Act;
 - (b) Demonstrates how it is to operate and be managed from the planning stage up to the stages of Performance Review and Reporting;
 - (c) Clarifies the roles and responsibilities of each role player, including the Local Community in the functioning of the system;
 - (d) Clarifies the processes of implementing the system within the framework of the Integrated Development Planning process;
 - (e) Determines the frequency of reporting and the lines of accountability for performance;
 - (f) Relates to the Municipality's Employee Performance Management Processes,
 - (g) Provides for the procedures by which the system is linked to the Municipality's Integrated Development Planning and budgeting processes; and
 - (h) Proposes mechanisms, systems and processes for monitoring, measurements and review of the Key Performance Indicators (KPIs).

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- The Council of Kopanong Local Municipality has adopted a Performance Management Framework that complies with the requirements prescribed by the Regulations for the implementation of performance within its operation.
- Kopanong Local Municipality will, after consultation with Community Organisations, set appropriate Key Performance Indicators **as per Sec 43 of the MSA** in respect of each objective incorporated in the Integrated Development Plan and the requirements of Section 83(3) of the Municipal Structure Act. The Municipality's Key Performance Indicators will include the general indicators as published by the Minister of Provincial and Local Government. The Key Performance Indicators will serve as a mechanism for measuring performance, development priorities and objectives set out in its Integrated Development Plan.
- Kopanong Local Municipality will set measurable performance targets to each development priority and objective contained in the Integrated Development Plan, after consultation with Community structures.

➤ Notification of kpi & performance targets (sec 44)

- Kopanong Local Municipality will continuously monitor its performance areas and in respect of all the performance dimensions for which Key Performance Indicators and Performance Targets have been set.
- Performance will be measured against the general and locally determined Key Performance Indicators. This will include the measurement of costs, resources and time used to produce outputs in accordance with the input indicators, the extent to which the Municipality's activities or processes produced outputs in accordance with the output indicators and the local improvement brought about by outputs in accordance with the outcome indicators.
- The Integrated Development Plan sets out what Kopanong Local Municipality intends to achieve every year during the term of office of the Council. In essence, it

contains a promise to deliver by Kopanong Local Municipality to the Community it serves. The Performance Management System must determine whether this promise has been kept or, more accurately, the extent to which the promise has been kept. The Performance Management System must clearly identify any under-performance and facilitate the determination of the reasons for under-performance. Once the reasons for under-performance have been established, steps to improve performance with regard to those development priorities and objectives where performance targets are not met must be taken.

- The performance of Kopanong Local Municipality will only improve if all of its officials contributes effectively. Therefore, an important component of the Performance Management System is an Employee Performance Appraisal System. Kopanong Local Municipality will ensure that the Employee Performance Appraisal System is developed in such a way that –
 - (a) Employees know exactly what is expected from them;
 - (b) Employees are involved in setting their own performance objectives;
 - (c) Superior/extraordinary performance is consistently recognised and rewarded;
 - (d) Where sub standard performance is determined, the Employee Performance Appraisal System must assist in determining the reason/s for such sub standard performance; and
 - (e) The Municipality will give reasonable opportunity to employees rendering sub standard performance to improve such performance to an acceptable level.

- Kopanong Local Municipality recognises the need for the existence and development of core competencies for it to be able to successfully perform the powers and functions allocated to it and to meet the expectations contained in the integrated development plan. In order to ensure a measurable of balance the Municipality in its performance measurement process will allocate 80% to the development of core competencies.

- Kopanong Local Municipality recognises the core competencies needed to be developed and, as part of the performance measurement process, competency gaps for individuals are to be identified and skills developed plans compiled to close these gaps.

- The Institutional Framework for the Performance Management Process is as follows:
 - (a) The Council will receive performance reports from the Mayor at least twice per financial year.
 - (b) The Mayor is responsible for ensuring that the Senior Management of Kopanong Local Municipality gather relevant information throughout each reporting period and submit progress reports on a quarterly basis.
 - (c) The Municipal Manager and the Senior Management team must ensure that the key performance indicators and performance targets are set and met. This requires proper planning and scheduling, appropriate resourcing of activities and continuous supervision. The senior management must also identify likely sub standard performance and take corrective action where necessary to ensure that performance targets will be met.
- (d) The internal auditing function must audit and assess-
 - The accuracy of performance reports;
 - The functionality of the performance management system;
 - Whether the performance management system complies with the Municipal Systems Act;
 - The extent to which the municipality's performance measurements are reliable in measuring performance;
 - The performance measurements of Mohokare Local Municipality, and submit quarterly reports to the Municipal Manager and the shared Performance Audit Committee.
- (e) The Audit Committee which performs the duties of the Performance Committee:
 - Reviews the quarterly reports submitted to it,

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- Reviews the performance management system focussing on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by Kopanong Local Municipality are concerned and make recommendations in this regard to the Council through the Mayor; and
 - At least twice in a financial year submit an audit report to Council through the Mayor.
- (f) The Municipal Manager must compile an annual performance management report for submission to Council through the Mayor. Access to this report must be provided to community structures, the MEC for COGTA, the Auditor General and the Minister for COGTA **as per Sec 46 of the MSA.**
- Kopanong Local Municipality will appoint a Performance Audit Committee in terms of Section 14(2) of the Municipal Planning and Performance Management Regulations. The Performance Audit Committee will provide the external auditing functions for Kopanong Local Municipality.
 - The internal audit function established by Kopanong Local Municipality will carry out the performance audit functions within the Municipality.
 - **Performance agreements in terms of Section 57 of the Municipal Systems Act refer to the amended Act** will be conducted with the Municipal Manager and Heads of Departments only in the first financial year of the implementation of the performance management agreement. Thereafter the concluding of annual performance agreements, one on one between Manager and subordinate, will be cascaded down throughout Kopanong Local Municipality to the lowest level. In this regard it is noted that the responsibility for achieving the key performance indicators and performance targets annually will also be cascaded down through the structure of Kopanong Local Municipality.
 - It is the express policy of Kopanong Local Municipality that-
 - (a) Superior performance is recognised and / or rewarded appropriately; and

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- (b) Poor performance is corrected effectively
- The process of performance measurement is outlined in the **performance management framework**. Superior / adequate / poor performance can only be determined by the measurement process developed as part of the performance management system.
- Where an employee is on a performance based fixed contract of employment (Section 57) as per the **Local Government: Regulations on appointment and Conditions of Employment of SM 2014**
 - , the rewarding of superior performance will be financial in nature. This reward consists of the payment of an annual performance bonus and a merit increase. **(What happens in an event the municipality's budget cannot make provision for such due to pressing service delivery requirements of the community???. Is it not proper to include other benefits such as leave days as an alternative?)**
 - The annual performance bonus for Section 57 employees is equal to 20% of their gross annual salary. Performance is measured against the performance plan included as part of the performance agreement. The performance score is calculated in accordance with the predetermined key performance indicators. The payment of the performance bonus will be effected according to the table below:

Performance Score	Percentage of Bonus Payable
80 – 100+	Full Performance
70 - 79	Half Performance Bonus
60 - 69	Quarter Performance Bonus
Below 60	No Performance Bonus

- Merit increases are determined by performance against targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared

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against the agreed performance targets to determine the magnitude of the merit increase. The merit is calculated as a percentage of annual total packages as follows:

Performance Score	Merit Increase Amount
80 – 100+	Inflation rate plus 5%
70- 79	Inflation rate plus 2%
60- 69	Inflation rate
50- 59	Inflation rate minus 2,5%
Below 50	No increase

- Budget provision must be made on an annual basis for the payment of bonuses and merit increases as indicated above.

- For all employees other than Section 57 employees who are permanent staff members of Kopanong Local Municipality, performances are not linked to a financial reward. In addition there is no merit increase system for such employees who receive an annually bargained increase determined by the South African Local Government Bargaining Council. These employees who are recognised as having rendered superior performance are to receive non financial rewards as indicated hereunder:

Performance Score	Nature of Recognition
75 – 84%	Letter of recognition from the Municipal Manager
85 – 94%	Certificate of recognition handed over by the Mayor at a Council meeting
95 – 100%	Specialised training course in the field of expertise paid for by Kopanong Local Municipality to maximum value of R5 000

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- Kopanong Local Municipality acknowledges that not all of its employees will render adequate or superior performance at all times. When an employee scores less than 50% during any quarterly performance review or an annual appraisal, he/she must be counselled with regard to the level of work performance rendered. The reasons for poor performance needs to be established and an agreement reached on the steps to be taken to improve his/her performance. If an employee has scored less than 50% for three consecutive reviews, a formal enquiry into his/her work performance must be held.
- Where an employee disagrees with the scoring determined during any quarterly performance review or annual appraisal, an appeal against the determination may be made. In the case of the Municipal Manager, such an appeal is made in the first instance to the Executive Committee of Council, where after the dispute resolution mechanism contained in the performance agreement is followed. For all other Section 57 employees, the appeals are directed to the Municipal Manager, if no resolution can be reached, the matter is referred to the Mayor for a final decision.

Please also attaché the framework as this must be read together with the policy as it stipulates amongst other, Roles and Responsibilities, Performance Agreements and Employment Contracts

