REVISED
PERFORMANCE MANAGEMENT POLICY
2020/2021

WATERBERG DISTRICT MUNICIPALITY

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1. Purpose	The Purpose of this policy document is to provide the municipality with a set of rules governing the implementation of Individual Performance Management based upon: • The legislative and any other statutory determinants/requirements • Good management practices and procedures • The realities and constraints of the local environment The Policy will address Individual Performance Management in relation to : • The Organisational Performance Management • Municipal Performance Regulations for section 57 Managers • The cascading of the Performance Management System to all levels of employees within the Waterberg District Municipality • The methodology involved in measuring and rewarding people for outstanding performance This policy is divided in three parts that will deal with the implementation of the Individual Performance Management System (IPMS) • Part A – this section will deal with the implementation of the IPMS with regard to section 56/57 appointments • Part B - this section will deal with Divisional Managers • Part C – this section will deal with the application of the IPMS to all permanent employees of the Waterberg District Municipality.
2. Background and Introduction	Organisational Performance Management within the Municipality is an important instrument to align and integrate the municipal strategy, business plans, IDP, SDBIP, budgeting, project plans and individual accountability. The Municipality is the major service provider to the public and the system of Performance Management enhances the contribution of individuals towards the municipality achieving its goals. The Municipal Systems Act of 2000 (and more specifically the Performance Management Regulations) stipulates that municipalities should develop Performance Management systems (PM system) to confirm the intention, implementation, monitoring and review of its Integrated Development Plan's priorities. The Performance Management System should be of such nature to enable the municipality to: • Commensurate with its resources • Be best suited to its' circumstances • Be in line with priorities, objectives, indicators and targets contained in the IDP and SDBIP This policy should ensure alignment and integration between the Organisational Performance Management and the Individual Performance Management System thereby enabling the municipality to monitor and manage the performance of individual employees within the municipality.
3. Objectives	The overall objective of implementing and sustaining an effective Individual Performance Management System is: • To build human capital at strategic and operational levels throughout the municipality • To build organisational capital in line with the vision and mission of the municipality • To cascade PMS to lower levels • To recognize and reward performance of all employees • To monitor and measure performance against set targeted outputs

4. Legal and Regulatory Framework	**4.1 SECTION 152 OF THE CONSTITUTION** The Constitution of South Africa stipulates and clearly indicates the objects of local government: 1. Provide democratic and accountable government for local communities 2. Ensure the provision of services to communities in a sustainable manner 3. Promote social and economic development 4. Promote a safe and healthy environment 5. Encourage the involvement of communities and community organisations in the matters of local government The relevance of the Objectives as described in the Constitution is found in the Municipal Structures Act S19(1) where a municipal council must strive within its capacity to achieve the objectives set out in S152 of the Constitution and the Municipal Structures Act S19(2) where a municipal council must annually review its overall performance in achieving the objectives referred to in subsection (1) Municipalities are required by legislation to develop and implement a Performance Management System. The Auditor General is required to audit Municipalities for compliance with legislation and non-compliance will result in adverse consequences. The following legislative terms of reference (amongst others) confirm the legislative thrust with regard to Performance Management requirements applicable to municipalities. **4.2 MUNICIPAL SYSTEMS ACT – ACT 32 OF 2000** Chapter six of the Systems Act stipulates and indicate how the performance Management System must be developed and implemented as detailed by the following sections: • Section 38 and 39 – Clearly indicates that the Municipality must establish and develop a Performance Management System • Section 40 - Monitor and review the Performance Management System • Section 42 – Stipulates that the community and stakeholders must be involved in the development and review of the PM system • Section 43 - Specify key performance indicators • Section 45 and 46 – Performance must be audited and regularly reported on • Section 49 – Adhere to published regulations and guidelines Furthermore it is essential that a performance culture must be established and promoted within the municipality, constantly aiming at the improvement of service delivery. **4.3 REGULATIONS AND GUIDELINES** The Performance Management Guidelines for Municipalities (2001) and the Municipal Performance Regulations (Regulation 805) for Municipal Managers and Managers directly accountable to the Municipal Manager, 2006 set out the parameters on how the Performance Management System must be developed and implemented and how the performance of Municipal Managers and their managers directly accountable to them (Section 57 Individuals) will be directed, monitored and improved.

	4.4 OTHER LEGAL REQIREMENTS which this policy subscribe to: • Municipal Financial management act 56 of 2003. • Local Government :Planning and Performance regulations of 2001 • Local Government: Performance Regulation for Municipal Manager and Managers directly accountable to the Municipal Manager –Regulations 805 of 2006 • Local Government : Disciplinary Regulations for Senior Managers ,2010 • Local Government: Municipal Financial Management Act, Municipal Regulations on Minimum Competency levels. • Local Government : Municipal Systems Amendment Act, Act 07 of 2011

5. Integrated approach:

Organisational Performance Management and Individual Performance Management is an integrated process within the Performance Management System, with performance improvement or sustained performance as the continuous outcome. The Municipal Manager and Section 57 Managers need to integrate their Individual Performance Management processes and content with that of the strategic / organisational Performance Management system.

The Service Delivery and Budget Implementation Plan (SDBIP) gives effect to the implementation of the Integrated Development Plan (IDP) and budget of the municipality. The SDBIP therefore is the bridge between community needs and what must be delivered by Council and Administration through individual performance that must support the vision, mission and objectives of the organisation.

The municipality adopts the Performance Management System and thus commits to full alignment and integration between the IDP (strategic intent and the key performance indicators), SDBIP (service delivery targets) and individual performance agreements.

DIAGRAM 1: THE INTEGRATED PERFORMANCE MANAGEMENT SYSTEM

Whenever Individual Performance Management is cascaded further than Section 57 Managers, it is imperative to maintain the interdependence and link between organisational and individual performance management. The alignment of the individual objectives to the strategy ensures that the strategic objective is supported by the individual objectives and targets.

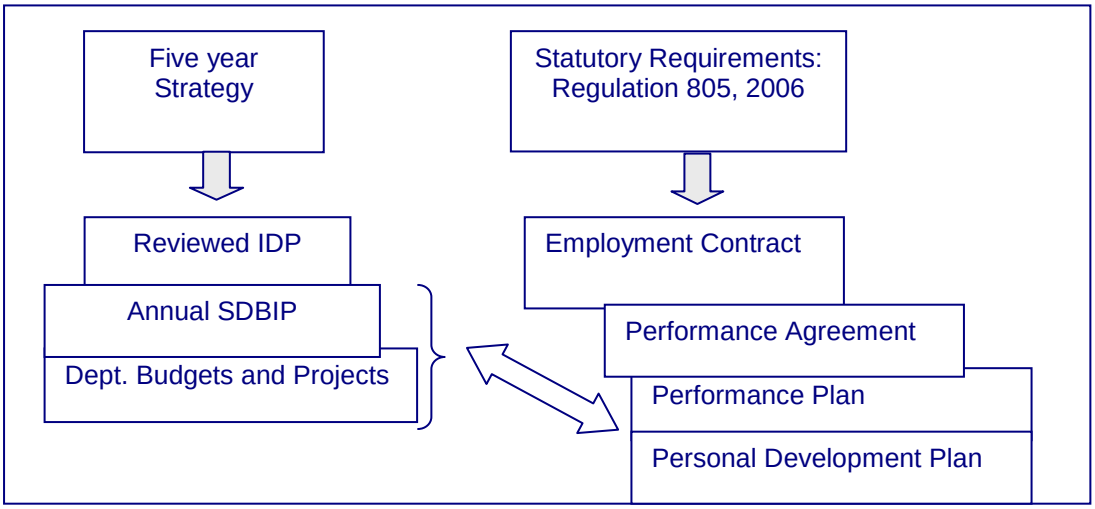
6. Key Principles	The overall aim of the Performance Management System is to establish and sustain an above satisfactory level of service delivery throughout the organisation. The Performance Management System is founded on sound and proven principles without being complicated, or too mechanistic: • Providing information on the contribution of human resources to the strategic objectives of the organisation; • Forming a framework of techniques to secure maximum achievement of objectives for given inputs; and • Providing a means of inspecting the functioning of process links which deliver performance against objectives • The Performance Management System is not a paper driven exercise, but will rely strongly on relationships between the Municipal manager, Managers, HOD's, Supervisors, teams and Individuals. • The Performance Management System must reward people equitably for performance and not merely for compliance. • Target – setting must be realistic and take into account resources and other possible constraints. • There should be an agreement between the individual and his or her Manager on the targets set out in the Performance Management System. Performance Management will not only focus on monetary reward but will also be utilised for the development and personal growth of all individuals, considering the following: • The link between compensation and performance should be clear • Involvement and participation of all individuals are a pre-requisite for the success of the system. • Individuals (and where applicable, teams) should be enabled to drive self-directed performance • Roles and responsibilities should be obvious • Performance Management must be perceived to be a fair process

ADDENDUM A

PART A

7. The Municipal Manager and Section 57 Managers

Diagram 2: FRAMEWORK WITHIN WHICH PERFORMANCE MANAGEMENT WILL FEATURE FOR THE MUNICIPAL MANAGER AND OTHER SECTION 57 MANAGERS



The Individual Performance Management documentation should be linked to and integrated with the Organisational Performance Management system documentation. There must be a clear link between the individual's performance and that of the organization.

8. Scope and Application of the Performance Management System

Part A of the Performance Management Policy will be applicable to the following positions:

- The final Government Notice issued 1 August 2006 regulates the extent to which the performance of the Municipal Manager will be directed, monitored and improved. These regulations address the Employment contract of the Municipal Manager as well as the Performance Agreement that is entered into between the Municipality and the Municipal Manager.

- Other Section 57 Appointments, Managers directly accountable to the Municipal Manager, will be subject to compliance with the provisions of the abovementioned Government notice in terms of their obligations towards their own performance and those of the individuals they are responsible for.

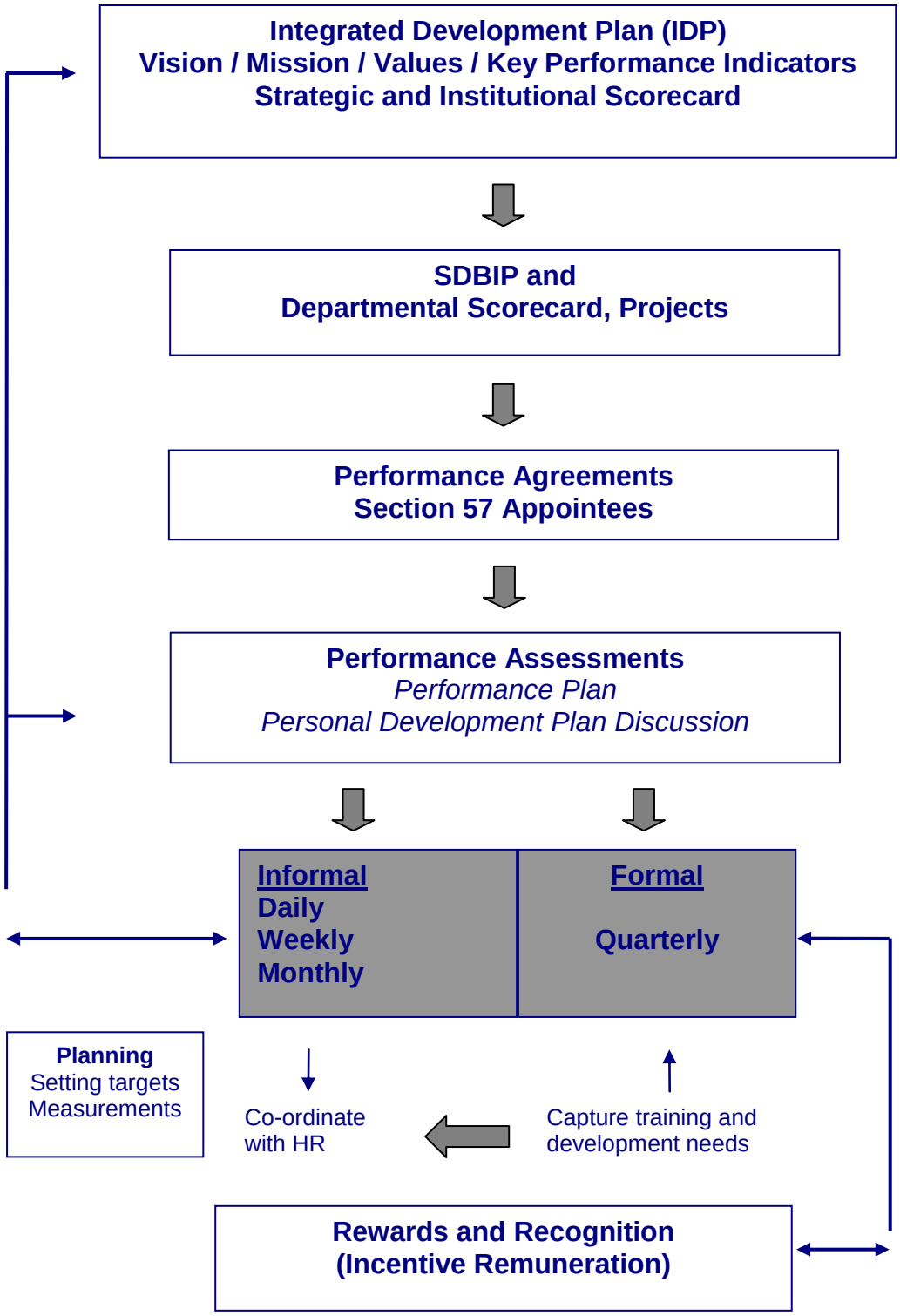
- Staff members acting in any of the above mentioned positions (Municipal Manager and Managers) for a period of more than four (4) months will be eligible to participate in the Performance Management system as stipulated and detailed within this policy.

- Staff member has to be acting on particular post for 4 Quarter of a financial year to be eligible for a performance bonus.

The Individual Performance Agreement supports and formalises the continuous development of individuals and should be completed with two supporting documents, the Individual Performance Plan and the Personal Development plan. The Individual Performance plan must be focused towards the implementation of the IDP as aligned by the Service Delivery and Implementation Plan (SDBIP). The Personal Development Plan includes a set of core competencies for each individual, which will be used for assessment and improvement of individual performance and at the same time indicating developmental areas per individual.

Diagram 3 on the next page indicates the implementation process:

Diagram 3: PERFORMANCE MANAGEMENT IMPLEMENTATION PROCESS



9. Performance Agreements for Section 57 Appointments

All Performance Agreements will be entered into in terms of Section 57(i) (a) of the Local Government: Municipal Systems Act 2000, Act no 32 of 2000 and Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager, Regulation 805 of 2006.

The Performance Agreement will be entered into by and between the Executive Mayor representing the Council and the Municipal Manager of the Municipality and according Section 57 subsection 2 must be concluded within a reasonable time after a person has been appointed as the municipal manager or as a manager directly accountable to the municipal manager and thereafter within one month after the beginning of the financial year of the municipality.

In the case of the Managers directly accountable to the Municipal Manager, the Performance Agreement will be entered into between the Municipal Manager and the Section 57 Manager.

9.1 MEASUREMENT OF PERFORMANCE

The various conditions pertaining to both parties are clearly addressed in the Performance Agreement. The criteria upon which the performance of the individual shall be assessed shall consist of two components both of which shall be contained in the Performance Agreement, that is in the Performance Plan and the Personal Development Plan attached to each Performance Agreement.

The Individual will be assessed against both the Key Performance Areas (KPA'S) as stipulated by DPLG and the Core Competency Requirements (CCR'S) on a weighting of 80:20 allocated to (KPA'S) and (CCR'S) respectively.

9.2 ASSESSMENT

The Individual's Assessment will be based upon his/her performance as per the Individual's Performance Plan (as Annexure A to the Performance Agreement) and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and the Individual.

The Key Performance Areas for the Municipal Manager will acknowledge the KPA'S stipulated in the Local Government Regulation of 1 August 2006 and weightings for each KPA will be determined by the strategic focus that prevails within the municipality.

Managers' responsibilities are also directed in terms of the abovementioned key performance areas. In the case of managers directly accountable to the Municipal Manager, other key performance areas related to the functional area of the relevant manager can be added subject to negotiation between the municipal manager and the relevant manager.

The weightings allocated to the different KPA's as indicated in the table below will be reviewed annually to adapt to changing circumstances and will be stipulated in the Performance Agreements signed by the individual employees:

Key Performance Areas for Municipal Manager / S 57 Managers	**Weighting**
Spatial Rational	
Municipal Transformation and Organisational Development	
Basic Service Delivery	
Local Economic Development	
Municipal Financial Viability and Management	
Good Governance and Public Participation	
Total Assessment	100%

	9.3.1 Establishment of Evaluation panel (Municipal Manager) It will comprise of Executive Mayor, chairperson of the Audit Committee, Mayor of local Municipality, senior manager from CoGHSTA and members of mayoral committee . 9.3.2 Establishment of Evaluation panel (Managers accountable to the Municipal Manager) The municipal manager, senior manager from CoGHSTA, chairperson of the Audit Committee, members of mayoral committee. Municipal manager from another municipality, PMS Officials and Trade Unions. 9.3.3 Establishment of assessment committee(internal assessment) It will comprise of Municipal Manager Senior Manager CoGHSTA, MM of local Municipality, PMS officials and Trade Unions. 9.3.3 Establishment of appeals committee The appeals committee will dealing with the dissatisfaction of employees during assessments and process of rewarding.

9.3 CORE COMPETENCY REQUIREMENTS (CCR'S)

A list of core managerial and occupational competencies is provided by Department of Cooperative Governance and Traditional Affairs (CoGTA) within the Guidelines: Generic section 57 Managers Managerial Competency Framework and Specific Occupational Competency Profiles. These guidelines are providing specific detail regarding competencies relevant and necessary for the Municipal Manager and Managers accountable to the Municipal Manager.

Below is a table indicating the Core Competency Requirements for all Section 56 and 57 appointments. The weightings allocated to each competency will be specified in the individuals Performance Agreement. The table below indicates the three competencies considered to be compulsory for the Municipal Manager and Managers accountable to Municipal Manager.

CORE COMPETENCY REQUIREMENTS (CCR) FOR S57 EMPLOYEES			
CORE MANAGERIAL COMPETENCIES (CMC)	**√**	**WEIGHT**	**LEVEL**
Strategic Capability and Leadership			
Programme and Project Management			
Financial Management	compulsory		
Change Management			
Knowledge Management			
Service Delivery Innovation			
Problem Solving and Analysis			
People Management and Empowerment	compulsory		
Client Orientation and Customer Focus	compulsory		
Communication			
Honesty and Integrity			
Core Occupational Competencies:			
Competence in self-management			
Interpretation of and implementation within the legislative and national policy frameworks			
Knowledge of developmental local government			
Knowledge of Performance Management and reporting			
Knowledge of global and South African specific political, social and economic contexts			
Competence in policy conceptualization, analysis, and implementation			
Knowledge of more than one municipal functional field / discipline			
Skills in Mediation			
Skills in Governance			
Competency as required by other national line sector departments			
Exceptional and dynamic Creativity to improve the functioning of the municipality			
Total percentage		**100%**	

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9.4 THE BALANCED SCORECARD METHODOLOGY

The Balanced Scorecard methodology was used during the development and alignment of the Organisational Performance Management System to the strategic intent as described within the IDP document.

The Strategy Map, Strategic - and Institutional Scorecards will guide the implementation, monitoring and reporting of progress towards the attainment of targets as contained in the Service Delivery and Budget Implementation Plan (SDBIP) of the Municipality. The methodology used will ensure that there is integration between the strategic perspectives and thrusts as used as part of the Balanced Scorecard methodology and the key Performance Areas as identified by CoGTA.

The methodology used for the development of the SDBIP must be carried forward into the development of the Performance Agreements of the Section 56/57 appointees, ensuring that information contained in the SDBIP is also represented in the Performance Plans of the Section 57 appointees. This will guarantee the total integration between integrated developmental planning, implementation, monitoring and evaluation.

9.5 PERFORMANCE PLAN AND STANDARDS

The Performance Plan is an addendum to the Performance Agreements signed by the Section 57 employees and should clearly specify objectives and defined quarterly targets to be attained by the individual employee.

The following rating scale will be applicable during assessment and evaluation of achievement of all employees (not limited to Section 57 Managers only) within the Waterberg District Municipality

Rating	Terminology	Description	% Score
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level.	**167**
4	Performance significantly above expectations	Performance is significantly higher than the standard expected.	**133 - 166**
3	Fully effective	Performance fully meets the standards expected.	**100 - 132**
2	Performance not fully effective	Performance is below the standard required	**67 - 99**
1	Unacceptable performance	Performance does not meet the standard expected. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected despite management efforts to encourage improvement.	**0 – 66**

The various performance targets and standards will be agreed upon and captured in each Individual Performance Plan. It should be made clear to every Individual what exactly constitutes a 100% (fully effective) performance, clearly specifying quantifiable measures and the means of verification to prove the reported performance.

A rating of 4 or 5 can only be achieved when a person exceeds identified targets as clearly indicated in the above table. Over achievement should be accompanied by relevant proof which indicates clearly that outstanding performance has been achieved.

9.6 PERSONAL DEVELOPMENT PLAN

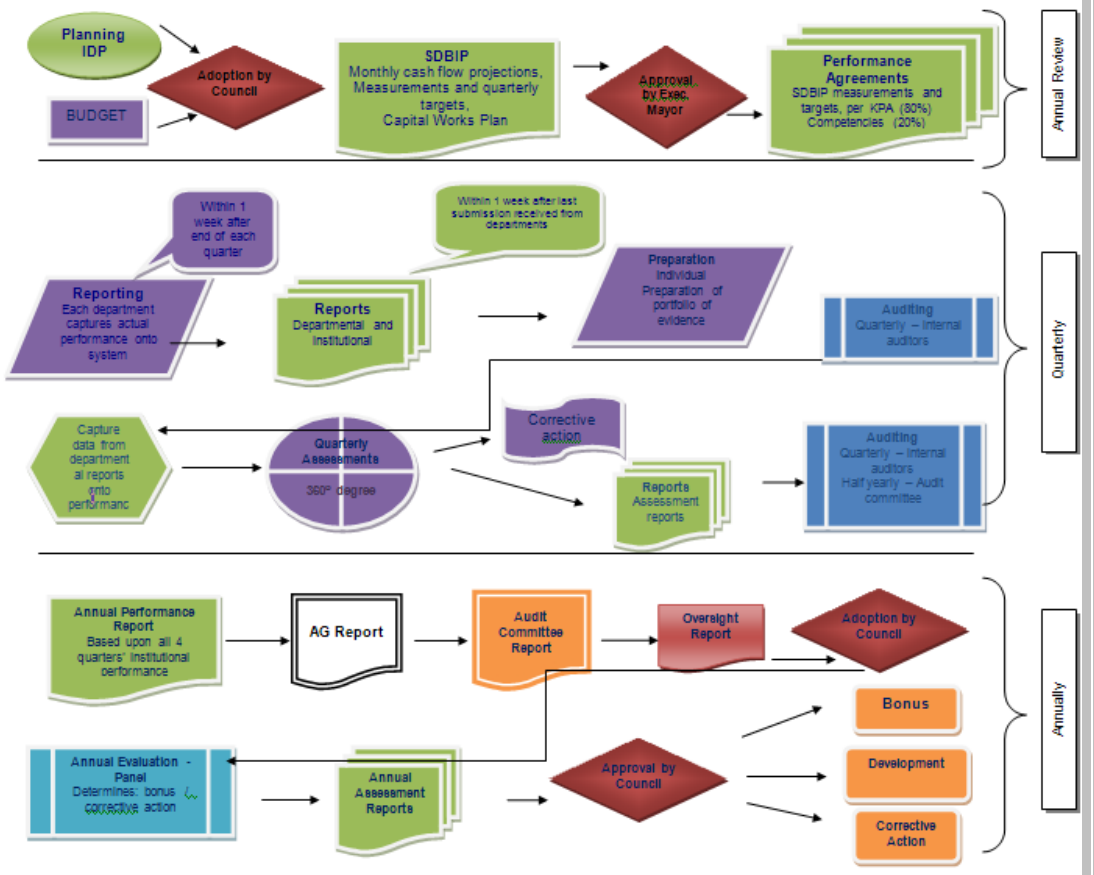
Regulation 805 of 2006 clearly indicates that a Personal Development Plan must be developed for every Section 57 manager and must serve as an Annexure to the annual Performance Agreement.

The identification of projects that must be implemented as part of the IDP process should guide the individuals to determine specific training or skills needed for effective project implementation. Based on these needs identified together with the skills and competencies identified during the assessment process specific training development strategies must be discussed, agreed upon and captured onto the Personal Development Plan. All Development Plans will be formulated and finalized with the guidance and assistance of the Head of Division: Human Resources to ensure that all training and development activities are aligned and supportive of the Workplace Skills Plan

The Personal Development Plan will be discussed during the performance assessment process and must be concluded within two weeks between the Municipal Manager and the Executive Mayor and also between the Municipal Manager and the Section 57 Managers.

10. PERFORMANCE ASSESSMENT AND EVALUATION

There are a few basic elements contained in the Performance Management assessment cycle as indicated below:



10.1 The development and identification of targets and measurement indicators will take place during the preceding financial year, culminating in Performance plans guiding the outcomes and activities to be achieved during the course of the financial year.

10.2 The performance plans will be based upon the indicators and targets contained in the SDBIP.

10.3 The employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement between both parties.

10.4 The performance of the employee in relation to his or her performance agreement will be assessed on a quarterly basis. Performance will be assessed against the agreed targets set for the various KPI's, based upon audited data presented in a portfolio of evidence, and then rated according to the rating definitions described in the performance agreement.

10.5 The Performance Assessment will be a structured discussion that will:

- Agree on actual results achieved
- Agree on the weighted scores achieved
- Agree on corrective action required to achieve targets

10.6 Waterberg District Municipality has adopted the 360° as a method whereby employees will be assessed. The assessment committee to assess the performance of the Municipal Manager will consist of the following:

- Executive Mayor,
- Two S57 Managers nominated by the Municipal Manager
- The assessment committees to assess the performance of the managers directly accountable to the municipal manager will consist of:
- The Municipal Manager,
- Any S57 Manager nominated by the assessed manager,
- Any Divisional Manager reporting to the assessed manager as nominated by him/her

10.7 An assessment rating process and calculation of scores as outlined in the Performance Plan (Annexure A of the Performance Agreement), using the applicable assessment-rating calculator to arrive at an overall score for the individual's performance will be utilised. The combined scores achieved during the all four assessments will be calculated separately and the averages of all four will determine the person's annual performance scores.

10.8 The outcomes of the individuals' annual performance in terms of KPA's and CCR's will annually be presented to an evaluation panel constituted in terms of Regulation 805 of 2006. This panel will evaluate the annual performance of the individual and determine the annual performance bonus accordingly or any remedial action. The performance bonus percentages will be calculated on a sliding scale as follows, which is calculated on the all inclusive annual remuneration package of the person:

% Rating Over Performance	% Bonus
130 - 133.8	5%
133.9 – 137.6	6%
137.7 – 141.4	7%
141.5 - 145.2	8%
145.3 – 149	9%
150 – 153.4	10%
153.5 – 156.8	11%
156.9 – 160.2	12%
160.2 – 163.6	13%
163.7 – 167	14%

10.9 Regulation 805 of 2006 stipulates that the panel to evaluate the annual performance of the Municipal Manager must be constituted as follows:

- The Executive Mayor
- The Chairperson of the District Performance Audit Committee
- A Member of the Mayoral Committee
- An Executive Mayor or Mayor and/or Municipal Manager from another municipality

10.10 For the purpose of evaluating the annual performance of Managers directly accountable to the Municipal Manager an Evaluation Panel consisting of the following will be required:

- Municipal Manager
- Chairperson of the Performance Audit Committee
- A member of Mayoral Committee
- Municipal Manager from another municipality.

	10.11 The main focus of the performance evaluation sessions will be: • To agree on actual results achieved • Agree on ratings and overall scores achieved • Agree on corrective action to be taken • Discuss circumstances and constraints where applicable • Agree on training and development requirements • Determine whether the assessed person qualifies for performance rewards
11. Dispute Resolution	Any form of dispute arising from any element of the Performance Management System must be remedied strictly in terms of Section 33 of Regulation 805 of 2006 and as indicated below: Any dispute about the outcome of the employee's performance evaluation, must be mediated by – (a) In the case of the Municipal Manager, the MEC for Local Government in the province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC; and (b) In the case of Managers directly accountable to the Municipal Manager, a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the employee; Whose decision shall be final and binding on both parties**.**

PART B – PERFORMANCE MANAGEMENT FOR DIVISIONAL MANAGERS	
12. BASIC APPROACH TOWARDS MANAGING PERFORMANCE OF DIVISIONAL MANAGERS	This part of the policy refers to all Divisional Managers. Divisional Managers will participate in the Performance Management Systems on the basis that performance will be measured with the key objective to: • Align the individual's focus of performance with departmental and eventually with organisational objectives • Link performance to development • Provide meaningful feedback to the individual regarding his/her actual performance against agreed standards • Provide positive reinforcement to individuals to encourage career advancement • Manage and correct poor performance **12.1 CORE COMPONENTS OF THE PERFORMANCE MANAGEMENT SYSTEM** The following core components will guide the establishment of the performance management system to the employees on a fixed term contract: • Setting of appropriate key objectives with weightings • Setting of measurable key performance indicators • Setting of realistic and meaningful targets and timeframes • Monitor and measure performance • Link performance with personal development plans To ensure proper cascading of the Institutional PM system to the Employee PM system it becomes critical for the individual to align performance objectives, targets and standards to the objectives of his/her department and ultimately to that of the Municipality. **12.2 PLANNING FOR PERFORMANCE** Planning for performance must be completely aligned to the Strategic planning processes within the municipality. This will ensure integration and roll-out of strategic objectives and targets of the municipality to the departmental level. Departmental implementation plans should be focused at reaching those targets indicated within the IDP and will lead to the development of the Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP will be supported by a lower level SDBIP which will contain the indicators and targets to be achieved by the Divisional Managers.
13. PERFORMANCE AGREEMENTS FOR DIVISIONAL MANAGERS	The Performance Agreement will be entered into by and between the Section 57 Manger (of the department and representing the Municipality) and must be concluded within a reasonable time after a person has been appointed and thereafter within one month after the beginning of the financial year of the municipality. The Performance agreement must be complimented through the conclusion of the following documents:

	14.1 PERFORMANCE PLAN This document will contain the following: • The purpose of the department and division • The purpose of the individual's position • Key Functional Areas within division • Key objectives with weightings • Key performance indicators and relevant targets with weightings • Key outcomes per process within division • Key measurable activities and outputs to achieve within the division • Target dates and time frames • Key competencies required **14.2 PERSONAL DEVELOPMENT PLAN** Every individual is required to have a Personal Development Plan which must be completed at the commencement of the new calendar year. It will be required that the manager and the individual discuss and agree on the most relevant and essential training exposures that will be required for the individual to fulfill his/her role effectively and to achieve his/her objectives and targets. These training and development areas must comply to skills identified in the skills audit conducted and aligned to the areas of training and development as indicated as part of the Workplace Skills Plan as being managed and coordinated by the Human Resources Division.
14. PERFORMANCE ASSESSMENT AND EVALUATION	Formal Performance assessments should take place at least on a quarterly basis during the course of the financial year. Formal performance assessments will take place during October, January, April and July of every year assessing the performance of an individual on a six monthly basis. Quarterly performance assessments will be conducted between the manager and the employee, provided that proper preparation are done by both parties and that comprehensive records are kept of the assessment process. Annually a formal performance evaluation will take place whereby the overall performance of the employee can be evaluated for the financial year. During the annual performance evaluation a panel must be established to evaluate the performance of the employee. The panel must be composed of: • Chairperson of the Portfolio Committee • Manager of specific department • Peer or colleague on same level within the department • Subordinate reporting directly to the employee In preparation for the evaluation a portfolio of evidence must be submitted by the employee, which will provide supporting information that will confirm whether KPI targets and activities have been exceeded, achieved or not achieved. The main focus of the performance evaluation sessions will be: • To agree on actual results achieved • Agree on ratings and overall scores achieved • Agree on corrective action to be taken • Discuss circumstances and constraints where applicable • Agree on training and development requirements.

15. RECOGNITION FOR PERFORMANCE

In order to sustain improved performance, it is important that outstanding performance be recognized. In terms of Section 6.1 of the individual's contract of employment with the Waterberg District Municipality it is indicated that the employee will receive a performance bonus of 10% of the cost-to-employer but be subject on affordability to the Municipality.

Option 1: The performance bonus percentages will be calculated on a sliding scale as follows, which is calculated on the equivalent to one month's salary of the person:

Final Score	Reward
91 – 100	100%
81 – 90	75%
71 – 80	50%
60 – 70	25%
<60	Compulsory performance counseling

Option2: The performance bonus percentages will be calculated on a sliding scale as follows, which is calculated on the equivalent to one month's salary of the person:

Final Score	Reward
167 – 150	80%
133 – 149	70%
110 - 132	60%
100 – 109	50%
80 – 99	10%
60 - 79	0%
<60	Compulsory performance counseling

The scheme for performance rewards of employees falling within Part B of this policy must be reviewed annually by a moderation committee consisting of:

- Member of MAYCO (Chairperson Governance and Administration)
- Chief Financial Officer
- Manager Corporate Support and Shared Services
- 1 x elected representative from each organised labour union
- PMS Manager (Convenor)

16. DISPUTE AND APPEALS PROCEDURE

In the event that the employee is dissatisfied with any decision or action of the Manager within the department, or where a dispute or difference arises as to the extent to which the employee has achieved the performance objectives and targets established in terms of his/her Performance Agreement, the employee may meet with the Municipal Manager with a view to resolving the issue. At the employee's request the Municipal Manager will record the outcome of the meeting in writing.

In the event that the employee remains dissatisfied with the outcome of that meeting, he may raise the issue in writing with the Mayoral Committee by requesting that the issue be placed on the agenda of an appropriate meeting of the Executive Committee. The Executive Committee will determine a process for resolving the issue, which will involve at least, providing the employee with an opportunity to state his case orally or in writing. At the employee's request the Executive Committee will record its decision on the issue in writing. The decision of the Executive Committee on the issue will be made within 2 (two) weeks of the issue being raised, or as soon thereafter as possible, and will be final.

17. PROCEDURES FOR DEALING WITH SUBSTANDARD PERFORMANCE	Chapter 3 of Local Government : Disciplinary Regulations for Senior Managers, 2010, Deals with the Procedures for deals with substandard performance • Purpose 14.(1) these Procedures – (a) apply to all municipalities and senior managers, and (b) are intended to- i. Create an enabling environment to facilitate effective performance by senior managers; ii. Provide the senior managers with access to skills development and capacity building opportunities in order to promotes effective and efficient performance iii. Promotes remedial and developmental to assist the managers to deal with substandard performance; and iv. Ensure that the municipal council and senior managers work collaboratively to generate solutions to problems and improve the performance of senior managers • Policy and principles 15.(1) these procedures must be read in conjunction with regulation 32 of the Municipal Performance regulations for municipal managers and managers directly accountable to municipal manager, 2006 (2) The code of good practice provided for in schedule 8 of the Labour Relation Act, 1995, constitutes part of this procedures, in respect of poor work performance. (3) The municipality must assess the senior managers performance by considering- a) The extent to which the substandard performance impact on the work of the municipality and achievement of municipal goals; b) The extent to which the senior manager fails to meet the required performance standards set by the municipal council; c) The extent to which senior manager lacks the necessary skills, competencies and expertise to meet the performance objectives and targets for his or her post as contained in the performance agreement; and d) The nature of the senior manager's work and responsibilities • Procedures for dealing with substandard performance 16.(1) if the municipality has reason to believe that the senior managers not performing in accordance with the minimum performance standards of his or her posts, the mayor in case of municipal manager or the municipal manager in case of managers directly accountable to the municipal manager must- a) Convene a meeting to give feedback to the senior manager on his or her performance; b) Furnish the senior manager with reasons why it is necessary to initiate this procedure. (2) In the meeting contemplated in sub-regulation (1) (a), the mayor or the municipal manager as the case may be, must – a) Explain the requirements, level, skills and nature of the post; b) Evaluate the senior manager's performance in relation to the performance agreement; c) Explain the reason why the performance is considered substandard; and d) Afford the senior manager or his or her representative an opportunity to respond to the outcomes referred to in paragraph (C); and

(3) After considering the senior manager's reasons, the mayor or municipal manager may, if necessary-

a) Initiate a formal programme of counseling and training to enable the senior manager to reach the required standard of performance which must include-
   i. Assessing the time that it will take for senior manager to deal with substandard performance
   ii. Establishing realistic timeframes within which the municipality will expect the senior manager to meet the required performance standard; and
   iii. Identifying and providing appropriate training for the senior manager to reach the required standard of performance.

b) Establish ways to address any factors that may affect the senior manager's performance that lie beyond the senior manager's control.

(4) If the senior manager fails to meet the performance required performance standard for the post after being subjected to a formal programme of counseling and training as contemplated in sub- regulation (3), the –
   (a) Mayor in case of the municipal l manager, or municipal manager in case of managers directly accountable to the municipal manager, may-
      i. Regularly evaluate the senior manager's performance;
      ii. Provide further remedial or developmental support to assist the senior manager to eliminate the substandard performance.

(5) If the senior manager's performance does not improve after he or she received appropriate performance counseling and the necessary support and reasonable time to improve his or her performance as contemplated in sub regulation (4) or he or she refuse to follow a formal programme of counseling and training contemplated therein –
   (a) The mayor in case of the municipal manager, or the municipal manager, in the case of the managers directly accountable to the municipal manager, must bring the allegations of substandard performance against the senior manager to the attention of the municipal council in a form of a Report.
   (b) The mayor or the municipal manager, whatever the case may be, must table the report contemplated in paragraph (a) before the municipal council not later than seven [7] days after receipt thereof, failing which the mayor may request the speaker to convene a special council meeting within seven [7] days to consider the said report.

(6) If the municipal council is satisfied that sufficient evidence exist to institute disciplinary proceedings against the senior manager on the basis of that alleged substandard performance –
   (a) The municipal council must do so by way of a resolution and;
   (b) The mayor, in case of the municipal manager, or the municipal manager in case of manager accountable to the municipal manager, must-
      (i) Furnish the senior manager with written reason why it is necessary to initiate this procedures; and
      (ii) Invoke the provisions of regulation 8 of these regulations

18. AUDITING	All auditing should comply with Section 14 of the Municipal Planning and Performance Management Regulations (2001). The Mayoral Committee or Audit Committee should be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis.
PART C –PERFORMANCE MANAGEMENT FOR OTHER EMPLOYEES	
19. BASIC APPROACH TOWARDS MANAGING PERFORMANCE OF OTHER EMPLOYEES	Other employees are considered permanent individuals whose conditions of service are regulated within the ambit of the South African Local Government Bargaining Council. The performance management conditions, procedures and documentation may be different for other employees, mainly due to the fact that in terms of Regulation 805 of 2006, rewards for this group of employees shall be non-financial. The intention of this part of the policy will be focusing on individuals down to supervisor level (level 6) where after the same principles will be applied to teams and units within the Waterberg District Municipality Other employees will participate in the Performance Management Systems on the basis that performance will be measured with the key objectives to: • Align the individual's focus of performance with departmental and eventually with organisational objectives • Link performance to development • Provide meaningful feedback to the individual regarding his/her actual performance against agreed standards • Provide positive reinforcement to individuals to encourage career advancement • Manage and correct poor performance
20. CORE COMPONENTS OF THE PERFORMANCE MANAGEMENT SYSTEM	The following core components will guide the establishment of the performance management system to the lower echelon of employees: • Setting of appropriate key objectives with weightings • Setting of measurable key performance indicators • Setting of realistic and meaningful targets and timeframes

	• Determine processes within unit / team to be executed and the identification and development of measurable outputs and targets accordingly • Identify and describe measurable activities • Link budgets to expected outputs within the unit / team contributing (Performance based budgeting) • Monitor and measure performance • Link performance with personal development plans Each individual is given performance objectives, targets and standards that are linked to the objectives of his/her team, his/her department and ultimately to that of the Municipality. The Incentive policy[1] will define the extent and details of the rewards and incentives to be awarded to employees exceeding the targets as identified within their performance plans.

[1] The incentive policy must be developed to address the approach to be followed in determining rewards and incentives for employees who are performing well above the targets and indicators determined

21. PLANNING FOR PERFORMANCE	The final alignment of processes and activities for projects must be completed as soon as the Lower SDBIP's were finalised for the HOD's and must be completed and performance plans signed by the end of June of each financial year. The manager/supervisor schedules a meeting with the individuals / sections / subsection or teams to discuss and agree on performance objectives for the year and to conclude the individual's Performance Plan. Both parties must be well prepared for this session.
22. DOCUMENTATION	The documentation required for this process should include the following: **24.1 PERFORMANCE PLAN** This document must be concluded within a reasonable time after a person has been appointed and thereafter within one month after the beginning of the financial year of the municipality and must contain the following: • The purpose of the department / division/ section / subsection or team • The purpose of the individual's position • Key objectives with weightings • Key performance indicators and relevant targets with weightings • Target dates and time frames • Key competencies required The Performance Agreement will also contain supporting notes to clarify steps, terminology, procedure and responsibility. Objectives that will be mandatory for all managerial/supervisory positions are: managing staff, budget management and service delivery. **24.2 PERSONAL DEVELOPMENT PLAN** Every individual is required to have a Personal Development Plan which must be completed at the commencement of the new calendar year. It will be required that the manager and the individual discuss and agree on the most relevant and essential training exposures that will be required for the individual to fulfill his/her role effectively and to achieve his/her objectives and targets. These training and development areas must comply to skills identified in the skills audit conducted and aligned to the areas of training and development as indicated as part of the Workplace Skills Plan as being managed and coordinated by the Human Resources Division.

23. PERFORMANCE ASSESSMENT	Formal performance assessments will take place in January and July of every year assessing the performance of an individual on a six monthly basis. These will be formal discussion sessions between the manager/supervisor and the individual / team / unit which must be well prepared for. The individual assesses should submit a portfolio of evidence to provide supporting information that will confirm whether an objective, KPI and target has been achieved or not achieved. The main focus of these discussion sessions will be: • To agree on actual results achieved • Agree on ratings and overall score achieved • Agree on corrective action to be taken • Discuss circumstances and constraints where applicable • Agree on training and development requirements. The manager / supervisor will request the individual to prepare for assessment sessions and to rate himself /herself against the agreed objectives and targets. The 5 - point rating scale described in paragraph 9.5 will be used for rating of performance. Annually a formal performance evaluation will take place whereby the overall performance of the employee can be assessed for the financial year. During the annual performance evaluation a committee must be established to assess the performance of the employee. The committee must be composed of: - Manager of specific department / division - Peer or colleague on same level within the department - Subordinate reporting directly to the employee Schedule for performance reviews The performance of an employee in relation to his or her performance agreement must be reviewed on the dates with the understanding that reviews in the first and the third quarter maybe verbal if the performance is satisfactory: First Quarter : July - September Second Quarter : October - December Third Quarter : January - March Fourth Quarter : April - June The employer must keep records of the mid-year and annual assessment meetings. The performance feedback must be based on the employer's assessment of the employee's performance. The employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreements between both parties.
24. RECOGNITION FOR PERFORMANCE	In order to sustain improved performance, it is important that outstanding performance be recognized. If an individual is permanently employed by the Municipality and receives an annual bargained increase, rewards for performance are not linked to direct remuneration. The rewards and incentive policy will determine the rewards to be awarded for those individual exceeding the targets contained within their performance plans

<table>
<tr><td></td><td>Non-cash rewards will be determined for the following scores obtained:

<table><tr><th>SCORE</th><th>NON-CASH REWARD</th></tr><tr><td>100 - 132</td><td>To be determined</td></tr><tr><td>133 - 167</td><td>To be determined</td></tr></table></td></tr>
<tr><td>25. Performance Bonus</td><td>• Performance bonuses will be paid after the process has been completed as per the Performance regulations for Municipal Manager and Managers Accountable to the Municipal Manager.
• The Bonus can only be paid to the incumbent who was in position for the duration of 12 months of the financial year.</td></tr>
<tr><td>26. CONSULTATION</td><td>It will be a management prerogative to cascade the Performance Management System for all other employees throughout the municipality, based on affordability and after due consideration of other administrative constraints. It will however be required to consult certain implementation issues with the Moderation Committee to ensure maximum acceptance and co operation at all levels of the municipality is achieved.</td></tr>
<tr><td>27. APPEALS PROCEDURE AND DISPUTE RESOLUTION</td><td>Should Individuals not agree with the contents of their Performance Agreement after the performance planning discussion or with the final scores being allocated to them after the review sessions, they may elect to follow the SLGBC’s approved Municipality’s grievance procedure only if a valid reason for the complaint exists.</td></tr>
<tr><td>28. Executive Mayor Excellence Award</td><td>Executive Mayor Excellence Award
• An annual function should be held in a calendar year not only to recognize employees who served the municipality for long period but also to present other form of performance reward to deserving employees.</td></tr>
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