

PERFORMANCE MANAGEMENT FRAMEWORK POLICY

2014/15



GREATER GIYANI MUNICIPALITY

PERFORMANCE MANAGEMENT FRAMEWORK POLICY: 2014/15

1. Definition of terms

The purpose of “**definition of terms**” within the PMS policy is to create a common understanding, so as to minimise disputes during the implementation of the system.

Table A: Terms within the system are as follows:

TERM	DEFINITION
1.1. Performance Management System	It is mechanism that monitors the implementation of the institutional plan or strategy and measure performance of its employees in relation to the set performance targets..
1.2. Institution	Greater Giyani Municipality
1.3. Service delivery Budget Implementation Plan (SDBIP)	Institutional Performance plan that addresses Key Performance Area and set key performance indicators and targets in relation to budget.
1.4. SDBI reports	Performance quarterly reports
1.5. Performance Agreement/ contract	Performance agreement (PA) as contemplated in section 57 of the Municipal Systems Act. SDBIP is an attachment to the PA and employees agrees to the content of the SBIP.
1.6. Employment contract	Contract as contemplated in section 57 of the Municipal Systems Act
1.7. Section 56 Managers	Managers directly accountable to the municipal manager
1.8. Section 57 Manager	The Municipal Manager and Managers directly accountable to the Municipal Manager
1.9. Key Performance Area	Key performance areas as set by National: KPA 1: Spatial Rational KPA 2: Institutional development and transformation KPA 3: Infrastructure Development and Basic Service Delivery KPA 4: LED KPA 5: Financial Viability KPA 6: Good Governance and Public participation
1.10. Key Performance Indicator	Quantifiable measurement that guides to measuring the results and efficiency of a service or activity
1.11. Strategic Objective	What needs to be achieved
1.12. Strategy	How one needs to achieve something or an objective

TERM	DEFINITION
1.13. Baseline	Status quo
1.14. Input	Resources used within a process so as to get an output/end product, e.g Budget and Human Capital
1.15. Output	End product
1.16. Outcome	Impact
1.17. Review	Assessment of a project, activity and programme with the intention of instituting change if necessary
1.18. Assessment	Evaluate or estimate the nature, value or quality of an activity at a specified level
1.19. Evaluation	Find a numerical expression for the estimated value or quality of an activity
1.20. Weight	Numerical expression level of importance of an activity, programme or project

2. Performance Management Objectives

- To ensure that the IDP is implemented as intended.
- To monitor and assess the performance of both the institution and the employees in relation to set performance targets
- To have an early warning of none performance, so as to address the identified challenges and address them in time.
- To assist the municipality to realise its vision.

3. Legislative Framework

The performance management system is developed within the following framework

- MFMA 56 of 2003
 - **Sec 69:** Accounting officer no later than 14 days after the budget has been approved submit to the Mayor SDBIP and draft annual Performance agreements of S57
 - **Sec72:** Accounting officer must by 25 January of each year assess the performance of the municipality, taking into account S71 report, SDBIP, Past annual report, municipal entities and submit to Mayor , NT, PT
 - **Sec 75:** (1) information to be placed on municipal website

(d) all performance agreements

(e) all service delivery agreements

- Municipal Systems Act 32 of 2000.
 - **Sec 26:** Core components of integrated development plan must reflect
 - (d) development strategies
 - (f) operational strategies
 - (i) Key performance indicators and performance targets
- Performance Regulations of 2006, for Municipal Managers and Managers reporting to the Municipal Manager.
 - The Regulation outlines the development of performance agreements in totality and provides guidance in development of performance plans

4. Stakeholders and their roles

Stakeholders	Role
The Mayor	Must sign within 28 days of adoption of the budget
The Municipal Manager	Accountable for the development of the PMS and performance thereof.
Section 56 Manager	Develop SDBIPs and submit PA to the Mayor within 14 days after the budget has been adopted.
Director Strategic Planning	Development of performance Management System. Coordination of performance reports of section 56 and that of the Municipal Manager
Manager HR	Provide administrative support during the performance evaluation of the Municipal Manager and section 56 managers
Managers below section 56 managers	To develop SDBIP and performance plans, implement and take performance responsibility thereof.

Stakeholders	Role
Employee positions below s56	To provide administrative support to their respective line managers and supervisors in relation to all KPAs
Evaluation panel	To assess and evaluate the performance of the Municipal Manager in relation to the SDBIP and PA
Community	To make inputs in terms of the planning and implementation of the IDP.
Council	To assess institutional performance and provide political direction.
Portfolio committees	To assess performance of their respective portfolios and provide political direction.
MEC of local Government	To ensure that all municipalities comply with legislation governing performance management. Address disputes in relation to the Municipal Managers PA and salary increment.

5. PMS Approach

5.1. The Performance Management System of the municipality is two legged. GGM is quiet a small municipality, hence the attached institutional arrangement for PMS. Two departments will deal with Performance management of the municipality, which are Corporate Services and Strategic Planning departments. Corporate services will attend to individual performance (levels below section 56 Managers) and Strategic planning will deal with institutional Performance and that over s57 managers.

5.2. The human resource will provide administrative support to the Assessment and evaluation process as indicate in the above table.

6. Performance Agreements

6.1. The Municipal Manager together with section 56 managers must develop Performance plans and sign with the Mayor and Municipal Manager respectively, with 28 days after the budget has been adopted.

6.2. The municipal Manager will be accountable for performance of vacant s56 positions.

6.3. A performance agreement does not supersede the employment contract.

6.4. Performance agreements will terminate on the termination of the Managers contract of employment.

6.5. Municipal Manager and Section 56 managers will sign a one year performance contract as prescribed by the Municipal Finance Management Act, 56 of 2003.

6.6. The employer has an obligation to provide the necessary resources to an employee that will enable them to perform.

7. IDP, Budget and PMS alignment

7.1. The SDBIP and performance plans must be adjusted in relation to the Mid-year adjusted budget.

7.2. The SDBIP must be adjusted by the 7th after the budget adjustment has been adopted by council.

7.3. Performance plans must be signed again if there are any adjustments.

7.4. The SDBIP must address objectives within the IDP.

7.5. The SDBIP must only include items that have support of either financial or human resource support.

7.6. SDBIP must include all items budgeted for in the current financial year.

7.7. The SDBIP must be aligned to the IDP and Budget.

8. Assessment criteria

The criterion upon which the employee must be assessed consists of two components, both of which must be contained in the performance agreement. The employee must be assessed against both components with a weighting of 80:20 allocated to the Key performance areas and core competency Requirements, respectively. Each assessment will be weighted and will contribute to a specific part of the total score. KPAs covering the main amount of work will account for 80% and CCRs will account for 20% of the final assessment.

8.1. Key Performance Areas	Weight
Spatial Rational	
Institutional Development and transformation	
Local Economic Development	
Financial Viability and Management	
Good Governance and Public Participation	
Total	100%

CCRs are deemed to be most important to be most critical to for employees specific job should be selected from the list below as agreed to between the employer and employee and must be considered with due regard to the proficiency level agreed to.

8.2. Core Competency Requirements for employees (CCR)		
Core Management Competencies	Indicate Choice	Weight
Strategic Capability and Leadership		
Programme and projects		
Financial Management	Compulsory	
Change Management		
Knowledge management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	
Client Orientation and Customer Focus		
Communication		
Honesty and Integrity		
Core Occupational Competencies		
Competency in self-management		
Interpretation of and Implementation within the legislative and National Framework		
Knowledge of developmental local government		
Knowledge of performance management and Reporting		
Knowledge of global and South African Specific political, social, and economic context		
Competency in policy conceptualisation, analysis and implementation		
Knowledge of one functional municipal Field/ discipline		
Skills in mediation		
Skills in Governance		
Competency as requires by other national line sector		

departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total Percentage		100%

9. Reviews

9.1. Performance reviews of an employee on his/her performance agreement must be done on quarterly bases, but the 1st and 3rd quarter may be verbal.

9.2. Mid- year Performance reviews and annual assessment of the employee must be recorded.

10. Reports

10.1. Performance reports must be submitted to the responsible office by the 3rd of the commencement of every quarter.

10.2. SDBI reports must be submitted to council on the first month of every quarter.

10.3. The SDBI reports submitted to council must be aligned to budget and IDP.

11. Assessments

11.1. The Mid-year performance assessment of the Municipal Manager must be done by the Mayor.

11.2. The Mid-year performance assessment of section 56 Managers must be done by the Municipal Manager.

11.3. Both assessments in 11.1 and 11.2 must be minuted.

12. Evaluation

12.1. The HR Manager must provide administrative support to the Evaluation panels evaluating the performance of the Municipal Manager and Section 56 managers.

13. Performance Assessment and Evaluation

Level	Terminology	Description	Rating			
5	Outstanding Performance	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 performance plan and maintained this in all areas of responsibility throughout the year.				
4	Performance significantly above expectations	Performance is significantly 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 as specified in the PA and Performance plan.					
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	Performance not fully effective	Performance is below the standard required for the job in key performance 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 fully effective results against almost all of the 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.					

13.1. Evaluation Panels and their roles

Evaluation panel for Municipal Manager	Evaluation Panel for Section 56
<ul style="list-style-type: none"> • Mayor • Chairperson of the Audit committee/audit committee in the absence of a performance audit committee • Member of Mayoral/executive committee • Mayor/Municipal Manager from another municipality • Member of Ward committee as nominated by the Mayor 	<ul style="list-style-type: none"> • Municipal Manager • Chairperson of the Audit committee/audit committee in the absence of a performance audit committee • Member of Mayoral/executive committee • Municipal Manager from another municipality

13.1.1. Evaluation panels must be appointed and notified one month before the evaluation.

13.1.2. Briefing on the evaluation process must be provided to the panel prior to the commencement of the evaluation.

13.2. Evaluation Outcomes and performance bonus

Terminology	Score	Performance bonus
Outstanding Performance	150% and above	10% to 14% of all inclusive remuneration package
Performance significantly above expectations	130% -149%	5% -9% of all inclusive remuneration
Fully effective	80%-129%	0
Performance not fully effective	79%-80%	0
Unacceptable performance	50% and below	0

14. Results

- 14.1. Performance assessment results of the Municipal Manager must be submitted to the MEC of local Government in Limpopo Province and as well as the National Minister responsible for local government, within 14 days after conclusion of the results.

15. Portfolio of evidence

- 15.1. All Managers and the Municipal Manager must provide portfolio of evidence as agreed in the performance plan.
- 15.2. The evaluation committee must do an inspection on logo where necessary.

16. Disputes

Disputes about the nature of the employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or salary increment in the agreement must be mediated by

- 16.1. In case of the Municipal Manager in terms of the sub-regulation 33 (1) and (2), and
- 16.2. In case of Section 56 Managers, terms of subsection 33(2) and (2).

17. Public Participation

Contents of the Performance Agreement made available to the public by the employer in accordance with the MFMA Act 56 of 2003 and section 46 of the Act.

18. PMS templates

The Municipal Manager and Manager reporting to the Municipal Manager must all use planning and reporting templates approved by council.

19. Personal Development Plans

- 19.1. Development requirements of the Municipal manager and section 56 managers must
- 19.2. form part of the performance agreement
- 19.3. Must be submitted by the assessor to the Human Resource Manager as input to the skills development plan of the next financial year.

20. Obligations of the employer

- 20.1. The employer must create an enabling environment in line with sub-regulation 30 (1)-(5)

20.2. Under performance

- 20.2.1. The municipality has an obligation to capacitate an employee that has underperformed and provide him with an opportunity to improve before dismissing the individual.