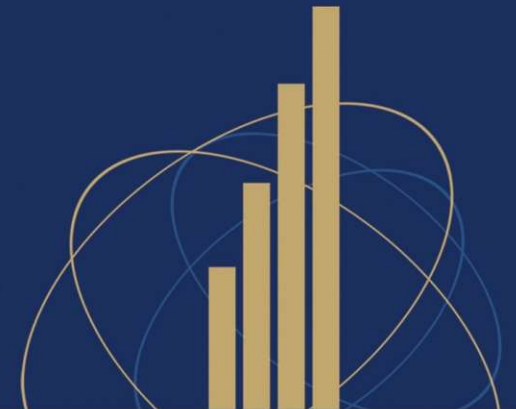




PERFORMANCE MANAGEMENT IN LOCAL GOVERNMENT

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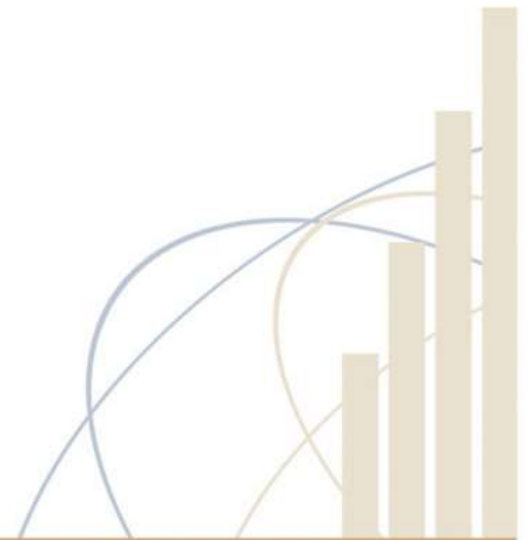
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OUTLINE THE PRESENTATION

1. Purpose
2. Problem Statement
3. Policy and legislative Context
4. Transformation Trajectory of LG
5. Objectives of the Regulations
6. Performance Management

1. PURPOSE

- ❑ To provide the policy and legislative context of the Regulations;
- ❑ To provide an overview aimed at facilitating the application of the Regulations; and
- ❑ To outline the legal obligations of municipalities of the Regulations; and
- ❑ To outline the implementation of Performance Management and Development System (PMDS)



2. PROBLEM STATEMENT

- ❑ The diagnostic report on the performance of municipalities conducted in 2014 revealed that **some municipalities are still experiencing governance and institutional challenges** in meeting their obligations.
- ❑ Some of the challenges include:
 - Induced **municipalities to adopt** different HR systems resulting in **excessive disparities that impede mobility of staff in the sector.**
 - **Bloating of municipal administration** in non-core functions of municipalities.
 - **Incoherent HR practices** resulting in the concentration of critical skills in affluent municipalities.
 - High incidence of **irregular and inappropriate appointments.**
 - **Poor skills development** programmes negatively impacting the capacity of municipalities to fulfil their constitutional obligations.
 - **Ineffective performance management and lack of accountability.**
 - **Poor planning, under-expenditure** by municipalities on capital budgets and **ineffective revenue collection** strategies.
 - **Incoherent disciplinary and grievance procedures.**

3. Policy and Legislative Context

- ❑ **NDP – Building a Capable and Developmental State** (Chapter 13)
- ❑ **Constitution of the Republic of South Africa, 1996** – national and provincial government, by legislative and other measures to support and strengthen the capacity of municipalities to perform their functions [s154(1)]
- ❑ **Municipal Systems Act, 2000** – Local Public Administration and Human Resource (Chapter 7)
 - The Minister promulgated regulations and issued guidelines setting uniform standards for municipal staff systems and procedures for **ALL municipal staff** and **senior managers** (s72) [Gazette No, 45181].
 - All municipalities are required to develop HR policies consistent with the regulations (s67).

4. TRANSFORMATION TRAJETORY OF LG



Since the new transformation agenda of LG was adopted in 2000, the **system of local public administration and HR** has undergone significant changes. These, *inter alia*, include:

- LG: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006
 - To **set out uniform standards to facilitate a culture of performance and accountability**, including **consequences for substandard performance**.
- LG: MFMA: Municipal Regulations on Minimum Competency Levels, 2007
 - To **regulate uniform financial competences to improve financial management** and viability of municipalities.
- LG: Disciplinary Regulations for Senior Managers, 2011
 - **set uniform procedures for management of discipline for senior managers.**
- LG: Regulations on appointment and conditions of employment of municipal managers and managers directly accountable to municipal managers, 2014
 - To **provide for procedures and competency criteria for appointment of municipal managers and managers directly accountable to municipal managers and consequences of appointments made in contravention of the MSA and its Regulations.**

5. OBJECTIVES OF THE REGULATIONS

- ❑ The objectives of the Regulations are to:
 - Create a **career local public administration** that is fair, efficient, effective and transparent;
 - Create a **development oriented local public administration** governed by **good human resource management** and career development practices;
 - Ensure an **accountable local public administration** that is responsive to the **needs of local communities**;
 - Ensure that **high standards of professional ethics are fostered** within local government;
 - **Strengthen the capacity of municipalities to perform their functions** through recruitment and appointment of suitably qualified and competent persons; and
 - **Establish a coherent HR governance regime** that will ensure adequate checks and balances, including enforcement of compliance with the legislation.

6. PERFORMANCE MANAGEMENT

Establishment of performance management and development system (PMDS)

- ❑ A municipality must adopt a performance management and development system that complies with the provisions of the **Regulation of 2016** and **Chapter 4** of the **Municipal Staff Regulations**.

Application

- ❑ PMDS applies to **all staff members** of a municipality excluding a staff member—
 - appointed on a fixed term contract** with a duration of less than 12 months;
 - serving notice** of –
 - **termination** of his or her contract of employment; or
 - **to retire** on reaching the statutory retirement age;
- ❑ appointed on an **internship programme** or **participating in the national public works programme** or **any similar scheme**.

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Performance management and development system

- ❑ **A staff member of a municipality is a public servant** in a developmental local government system, and therefore **must** –
 - **be committed to serve the public** and to a collective sense of responsibility for performance in terms of standards and targets; and;
 - **participate in the overall PMDS** of the municipality, as well as the staff members' individual performance evaluation and reward system in order to maximise the ability of the municipality, to achieve its objectives.
- ❑ The municipality, as represented by the relevant **supervisor, and staff member must**, during the planning phase, **agree on—**
 - **performance objectives and targets** that the staff member is expected to achieve during a performance cycle;

Performance management and development system

- specific **performance standards, weightings for targets and performance indicators** for measuring achievement of performance against set targets; and
- **job specific competencies** to be assessed in the performance cycle.
- ❑ The supervisor and staff member must ensure that **performance management is aligned to the staff member' job, and KPAs** relevant to the post that the staff member holds.
- ❑ The **KPAs** must relate to the staff member's functional area and **must consist of not less than 5 and not more than 7 KPAs**.
- ❑ The staff member's **job specific competencies should not exceed six competencies** within a performance cycle.

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Performance management and development system

- ❑ **KPAs covering** the main areas of the work will account for **80% of the weight** while **the job specific competencies will constitute 20%** of the overall assessment result as per the weightings agreed in terms of the performance agreement.

Performance agreement

- ❑ A supervisor and staff member must **enter into a performance agreement** for each performance cycle of the municipality.
- ❑ The performance agreement of a—
 - **serving staff member** must be concluded **within 30 days of the commencement of the new financial year** of the municipality; and
 - **staff member** must be concluded **within 60 days** of

Performance agreement

- his or her **appointment** after probation as from **1 July** of the new financial year;
- his or her **transfer or promotion** to a new post; or
- his or her **return from prolonged leave that is more than three months.**

- ❑ If at any time during the performance cycle, the responsibilities of the staff member change to the extent that the performance plan in the performance agreement is no longer appropriate, the parties must **revise the performance agreement.**

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Performance agreement

- ❑ The **performance agreement must include a performance plan that contains—**
 - the **name, job title and the department** of the staff member;
 - the **objectives or targets**;
 - **KPAs, their weightings and the target date** for meeting the KPA;
 - the **KPIs and the performance standard** for each KPI;
 - the **name and definition of the job specific competencies, their weightings** and the **expected level of capability** for each competency;
 - a **personal development plan prepared in compliance with regulation 51**; and
 - the **process of monitoring and assessing performance**, including the **planned dates of assessment**.

Team-based performance management and development system

- ❑ A municipality may establish a **team-based performance management and development system** for a **category of staff below the level of a supervisor** that will assist the municipality in **managing probation, rewards, and skills development of staff members**, which is consistent with the principles set out in this chapter.
- ❑ Before implementing the team-based performance management and development system, the municipality must—
 - **pilot the system** on a team of staff members in all affected occupational streams; and
 - **consult the system** with recognised trade unions within the local labour forum.

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Performance monitoring and review

- ❑ The **monitoring process** involves a manager consistently **measuring performance on the job and providing ongoing feedback** to staff and teams on progress towards reaching staff member and team goals.
- ❑ The monitoring of performance includes conducting **progress assessment** with staff member and teams **through one-on-one or team engagement sessions** during which their performance is compared against predetermined performance standards.
- ❑ The supervisor must offer **coaching when required**, to **reinforce effective performance** or bring the performance of the staff member closer to the expected standards.
- ❑ The performance of the staff member must be **reviewed at mid-year to assess** the staff member or teams' progress towards meeting performance targets, **to identify challenges and agree to solutions and to consider reviewing targets resulting from workplace changes beyond the staff member or team's control.**

Performance evaluation

- ❑ The **annual performance evaluation** must involve—
 - an assessment of the extent to which the staff member achieved the performance objectives and targets as outlined in the performance plan, which comprises —
 - **each KPA** assessed to determine the extent to which the specified standards or KPIs have been met, with due regard to *ad hoc* tasks that had to be performed under that KPA; and
 - each **competency** assessed to determine the extent to which the specified standards or KPIs have been met.
- ❑ The **five-point rating scale** should be utilised for purposes of implementation of this chapter, apply to all staff members.

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Level	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of a staff member at this level. The appraisal indicates that the staff member has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Agreement 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 staff member has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective performance	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the staff member has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the staff member has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/ assessment indicates that the staff member has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Performance Plan. The staff member 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.

Performance evaluation

❑ An overall rating is calculated by using the assessment **rating calculator as provided in Annexure D**. Such overall rating represents the outcome of the performance appraisal.

❑ The **annual performance evaluation** must **determine a performance rating** for the performance cycle.

❑ The staff member assessed, or the person designated in terms of sub-regulation (7) must provide the supervisor with a **portfolio of evidence** relating to his or her KPAs for the entire performance cycle.

❑ The maintenance and provision of the portfolio of evidence to **support the decision on the final score to each KPA and competency**, is the responsibility of the staff member.

❑ Despite sub-regulation (6), the municipal manager may exempt categories of staff from maintaining a portfolio of evidence in which case the municipality must determine alternative mechanisms or designate a staff member who will maintain the portfolio of evidence of those staff members.

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Performance moderation

- ❑ The municipal manager must **establish departmental performance moderation committees, which must be convened annually.**
- ❑ Performance moderation processes **must take place within a reasonable timeframe** after the end of the performance cycle, but **not later than six months after the end of the financial year.**
- ❑ The **departmental performance moderation committees shall be constituted as follows:**
- ❑ **The relevant heads of departments, who must act as chairpersons in the committees;**
- ❑ **all managers directly accountable to the heads of departments, who must be recused from the committee before their assessments are considered by the committee; and**
- ❑ **a senior human resource functionary who will advise, guide and provide support, including arrangements for secretariat services.**

Performance moderation

- ❑ The municipal council must **establish a municipal moderation committee, which must be convened annually.**
- ❑ The municipal moderation committee shall **be constituted as follows:**
 - The municipal manager, who must act as the **chairperson** of the committee;
 - **all heads of departments;**
 - **head of municipal planning and organisational performance;**
 - **head of the municipal internal audit;**
 - a **senior HR functionary** to guide, advise and provide support, and secretariat services; and
 - a **performance specialist**, where applicable.

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Performance rewards

- ☐ A performance related reward —
 - **is at the discretion of the municipality;** and
 - **may be awarded to a staff member—**
 - **who has served** the full assessment period of **12 months on 30 June of each financial year** of a municipality;
 - **transferred or seconded horizontally** during the performance cycle within the municipality;
 - **who is on uninterrupted approved leave for 3 months or longer;**
 - **who is on approved maternity leave for more than 3 months;** and
 - **who received a performance rating of performance significantly above expectations or outstanding performance during a performance cycle after moderation of performance results.**
- ☐ A municipality may not spend more than **1.5% of its annual salary and wage bill** for staff performance rewards.

Dispute about performance agreements and assessments

- ☐ Any dispute about performance objectives or targets must be **mediated by the relevant head of department or** directorate of the staff member to whom this function is **delegated**. **If the dispute is not resolved** to the staff member's satisfaction, the staff member **may lodge a grievance in terms of the applicable procedures**.
- ☐ Any dispute relating to the conclusion of the performance agreement or an amendment to the performance agreement or assessment, must be referred to the head of the relevant department or directorate not later than five days of lodging the grievance in terms of the applicable procedures.
- ☐ A **dispute** contemplated in sub-regulation (2) **must be resolved within one month of receipt of the dispute** by the head of the department, after—
 - ☐ considering the representation from the staff member concerned and his or her supervisor; and

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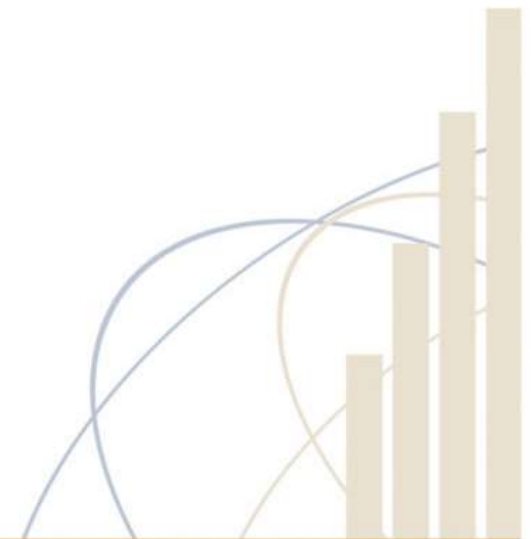
Managing substandard performance

- ❑ A staff member who receives a performance rating below 3 in terms of the Five-Point Rating table in regulation 38(2) must—
 - be assisted in developing his or her competencies through training; and
 - develop a revised personal development plan with his or her supervisor.

- ❑ The personal development plan must contain at least—
 - a description of the behaviour and skills that require improvement;
 - the deadlines for improvement;
 - a schedule of meeting to assess improvements and provide feedback; and
 - details of the potential consequences if there is no improvement in performance.

Performance management of staff members who are acting in posts

If a staff member is required to **act in a post for a period that exceeds three months**, the supervisor to whom the acting staff member is reporting, **must review the KPAs and KPIs** in consultation with the **acting staff member**, and include the **KPAs and KPIs** in the staff member's amended performance agreement.



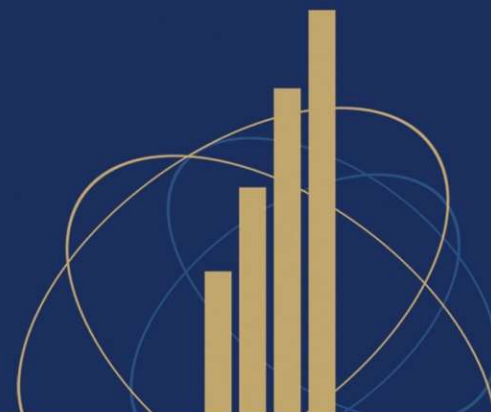
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Thank You!



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