

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE MKHAMBATHINIMUNICIPALITY AS REPRESENTED BY THE MUNICIPAL MANAGER (Duly authorised by Council)

MR. DEVAN ANTHONY PILLAY

721025 5208 082

AND

MR M. CHANDULAL

671020 5179 086

THE CHIEF FINANCIAL OFFICER OF THE MUNICIPALITY

1 July 2014 - 30 June 2015

Of 1 cm

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Mkhambathini Municipality herein represented by Mr. D.A. Pillay in his capacity as Municipal Manager (hereinafter referred to as the Mkhambathini Municipality or Supervisor)

and

Mr. M Chandulal, ID No 671020 5179 086 of the Municipality (hereinafter referred to as the Chief Financial Officer).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- The Mkhambathini Municipality has entered into a contract of employment with the Chief Financial Officer in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Mkhambathini Municipality and the Chief Financial Officer are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Chief Financial Officer to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- 2.1 comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Act as well as the employment contract entered into between the parties;
- specify objectives and targets defined and agreed with the Chief Financial Officer and to communicate to the Chief Financial Officer the Mkhambathini Municipality's expectations of the Chief Financial Officer's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the performance agreement as the basis for assessing whether the Chief Financial Officer has met the performance expectations applicable to his or her job;

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- 2.6 in the event of outstanding performance, to appropriately reward the **Chief Financial Officer**; and
- 2.7 give effect to the Mkhambathini Municipality's commitment to a performance-orientated relationship with its Chief Financial Officer in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 1 July 2014 and will remain in force until 30 June 2015 thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Chief Financial Officers' contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4 PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure B) sets out-
 - 4.1.1 the performance objectives and targets that must be met by the Chief Financial Officer; and
 - 4.1.2 the time frames within which those performance objectives and targets must be met.
- The performance objectives and targets reflected in Annexure C are set by the **Mkhambathini Municipality** in consultation with the **Chief Financial Officer** and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Mkhambathini Municipality**, and shall include key objectives; key performance indicators; target dates and weightings.
 - 4.2.1 The key objectives describe the main tasks that need to be done.
 - 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
 - 4.2.3 The target dates describe the timeframe in which the work must be achieved.
 - 4.2.4 The weightings show the relative importance of the key objectives to each other.

4.3 The Chief Financial Officer performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Mkhambathini Municipality's Integrated Development Plan.

5 PERFORMANCE MANAGEMENT SYSTEM

- The Chief Financial Officer agrees to participate in the performance management system that the Mkhambathini Municipality adopts or introduces for the Mkhambathini Municipality, management and municipal staff of the Mkhambathini Municipality.
- 5.2 The **Chief Financial Officer** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Mkhambathini Municipality**, management and municipal staff to perform to the standards required.
- The **Mkhambathini Municipality** will consult the **Chief Financial Officer** about the specific performance standards that will be included in the performance management system as applicable to the **Chief Financial Officer**
- The **Chief Financial Officer** undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the Manager: Community Services' responsibilities) within the local government framework.
- 5.5 The criteria upon which the performance of the **Chief Financial Officer** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
 - 5.5.1 The **Chief Financial Officer** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- The Chief Financial Officer assessment will be based on his / her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure B), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Mkhambathini Municipality and Chief Financial Officer

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	10
Municipal Institutional Development and Transformation	10
Local Economic Development (LED)	10
Municipal Financial Viability and Management	50
Good Governance and Public Participation	20
Total	100%



- 5.7 In the case of managers directly accountable to the Chief Financial Officer, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the Chief Financial Officer and the relevant manager.
- The CCRs will make up the other 20% of the Chief Financial Officer assessment score. CCRs that are deemed to be most critical for Chief Financial Officers' specific job should be selected ($\sqrt{}$) from the list below as agreed to between the Mkhambathini Municipality and Chief Financial Officer. Three of the CCRs are compulsory for Chief Financial Officer

CORE MANAGERIAL COMPETENCIES (CMC)	√ (Indicate Choice)	WEIGHT
Strategic Capability and Leadership		
Programme and Project Management		
Financial Management	compulsory	40
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		5
People Management and Empowerment	compulsory	5 5 5 5
Client Orientation and Customer Focus	compulsory	5
Communication		5
Honesty and Integrity		10
Core Occupational Competencies		
Competence in Self-Management		
Interpretation of and implementation within the		2
legislative and national policy framework		20
Knowledge of Performance Management and Reporting		
Knowledge of global of South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		5
Core Managerial Competencies		
Knowledge of more than one functional municipal field/discipline		5
Skills in Mediation		
Skills in Governance		
Competence as required by other national line sector department		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage	-0	100%

6. EVALUATING PERFORMANCE

- 6.1 The Performance Plan (Annexure B) to this Agreement sets out -
 - 6.1.1 the standards and procedures for evaluating the **Chief Financial Officer** performance; and



5 | Performance Agreement: Chief Financial Officer

- 6.1.2 the intervals for the evaluation of the Chief Financial Officer performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the **Mkhambathini Municipality** may in addition review the **Chief Financial Officer** performance at any stage while the contract of employment remains in force.
- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 6.4 The **Chief Financial Officer** performance will be measured in terms of contributions to the goals and strategies set out in the **Mkhambathini Municipality**'s IDP.
- 6.5 The annual performance appraisal will involve:

6.5.1 Assessment of the achievement of results as outlined in the performance plan:

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- (b) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CCR.
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score.

6.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

The assessment of the performance of the **Chief Financial Officer** will be based on the following rating scale for KPA's and CCRs:

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Level	Terminology	Description		F	Ratir	g	
5	Outstanding performance	Performance far exceeds the standard expected of the Chief Financial Officer at this level. The appraisal indicates that the Chief Financial Officer has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.	1	2	3	4	
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Chief Financial Officer has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Chief Financial Officer has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Chief Financial Officer 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 Chief Financial Officer has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The Chief Financial Officer 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.					

- 6.7 For purposes of evaluating the annual performance of the Municipal Manager, an evaluation panel constituted of the following persons must be established -
 - 6.7.1 Executive Mayor or Mayor;
 - 6.7.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - 6.7.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
 - 6.7.4 Mayor and/or Municipal Manager from another municipality; and
 - 6.7.5 Member of a ward committee as nominated by the Executive Mayor or Mayor.





- 6.8 For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an evaluation panel constituted of the following persons must be established -
 - 6.8.1 Municipal Manager;
 - 6.8.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - 6.8.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council; and
 - 6.8.4 Municipal Manager from another municipality.
- The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of Chief Financial Officer in relation to his / her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter

Second quarter

Third quarter

Fourth quarter

Second quarter

April – June 2015

July – September 2014

October – December 2014

January – March 2015

April – June 2015

- 7.2 The **Mkhambathini Municipality** shall keep a record of the mid-year review and annual assessment meetings.
- 7.3 Performance feedback shall be based on the **Mkhambathini Municipality**'s assessment of the **Chief Financial Officer** performance.
- 7.4 The **Mkhambathini Municipality** will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The **Chief Financial Officer** will be fully consulted before any such change is made.
- 7.5 The Mkhambathini Municipality may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the Chief Financial Officer will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

9. OBLIGATIONS OF THE MKHAMBATHINI MUNICIPALITY

- 9.1 The Mkhambathini Municipality shall -
 - 9.1.1 create an enabling environment to facilitate effective performance by the **Chief Financial Officer**;
 - 9.1.2 provide access to skills development and capacity building opportunities;
 - 9.1.3 work collaboratively with the **Chief Financial Officer** to solve problems and generate solutions to common problems that may impact on the performance of the **Chief Financial Officer**:



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- 9.1.4 on the request of the Chief Financial Officer delegate such powers reasonably required by the Chief Financial Officer to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the **Chief Financial Officer** such resources as the **Chief Financial Officer** may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Mkhambathini Municipality agrees to consult the Chief Financial Officer timorously where the exercising of the powers will have amongst others
 - 10.1.1 a direct effect on the performance of any of the **Chief Financial Officers**' functions;
 - 10.1.2 commit the **Chief Financial Officer** to implement or to give effect to a decision made by the **Mkhambathini Municipality**; and
 - 10.1.3 a substantial financial effect on the Mkhambathini Municipality.
- The **Mkhambathini Municipality** agrees to inform the **Chief Financial Officer** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable **Chief Financial Officer** to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

- 11.1 The evaluation of Chief Financial Officer Performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- A performance bonus of between 5% to 14% of all-inclusive annual remuneration package may be paid to the **Chief Financial Officer** in recognition of outstanding performance to be constituted as follows:
 - 11.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - 11.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- 11.3 In the case of unacceptable performance, the Mkhambathini Municipality shall
 - 11.3.1 provide systematic remedial or developmental support to assist the **Chief** Financial Officer to improve his or her performance; and
 - 11.3.2 after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Mkhambathini Municipality** may consider steps to terminate the contract of employment of the **Chief Financial Officer** on grounds of unfitness or incapacity to carry out his or her duties.



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12. DISPUTE RESOLUTION

- Any disputes about the nature of the Chief Financial Officer performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by
 - 12.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the **Chief Financial Officer**; or
 - 12.1.2 any other person appointed by the MEC.
 - 12.1.3 In the case of managers directly accountable to the Chief Financial Officer, 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) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the Chief Financial Officer; whose decision shall be final and binding on both parties.
- 12.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

13. GENERAL

- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Mkhambathini Municipality.
- Nothing in this agreement diminishes the obligations, duties or accountabilities of the **Chief Financial Officer** in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- 13.3 The performance assessment results of the **Chief Financial Officer** must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at CAMPERDOWN on this the I day of SEPTEMBER 20.14.

AS WITNESSES:

Chief Financial Officer

AS WITNESSES:

Municipal Manager

10 | Performance Agreement: Chief Financial Officer



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE MKHAMBATHINIMUNICIPALITY
AS REPRESENTED BY THE MAYOR
(Duly authorised by Council)

CIIr THOBEKILE MAPHUMULO THE MAYOR

AND

MR DEVIN PILLAY 721025 5208 082

1 July 2014 - 30 June 2015

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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Mkhambathini Municipality herein represented by Cllr T Maphumulo in his capacity as the Municipal Manager (hereinafter referred to as the Mkhambathini Municipality or Supervisor)

and

Mr D Pillay ID 7210255208082 of the Municipality (hereinafter referred to as the Municipal Manager.

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Mkhambathini Municipality has entered into a contract of employment with the Municipal Manager in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Mkhambathini Municipality and the Municipal Manager are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Municipal Manager to a set of outcomes that will secure local government policy goals.
- The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- 2.1 comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Act as well as the employment contract entered into between the parties;
- specify objectives and targets defined and agreed with the **Municipal Manager** and to communicate to the **Municipal Manager** the Mkhambathini Municipality's expectations of the **Municipal Manager** performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the performance agreement as the basis for assessing whether the Municipal Manager has met the performance expectations applicable to his or her job;



- 2.6 in the event of outstanding performance, to appropriately reward the Municipal Manager; and
- 2.7 give effect to the Mkhambathini Municipality's commitment to a performance-orientated relationship with its **Municipal Manager** in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 1 July 2014 and will remain in force until 30 June 2015 thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Municipal Manager' contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4 PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure B) sets out-
 - 4.1.1 the performance objectives and targets that must be met by the **Municipal Manager**; and
 - 4.1.2 the time frames within which those performance objectives and targets must be met.
- The performance objectives and targets reflected in Annexure C are set by the **Mkhambathini Municipality** in consultation with the **Municipal Manager** and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Mkhambathini Municipality**, and shall include key objectives; key performance indicators; target dates and weightings.
 - 4.2.1 The key objectives describe the main tasks that need to be done.
 - 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
 - 4.2.3 The target dates describe the timeframe in which the work must be achieved.
 - 4.2.4 The weightings show the relative importance of the key objectives to each other.



4.3 The **Municipal Manager** performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the **Mkhambathini Municipality**'s Integrated Development Plan.

5 PERFORMANCE MANAGEMENT SYSTEM

- The Municipal Manager agrees to participate in the performance management system that the Mkhambathini Municipality adopts or introduces for the Mkhambathini Municipality, management and municipal staff of the Mkhambathini Municipality.
- The **Municipal Manager** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Mkhambathini Municipality**, management and municipal staff to perform to the standards required.
- 5.3 The **Mkhambathini Municipality** will consult the **Municipal Manager** about the specific performance standards that will be included in the performance management system as applicable to the **Municipal Manager**
- The **Municipal Manager** undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the Manager: Community Services' responsibilities) within the local government framework.
- 5.5 The criteria upon which the performance of the Municipal Manager shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
 - 5.5.1 The **Municipal Manager** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- The Municipal Manager assessment will be based on his / her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure B), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Mkhambathini Municipality and Municipal Manager

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	30
Municipal Institutional Development and Transformation	20
Local Economic Development (LED)	10
Municipal Financial Viability and Management	20
Good Governance and Public Participation	20
Total	100%



- 5.7 In the case of managers directly accountable to the **Manager: Technical Services**, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the **Municipal Manager** and the relevant manager.
- The CCRs will make up the other 20% of the **Municipal Manager** assessment score. CCRs that are deemed to be most critical for **Municipal Manager**' specific job should be selected (\sqrt) from the list below as agreed to between the **Mkhambathini Municipality** and **the Municipal Manager**. Three of the CCRs are compulsory for **Municipal Manager**

CORE MANAGERIAL COMPETENCIES (CMC)	√ (Indicate Choice)	WEIGHT
Strategic Capability and Leadership		30
Programme and Project Management		
Financial Management	compulsory	10
Change Management		
Knowledge Management	¥	20
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	compulsory	20
Client Orientation and Customer Focus	compulsory	20
Communication	•	
Honesty and Integrity		
Core Occupational Competencies		
Competence in Self-Management		
Interpretation of and implementation within the		
legislative and national policy framework		
Knowledge of Performance Management and		
Reporting		
Knowledge of global of South African specific political,		
social and economic contexts		
Competence in policy conceptualisation, analysis and		
implementation		
Core Managerial Competencies		
Knowledge of more than one functional municipal		
field/discipline		
Skills in Mediation		
Skills in Governance		
Competence as required by other national line sector department		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage	-	100%

6. EVALUATING PERFORMANCE

- 6.1 The Performance Plan (Annexure B) to this Agreement sets out -
 - 6.1.1 the standards and procedures for evaluating the **Municipal Manager** performance; and



- 6.1.2 the intervals for the evaluation of the **Municipal Manager** performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the **Mkhambathini Municipality** may in addition review the **Municipal Manager** performance at any stage while the contract of employment remains in force.
- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 6.4 The **Municipal Manager** performance will be measured in terms of contributions to the goals and strategies set out in the **Mkhambathini Municipality**'s IDP.
- 6.5 The annual performance appraisal will involve:

6.5.1 Assessment of the achievement of results as outlined in the performance plan:

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- (b) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CCR.
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score.

6.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

The assessment of the performance of the **Municipal Manager** will be based on the following rating scale for KPA's and CCRs:



Level	Terminology	Description		P	atin	a	
			1	2		4	5
5	Outstanding performance	Performance far exceeds the standard expected of the Municipal Manager at this level. The appraisal indicates that the Municipal Manager has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.	-		3	4	3
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Municipal Manager has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Municipal Manager has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Municipal Manager 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 Municipal Manager has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The Municipal Manager 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.					

- 6.7 For purposes of evaluating the annual performance of the Municipal Manager an evaluation panel constituted of the following persons must be established -
 - 6.7.1 Executive Mayor or Mayor;
 - 6.7.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - 6.7.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
 - 6.7.4 Mayor and/or Municipal Manager from another municipality; and
 - 6.7.5 Member of a ward committee as nominated by the Executive Mayor or Mayor.



- 6.8 For purposes of evaluating the annual performance of managers directly accountable to the Manager: Technical Services, an evaluation panel constituted of the following persons must be established -
 - 6.8.1 Manager: Technical Services;
 - 6.8.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - 6.8.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council; and
 - 6.8.4 Municipal Manager from another municipality.
- 6.9 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of **Municipal Manager** in relation to his / her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter : July – September 2014
Second quarter : October – December 2014
Third quarter : January – March 2015
Fourth quarter : April – June 2015

- 7.2 The Mkhambathini Municipality shall keep a record of the mid-year review and annual assessment meetings.
- 7.3 Performance feedback shall be based on the **Mkhambathini Municipality**'s assessment of the **Municipal Manager's** performance.
- 7.4 The Mkhambathini Municipality will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Municipal Manager will be fully consulted before any such change is made.
- 7.5 The Mkhambathini Municipality may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the Municipal Manager will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

9. OBLIGATIONS OF THE MKHAMBATHINI MUNICIPALITY

- 9.1 The Mkhambathini Municipality shall
 - create an enabling environment to facilitate effective performance by the Municipal Manager;
 - 9.1.2 provide access to skills development and capacity building opportunities;
 - 9.1.3 work collaboratively with the **Municipal Manager** to solve problems and generate solutions to common problems that may impact on the performance of the **Municipal Manager**;



- 9.1.4 on the request of the Municipal Manager delegate such powers reasonably required by the Municipal Manager to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the **Municipal Manager** such resources as the **Municipal Manager** may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The **Mkhambathini Municipality** agrees to consult the **Municipal Manager** timorously where the exercising of the powers will have amongst others
 - 10.1.1 a direct effect on the performance of any of the **Municipal Manager'** functions;
 - 10.1.2 commit the **Municipal Manager** to implement or to give effect to a decision made by the **Mkhambathini Municipality**; and
 - 10.1.3 a substantial financial effect on the Mkhambathini Municipality.
- The **Mkhambathini Municipality** agrees to inform the **Municipal Manager** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable **Municipal Manager** to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

- 11.1 The evaluation of **Municipal Manager** Performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 11.2 A performance bonus of between 5% to 14% of all-inclusive annual remuneration package may be paid to the **Municipal Manager** in recognition of outstanding performance to be constituted as follows:
 - 11.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - 11.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- 11.3 In the case of unacceptable performance, the Mkhambathini Municipality shall
 - 11.3.1 provide systematic remedial or developmental support to assist the **Municipal Manager** to improve his or her performance; and
 - after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Mkhambathini Municipality** may consider steps to terminate the contract of employment of the **Municipal Manager** on grounds of unfitness or incapacity to carry out his or her duties.

12. DISPUTE RESOLUTION



- 12.1 Any disputes about the nature of the Municipal Manager performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by -
 - 12.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Municipal Manager or
 - 12.1.2 any other person appointed by the MEC.
 - 12.1.3 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) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the Municipal Manager whose decision shall be final and binding on both parties.
- 12.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

13. GENERAL

- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Mkhambathini Municipality.
- 13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Municipal Manager in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- 13.3 The performance assessment results of the Municipal Manager must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

on this the 6. day of July 20.1
Hellan. Clir T Maphumulo
Man
Municipal Manager



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE MKHAMBATHINIMUNICIPALITY AS REPRESENTED BY THE MUNICIPAL MANAGER (Duly authorised by Council)

MR. DEVAN ANTHONY PILLAY

721025 5208 082

AND

MS. GUGU BHENGU

771016 0279 086

THE MANAGER COMMUNITY SERVICES
OF THE MUNICIPALITY

1 July 2014 - 30 June 2015

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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Mkhambathini Municipality herein represented by Mr. D.A. Pillay in his capacity as Municipal Manager (hereinafter referred to as the Mkhambathini Municipality or Supervisor)

and

Ms. G Bhengu ID No. 771016 0279 086 of the Municipality (hereinafter referred to as the Manager: Community Services).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- The Mkhambathini Municipality has entered into a contract of employment with the Manager: Community Services in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Mkhambathini Municipality and the Manager: Community Services are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the **Manager: Community Services** to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Act as well as the employment contract entered into between the parties;
- 2.2 specify objectives and targets defined and agreed with the Manager: Community Services and to communicate to the Manager: Community Services the Mkhambathini Municipality's expectations of the Manager: Community Services' performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;

- 2.5 use the performance agreement as the basis for assessing whether the Manager: Community Services has met the performance expectations applicable to his or her job;
- 2.6 in the event of outstanding performance, to appropriately reward the Manager: Community Services; and
- 2.7 give effect to the Mkhambathini Municipality's commitment to a performanceorientated relationship with its Manager: Community Services in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 1 July 2014 and will remain in force until 30 June 2015 thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the **Manager: Community Services**' contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4 PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure B) sets out-
 - 4.1.1 the performance objectives and targets that must be met by the **Manager**: **Community Services**; and
 - 4.1.2 the time frames within which those performance objectives and targets must be met.
- The performance objectives and targets reflected in Annexure C are set by the Mkhambathini Municipality in consultation with the Manager: Community Services and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Mkhambathini Municipality, and shall include key objectives; key performance indicators; target dates and weightings.
 - 4.2.1 The key objectives describe the main tasks that need to be done.
 - 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
 - 4.2.3 The target dates describe the timeframe in which the work must be achieved.

- 4.2.4 The weightings show the relative importance of the key objectives to each other.
- 4.3 The Manager: Community Services performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Mkhambathini Municipality's Integrated Development Plan.

5 PERFORMANCE MANAGEMENT SYSTEM

- The Manager: Community Services agrees to participate in the performance management system that the Mkhambathini Municipality adopts or introduces for the Mkhambathini Municipality, management and municipal staff of the Mkhambathini Municipality.
- The **Manager: Community Services** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Mkhambathini Municipality**, management and municipal staff to perform to the standards required.
- 5.3 The Mkhambathini Municipality will consult the Manager: Community Services about the specific performance standards that will be included in the performance management system as applicable to the Manager: Community Services.
- 5.4 The Manager: Community Services undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the Manager: Community Services' responsibilities) within the local government framework.
- 5.5 The criteria upon which the performance of the **Manager: Community Services** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
 - 5.5.1 The **Manager: Community Services** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- The Manager: Community Services assessment will be based on his / her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure B), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Mkhambathini Municipality and Manager: Community Services:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	20%
Municipal Institutional Development and Transformation	
Local Economic Development (LED)	30%
Municipal Financial Vicibility and IAA	5%
Municipal Financial Viability and Management	20%
Good Governance and Public Participation	25%

^{4 |} Performance Agreement: Manager Community Services

Key Performance Areas (KPA's)	Weighting
Total	100%

- 5.7 In the case of managers directly accountable to the General Manager: Community Services, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the **Manager**: **Community Services** and the relevant manager.
- The CCRs will make up the other 20% of the Manager: Community Services assessment score. CCRs that are deemed to be most critical for Manager: Community Services' specific job should be selected (√) from the list below as agreed to between the Mkhambathini Municipality and Manager: Community Services. Three of the CCRs are compulsory for Manager: Community Services:

CORE MANAGERIAL COMPETENCIES (CMC)	√ (Indicate Choice)	WEIGH
Strategic Capability and Leadership	✓	10%
Programme and Project Management Financial Management	✓	10%
Change Management	compulsory	10%
Knowledge Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis	✓	5%
People Management and Empowerment	compulsory	10%
Client Orientation and Customer Focus	compulsory	10%
Communication	✓	5%
Honesty and Integrity		
Core Occupational Competencies		
Competence in Self-Management		
Interpretation of and implementation within the	✓	10%
legislative and national policy framework		
Knowledge of Performance Management and Reporting	✓	10%
Knowledge of global of South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation	✓	10%
Core Managerial Competencies		
Knowledge of more than one functional municipal field/discipline		
Skills in Mediation		
Skills in Governance	/	5%
Competence as required by other national line sector department		J /0
Exceptional and dynamic creativity to improve the functioning of the municipality	✓	5%
Total percentage	_	100%



6. EVALUATING PERFORMANCE

- The Performance Plan (Annexure B) to this Agreement sets out -
 - 6.1.1 the standards and procedures for evaluating the Manager: Community Services performance; and
 - 6.1.2 the intervals for the evaluation of the Manager: Community Services performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the Mkhambathini Municipality may in addition review the Manager: Community Services performance at any stage while the contract of employment remains in force.
- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- The Manager: Community Services performance will be measured in terms of 6.4 contributions to the goals and strategies set out in the Mkhambathini Municipality's IDP.
- The annual performance appraisal will involve: 6.5

6.5.1 Assessment of the achievement of results as outlined in the performance plan:

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- (b) An indicative rating on the five-point scale should be provided for each KPA.
- The applicable assessment rating calculator (refer to paragraph 6.5.3 (c) below) must then be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

- Each CCR should be assessed according to the extent to which the (a) specified standards have been met.
- An indicative rating on the five-point scale should be provided for each (b) CCR.
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score.

6.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

6 | Performance Agreement: Manager Community Services

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6.6 The assessment of the performance of the **Manager: Community Services** will be based on the following rating scale for KPA's and CCRs:

Level	Terminology	Description	Rating
5	Outstanding performance	Performance far exceeds the standard expected of the Manager: Community Services at this level. The appraisal indicates that the Manager: Community Services has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.	1 2 3 4 5
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Manager: Community Services has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.	
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Manager: Community Services has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Manager: Community Services 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 Manager: Community Services has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The Manager: Community Services 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.	

- 6.7 For purposes of evaluating the annual performance of the Municipal Manager, an evaluation panel constituted of the following persons must be established -
 - 6.7.1 Executive Mayor or Mayor;

7 | Performance Agreement: Manager Community Services

- Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 6.7.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
- Mayor and/or Municipal Manager from another municipality; and 6.7.4
- Member of a ward committee as nominated by the Executive Mayor or Mayor. 6.7.5
- For purposes of evaluating the annual performance of managers directly accountable to 6.8 the Municipal Manager, an evaluation panel constituted of the following persons must be established -
 - 6.8.1 Municipal Manager;
 - Chairperson of the performance audit committee or the audit committee in the 6.8.2 absence of a performance audit committee;
 - Member of the mayoral or executive committee or in respect of a plenary type 6.8.3 municipality, another member of council; and
 - Municipal Manager from another municipality. 6.8.4
- The manager responsible for human resources of the municipality must provide 6.9 secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of Manager: Community Services in relation to his / her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter July - September 2013 Second quarter October - December 2013 Third quarter January - March 2014 Fourth quarter April - June 2014

- 7.2 The Mkhambathini Municipality shall keep a record of the mid-year review and annual assessment meetings.
- 7.3 Performance feedback shall be based on the Mkhambathini Municipality's assessment of the Manager: Community Services performance.
- 7.4 The Mkhambathini Municipality will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Manager: Community Services will be fully consulted before any such change is made.
- 7.5 The Mkhambathini Municipality may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the Manager: Community Services will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

9. OBLIGATIONS OF THE MKHAMBATHINI MUNICIPALITY

9.1 The Mkhambathini Municipality shall -

8 | Performance Agreement: Manager Community Services

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- create an enabling environment to facilitate effective performance by the 9.1.1 Manager: Community Services;
- provide access to skills development and capacity building opportunities; 9.1.2
- work collaboratively with the Manager: Community Services to solve 9.1.3 problems and generate solutions to common problems that may impact on the performance of the Manager: Community Services;
- on the request of the Manager: Community Services delegate such powers 9.1.4 reasonably required by the Manager: Community Services to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and
- make available to the Manager: Community Services such resources as 9.1.5 the Manager: Community Services may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- The Mkhambathini Municipality agrees to consult the Manager: Community 10.1 Services timorously where the exercising of the powers will have amongst others -
 - 10.1.1 a direct effect on the performance of any of the Manager: Community Services' functions:
 - 10.1.2 commit the Manager: Community Services to implement or to give effect to a decision made by the Mkhambathini Municipality; and
 - 10.1.3 a substantial financial effect on the Mkhambathini Municipality.
- The Mkhambathini Municipality agrees to inform the Manager: Community 10.2 Services of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable Manager: Community Services to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

- The evaluation of Manager: Community Services performance will form the 11.1 basis for rewarding outstanding performance or correcting unacceptable performance.
- A performance bonus of between 5% to 14% of the all-inclusive annual remuneration 11.2 package may be paid to the Manager: Community Services in recognition of outstanding performance to be constituted as follows:
 - 11.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to
 - 11.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- In the case of unacceptable performance, the ${f Mkhambathini\ Municipality}$ shall -11.3
 - 11.3.1 provide systematic remedial or developmental support to assist the Manager: Community Services to improve his or her performance; and

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11.3.2 after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the Mkhambathini Municipality may consider steps to terminate the contract of employment of the Manager: Community Services on grounds of unfitness or incapacity to carry out his or her duties.

12. DISPUTE RESOLUTION

- 12.1 Any disputes about the nature of the **Manager: Community Services** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by
 - 12.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the **Manager: Community Services**; or
 - 12.1.2 any other person appointed by the MEC.
 - 12.1.3 In the case of managers directly accountable to the Manager: Community Services, 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) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the **Manager: Community Services**; whose decision shall be final and binding on both parties.
- 12.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

13. GENERAL

- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the **Mkhambathini Municipality**.
- Nothing in this agreement diminishes the obligations, duties or accountabilities of the **Manager: Community Services** in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- 13.3 The performance assessment results of the Manager: Community Services must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at Carrock bown on this the !! day of Juci 20.14

AS WITNESSES:

Manager: Community Services

anguletten Harel Bhengu

AS WITNESSES:

1. Samin.

2. (NS2.)

Municipal Manager



MADE AND ENTERED INTO BY AND BETWEEN:

THE MKHAMBATHINIMUNICIPALITY AS REPRESENTED BY THE MUNICIPAL MANAGER (Duly authorised by Council)

MR. DEVAN ANTHONY PILLAY 721025 5208 082

AND

MR M M LEMBETHE

760206 5340 081

THE MANAGER CORPORATE SERVICES
OF THE MUNICIPALITY



PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Mkhambathini Municipality herein represented by Mr. D.A. Pillay in his capacity as Municipal Manager (hereinafter referred to as the Mkhambathini Municipality or Supervisor)

and

Mr M.M Lembethe ID No. 760206 5340 081 of the Municipality (hereinafter referred to as the Manager: Corporate Services).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- The Mkhambathini Municipality has entered into a contract of employment with the Manager: Corporate Services in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Mkhambathini Municipality and the Manager: Corporate Services are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the **Manager: Corporate Services** to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Act as well as the employment contract entered into between the parties;
- 2.2 specify objectives and targets defined and agreed with the Manager: Corporate Services and to communicate to the Manager: Corporate Services the Mkhambathini Municipality's expectations of the Manager: Corporate Services' performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the performance agreement as the basis for assessing whether the Manager: Corporate Services has met the performance expectations applicable to his or her job;

or her

2 | Performance Agreement: Manager Community Services

- 2.6 in the event of outstanding performance, to appropriately reward the Manager: Corporate Services; and
- 2.7 give effect to the Mkhambathini Municipality's commitment to a performanceorientated relationship with its Manager: Corporate Services in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 01 July 2014 and will remain in force until 30 June 2015 thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the **Manager: Corporate Services**' contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4 PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out-
 - 4.1.1 the performance objectives and targets that must be met by the **Manager:** Corporate Services; and
 - 4.1.2 the time frames within which those performance objectives and targets must be met.
- The performance objectives and targets reflected in Annexure A are set by the **Mkhambathini Municipality** in consultation with the **Manager: Corporate Services** and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Mkhambathini Municipality**, and shall include key objectives; key performance indicators; target dates and weightings.
 - 4.2.1 The key objectives describe the main tasks that need to be done.
 - 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
 - 4.2.3 The target dates describe the timeframe in which the work must be achieved.
 - 4.2.4 The weightings show the relative importance of the key objectives to each other.





4.3 The Manager: Corporate Services performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Mkhambathini Municipality's Integrated Development Plan.

5 PERFORMANCE MANAGEMENT SYSTEM

- The Manager: Corporate Services agrees to participate in the performance management system that the Mkhambathini Municipality adopts or introduces for the Mkhambathini Municipality, management and municipal staff of the Mkhambathini Municipality.
- The **Manager: Corporate Services** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Mkhambathini Municipality**, management and municipal staff to perform to the standards required.
- The **Mkhambathini Municipality** will consult the **Manager: Corporate Services** about the specific performance standards that will be included in the performance management system as applicable to the **Manager: Corporate Services**.
- The **Manager: Corporate Services** undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the Manager: Community Services' responsibilities) within the local government framework.
- 5.5 The criteria upon which the performance of the **Manager: Corporate Services** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
 - 5.5.1 The **Manager: Corporate Services** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- The Manager: Corporate Services assessment will be based on his / her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Mkhambathini Municipality and Manager: Corporate Services:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	10
Municipal Institutional Development and Transformation	60
Local Economic Development (LED)	10
Municipal Financial Viability and Management	20
Good Governance and Public Participation	N/A
Total	100%



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- 5.7 In the case of managers directly accountable to the Manager: Corporate Services, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the **Manager: Corporate Services** and the relevant manager.
- 5.8 The CCRs will make up the other 20% of the Manager: Corporate Services assessment score. CCRs that are deemed to be most critical for Manager: Corporate Services' specific job should be selected ($\sqrt{}$) from the list below as agreed to between the Mkhambathini Municipality and Manager: Corporate Services. Three of the CCRs are compulsory for Manager: Corporate Services:

CORE MANAGERIAL COMPETENCIES (CMC)	√ (Indicate Choice)	WEIGHT
Strategic Capability and Leadership		20
Programme and Project Management		
Financial Management	compulsory	10
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	compulsory	30
Client Orientation and Customer Focus	compulsory	10
Communication		10
Honesty and Integrity		
Core Occupational Competencies		
Competence in Self-Management		
Interpretation of and implementation within the		40
legislative and national policy framework		10
Knowledge of Performance Management and		
Reporting		
Knowledge of global of South African specific political,		
social and economic contexts		10
Competence in policy conceptualisation, analysis and		
implementation		
Core Managerial Competencies		
Knowledge of more than one functional municipal		
field/discipline		
Skills in Mediation		
Skills in Governance		1
Competence as required by other national line sector	_ = = = =	
department Executional and dynamic areativity to improve the		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage		100%

6. EVALUATING PERFORMANCE

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out -
 - 6.1.1 the standards and procedures for evaluating the **Manager: Corporate Services** performance; and

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- 6.1.2 the intervals for the evaluation of the **Manager: Corporate Services** performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the **Mkhambathini Municipality** may in addition review the **Manager: Corporate Services** performance at any stage while the contract of employment remains in force.
- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 6.4 The **Manager: Corporate Services** performance will be measured in terms of contributions to the goals and strategies set out in the **Mkhambathini Municipality**'s IDP.
- 6.5 The annual performance appraisal will involve:
 - 6.5.1 Assessment of the achievement of results as outlined in the performance plan:
 - (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
 - (b) An indicative rating on the five-point scale should be provided for each KPA.
 - (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CCR.
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score.

6.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

6.6 The assessment of the performance of the **Manager: Corporate Services** will be based on the following rating scale for KPA's and CCRs:

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Level Terminology Description Rating



			1 2 3 4 5
5	Outstanding performance	Performance far exceeds the standard expected of an General Manager: Corporate Services at this level. The appraisal indicates that the General Manager: Corporate Services has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.	
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Manager: Corporate Services has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.	
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Manager: Corporate Services has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Manager: Corporate Services 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 Manager: Corporate Services has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The Manager: Corporate Services 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.	

- 6.7 For purposes of evaluating the annual performance of the Municipal Manager, an evaluation panel constituted of the following persons must be established -
 - 6.7.1 Executive Mayor or Mayor;
 - 6.7.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - 6.7.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
 - 6.7.4 Mayor and/or Municipal Manager from another municipality; and
 - 6.7.5 Member of a ward committee as nominated by the Executive Mayor or Mayor.



- 6.8 For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an evaluation panel constituted of the following persons must be established -
 - 6.8.1 Municipal Manager;
 - 6.8.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
 - 6.8.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council; and
 - 6.8.4 Municipal Manager from another municipality.
- 6.9 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of **Manager: Corporate Services** in relation to his / her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter : July – September 2013

Second quarter : October – December 2013

Third quarter : January – March 2014

Fourth quarter : April – June 2014

- 7.2 The **Mkhambathini Municipality** shall keep a record of the mid-year review and annual assessment meetings.
- 7.3 Performance feedback shall be based on the **Mkhambathini Municipality**'s assessment of the **Manager: Corporate Services** performance.
- 7.4 The **Mkhambathini Municipality** will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The **Manager: Corporate Services** will be fully consulted before any such change is made.
- 7.5 The **Mkhambathini Municipality** may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the **Manager: Corporate Services** will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

9. OBLIGATIONS OF THE MKHAMBATHINI MUNICIPALITY

- 9.1 The Mkhambathini Municipality shall
 - 9.1.1 create an enabling environment to facilitate effective performance by the Manager: Corporate Services;
 - 9.1.2 provide access to skills development and capacity building opportunities;
 - 9.1.3 work collaboratively with the **Manager: Corporate Services** to solve problems and generate solutions to common problems that may impact on the performance of the **Manager: Corporate Services**;



- 9.1.4 on the request of the Manager: Corporate Services delegate such powers reasonably required by the Manager: Corporate Services to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the Manager: Corporate Services such resources as the Manager: Corporate Services may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The **Mkhambathini Municipality** agrees to consult the **Manager: Corporate Services** timorously where the exercising of the powers will have amongst others
 - 10.1.1 a direct effect on the performance of any of the Manager: Corporate Services' functions:
 - 10.1.2 commit the **Manager: Corporate Services** to implement or to give effect to a decision made by the **Mkhambathini Municipality**; and
 - 10.1.3 a substantial financial effect on the Mkhambathini Municipality.
- The Mkhambathini Municipality agrees to inform the Manager: Corporate Services of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable Manager: Corporate Services to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

- 11.1 The evaluation of **Manager: Corporate Services** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 11.2 A performance bonus of between 5% to 14% of the all-inclusive annual remuneration package may be paid to the **Manager: Corporate Services** in recognition of outstanding performance to be constituted as follows:
 - 11.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - 11.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- 11.3 In the case of unacceptable performance, the Mkhambathini Municipality shall -
 - 11.3.1 provide systematic remedial or developmental support to assist the Manager: Corporate Services to improve his or her performance; and
 - 11.3.2 after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Mkhambathini Municipality** may consider steps to terminate the contract of employment of the **Manager: Corporate Services** on grounds of unfitness or incapacity to carry out his or her duties.

12. DISPUTE RESOLUTION





- 12.1 Any disputes about the nature of the **Manager: Corporate Services** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by
 - 12.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the **Manager: Corporate Services**; or
 - 12.1.2 any other person appointed by the MEC.
 - 12.1.3 In the case of managers directly accountable to the Manager: Corporate Services, 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) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the **Manager: Corporate Services**; whose decision shall be final and binding on both parties.
- 12.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

13. GENERAL

- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the **Mkhambathini Municipality**.
- 13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the **Manager: Corporate Services** in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- 13.3 The performance assessment results of the Manager: Corporate Services must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at CAMPERSONN on this the . 16. day of . TULY ... 2014

AS WITNESSES:

1. KM2

2. (In Momore

Manager: Corporate Services

AS WITNESSES:

1.

2.

Municipal Manager