

**PERFORMANCE AGREEMENT
AND PERFORMANCE PLAN
(COMMUNITY SERVICES)**

MADE AND ENTERED INTO BY AND BETWEEN

THE THABA CHWEU LOCAL MUNICIPALITY

AS REPRESENTED BY

LESLEY MPHAKA MOKWENA

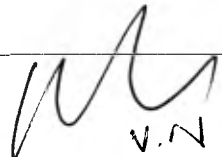
AND

SPHIWE SINKEY MATSI

FOR THE

FINANCIAL YEAR 2016-17

01 JULY 2016 – 30 JUNE 2017


V.N. S.S.M.



PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN

Thaba Chweu Local Municipality **duly represented by Lesley Mphaka Mokwena in his capacity as Acting Municipal Manager (hereinafter referred to as the Employer or Supervisor)**

and

Sphiwe Sinkey Matsi an employee of Thaba Chweu Local Municipality (hereinafter referred to as the Employee).

WHERE IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Employer** and the **Employee** 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 **Employee** 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 Systems Act as well as the employment contract entered into between the parties;
- 2.2 specify objectives and targets defined and agreed with the **Employee** and to communicate to the **Employee** the **Employer's** expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Municipality's Budget and Service Delivery and Budget Implementation Plan (SDBIP);
- 2.3 specify accountabilities as set out in a performance plan and which is attached herein as annexure (A) which forms part of this performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;



- 2.5 use the performance agreement and performance plan as the basis for assessing whether the **Employee** has met the performance expectations applicable to his job;
- 2.6 in the event of outstanding performance, to appropriately reward the **Employee**; and
- 2.7 give effect to the employer's commitment to a performance-orientated relationship with its **Employee** in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **01 July 2016** and will remain in force until **30 June 2017**, 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 **Employee's** contract of employment or in terms of clause 11.3.2 of this agreement.
- 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 accordingly revised.

4 PERFORMANCE OBJECTIVES


- 4.1 The Performance Plan contained in this Annexure A sets out-
 - 4.1.1 the performance objectives and targets that shall be met by the **Employee**; and
 - 4.1.2 the time frames within which those performance objectives and targets shall be met.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the **Employer** in consultation with the **Employee** and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Employer**, and shall include key objectives; key performance indicators; target dates and weightings.
 - 4.2.1. The key objectives describe the main tasks that shall be done.



- 4.2.2 The key performance indicators provide the details of the evidence that shall be provided to show that a key objective has been achieved.
- 4.2.3 The target dates describe the timeframe in which the work shall be achieved.
- 4.2.4 The weightings show the relative importance of the key objectives to each other.
- 4.3 The **Employee's** performance shall also be measured in terms of contributions to the goals and strategies set out in the **Employer's** Integrated Development Plan.

5 PERFORMANCE MANAGEMENT SYSTEM

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


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DIRECTOR: COMMUNITY SERVICES KEY PERFORMANCE AREAS (KPA's) – 80%	Weighting
Basic Service Delivery	35
Local Economic Development (LED)	0
Municipal Financial Viability and Management	20
Good Governance and Public Participation	30
Municipal Institutional Development and Transformation	15
Total	100%

- 5.7 The CCRs shall make up the other 20% of the **Employee's** assessment score. CCRs that are deemed the most critical for the **Employee's** specific job should be selected (√) from the list below as agreed to between the **Employer** and **Employee**. (Three of the CCRs are compulsory for Municipal Managers, as indicated.):

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES – 20%		
CORE MANAGERIAL COMPETENCIES (CMC)	√	WEIGHT
Strategic Capability and Leadership		5
Programme and Project Management		5
Financial Management	compulsory	5
Change Management		5
Knowledge Management		5
Service Delivery Innovation		5
Problem Solving and Analysis		5
People Management and Empowerment	compulsory	5
Client Orientation and Customer Focus	compulsory	4
Communication		4
Honesty and Integrity		5
CORE OCCUPATIONAL COMPETENCIES (COC)		
Competence in Self Management		4
Interpretation of and implementation within the legislative and national policy frameworks		5
Knowledge of Performance Management and Reporting		5
Knowledge of global and South African specific political, social and economic contexts		5
Competence in policy conceptualisation, analysis and implementation		5
Knowledge of more than one functional municipal field / discipline		5
Skills in Mediation		4
Skills in Governance		5
Competence as required by other national line sector departments		5
Exceptional and dynamic creativity to improve the functioning of the municipality		4
Total percentage	-	100%

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6. EVALUATING PERFORMANCE

- 6.1 The Performance Plan as stated in paragraph 4.1 above shall be the basis for evaluating performance.
- 6.2 The **Employer** may review the **Employee's** performance at any stage and at any frequency while the contract of employment remains in force.
- 6.3 Personal growth and development needs identified during any performance review shall be documented in the **Employee's** Personal Development Plan as well as the actions agreed to and implementation shall take place within set periods.
- 6.4 The **Employee's** performance shall be measured in terms of contributions to the goals and strategies set out in the **Employer's** IDP.
- 6.5 The annual performance appraisal shall involve:

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

- (a) Each KPA shall 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 is provided for each KPA.
- (c) The applicable assessment rating calculator (referred to in paragraph 6.5.3 below) shall be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

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

6.5.3 Overall rating

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


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6.6 The assessment of the performance of the **Employee** shall be based on the following rating scale for KPA's and CCRs:

Level	Class Interval	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and 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 Employee 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 Employee 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 employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.					

6.7 For purposes of evaluating the annual performance of the **Employee** an evaluation panel shall be constituted of the following persons:

6.7.1 Municipal Manager;

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- 6.7.2 Chairperson of the performance audit committee;
- 6.7.3 Member of the mayoral committee; who is relevant to the specific department; and
- 6.7.4 Municipal Manager from another municipality.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the **Employee** in relation to this performance agreement shall further be reviewed at the end of each quarter for the following periods with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	: July – September 2016	: 15 October 2016
Second quarter	: October – December 2016	: 15 January 2017
Third quarter	: January – March 2017	: 15 April 2017
Fourth quarter	: April – June 2017	: 15 July 2017

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

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing the **Employee's** developmental gaps has not been attached as gaps have not been identified yet.

9. OBLIGATIONS OF THE EMPLOYER

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

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

10. CONSULTATION

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

11. MANAGEMENT OF EVALUATION OUTCOMES

- 11.1 The evaluation of the **Employee's** performance shall 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 as per the performance management framework policy to the **Employee** in recognition of outstanding performance to be constituted as follows:
 - 11.2.1 a score of 130% to 149% shall be awarded a performance bonus ranging from 5% to 9%; and
 - 11.2.2 a score of 150% and above shall be awarded a performance bonus ranging from 10% to 14%.
- 11.3 In the case of unacceptable performance, the **Employer** shall –
 - 11.3.1 provide systematic remedial or developmental support to assist the **Employee** to improve his performance; and
 - 11.3.2 after appropriate performance counselling and having provided the necessary guidance and/ or support, the **Employer** may consider steps to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to carry out his duties. Such steps will be as follows:


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11.3.2.1 In the case of any serious underperformance at any given time, a final written warning will be issued to the relevant **Employee**;

11.3.2.2 If no immediate improvement in performance is shown within the quarter following the issuing of the notice, the **Employee** will be dismissed from the service of the **Employer**.

PERFORMANCE PLAN

1. PURPOSE

The Performance Plan defines the Council's expectations of the Performance Agreement of the **Employee** and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets shall be based on the Key Performance Areas and Indicators as set in the Thaba Chweu Local Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2. KEY RESPONSIBILITIES

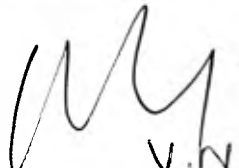
The following objectives of local government will inform the **Employee's** performance against set performance indicators

- a. Provide democratic and accountable government for local communities
- b. Ensure the provision of services to communities in a sustainable manner
- c. Promote social and economic development
- d. Promote a safe and healthy environment
- e. Encourage the involvement of communities and community-based organisations in matters of local government

3. KEY PERFORMANCE AREAS

The following Key Performance Areas (KPA's) as outlined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006, inform the strategic objectives in the table below:

Basic Service Delivery
Municipal Institutional Development and Transformation
Local Economic Development
Municipal Financial Viability and Management
Good Governance and Public Participation



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ANNEXURE A
PERFORMANCE PLAN

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THABA CHWEU LOCAL MUNICIPALITY														
DEPARTMENTAL SDBIP/ PERFORMANCE PLAN 2016 -17														
Project ID	Responsible Sub-department/	KPA	Baseline	Objective	Project Name	Project Location	Indicator	Annual Target	Means of verification	Planned Quarterly Targets				Budget & Source 2016/2017
										1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
DIRECTORATE: COMMUNITY SERVICES														
A. STRATEGIC OBJECTIVE: PROVIDE ACCESS TO BASIC SERVICES														
opex	Waste Management	Basic Service Delivery and Infrastructure development	12 Monthly reports submitted in 2015/16 FY	To Manage of landfill sites contract	Managing landfill sites	Lydenburg, Sabie & Graskop	Number of reports submitted in terms of the contract expectation	12 Reports submitted by end of June 2017	SLA, Monthly reports & dated pictures of landfill sites	3 reports	3 reports	3 reports	3 reports	opex
opex	Waste Management		12 Monthly reports submitted in 2015/16 FY	To ensure collection of refuse	Refuse removal	Lydenburg, Sabie & Graskop	Number of reports submitted	12 Reports submitted by end of June 201	SLA & Monthly reports	3 reports	3 reports	3 reports	3 reports	opex
opex	Waste Management		4 awareness campaigns held in 2015/16 FY	To ensure cleanliness community	Awareness Campaigns on illegal dumping sites	Lydenburg, Sabie & Graskop	Number of Campaigns held	4 by end of June 2017	Invitation, pictures, attendance register	1 awareness campaign	1 awareness campaign	1 awareness campaign	1 awareness campaign	opex
opex	Parks and Cemetery Unit		12 Monthly reports submitted in 2015/16 FY	Ensure Cleanliness in Municipal facilities	Cleaning of municipal facilities	Lydenburg, Sabie & Graskop	Number of reports submitted	12 reports submitted by end of June 2017	Dated pictures of cleaned municipal facilities & monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	opex
B. STRATEGIC OBJECTIVE: TO IMPROVE GOOD GOVERNANCE AND PUBLIC PARTICIPATION														



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opex	Community Services (Director)	Institutional Development and Transformation	12 departmental meetings held in 2015/2016	To ensure smooth administration	Departmental meetings	Institutional	Number of meetings held	12 meetings held by 30 June 2017	Attendance register, agenda & minutes	3 departmental meetings	3 departmental meetings	3 departmental meetings	3 departmental meetings	opex
opex	Community Services (Director)		2015/2016 Risk assessment report	To ensure that identified risks are addressed timeously	Risk assessment	Institutional	% of risks addressed	100% of risks addressed by end of June 2017	Quarterly risk management progress report	Risk management progress report	Risk management progress report	Risk management progress report	Risk management progress report	opex
opex	Community Services (Director)		2015/2016 Audit action plan	To ensure that audit findings are addressed timeously	Internal audit plan & Audit action plan	Institutional	% of findings addressed	100% of findings addressed by 30 June 2017	AG Audit action plan & Internal audit action plan (quarterly progress reports)	Quarterly progress reports	Quarterly progress reports	Quarterly progress reports	Quarterly progress reports	opex
opex	Traffic Unit		12 Roadblocks	To ensure Road safety	Roadblocks	Lydenburg, Sabie & Graskop	Number of road blocks conducted	12 by end of June 2017	Monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	opex
opex	Traffic Unit		20000 tickets issued in 2015/16 FY	To ensure Law enforcement (Tickets)	Law enforcement (Tickets)	Lydenburg, Sabie & Graskop	Number of Tickets issued	2000 by end of June 2017	Monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	opex



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opex	Disaster Management
opex	Libraries Unit
opex	Libraries Unit
opex	Museum Unit
	Nature Reserve Unit
opex	Environmental Unit

Good Governance and Public Participation

4 awareness campaigns held in 2015/16 FY	Ensure Public Safety	Awareness Campaigns on fire control	Lydenburg, Northern Areas Sabie & Graskop	Number of Campaigns held	4 by end of June 2017	Invitation, pictures & report	1 awareness campaign	1 awareness campaign	1 awareness campaign	1 awareness campaign	opex
120	Access to Information	Identification of new beneficiaries	Lydenburg, Northern Areas, Sabie & Graskop	Number of reports submitted	120 by end of June 2017	Monthly reports	30	30	30	30	opex
12	Access to Information	Orientation (Registration and orientation of users)	Lydenburg, Northern Areas, Sabie & Graskop	Number of reports submitted	12 by end of June 2017	Monthly Reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	opex
12 Monthly reports submitted in 2015/16 FY	Effective management of museum	Managing the Museum	Lydenburg	Number of reports submitted	12 by end of June 2017	Monthly Reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	opex
12 Monthly reports submitted in 2015/16 FY	Effective management of nature reserve unit	Managing the Nature Reserve	Lydenburg	Number of reports submitted	12 by end of June 2017	Monthly Reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	opex
12 Monthly reports submitted in 2015/16 FY	Environmental management and compliance	Managing Environmental Unit	Institutional	Number of reports submitted	12 by end of June 2017	Monthly Reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	3 Monthly reports	opex

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opex	Environmental Unit		8 awareness campaigns held in the 2015/16 FY	Environmental management and compliance	Environmental Awareness campaign	Lydenburg, Northern Areas, Sabie & Graskop	Number of Campaigns held	20 awareness campaigns to held by end of June 2017	Invitation, pictures & reports	5 awareness campaigns	5 awareness campaigns	5 awareness campaigns	5 awareness campaigns	opex
C. STRATEGIC OBJECTIVE: REVENUE ENHANCEMENT TO INCREASE REVENUE BASE														
opex	Traffic Unit	Financial Viability	12 Monthly reports submitted in 2015/16 FY	Revenue enhancement (Warrant of arrests)	Enforcement of Warrant of arrests	Lydenburg, Sabie & Graskop	Number of warrant of arrest enforced	120 warrant arrest enforced by end of June 2017	Copies of warrant of arrest enforced (Amount of Revenue turned out)	30	30	30	30	opex
Name of Section 56/7 Manager: Mrs S. Matsi														
Signature: 														
Date: 13/06/2016														

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