



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**THE AMAHLATHI LOCAL MUNICIPALITY
AS REPRESENTED BY THE MUNICIPAL MANAGER**

BALISA KING SOCIKWA

FULL NAMES

AND

JOYCE NTSHINGA

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

FINANCIAL YEAR: 1 JULY 2016 - 30 JUNE 2017

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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The AMAHLATHI Local Municipality herein represented by **BALISA KING SOCIKWA** in his capacity as **MUNICIPAL MANAGER** (hereinafter referred to as the **Employer** or **Supervisor**)

And **JOYCE NTSHINGA**, Employee of the Municipality (hereinafter referred to as the **EMPLOYEE**).

WHEREBY 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 -

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- 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;
- 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, 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 employee has met the performance expectations applicable to his or her 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 the 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 for any reason.

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- 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 A) sets out:
 - 4.1.1 the performance objectives and targets that must be met by the Employee; and
 - 4.1.2 the time frames within which those performance objectives and targets must 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 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 Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

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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 towards 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 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.
- 5.6 The Employer's 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 KPAs, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

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Key Performance Areas (KPA's)	Weighting
Local Economic Development (LED)	10
Municipal Financial Viability and Management	70
Good Governance and Public Participation	20
Total	100%

5.7 In the case of managers directly accountable to the municipal manager, 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.

5.8 The CCRs will make up the other 20% of the Employee's assessment score. CCRs which are competencies that cut across all levels of work in a municipality are agreed to between the Employer and Employee.

Below is a list of Leading and Core competencies as stipulated in the Local Government Regulations on appointment and conditions of Employment of Senior Managers:

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS				
LEADING COMPETENCIES :	Achievement Level	Weight	SELF-SCORING-HOD	FINAL SCORE MM
Strategic Direction and Leadership	Superior	8.3		
	Advanced			
	Competent			
People Management	Basic	8.3		
	Advanced			
	Superior			

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	<ul style="list-style-type: none"> Employee Relations Management Negotiation and Dispute Management 				
Programme and Project Management	<ul style="list-style-type: none"> Program and Project Planning and Implementation Service Delivery Management Program and Project Monitoring and Evaluation 	Superior	8.3		
		Advanced			
		Competent			
Financial Management	<ul style="list-style-type: none"> Budget Planning and Execution Financial Strategy and Delivery Financial Reporting and Monitoring 	Superior	8.3		
		Advanced			
		Competent			
Change Leadership	<ul style="list-style-type: none"> Change Vision and Strategy Process Design and Improvement Change Impact Monitoring and Evaluation 	Superior	8.3		
		Advanced			
		Competent			
Governance Leadership	<ul style="list-style-type: none"> Policy Formulation Risk and Compliance Management Cooperative Governance 	Superior	8.3		
		Advanced			
		Competent			
CORE COMPETENCIES	Achievements Levels	Superior	8.3	SELF-SCORING-HOD	FINAL SCORE MM
		Advanced			
		Competent			
		Basic			
Moral Competence		Superior	8.3		
		Advanced			
		Competent			
		Basic			
Planning and Organising		Superior	8.5		
		Advanced			
		Competent			
		Basic			

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Analysis and Innovation	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Knowledge and Information Management	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Communication	Superior			
	Advanced			
	Competent			
	Basic			
Results and Quality focus	Superior			
	Advanced			
	Competent			
	Basic			
Total		100%		

Achievement Level Descriptions

The achievement levels indicated in the table below serve as a benchmark for appointments, succession planning and development interventions.

- i. Individuals falling within the Basic range are deemed unsuitable for the role of senior manager, and caution should be applied in promoting and appointing such persons.
- ii. Individuals that operates in the Superior range are deemed highly competent and demonstrate an exceptional level of practical knowledge, attitude and quality. These individuals should be considered for higher positions, and should be earmarked for leadership programs and succession planning.

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

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ACHIEVEMENT LEVELS	RATING	ACHIEVEMENT LEVELS
Basic	1-2	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	3	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
Advanced	4	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in- depth analyses
Superior	5	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

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 Employee's performance; and

6.1.2 the intervals for the evaluation of the Employee's performance.

6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's 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.

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6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer'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.

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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 managers, 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 each Employee 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:

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INTERVAL	PERIOD	EVALUATION DEADLINE
First quarter	July- September	14 th October
Second quarter	October - December	14 th January
Third quarter	January - March	14 th April
Fourth quarter	April - June	14 th July

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 will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Employee will 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 as the case may be. In that case the Employee 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 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 / her 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 / her 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 will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2A performance bonus of between 5% to 14% of the all-inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

11.3The performance bonus percentage are determined by calculating the overall rating using the applicable assessment rating calculator.

The quantum of the bonus payable shall be as follows:

If (Bonus Score > = 130 - 133) bonus = 5%
If (Bonus Score > = 134 - 137) bonus = 6%
If (Bonus Score > = 138 - 141) bonus = 7%
If (Bonus Score > = 142 - 145) bonus = 8%
If (Bonus Score > = 146 - 149) bonus = 9%
If (Bonus Score > = 150 - 153) bonus = 10%
If (Bonus Score > = 154 - 157) bonus = 11%
If (Bonus Score > = 158 - 161) bonus = 12%
If (Bonus Score > = 162 - 165) bonus = 13%
If (Bonus Score > = 166 - plus) bonus = 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 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 Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

12. ABSENCE DURING THE PERFORMANCE CYCLE

i. In the case of prolonged continuous absence (other than normal leave), supervisors and employees should have a discussion to reach mutual agreement on the ability to execute a meaningful rating for that period or for an annual assessment;

ii. If it is not possible to make a meaningful review or annual rating, it must be indicated in writing:

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- iii. New performance plans may also need to be developed on return from a prolonged absence;
- iv. While an employee is not penalised for any form of formally approved leave, it is also true that an employee who has been absent for a prolonged period, has not rendered the same extent of service as an employee who did not have such prolonged leave;

13. DISPUTE RESOLUTION

Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –

- a. the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee; or
- b. any other person appointed by the MEC.
- c. 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 employee;
- d. The MEC for Local Government and the Mayor, respectively, shall have the final say with regard to the Municipal Managers and the Section 57 Managers' assessment respectively.
- e. In the case of staff other than the Municipal Manager or the Section 57 Managers, the fact of non-consensus together with the necessary evidence shall be escalated in line with the municipality's dispute resolution mechanism as embodied in the relevant Collective Agreement.

14. GENERAL

- 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 Employer.

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II. Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

III. 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.

Thus done and signed at Stutterheim on this the 26 day of July..... 2016

AS WITNESSES:

1. [Signature]
EMPLOYEE

2. [Signature]

AS WITNESSES:


1. [Signature]
MUNICIPAL MANAGER

2. [Signature]

PERSONAL DEVELOPMENT PLAN

NAME: JOYCE NTSHINGA
JOB TITLE: CHIEF FINANCIAL OFFICER
EMPLOYER: AMAHLATHI LOCAL MUNICIPALITY
FINANCIAL YEAR: 2016/17

COMPETENCY AREA TO BE ADDRESSED	PROPOSED ACTIONS/DEVELOPMENT ACTIVITY	RESPONSIBILITY	TIME- FRAME	EXPECTED OUTCOME
AFS	NEW GRAP STANDARDS		BY JUNE 2017	Ability to implement new GRAP standards
IMPROVE BUSINESS SKILLS	MBA STUDIES		BY 2018	Improve Business Admin.
mSCOA	Training on mSCOA		Ongoing	Implementation of mSCOA.



 SIGNED AND ACCEPTED BY EMPLOYEE

JOYCE NTSHINGA
 NAME AND SURNAME

26/07/2016
 DATE



 SIGNED BY THE MUNICIPAL MANAGER

BALISA KING SOCIKWA
 NAME AND SURNAME

2016/07/26
 DATE