



# PERFORMANCE AGREEMENT

Made and entered into by and between

**THE ELIAS MOTSOLEDI LOCAL MUNICIPALITY**

("the Municipality")

(Represented by M.M SKOSANA, duly authorised by Municipal Council Resolution)

And

**BOREDI OREILLY SETHOJOA**

**(Acting Director Development Planning)**

**For the Financial Year: 1 July 2013 to 30 June 2014**

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## 1. INTRODUCTION

- 1.1. Elias Motsoaledi Local Municipality has appointed an Acting Director Development Planning in terms of Section 82 of the structures Act 117 of 1998 for undefined period.
- 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 Acting Director Development Planning reporting to Municipal Manager, to a set of actions that will secure local government policy goals.
- 1.4. Notwithstanding the date of signature hereof, this agreement shall commence with effect from **01 July 2013** and shall endure for the period referred to in clause 1.1. above.

## 2. PURPOSE OF THIS AGREEMENT

- 2.1 The parties agree that the purposes of this Agreement are to:
  - 2.1.1. Comply with the provisions of Section 57(1)(b), 4(A), (4B) and (5) of the Systems act; and the employment contract entered into between the parties;
  - 2.1.2. State objectives and targets established for Acting Director Development Planning
  - 2.1.3. Specify accountabilities;
  - 2.1.4. Monitor and measure performance;
  - 2.1.5. Establish a transparent and accountable working relationship; and
  - 2.1.6. Give effect to Acting Director Development Planning's commitment to a performance-orientated relationship with its Municipal Manager in attaining equitable and improved service delivery.

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### 3. COMMENCEMENT AND DURATION

- 3.1. This Agreement will commence on the date of signature by both parties, which will be as soon as reasonably possible after **1st July 2013**, and, subject to paragraph 3.3, will continue in force until a new performance agreement is concluded between the parties as contemplated in paragraph 3.2.
- 3.2. The parties will review the provisions of this Agreement during June each year. The parties will conclude a new performance agreement that replaces this Agreement at least once a year by not later than July each year.
- 3.3. The performance score obtained during the performance review determines the performance bonus. Should the Acting Director Development Planning be entitled to a bonus, this will be paid out in Acting Director Development Planning's **January** salary.
- 3.4. This Agreement will terminate on the termination of Acting Director Development Planning's contract of employment for any reason.

### 4. PERFORMANCE OBJECTIVES

4.1. **Annexure "A"** sets out:

4.1.1. The performance objectives and targets that must be met by Acting Director Planning 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 Municipal Manager in consultation with Acting Director Development Planning based on the Integrated Development Plan and Service Delivery and Budget Implementation Plan and include key objectives; key performance indicators; target dates and weightings.

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- 4.3. The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objective
- 4.4 Acting Director Development Planning's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Municipality's Integrated Development Plan.
- 4.5. Municipal Manager will make available to Acting Director Development Planning ,time to assist him to meet the performance objectives and targets established in terms of this agreement.
- 4.6. Municipal manager will be entitled to review and make reasonable changes to the provisions of **Annexure "A"**. **Annexure "A"** may be amended by Municipal Manager when the EMLM's Performance Management System is adopted, implemented and/or amended as the case may be.

## 5. **PERFORMANCE MANAGEMENT FRAMEWORK**

The Parties record that EMLM has a Performance Management Framework, which may be amended from time to time. It describes the systems and procedures of performance management in the municipality in which the Acting Director Development Planning will be required to engage in performing his job.

## 6. **EVALUATING PERFORMANCE**

- 6.1. **Annexure "A"** to this Agreement sets out the standards and procedures for evaluating Acting Director Development Planning's performance;

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- 6.2. The performance of Acting Director Development Planning in relation to his performance agreement shall be reviewed on a quarterly basis as follows:
- |                |   |                    |
|----------------|---|--------------------|
| First quarter  | : | July – September   |
| Second quarter | : | October – December |
| Third quarter  | : | January – March    |
| Fourth quarter | : | April - June       |
- 6.3. Acting Director Development Planning shall keep a record of the mid-year review and annual assessment meetings.
- 6.4. Performance feedback shall be based on Municipal Manager's assessment of the Acting Director Development Planning's performance.
- 6.5. Municipal Manager may amend the provisions of the performance plan whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case Acting Director Development Planning will be fully consulted before any such change is made.
- 6.6. Municipal Manager will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons. The Acting Director Development Planning will be fully consulted before any changes are made.
- 6.7. Despite the establishment of agreed intervals for evaluation, Municipal Manager may in addition review the Acting Director Development Planning's performance at any stage while the contract of employment remains in force.
- 6.8. Personal growth and development needs identified during any performance review discussion must be documented and where possible actions agreed be implemented.

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- 6.9. Acting Director Development Planning's performance will be measured in terms of contributions to the goals and strategies set out in the municipality's IDP.
- 6.10. The annual performance appraisal will involve:
- a) Assessment of the achievement of results as outlined in the performance plan:
    - i. 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.
    - ii. An indicative rating on the Five-point scale should be provided for each KPA.
    - iii. The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.
- 6.11. It is recorded that in terms of the EMLM's Performance Management Framework and system, for purposes of evaluation the performance of the Acting Director Development Planning, the Evaluation Panel will assist in the evaluation of the Acting Director Development Planning.
- 6.12. The employee must achieve 50% of his or her duties. Failure to that, Municipal Manager may institute disciplinary hearing against the employee

## 7. PERFORMANCE MANAGEMENT SYSTEM

- 7.1. Acting Director Development Planning agree to participate in the performance management system that the municipality adopts or introduces for the Acting Director Development Planning, management and municipal staff of the municipality.

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- 7.2. Acting Director Development Planning accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Acting Director Development Planning, management and municipal staff to perform to the standards required.
- 7.3. Municipal Manager will consult the Acting Director Development Planning about the specific performance standards that will be included in the performance management system as applicable to Acting Director Development Planning.
- 7.4. Acting Director Development Planning agrees to participate in the performance management and development systems that the municipality adopts.
- 7.5. Acting Director Development Planning undertake to actively focus towards the promotion and implementation of the Key Performance Areas (KPA's) (including special projects relevant to his responsibilities) within the local government framework.

<b>Key Performance Areas (KPA`s) for Acting Director Development Planning</b>	<b>Weighting</b>
Basic Service Delivery	10%
Municipal Institutional Development and Transformation	5%
Local Economic Development	20%
Municipal Financial Viability and management	5%
Good Governance and Public Participation	5%
Spatial rational	55%
<b>Total</b>	<b>100%</b>

7.6. The Core Competency Requirement (CCRs) will make up the other 20% of the employee's assessment score. CCRs that are deemed to be most critical for the employee's specific job should be selected from the list below as agreed to be between the employer and the employee and must be considered with due regard to the proficiency level agreed to:

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<b>CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)</b>		
<b>Core Managerial and Occupational Competencies</b>	<b>Indicate Choice</b>	<b>Weight</b>
Strategic Capacity and Leadership		
Programme and Project Management		
Financial Management	Compulsory	20%
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	20%
Client Orientation and Customer Focus	Compulsory	20%
Communication		
Honesty and Integrity		
<b>Core Occupational Competencies</b>		
Legislative and national policy frameworks		20%
Knowledge of development local government		10%
Knowledge of performance management and reporting		
Competence in policy conceptualization, analysis and implementation		10%
Skills in governance		
Exceptional and dynamic creativity to improve the functioning of the municipality		
<b>Total Percentage</b>		<b>100%</b>

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### 7.7. Reward for performance

The performance bonus will be determined by Municipal Council based on affordability and the stipulations of the performance agreement.

The performance bonus in addition to the annual reviewed remuneration will be considered by the Council not later than September under the following conditions:

- a. The payment of the reward will be based on the period under review and result of the performance score;
- b. The amount of the reward will not exceed 14% of the remuneration, but will be subjected to affordability to the Municipality;
- c. The performance score will be obtained by using the performance plan;
- d. Where external factors have a negative influence on the result of the performance as scrutinized and recommended by the Performance Audit Committee, the Municipality may grant a reward. (Regulation Number 29089 of 01 August 2006)
- e. The reward if granted, will be paid annually after the compilation of the financial statements and after finalisation of the performance appraisals;
- f. The final outcome of the performance appraisal will determine the reward;
- g. The following table will be used in determining the payment of the reward:

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PERFORMANCE APPRAISAL OF KPAs AND CCRs				
LEVEL	DESCRIPTION	RATING	ASSESSMENT SCORE	PERFORMANCE BONUS RATIOS
Level 5: Outstanding Performance	Performance far exceeds the standard expected for the job in all areas of the manager. The manager has achieved exceptional results against all performance criteria and indicators specified in the Performance Plan and maintained this in all areas of responsibility throughout the year.	5	75 – 100	Maximum bonus allowed ito. Regulations is between 10% and 14% of person's inclusive annual remuneration package The % as determined per Council Resolution is as follows: 75 – 76% 77 – 78% - 79 – 80% - 81 – 84% - 85 – 100%
Level 4: Performance significantly above expectations	Performance is significantly higher than the standard expected for the job in all areas. The manager has achieved above fully effective results against more than half of the performance criteria and indicators specified in the Performance Plan and fully achieved all others throughout the year.	4	65 – 74	Maximum bonus allowed ito. Regulations is between 5% and 9% of person's inclusive annual remuneration package The % as determined per Council Resolution is as follows: 65 – 66% 67 – 68% 69 – 70% 72% - 73 – 74% - 9%

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PERFORMANCE APPRAISAL OF KPAs AND CCRs				
LEVEL	DESCRIPTION	RATING	ASSESSMENT SCORE	PERFORMANCE BONUS RATIOS
Level 3: Fully effective	Performance fully meets the standard expected for the job in all areas. The manager has achieved effective results against all significant performance criteria and indicators specified in the Performance Plan and may have achieved results significantly above expectations in one or two less significant areas throughout the year.	3	51 – 64	No bonus
Level 2: Performance not fully satisfactory	Performance is below the standard required for the job in key areas. The manager has achieved adequate results against many key performance criteria and indicators specified in the Performance Plan but did not fully achieved adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected.	2	31 – 50	No bonus

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PERFORMANCE APPRAISAL OF KPAs AND CCRs				
LEVEL	DESCRIPTION	RATING	ASSESSMENT SCORE	PERFORMANCE BONUS RATIOS
Level 1: Unacceptable performance	Performance does not meet the standard required for the job. The manager has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The manager has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement.	1	Less than 30	No bonus

## 8. CONSULTATION

- 8.1. Municipal Manager agrees to consult the Acting Director Development Planning timeously where the exercising of Acting Director Development Planning's powers will –
- 8.1.1. Have a direct effect on the performance of any of the Acting Director Development Planning's functions;
- 8.1.2. Commit the Acting Director Development Planning to implement or to give effect to a decision made by Municipal Manager;
- 8.1.3. Have a substantial financial effect on the municipality.

- 8.2. Municipal Manager agrees to inform the Acting Director Development Planning of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 7.1 as soon as is practicable to enable the Acting Director Development Planning to take any necessary action without delay.

## 9. MANAGEMENT OF OUTCOMES

- 9.1. The evaluation of the Acting Director Development Planning's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 9.2. A performance bonus may be paid to Acting Director Development Planning in recognition of outstanding performance, in accordance with municipal performance policy/framework and system referred to in this agreement.
- 9.3. In case of unacceptable performance, Municipal Manager shall provide systematic remedial or developmental support to assist the Acting Director Development Planning to improve his performance; and
- 9.4. Where the Municipal Manager is, at any time during the Acting Director Development Planning's employment, not satisfied with the Acting Director Development Planning's performance with respect to any matter dealt with in this Agreement, the Municipal Manager will give notice to the Acting Director Development Planning to attend a meeting with the Municipal Manager.
- 9.5. Acting Director Development Planning will have the opportunity at the meeting to satisfy the Municipal Manager of the measures being taken to ensure that the Acting Director Development Planning's performance becomes satisfactory and any programme, including any dates, for implementing these measures.
- 9.6. Where there is a dispute or difference as to the performance of the Acting Director Development Planning under this Agreement, the parties will confer with a view to resolving the dispute or difference.

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- 9.7. If at any stage thereafter the Municipal Manager holds the view that the performance of the Acting Director Development Planning is not satisfactory, the municipality will subject to compliance with applicable labour legislation, be entitled by notice in writing to the Acting Director Development Planning to terminate the Acting Director Development Planning's employment in accordance with the notice period set out in the Acting Director Development Planning's contract of employment.
- 9.8. Nothing contained in this Agreement in any way limits the right of the municipality to terminate the Acting Director Development Planning's contract of employment with or without notice for any other breach by the Acting Director Development Planning of his obligations to the municipality or for any other valid reason in law.

## 10. DISPUTES

- 10.1. In the event that the Acting Director Development Planning is dissatisfied with any decision or action of the Municipal Manager or of the municipality in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Acting Director Development Planning has achieved the performance objectives and targets established in terms of this Agreement, the Acting Director Development Planning may meet with Municipal Manager with a view to resolving the issue. At the Acting Director Development Planning's request, Municipal Manager will record the outcome of the meeting in writing.
- 10.2. In the event that Acting Director Development Planning remains dissatisfied with the outcome of that meeting, he may raise the issue in writing with the Mayor by requesting that the issue be placed on the agenda of an appropriate meeting of the EXCO. The EXCO will determine a process for resolving the issue, which will involve at least providing the Acting Director Development Planning with an opportunity to state this case orally or in writing. At the Acting Director Development Planning's request the EXCO will record its decision on the issue in

writing. The decision of the EXCO on the issue will be made within 2 weeks of the issue being raised, or as soon thereafter as possible, and will be final.

## 11. GENERAL

11.1. The contents of the Agreement and the outcome of any review conducted in terms of Annexure "A" will not be confidential, and may be made available to the public by the municipality, where appropriate.

11.2. Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Acting Director Development Planning in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

## 12. ACTING DIRECTOR PLANNING'S PERSONAL DEVELOPMENT PLAN FOR THE PERIOD

01 JULY 2013 – 30 JUNE 2014

Skills/performance gap (in order of priority)	Outcomes expected (measurable indicators)	Suggested training and/or development activity	Suggested mode of delivery	Suggested timeframes	Work opportunity to practice skills or development Area	Support person
Introduction to GIS	Certificate	university of Pretoria	block session	6months	EMLM	GIS Technician (Sekhukhune District Municipality)

According to my knowledge there is nothing stopping me from achieving my targets and what is included in this agreement.

SIGNED at Groblersdal on this 19 day of July 2013.

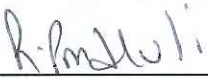
For: THE ELIAS MOTSOLEDI LOCAL MUNICIPALITY



M.M SKOSANA  
MUNICIPAL MANAGER

19/07/13  
DATE

Witness: 


Witness: 

SIGNED at Groblersdal on this 19 day of July 2013.



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ACTING DIRECTOR DEVELOPMENT PLANNING

19/07/13  
DATE

Witness: 

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# ANNEXURE A

## DEVELOPMENT PLANNING

Projects	KPI No	Weighting	budget	objectives	Key Performance Indicator	Baseline	Annual Target (13/14)	Target Q.1 30-Sep-13	Target Q.2 31-Dec-13	Target Q.3 30-Mar-14	Target Q.4 30-Jun-14	Measurement Source/ Evidence
<b>Municipal by-law</b>	<b>1.1</b>			To create a requisite town planning conditions for growth and development	No. of accredited By-Laws enforcers	no by-law enforcers accredited	3 by-laws enforcers accredited	1 by-law enforcers accredited	1 by-law enforcers accredited	1 by-law enforcers accredited	none	Quarterly accreditation certificate.
<b>housing chapters</b>	<b>1.3</b>			% development of Housing chapters	% development of Housing chapters	no housing chapters in place	100% Approved housing chapters.	25% Desktop research.	25% Data collection	25% Data analysis.	25% Draw recommendations/approved housing chapters.	Q1 Desktop research report Q2 data collection report Q3 Data analysis report Q4 Approved housing chapters.
<b>Township establishment</b>	<b>1.4</b>		<b>R1.5m</b>	To create requisite town planning conditions for growth and development	% of Township establishment in Roosenekal	60% Township establishment (i.e. scoping report & preliminary layout.	40% Township Establishment (i.e. approved SG Diagram)	10% EIA Completion.	10% Record of decision (RoD)	10% Approved SG Diagram.	10% Township proclamation.	Q1 EIA report Q2 record of decision report Q3 Approved SG diagram report Approved SG Diagram & Township Establishment Proclamation Notice.
<b>Building control</b>	<b>1.5</b>			% township establishment + Groblersdal	% township establishment + Groblersdal	terms of reference in place	60% Township establishment.	2% appointment of service provider	20% base mapping report, geotech study, traffic impact study	20% Preliminary layout design, EIA.	18% RoD, approved layout-out.	Q1 appointment letter Q2 Progress report Q3 Progress report Q4 Approved SG Diagram.
<b>Building control</b>	<b>1.6</b>			To create requisite town planning conditions for growth and development	No. of non-compliant buildings fined as per National Building Act and Regulations	17 fines issued for non-compliant	50 fines to be issued	15 fines to be issued	15 fines to be issued	10 fines to be issued	10 fines to be issued	quarterly signed copies of fines

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Projects	KPI No	Weighting	Budget	objectives	Key Performance Indicator	Baseline	Annual Target (13/14)	Target Q.1 30-Sep-13	Target Q.2 31-Dec-13	Target Q.3 30-Mar-14	Target Q.4 30-Jun-14	Measurement Source/ Evidence
land use management	1.7			To create requisite town planning conditions for growth and development	No of land use applications processed.	123 application processed	160 application processed	40 application processed	40 application processed	40 application processed	40 application processed	quarterly report of land use applications processed.
Land tenure upgrading	1.8			To promote planned land uses for economic growth	% of upgraded land tenure: Motetema Monsterias	Feasibility Study in place.	60% tenure upgrading Motetema, Motetema,	10% Base Map	20% Preliminary design of the lay-out design.	20% Amendment of the lay-out design.	10% Approved lay-out design.	Q1 base map report Q2 Preliminary design report Q3 Amendment report Q4 Preliminary lay-out design.
Turn around time for town planning applications	1.9			to improve the provision planning information for economic and social growth	No. of days taken to approve/disapprove rezoning and sub-division applications	90 days	90 days	90 days	90 days	90 days	90 days	quarterly application submission register
	1.10				no. of days taken to approve/disapprove building plans	14 days	14 days	14 days	14 days	14 days	14 days	quarterly application submission register
training of entrepreneurs	4.1			To ensure that entrepreneurs are self-sustainable	No. of entrepreneurs trained	SEDA/ LEDA conducts trainings for SMME's	100 Entrepreneurs to be trained	25 Entrepreneurs.	25 Entrepreneurs.	25 Entrepreneurs.	25 Entrepreneurs.	quarterly reports and attendance register
private public partnership	4.3			to mobilise strategic partnerships with private sector	No. of strategic partnerships initiated	1 partnership with Mopoch's mine	4 mobilisation of partnership initiated	1 mobilisation of partnership initiated	1 mobilisation of partnership initiated	1 mobilisation of partnership initiated	1 mobilisation of partnership initiated	quarterly signed agreements
reviewal of LED strategy	4.4		R300 000.00	To review the out-dated LED strategy	% review of LED strategy	LED strategy in place	100% reviewal of LED strategy	10% Appointment of service provider	90% adoption of LED strategy	0%	0%	Q1 appointment letter Q2 council resolution

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Projects	KPI No	Weighting	budget	objectives	Key Performance Indicator	Baseline	Annual Target (13/14)	Target Q.1 30-Sep-13	Target Q.2 31-Dec-13	Target Q.3 30-Mar-14	Target Q.4 30-Jun-14	Measurement Source/ Evidence
social and labour plan	4.5			to ensure effective monitoring of social responsibility programmes	No of reports in terms of monitoring of social and labour plans	1 report in place	4 reports of monitoring of social and labour plans	1 reports of monitoring of social and labour plans	1 reports of monitoring of social and labour plans	1 reports of monitoring of social and labour plans	1 reports of monitoring of social and labour plans	quarterly reports
LED Forum	4.6			to ensure establishment of LED forum	% establishment of LED forum	LED forum in Roosenekal	100% establishment of the LED Forum	50% establishment of the LED Forum	50% workshop of LED forum	0%	0%	Q1 list of forum members Q2 agenda and attendance register



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ACTING DIRECTOR: DEVELOPMENT PLANNING

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