



# PERFORMANCE AGREEMENT

Made and entered into by and between

**THE ELIAS MOTSOALEDI LOCAL MUNICIPALITY**

("the Municipality")

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

And

**BOREDI OREILLY SETHOJOA**

**(Acting Director Planning)**

**For the Financial Year: 1 July 2012 to 30 June 2013**

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## 1. INTRODUCTION

- 1.1. Elias Motsoaledi Local Municipality has appointed an Acting Director 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 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 2012 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 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 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 2012**, 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 Planning be entitled to a bonus, this will be paid out in Acting Director Planning's **January** salary.
- 3.4. This Agreement will terminate on the termination of Acting Director 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 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 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 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 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 Planning's performance;
- 6.2. The performance of Acting Director Planning in relation to his performance agreement shall be reviewed on a quarterly basis as follows:

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|                |   |                    |
|----------------|---|--------------------|
| First quarter  | : | July – September   |
| Second quarter | : | October – December |
| Third quarter  | : | January – March    |
| Fourth quarter | : | April - June       |

- 6.3. Acting Director 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 Planning's performance.
- 6.5. 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 Planning will be fully consulted before any changes are made.
- 6.6. Despite the establishment of agreed intervals for evaluation, Municipal Manager may in addition review the Acting Director Planning's performance at any stage while the contract of employment remains in force.
- 6.7. Personal growth and development needs identified during any performance review discussion must be documented and where possible actions agreed be implemented.
- 6.8. Acting Director planning's performance will be measured in terms of contributions to the goals and strategies set out in the municipality's IDP.
- 6.9. The annual performance appraisal will involve:
- a) Assessment of the achievement of results as outlined in the performance plan:

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- 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.

6.10. 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 Planning, the Evaluation Panel will assist in the evaluation of the Acting Director Planning.

## 7. PERFORMANCE MANAGEMENT SYSTEM

- 7.1. Acting Director Planning agree to participate in the performance management system that the municipality adopts or introduces for the Acting Director Planning, management and municipal staff of the municipality.
- 7.2. Acting Director 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 Planning, management and municipal staff to perform to the standards required.
- 7.3. Municipal Manager will consult the Acting Director Planning about the specific performance standards that will be included in the performance management system as applicable to Acting Director Planning.
- 7.4. Acting Director planning agrees to participate in the performance management and development systems that the municipality adopts.

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- 7.5. Acting Director 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</b> | <b>Weighting</b> |
|--|------------------|
| <b>Planning</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:

| <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                                   |                        |               |

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|---|--|-------------|
| <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> |

### 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 01August 2006)
- e. The reward if granted, will be paid annually after the compilation of the financial statements and after finalisation of the performance appraisals;

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- 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:

| PERFORMANCE APPRAISAL OF KPAs AND CCRs |   |        |                  |  |
|--|---|--------|------------------|--|
| LEVEL                                  | DESCRIPTION   | RATING | ASSESSMENT SCORE | PERFORMANCE BONUS RATIOS   |
| Level 5:<br>Outstanding<br>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<br>The % as determined per Council Resolution is as follows:<br>75 – 76%<br>77 – 78%        -<br>79 – 80%        -<br>81 – 84%        -<br>85 – 100% |

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|--|--|----------|----------------|---|
| <p>Level 4:<br/>Performance significantly above expectations</p> | <p>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.</p>                                    | <p>4</p> | <p>65 – 74</p> | <p>Maximum bonus allowed ito. Regulations is between 5% and 9% of person's inclusive annual remuneration package<br/>The % as determined per Council Resolution is as follows:<br/>65 – 66%<br/>67 – 68%<br/>69 – 70%<br/>72% -<br/>73 – 74% -<br/>9%</p> |
| <p>Level 3:<br/>Fully effective</p>                              | <p>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.</p> | <p>3</p> | <p>51 – 64</p> | <p>No bonus</p>   |

|  |  |   |              |          |
|--|--|---|--------------|----------|
| <p>Level 2:<br/>Performance not fully satisfactory</p> | <p>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.</p>                                     | 2 | 31 – 50      | No bonus |
| <p>Level 1:<br/>Unacceptable performance</p>           | <p>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.</p> | 1 | Less than 30 | No bonus |

## 8. CONSULTATION

8.1. Municipal Manager agrees to consult the Acting Director Planning timeously where the exercising of Acting Director Planning's powers will –

8.1.1. Have a direct effect on the performance of any of the Acting Director Planning's functions;

8.1.2. Commit the Acting Director 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.

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8.2. Municipal Manager agrees to inform the Acting Director 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 Planning to take any necessary action without delay.

## 9. MANAGEMENT OF OUTCOMES

9.1. The evaluation of the Acting Director 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 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 Planning to improve his performance; and

9.4. Where the Municipal Manager is, at any time during the Acting Director Planning's employment, not satisfied with the Acting Director Planning's performance with respect to any matter dealt with in this Agreement, the Municipal Manager will give notice to the Acting Director Planning to attend a meeting with the Municipal Manager.

9.5. Acting Director planning will have the opportunity at the meeting to satisfy the Municipal Manager of the measures being taken to ensure that the Acting Director 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 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 Planning is not satisfactory, the municipality will, subject to compliance with applicable labour legislation, be entitled by notice in writing to the Acting Director Planning to terminate the Acting Director Planning's employment in accordance with the notice period set out in the Acting Director 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 Planning's contract of employment with or without notice for any other breach by the Acting Director 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 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 Planning has achieved the performance objectives and targets established in terms of this Agreement, the Acting Director Planning may meet with the Municipal Manager with a view to resolving the issue. At the Acting Director Planning's request, the Municipal Manager will record the outcome of the meeting in writing.
- 10.2. In the event that the Acting Director 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 Planning with an opportunity to state this case orally or in writing. At the Acting Director 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 Planning in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

12. DIRECTOR PLANNING'S DEVELOPMENT PLAN FOR THE PERIOD 01 JULY 2012 – 30 JUNE 2013

| 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 |
|---|---|--|----------------------------|----------------------|---|----------------|
|   |   |  |                            |                      |   |                |
|   |   |  |                            |                      |   |                |
|   |   |  |                            |                      |   |                |
|   |   |  |                            |                      |   |                |

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SIGNED at Groblersdal on this 02 day of July 2012.

For: THE ELIAS MOTSOALEDI LOCAL MUNICIPALITY

M.M. Mtsweni

M.M MTSWENI  
MUNICIPAL MANAGER

02/07/12

DATE

Witness: [Signature]

Witness: [Signature]

SIGNED at Groblersdal on this \_\_\_\_\_ day of July 2012.

B.O. Sethojoa

B.O SETHOJOA  
ACTING DIRECTOR PLANNING

02/07/12

DATE

Witness: R. Mdluli

Witness: 02/07/12

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**PLANNING DEVELOPMENT DEPARTMENT**

**"ANNEXURE A"**

| Projects                           | Weighting | Budget      | Objectives/Strategies   | Key Performance Indicator   | Baseline                              | Annual Target (12/13)            | Target Q1 30 Sept 12 | Target Q2 31 Dec 12 | Target Q3 30 Mar 13 | Target Q4 30 Jun 13 | Measurement Source/Evidence |
|------------------------------------|-----------|-------------|---|---|---------------------------------------|----------------------------------|----------------------|---------------------|---------------------|---------------------|-----------------------------|
| Township establishment             |           |             | To create requisite town planning conditions for growth and development | % of Township establishment in Roossenekal  | 60% town establishment in Roossenekal | 40%                              | 5%                   | 15%                 | 15%                 | 5%                  | report to council           |
|                                    |           | R500 000.00 |   | % of township establishment Groblersdal   | New indicator                         | 25% Land survey, EIA and Geotech | 5%                   | 5%                  | 10%                 | 5%                  | report to council           |
| Building plans assessments         |           |             | To create requisite town planning conditions for growth and development | No. of non-compliant buildings fined as per National Building Act and Regulations | 17                                    | 70                               | 15                   | 15                  | 15                  | 25                  | report to council           |
| Implementation of the LUMS and SDF |           |             | Ensure appropriate land use and integrated development                  | No of identified areas demarcated   | 6                                     | 2                                | 0                    | 1                   | 0                   | 1                   | report to council           |

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| Projects                                       | Weighting | Budget | Objectives/Strategies   | Key Performance Indicator  | Baseline      | Annual Target (12/13) | Target Q1 30 Sept 12 | Target Q2 31 Dec 12 | Target Q3 30 Mar 13 | Target Q4 30 Jun 13 | Measurement Source/Evidence   |
|--|-----------|--------|---|--|---------------|-----------------------|----------------------|---------------------|---------------------|---------------------|-------------------------------|
|  |           |        |   | No of land use applications processed.   | 123           | 140                   | 35                   | 35                  | 35                  | 35                  | Council resolutions           |
| Promulgation of the land use management system |           |        | To promote planned land uses for economic growth                                | % of promulgation of LUMS  | 0%            | 50%                   | 0                    | 25%                 | 0                   | 25%                 | Quarterly reports to council. |
| Land tenure upgrading                          |           |        | To promote planned land uses for economic growth                                | % of upgraded land tenure: Motetema, Monsterlos, Zone 11, Zenzele, Zuma park   | 10% upgrading | 50%                   | 0                    | 25%                 | 0                   | 25%                 | Reports to council            |
| Land tenure upgrading                          |           |        | To improve the provision of planning information for economic and social growth | No. of days taken to disapprove/approve rezoning and sub-division applications | 90 days       | 90 days               | 90 days              | 90 days             | 90 days             | 90 days             | Quarterly reports             |

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| Projects        | Weighting | Budget | Objectives/Strategies                           | Key Performance Indicator  | Baseline                     | Annual Target (12/13)                              | Target Q1 30 Sept 12 | Target Q2 31 Dec 12 | Target Q3 30 Mar 13 | Target Q4 30 Jun 13 | Measurement Source/Evidence   |
|-----------------|-----------|--------|---|--|------------------------------|--|----------------------|---------------------|---------------------|---------------------|-------------------------------|
| Local tourism   |           |        | Facilitation and marketing of the local tourism | % progress on marketing of tourism                                       | no branding was done for LED | 100% Development of brochures                      | 25%                  | 50%                 | 75%                 | 100%                | Report to council (brochures) |
| Farmers support |           |        | Provide support to emerging farmers             | No. of emerging agricultural co-operatives supported                     | 8                            | 10   | 2                    | 2                   | 2                   | 4                   | Reports                       |
| LED Strategy    |           |        | To create a conducive investment environment    | % reviewal of LED strategy   | LED strategy in place        | 100%   | 25%                  | 50%                 | 75%                 | 100%                | Report to council             |
| Audit Opinion   |           |        | To ensure improved audit opinion                | % reduction of matters raised by AG and non recurrence of matters raised | Action plan in place         | 31 July 2012 for 2010/11<br>31 January for 2011/12 | 0                    | 0                   | 100%                | 0                   | Improved audit opinion        |

  
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