



PERFORMANCE AGREEMENT

ENTERED BETWEEN:

KING SABATA DALINDYEBO LOCAL MUNICIPALITY

AS REPRESENTED BY THE EXECUTIVE MAYOR

GOODMAN NYANISO NELANI

AND

NGAMELA PAKADE

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE PERIOD

1 JULY 2022 - 30 JUNE 2023

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PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

King Sabata Dalindyebo Local Municipality herein represented by **COUNCILOR GOODMAN NYANISO NELANI** in his capacity as the Executive Mayor (hereinafter referred to as the **Employer**)

AND

MR NGAMELA PAKADE Municipal Manager 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 System 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 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 Section 57(1) (a), 57(1) (b) and 57(5) of the Local Government Municipal System Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to-

- 2.1 comply with the provision of Section 57(1) (b), (4) (a) and 5 of the Act as well as the employment contract entered into between parties;
- 2.2 specify objectives and targets defined and agreed with 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 and the (MTREF) Budget of the municipality.
- 2.3 specify accountabilities as set out in a performance plan (annexure A) attached;
- 2.4 monitor and measure performance against set targeted output;
- 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 employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This agreement will commence on **16 September 2022** and will remain in force until **30 June 2023** hereafter a new Performance Agreement and Performance Plan shall be concluded between the parties for the next financial year or portion thereof.
- 3.2 The parties will review the provisions of the 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 1ST month (July) of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 3.4 If at any time during the validity of this Agreement the work environment alters to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised by mutual agreement between the parties.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (annexure A) set 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 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 key targeted activities have 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.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Employee agrees to participate in the performance management system that the Employer introduces for the employees, 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 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 Employee shall be assessed shall consist of two components.
- 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 to 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 Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified as per attached performance plan (Annexure A), which are linked to the KPA's and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.
- 5.7 Key performance areas related to the functional areas of Employee must be subject to negotiation between the Employer and Employee.

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Key performance areas within the institution:

KEY PERFORMANCE AREA	WEIGHT	WEIGHT
	2021 - 2022	2022 - 2023
Basic Service Delivery and Infrastructure Development	40	50
Local Economic Development	20	10
Financial Viability and Management	15	12
Institutional Transformation and Organisation Development	10	10
Good Governance and Public Participation	10	10
Spatial Planning and Social Transformation	5	8
TOTAL: 100%	100%	100%

5.8 The 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 must be selected from the list below as agreed to between the Employer and Employee.

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	✓	WEIGHT
Strategic Capability and Leadership	✓	25
Programme and Project Management		10
Financial Management	Compulsory	15
Change Management	✓	5
Knowledge Management		5
Service Delivery Innovation	✓	5

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Problem solving Analysis	✓	10
People Management and Empowerment	Compulsory	10
Client Orientation and Customer Focus	Compulsory	10
Communication		5
Honesty and Integrity		
CORE OCCUPATIONAL COMPETENCIES (COC)		
Competency in Self-Management		
Interpretation of and implementation within the legislative a national policy framework		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualization, analysis and implementation		
Knowledge of more than one functional municipal field/ discipline		
Skills in Mediation		
Skills in Governance		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		

6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure A) to this Agreement set out-

6.1.1 The standard and procedures for evaluating the Employee's performance; and

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

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- 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 implementation must take place within the set time frames.
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Municipal Integrated Development Plan.
- 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.
- d) Points are allocated on the basis of the submission of a portfolio of evidence.

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) The rating should be multiplied by weighting given to each CCR during the contracting process, to provide a score.
- d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score.

6.5.3 Overall rating

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

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

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Level	Terminology	Description
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	Performance 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.

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6.7 For purposes of evaluating the performance of the **Employee**, an evaluation panel constituted by the following persons will be established:

6.7.1 Executive Mayor

6.7.2 Chairperson of the performance audit committee or audit committee in the absence of a performance audit committee;

6.7.3 Executive Mayor from another municipality; and

6.7.4 Municipal manager from another District municipality

6.8 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the Employee in relation to this 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:

<u>INTERVAL</u>	<u>PERIOD</u>	<u>EVALUATION DEADLINE</u>
First quarter	(July – September)	09 December 2022
Second quarter	(October - December)	31 March 2023
Third quarter	(January – March)	31 May 2023
Fourth quarter	(April – June)	22 October 2023

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 Annexure "A" from time to time for operational reasons. The **Employee** will be fully consulted before any such change is made.

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- 7.5 The **Employer** may amend the provisions Annexure "A" of the performance plan 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 development gaps forms part of Annexure A

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**;
- 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 the Agreement; and
- 9.1.5 Make available to the **Employee** such resources as the **Employee** may reasonably require from time to time to ensure the employee meets the performance objectives and targets agreed to 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;

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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.

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

11.2.1 A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%;

11.2.2 A score of 150% and above is awarded a performance bonus ranging from 10% to 14%;

11.3 In the case of unacceptable performance, the Employer shall-

11.3.1 Provide systematic remedial or developmental support to assist the Employee to improve his/ 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 Employment Agreement of the employee on grounds of unfitness or incapacity to carry out his/ her duties.

12 DISPUTE RESOLUTION

12.1 Any dispute about the nature of this performance agreement, whether it relates to key responsibilities, priorities, method of assessment and/or any other matter provided for, shall be mediated by a member of the municipal council, provided that such member was not part of evaluation panel provided for in sub-regulation 27(4) (e) of the Municipal

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performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee. The decision of the mediator shall be final and binding on both parties.

13. General

13.1 The content of this agreement must be made available to the public by the Employer, Accordance with the Local Government Municipal Finance Management Act, 2003 and Section 46 of the Local Government Municipal Systems Act 32, 2000.

13.2 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.

Thus done and signed at..... Mthatha on this 20th day
of..... September 2022

AS WITNESSES:

- 1. [Signature]
- 2. [Signature]

[Signature]

EMPLOYEE

AS WITNESS:

- 1. SIBONILE Mazi
- 2. Nosisa Lubhela

[Signature]
CLLR G.N NELANI
On behalf of the
EMPLOYER

PERFORMANCE PLAN

Entered into
by and between

COUNCILOR G.N NELANI
in his capacity as
Executive Mayor

of the **King Sabata Dalindyebo Local Municipality**

(hereinafter referred to as the Representative of the Municipality, the Employer)

and

MIR NGAMELA PAKADE

in his capacity as

Municipal Manager
of

King Sabata Dalindyebo Local Municipality

(hereinafter referred to as the Employee)

FINANCIAL YEAR: 01 JULY 2022 - 30 JUNE 2023

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1. Introduction

A Performance Plan is a strategic management tool that enables the performance of the employee to be assessed in an objective and fair manner. It defines the Council's expectations of the *Municipal Manager's* performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

This Performance Plan is composed of three distinct plans:

a. Output Plan

The output plan is a plan of what outputs the employee is expected to deliver on. The outputs are defined in terms of the tangible deliverables (product or service). The quality requirements include the standard of the product or service and the time frame within which it must be delivered. Finally, the indicator must reflect what evidence must be produced to demonstrate the delivery.

b. Competency Plan

The competency plan is a plan of what competencies (skills, knowledge, and attitude) the employee must acquire to be able to perform and deliver on the set objectives effectively. It entails the determination of the gap between the required level of competence and the employee's actual level of competence.

c. Development Plan

The development plan is a plan of what development interventions will be undertaken to bridge the gap between the required level of competence and the employee's actual level of competence and thus bring the employee to the desired competency level.

2. Output Plan

2.1 Introduction

The output plan is a plan of what outputs the employee is expected to deliver on. It consists of the key performance areas (KPA's), weighting, outputs, performance indicator, baseline information and a target. A key performance area is a defined or demarcated area of performance. The outputs are defined in terms of the tangible deliverables (product or service). The quality requirements include the standard of the

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The Municipal Manager must ensure the core functional areas of the Municipality are carried as contained in the Council approved macro structure.

The Municipal Manager is required to control and manage the day to day administrative affairs of the Municipality and to ensure that Council policies are implemented, monitored & complied with at regular intervals, promptly, efficiently, and within the parameters of all relevant legislation.

The Municipal Manager as the responsible officer of the institution must have a thorough knowledge of all relevant legislation and institute a robust system of delegation that provides section heads with a clear understanding of their obligations.

Municipal Manager

Statement on purpose of position

The following are Key Performance Areas (KPA's) as outlined in the Local Government: Municipal Planning and Performance Management Regulations (2006) and the Municipality's IDP:

2.2 Key Performance Areas

product or service and the time frame within which it must be delivered. The quality requirements are the standards which measure the quality of the service or product.

The baseline information is the current information which is used as a starting point from which performance will be measured. Finally, the indicator must reflect what evidence must be produced to demonstrate the delivery.

ANNEXURE: ASSESSMENT SHEETS

KPA Number	Key Performance Area	Weighting	MM's Rating	MM's rating	Final Score	Reason for Final Score
KPA 1	Basic Service Delivery and Infrastructure Development	50%				
KPA 2	Local Economic Development	10%				
KPA 3	Financial Viability & Management	12%				
KPA 4	Good Governance & Public Participation	10%				
KPA 5	Municipal Transformation & Institutional Development	10%				
KPA 6	Spatial Planning and Social Transformation	8%				
TOTAL		100				

Municipal Manager's Signature: _____

Date: _____

Executive Mayor's Signature: _____

Date: 22 September 2022

ASSESSING CORE COMPETENCY RESPONSIBILITIES

The ratings attached to this section will constitute 20% of the final performance score and will also assist in identifying areas of development for inclusion in the individual learning plan.

Rating by the EM	Reason for Rating	Own Rating	Weighting	Requirement
			25	Strategic Direction and Leadership
			10	People Management
			10	Program and Project Management
			15	Financial Management
			5	Change Leadership
			10	Governance Leadership
			5	Planning and Organising
			5	Analysis and Innovation
			5	Knowledge and Information Management
			5	Communication
			5	Results and Quality Focus
			100	Total

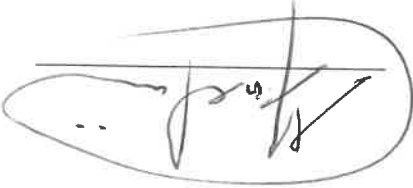
Municipal Manager's Signature:

Date:



Executive Mayor's Signature:

Date:



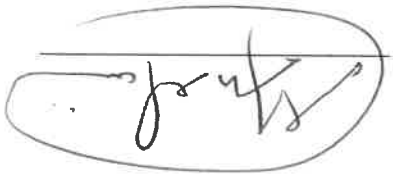
Date:

Municipal
Manager's
Signature:



Date:

Executive
Mayor's
Signature:



				100%	Total:
				20%	Competencies
				80%	KPA
Assessed Component	Weighting	Municipal	Performance Assessment Panel's Rating	Final / Consolidated Score	Reason for Final Score



PERSONAL DEVELOPMENT PLAN (PDP)

Employee Name:

Employee Designation:

Employee No:

Directorate:

PURPOSE

The purpose of the plan is to enable the supervisor and the employee to identify skills development requirements and agree on the steps to be taken to address the developmental gaps.

AREAS OF DEVELOPMENT FROM THE PREVIOUS PERFORMANCE CYCLE (2021/22)

Areas of Development as identified in the previous performance cycle may be carried over to the new performance cycle.

List areas for Development according to priority.

AREAS OF DEVELOPMENT	(Indicate the OUTPUTS or Core Managerial Competences (CMCs) that applies



AREAS OF DEVELOPMENT FOR THE CURRENT PERFORMANCE CYCLE (2022/23)

List areas for Development according to priority

AREA IDENTIFIED FOR DEVELOPMENT	OBJECTIVE OF DEVELOPMENT	Output or Core Managerial Competences (CMCs)	TYPE OF INTERVENTION (short course 5 days) or long course 30 days and maximum 3months indicate quarter
1. ICT	Smart City Technology		
2. Finance	New Standards		
3. Economics	Economic development		
4. Spatial planning	Urban development dynamics		

You may attend a conference within the year to keep abreast with the latest trends and development within your field

CONFERENCES, SEMINARS, SYMPOSIUMS ATTENDED	PLANNED CONFERENCE, SEMINAR OR SYMPOSIUM FOR THIS CYCLE
1. ICT Smart city initiatives	
2. Finance (new standards)	
3.	
4.	
5.	



IMPACT ASSESSMENT FOR DEVELOPMENT

The impact of training on service delivery and job performance must be evaluated to check return on investment.


After six months, Supervisor and Employee will submit the Impact Assessment reports.

IMPACT OF DEVELOPMENT ON WORK (AFTER SIX MONTHS)	
EMPLOYEE (comments)	SUPERVISOR/MANAGER (comments)

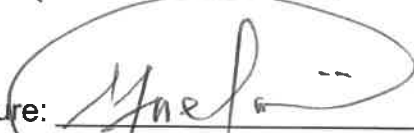
We, (Employee) and (Supervisor) agree that the above-mentioned areas for development and the type of intervention suggested would be engaged in to achieve the required objective for development.

We also understand that sometimes due to the operational requirements and budget constraints of the Municipality (component/unit), it may not be possible to undertake the training and development stated with the type of intervention stated and/or within the quarter of the year as stated.

There is also an understanding between ourselves that areas for development could be identified throughout the year and that this may change the order of priority and type of intervention as stated in this plan.

Employees' signature:  Name: NGAMELA PARADE

Date: 22 September 2022

Employer's signature:  Name: _____

Date: _____