



Performance Agreement

FINANCIAL YEAR: 1 JULY 2017 - 30 JUNE 2018

HP

RS

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The **Kannaland Municipality** herein represented by **Reynold Stevens (ID 6404235236088)** in his/her capacity as Municipal Manager (hereinafter referred to as the **Employer**)

and

Hendrik Barnard (ID 7308185194081) (hereinafter referred to as the **Employee**).

WHEREBY IT IS AGREED AS FOLLOWS:

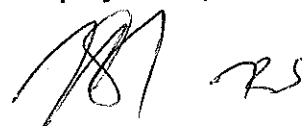
1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 7(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 THE AGREEMENT

The purpose of this Agreement is to -

- 2.1 comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the employment contract entered into between the parties;
- 2.2 specify objectives and targets defined and agreed with the **Employee** and to communicate to the **Employee** the **Employer's** expectations of the **Employee's** performance and



accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Employer**;

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

1.5 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 **1 July 2017** and will remain in force until **30 June 2018**, after which a new Performance Agreement and Performance 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.

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.

1.6 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. The key objectives describe the main tasks that need to be done.

- 4.2.1 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
- 4.2.2 The target dates describe the timeframe in which the work must be achieved.
- 4.2.3 The weightings show the relative importance of the key objectives to each other.

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** 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 KPA's (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 (KPA's) and Competencies respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPA's covering the main areas of work will account for 80% and Competencies will account for 20% of the final assessment.
- 5.6 The **Employee's** assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators and targets) 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 following weightings agreed to between the **Employer** and **Employee**:

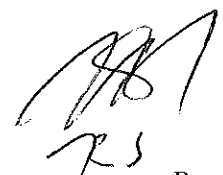


Key Performance Areas (KPA's)	Weight
KPA1: Reliable Infrastructure	15%
KPA2: Service Delivery	35%
KPA3: Safe Communities	10%
KPA4: Local Economic Development	10%
KPA5: Effective and efficient Governance	5%
KPA 6: Efficient Workforce	5%
KPA7: Financial Viability	20%
Total	100%

5.7 The Competencies will make up the other 20% of the **Employee's** assessment score.

LEADING COMPETENCIES

CORE COMPETENCY REQUIREMENTS (CCR's)		
CORE MANAGERIAL COMPETENCIES (CMC)		
1. Strategic Capability and Leadership	20%	
2. Programme and Project Management		
3. Financial Management - (Compulsory)		
4. Change Management		
5. Knowledge Management		
6. Service Delivery Innovation		
7. Problem Solving and Analysis		
8. People Management and Empowerment - (Compulsory)		
9. Client Orientation and Customer Focus - (Compulsory)		
10. Communication		
11. Honesty and Integrity		
CORE OCCUPATIONAL COMPETENCIES (COC)		
12. Competence in Self-Management		
13. Interpretation of and implementation within the legislative an national		
14. Knowledge of Developmental Local Government		
15. Knowledge of Performance Management and Reporting		
16. Knowledge of global and South African specific political, social and		
17. Competence in policy conceptualisation, analysis and implementation		
18. Knowledge of more than one functional municipal field / discipline		
19. Skills in Mediation		
20. Skills in Governance		
21. Competence as required by other national line sector departments		
22. Exceptional and dynamic creativity to improve the functioning of the municipality		



6 EVALUATING PERFORMANCE

6.1 the Performance Plan to this agreement sets out -

6.1.1 the 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.

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 will 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) The rating scale in paragraph 6.6 below will be used.
- 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.

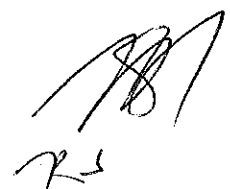
6.5.2 Assessment of the Competencies

- a) Each Competency will be assessed according to the extent to which the specified standards have been met.
- b) The rating scale below will be used.
- c) The applicable assessment rating calculator must then be used to add the scores and calculate a final Competency score.

6.5.3 Overall rating

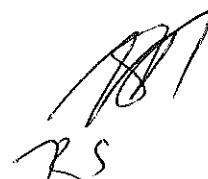
An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

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

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Rating	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 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 Performance Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The appraisal indicates that the Employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The appraisal indicates that the Employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Plan. The Employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

6.7 The assessment of the performance of the **Employee** will be based on the following rating scale for Competencies:



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

6.8 For purposes of evaluating the annual performance, an evaluation panel constituted of the following persons must be established -

- 6.8.1 The Municipal Manager;
- 6.8.2 Chairperson of the audit committee;
- 6.8.3 Member of the mayoral committee;
- 6.8.4 Municipal Manager from another municipality; and
- 6.8.5 Member of a ward committee as nominated by the Executive Mayor.

6.9 The **Employer's** manager responsible for human resources must provide secretariat services to the evaluation panels.

7 SCHEDULE FOR PERFORMANCE ASSESSMENT

7.1 The performance assessment of each **Employee** in relation to his/her Performance Plan shall be done as follows:

- 7.1.1 KPI's and targets shall be monitored on a monthly basis.
- 7.1.2 KPI's and targets shall be assessed on a quarterly basis on the following dates:

First quarter (July-September 2017):	October 2017
Second quarter (October-December 2017):	January 2018
Third quarter (January-March 2018):	April 2018
Fourth quarter (April-June 2018):	July 2018



7.1.3 Competencies shall be assessed in August 2018.

7.1.4 KPI's and targets as well as Competencies shall be formally assessed by the evaluation panel on an annual basis in August 2018.

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.

1.7 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 OBLIGATIONS OF THE EMPLOYER

8.1 The **Employer** shall –

8.1.1 create an enabling environment to facilitate effective performance by the **Employee**;

8.1.2 provide access to skills development and capacity building opportunities;

8.1.3 work collaboratively with the **Employee** to solve problems and generate solutions to common problems that may impact on the performance of the **Employee**;

8.1.4 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

8.1.5 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.

9 CONSULTATION

9.1 The **Employer** agrees to consult the **Employee** timely where the exercising of the powers will have amongst others –

9.1.1 a direct effect on the performance of any of the **Employee's** functions;

9.1.2 commit the **Employee** to implement or to give effect to a decision made by the **Employer**; and;

9.1.3 a substantial financial effect on the **Employer**.

1.8 The **Employer** agrees to inform the **Employee** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 9.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

10 MANAGEMENT OF ASSESSMENT OUTCOMES

10.1 The annual assessment of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

10.2 A 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 (Municipal Systems Act):

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

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

Rating	Terminology	Bonus	Recommended
5	Outstanding performance	14%	166%<
		13%	162% - 165%
		12%	158% - 161%
		11%	154% - 157%
		10%	150% - 153%
		9%	146% - 149%
		8%	142% - 145%
		7%	138% - 141%
		6%	134% - 137%
4	Performance significantly above expectations	5%	130% - 133%
3	Fully effective	None	100% - 129%
2	Performance not fully satisfactory	None	67% - 99%
1	Unacceptable performance	None	<66%

10.2.3 The **Employer** may make provision for non-monetary incentives in recognition of outstanding performance.

10.3 In the case of unacceptable performance, the **Employer** shall –

10.3.1 provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and

1.9 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.

11 DISPUTE RESOLUTION

11.1 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 the MEC for local government in the province or any other person designated by the MEC within thirty (30) days of receipt of a formal dispute from the **Employee**. The decision of the MEC or person designated by the MEC shall be final and binding on both parties.

11.2 In the event that the mediation process contemplated above fails, the dispute resolution stipulations in the Contract of Employment shall apply.

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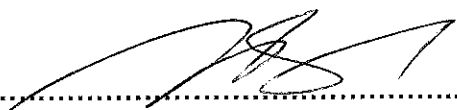
12. GENERAL

12.1 The contents of this agreement must be made available to the public by the Employer in accordance with the Municipal Finance Management Act, 2003 and Section 46 of the Systems Act.

12.2 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.

12.3 The performance assessment results of **Employee** must be submitted to the MEC responsible for local government in the 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 LAADSMITH.....on this the 21st day of JULY..... 2017.

EMPLOYEE: ..... (Executive Manager Corporate Services)

EMPLOYER: ..... (Municipal Manager)

AS WITNESSES:

1. 

2. 

AS WITNESSES:


1. _____

2. _____



PERFORMANCE DEVELOPMENT PLAN (ANNEXURE B)

Name	Hendrik				
Surname	Barnard				
Personnel Number	Confidential				
Designation	Executive Manager Corporate Services				
Training Need	Objective or impact on Career path	Supervisor	Target Date	Competent/ Not yet Competent	
1					
2					
3					
4					



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REGISTERED RESIDENTIAL AND POSTAL ADDRESS

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istrict office of the DEPARTMENT OF HOME AFFAIRS.

I.D.No. 730818 5194 08 1



S.A.BURGER/S.A.CITIZEN

VAN/SURNAME

BARNARD

VOORNAME/FORENAMES

HENDRIK JAKOBUS

GEBORTEDISTRIK OF-LAND/
DISTRICT OR COUNTRY OF BIRTH

SUID-AFRIKA

GEBORTE DATUM/
DATE OF BIRTH

1973-08-18

DATUM UITGEREIK
DATE ISSUED

1991-11-26

UITGEREIK OP GESAG VAN DIE
DIREKTEUR-GENERAAL:
BINNELANDSE SAKE

ISSUED BY AUTHORITY OF THE
DIRECTOR-GENERAL:
HOME AFFAIRS

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ICE OF CHANGE OF ADDRESS form in the
a identity document must be used to report
be handed in at or posted to the nearest
the DEPARTMENT OF HOME AFFAIRS.

I.D.No. 640423 5236 08 8

S.A. BURGER/S.A. CITIZEN

VAN/SURNAME

STEVENS

VOORNAME/FORENAMES

REYNOLD

GEBORTEDISTRIK OF-LAND/
DISTRICT OR COUNTRY OF BIRTH

SOUTH AFRICA

GEBORTE DATUM/
DATE OF BIRTH

1964-04-23

DATUM UITGEREIK
DATE ISSUED

1995-06-29

UITGEREIK OP GESAG VAN DIE
DIREKTEUR-GENERAAL:
BINNELANDSE SAKE

ISSUED BY AUTHORITY OF THE
DIRECTOR-GENERAL
HOME AFFAIRS

