

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

Mr. JH DE KLERK

The Municipal Manager of the Zululand District Municipality
("The Municipal Manager")

AND

MR. C. NEL

The Head of Department reporting to the Municipal Manager
("The Head of Department")

FOR THE

FINANCIAL YEAR: 01 JULY 2009 - 30 JUNE 2010



PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Zululand District Municipality herein represented by **J.H. de Klerk** (full names), in his capacity as Municipal Manager (hereinafter as the **Employer** or Supervisor)

And

Christo Nel (full name), Employee of the Municipality (hereinafter to as the **Employee**).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Municipality has entered into a contract of employment with the Head of Department: Planning for a period of five (5) years, ending on **31 July 2011** in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").
- 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 Head of Department: Planning reporting to the Municipal Manager, to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that the Municipal Manager will be responsible for facilitating the setting and evaluation of performance objectives and

targets on behalf of the Council. The Municipal Manager shall report to the Council in regard to the above.

2. PURPOSE OF THIS 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 municipality.
- 2.3 Specify accountability as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.6 in the event of outstanding performance, to appropriately reward the employee; and
- 2.7 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the date of signature by both parties, 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, hereafter a new Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Head of Department: Planning 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.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure "A") sets out:
- 4.1.1 The performance objectives and targets that must be met by the Head of Department: 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 the Municipal Manager in consultation with the Head of Department: Planning, and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget, and shall include key objectives, key performance indicators, target dates and weightings.

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

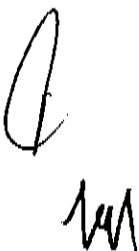
4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Head of Department: Planning accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Municipality, management and municipal staff to perform to the standards required.

5.2 The Municipal Manager will consult the Head of Department: Planning about the specific performance standards that will be included in the Performance Management System as applicable to the Head of Department: Planning.

5.3 The Municipal Manager 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.



5.4 The criteria upon which the performance of the Head of Department: Planning shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

5.4.1 The HEAD OF DEPARTMENT: PLANNING 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.

5.4.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

5.4.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.

5.5 The HEAD OF DEPARTMENT: PLANNING 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 Mayor and Municipal Manager.

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	40%
Local Economic Development	30%
Good Governance and Clean & Sound Administration	30%
Total	100%

5.6 In the case of managers directly accountable to the municipal manager, key performance areas related to the functional area of the relevant manager must be subject to negotiation between the municipal manager and the relevant manager.

5.7 The CCRs will make up the other 20% of the Head of Department: Planning & Community Development's assessment score. CCR's that are deemed to be most critical for the Head of Department: Planning &

Community Development's specific job should be selected (√) from the list below as agreed to between the Municipal Manager and Head of Department: Planning & Community Development. Three of the CCRs are compulsory for the HEAD OF DEPARTMENT: PLANNING & COMMUNITY DEVELOPMENT:

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)		WEIGHT
Financial Management (Compulsory)	x	10
Service Delivery Innovation		20
Problem Solving and Analysis	x	10
People Management and Employment (Compulsory)	x	20
Communication	x	10
CORE OCCUPATIONAL COMPETENCIES (CC)		
Competence in Self Management	x	10
Knowledge of Performance Management and Reporting	x	10
Competence as required by other national line sector departments	x	10
Total percentage		100%

6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure "A") to this Agreement sets out:

6.1.1 the standards and procedures for evaluating the Head of Department: Planning performance; and

6.1.2 the intervals for the evaluation of the Head of Department: Planning performance.

6.2 Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review the Head of Department: Planning 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 Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

6.4 Any submission/achievement required in accordance with a KPI will be deemed to be submitted/achieved, only after the Municipal Manager was satisfied that the submission/achievement was of sufficient quality

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 6.6 below) must then be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CCR
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- (d) The applicable assessment rating calculator (refer to paragraph 6.6) 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 ratings represent the outcome of the performance appraisal.

- 6.6 The assessment of the performance of the Head of Department: Planning will be based on the following rating scale for KPA's and CCRs:



Level	Terminology	Description	Rating				
			1	2	3	4	5
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 other 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	Not fully effective	Performance is below the standards required for the job in key areas. Performance meets some standards expected for the job. The review / assessment indicate 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	Unaccepted performance	Performance does not meet the standards expected for the job. The review / assessment indicate that the employee has					

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		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.	

6.7 For purpose of evaluating the annual performance of the HEAD OF DEPARTMENT: PLANNING & COMMUNITY DEVELOPMENT, an evaluation panel constituted of the following persons must be established –

- 6.7.1 Municipal Manager;
- 6.7.2 Chairperson of performance audit committee
- 6.7.3 Member of the executive committee
- 6.7.4 Municipal Manager from another municipality

6.8 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each **Employees** in relation to his / her performance agreement shall be reviewed on the dates provided by the Municipal Manager and one member of the Executive Committee and in case of managers reporting to the Municipal Manager, the Municipal Manager with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

- First quarter** : 30TH September
- Second quarter** : 31ST December
- Third quarter** : 31ST March
- Fourth quarter** : 30TH June

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- 7.2 The Municipal Manager shall keep a record of the mid-year review and annual assessment meetings.
- 7.3 Performance feedback shall be based on the Municipal Manager's assessment of the Head of Department: Planning & Community Development's performance.
- 7.4 The Municipal Manager will be entitled to review and make reasonable changes to the provision of Annexure "A" from time to time for operational reasons. The HEAD OF DEPARTMENT: PLANNING will be fully consulted before any such change is made.
- 7.5 The Municipal Manager 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 Head of Department: Planning will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure "B".

- 9. 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 Head of Department: Planning to solve problems and generate solutions to common problems that may impact on the performance of the Head of Department: Planning & Community Development.
- 9.1.4 on request of the Head of Department: Planning delegate such powers reasonably required by the Head of Department to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the Head of Department such resources as the Head of Department may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Municipal Manager agrees to consult the Head of Department: Planning timely where the exercising of the powers will have amongst others -
- 10.1.1 a direct effect on the performance of any of the Head of Department's functions;
- 10.1.2 commit the Head of Department to implement or to give effect to a decision made by the Municipal Manager; and
- 10.1.3 a substantial financial effect on the Municipality.
- 10.2 The Municipal Manager agrees to inform the Head of Department 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 Head of Department to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the Head of Department's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A performance bonus of between 5% to 14% of the all inclusive annual remuneration package may be paid to the Head of Department 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%; and

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 Municipal Manager shall –

11.3.1 provide systematic remedial or developmental support to assist the Head of Department to improve his or her performance; and

11.3.2 after appropriate performance counselling and having provided the necessary guidance and / or support as well as reasonable time for improvement in performance, the Municipal Manager may consider steps to terminate the Contract of Employment of the Head of Department on grounds of unfitness or incapacity to carry out his or her duties.

12. DISPUTES RESOLUTION

12.1 Any dispute about the nature of the HOD's Performance Agreement, whether it relates to key responsibilities, priorities, methods of assessment and / or any other matter provided for, shall be mediated by –

- 12.1.1 The MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Head of Department; or
- 12.1.2 Any other person appointed by the MEC.
- 12.1.3 In the case of managers directly accountable to the Municipal Manager, a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee;

Whose decision shall be final and binding on both parties.

- 12.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

13. GENERAL

- 13.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure "A" may be made available to the public by the Municipality, where appropriate.
- 13.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Head of Department: Planning in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- 13.3 The performance assessment results of the Head of Department: Planning must be submitted to National Minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and Signed at WILMINGTON on this 30th day of June 2009

AS WITNESSES:

1.

2.


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HEAD OF DEPARTMENT: PLANNING

Signed at on this day of 2009

AS WITNESSES:

1.

2.


.....
THE MUNICIPAL MANAGER

Zululand District Municipality 2008/2010
HOD: Planning Key Performance Indicators

Key Objective	Objective	Indicator	KPI No	Responsibility	MM	Baseline Mun	Target Quarter 1	Target Quarter 2	Target Quarter 3	Target Quarter 4 (Annual Target)	Mun Agreed evidence
To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	To reduce water loss	Water loss operational plan completed and signed off by the Municipal Manager by a specified date	35	HOD:P	MM	30/06/2009	Focus areas identified	Briefing session with consultant by 31/12/2009	Final draft document submitted to Municipal manager	Operational plan completed and signed off by Municipal Manager by 30/06/2010	Approved water loss operational plan, water loss strategy
To deliver and regulate water services in a structured manner	To ensure that legislated water policies are reviewed and updated	Water policies and by-laws reviewed by target date	18	HOD:P		12	Working group established	Input requested from MANCO on policies by 31/12/2009	Required revisions identified	Review finalised and submitted to MM by 30/06/2010	Reviewed policies submitted or letter acknowledged by municipal manager that the review was considered
To deliver and regulate water services in a structured manner	To effectively monitor WSP's	Number of reports considered	18	HOD:P		12	1 Reports considered	4 Reports considered by 31/12/2009	6 Reports considered	8 Reports considered	Dated WSP reports signed by HOD
To promote integrated & co-ordinated development within the District	To encourage participation in IDP process, ensure alignment with Local Municipalities	Number of Alignment meetings held	81	HOD:P		12	Collection of 2 pairs of certified minutes	Collection of 8 pairs of certified minutes by 31/12/2009	Collection of 8 pairs of certified minutes	Collection of 12 pairs of certified minutes	Signed certification of public meetings by CFO, planned number of meetings as per framework plan and Council workplan.
To promote integrated & co-ordinated development within the District	To ensure timely completion of IDP Process plan	Date of adoption of 2010/2011 Process Plan	83	HOD:P		31-Aug-08	Draft and submit Process plan to EXCO for approval by 31/08/2009			Draft and submit Process plan to EXCO for approval by 31/08/2009	Certified Council Resolution
To promote integrated & co-ordinated development within the District	To ensure timely completion of Framework plan	Date of adoption of 2010/2011 Framework Plan	84	HOD:P		31-Aug-08	Draft and submit Framework plan for approval to EXCO by 31/08/2009			Draft and submit Framework plan for approval to EXCO by 31/08/2009	Certified Council Resolution