



**SETSOTO MUNICIPALITY**

**PERFORMANCE AGREEMENTS FOR:**

**DIRECTOR CORPORATE SERVICES ACCOUNTING TO MUNICIPAL MANAGER**



## Setsoto Local Municipality Performance Agreement

<b>Organisation</b>	Setsoto Local Municipality	<b>Employee Name</b>	Tshepiso Phillip Motsima
<b>Department</b>	Corporate Services	<b>Post Title</b>	Director: Corporate Services
<b>Division</b>	Human Resources Management, Human Resources Development, Administration and Council Support Services, Legal Services and Contract Management and Payroll Administration	<b>Post Identification Number</b>	500014
<b>Section</b>	All	<b>Post Level</b>	Section 56 Manager
<b>Supervisor</b>	Acting Municipal Manager	<b>Cell Phone Number</b>	27632952291
<b>Performance Period</b>	01 July 2020 to 20 June 2021		

### 2. Purpose

The purpose of this Agreement is to:

- (a) Comply with the provision of section 24 (1)-(4) of the Local Government: Municipal Systems Act, 32 of 2000, as amended, as well as the Contract of Employment entered into between the parties;
- (b) Communicate the Employer's performance expectations and accountabilities to the Employee by specifying objectives and targets as defined in the Integrated Development Plan, Service Delivery and Budget Implementation Plan and Budget of the Municipality;
- (c) Specify accountabilities as set out in the Performance Plan, which must be in a format substantially compliant with Annexure "A" ;
- (d) Monitor and measure performance against set targeted outcomes, outputs, activities, tasks and sub-tasks;
- (e) Use the Agreement and Performance Plan as a basis for assessing the performance of the employee and establish whether the Employee has met the performance expectations applicable to the position; and
- (f) Appropriately reward the Employee in accordance with the Employer's Performance Management Policy in the event of outstanding performance.

### 3. Commencement and Duration

- 3.1 This Agreement will commence on the 01 July 2020 and will remain in force until 30 June 2021, whereafter a new Performance Agreement will be concluded. Performance Agreement and personal Development Plan must be concluded between the parties for each of the following financial years or any portion thereof for the duration of Contract of Employment.
- 3.2 This Agreement will terminate on termination of the Employee's employment for any reason whatsoever.
- 3.3 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.4 If at any time during the validity of this Agreement the work environment alters, whether as a result of government of council decision or otherwise, to the extent that the contents of this Agreement are no longer appropriate, the contents must immediately be revised.
- 3.5 Any significant amendments or deviation must take cognisance of the requirement of sections 34 and 42 of the Local Government: Municipal Systems Act, 32 of 2000, as amended and regulation 4(5) of the Regulations regarding the sections 54A and 56 of the Act.

### 4. Performance Objectives

4.1 The Performance Agreement must set out the-

- (a) performance objectives and targets that must be met by the Employee; and
  - (b) the timeframes within which those performance objectives and targets must be met.
- 4.2 Performance objectives and targets reflected in the Performance Agreement must-

- (a) be set by the Employer in consultation with the Employee;
- (b) be based on the Integrated Development Plan and Budget of the Employer; and
- (c) include key determined objectives, performance indicators, targets, timeframes and weightings.

4.3 It is agreed that-

- (a) the determined objectives must describe the main tasks that must be performed by the Employee;
- (b) the key performance indicators provide the details of evidence that must be provided to indicate that a determined objective has been achieved;
- (c) the targets describe the qualitative and quantitative work to be achieved;
- (d) the timeframes describe the dates in which the work must be achieved; and
- (e) the weightings indicate the relative importance of the determined objectives to each other.

4.4 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 and Service Delivery and Budget Implementation Plan.

### 5. Performance Management System

5.1 The Employee agrees to participate in the Performance Management Systems that the Employer adopts or introduces for the municipality, and accepts that the purpose of the Performance Management System is to provide a comprehensive system, with specific performance standards, to assist the municipality to perform to the standards required.

5.2 The Employer must consult the Employee about specific performance standards that are included in the Performance Management System that are applicable to the Employee.

5.3 The Employee undertakes to actively focus on the promotion and implementation of Key Performance Areas, including special projects relevant to the Employee's responsibilities, within local government framework.

5.4 The Employee must be assessed on his or her performance in terms of performance indicators identified in the performance Plan, annexed hereto as Annexure "A" and include.

- (a) the Key Performance Areas; and
- (b) Core Managerial Competencies, with a weighting of 80-20 allocated to sub-clause (a) and (b) respectively.

### 6. Evaluating Performance

6.1 The Performance Plan, included hereto as Annexure "A", must set out;

- (a) standards and procedures for evaluating the Employee's performance; and
- (b) intervals for 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 during the validity of the Contract of Employment.

6.3 Personal growth and development needs identified during any performance review discussions, as well as the actions and timeframes agreed to, must be documented in the Personal Development Plan, which must be in the format substantially compliant with Annexure "D"

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6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies contemplated in the Employer's Integrated Development Plan.		
6.5 The annual performance appraisal must involve-		
(a) an assessment of achievement of results as outlined in the performance plan;		
(b) an assessment of each Key Performance Area 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;		
(c) a rating on five-point scale for each Performance Area; and		
(d) the use of the applicable assessment rating calculator to add the scores and calculate a final Key Performance Area Score.		
6.6 The Core Managerial Criteria must be addressed-		
(a) according to the extent to which the specified standards have been met;		
(b) with indicative rating on a five-point scale for each criteria; and		
(c) by using the applicable assessment rating calculator to add the score and calculating the final Core Managerial Competency score.		
6.7 An overall rating is calculated by using the applicable assessment rating calculator, which represent the outcome of the performance appraisal provided that the performance assessment of the Employee will be based on the rating scale of both the Key Performance Areas and Core Management Criteria contain in Annexure "B"		
6.8 Each Performance Indicator (outputs and Core Competency Requirements) will be rated according to the five-point scale. The score for each Key performance Indicator is calculated as follows: $\text{Weight per indicator} \times \text{Rate}/3$ (Weight per Indicator divided by Three). The Sum of respectively all the output Key Performance Indicators score and all Core Competency requirements Key Performance Indicators scores is converted to 80% and 20%. The sum of these two scores is used for calculating the performance bonuses as per clause 11.2 below.		
6.9 For the purpose of evaluating the annual performance of the Municipal Manager, an evaluation Panel constituted of the following persons must be established-		
(i) The Executive Mayor;		
(ii) Chairperson of the Audit and Performance Audit Committee;		
(iii) Member of the Mayoral Committee;		
(iv) Mayor/Municipal Manager from another municipality; and		
(v) Member of a Ward Committee as nominated by the Executive Mayor.		
6.9.1 For the purpose of evaluating the annual performance of the Manager directly accountable to the Municipal Manager, an evaluation Panel constituted of the following persons must		
(i) The Municipal Manager		
(ii) Chairperson of the Audit and Performance Audit Committee;		
(iii) Member of the Mayoral Committee; and		
(iv) Municipal Manager from another municipality.		
6.9.2 For the purpose of evaluating the annual performance of all other permanent Employees, an evaluation Panel constituted as per the approved Employee Performance Appraisal		
<b>7. Schedule for Performance Reviews</b>		
7.1 The performance of each Employee in relation to his or her Performance Agreement must be reviewed during-		
(a) July to September for the First Quarter-October 2020;		
(b) October to December for the Second Quarter-January 2021;		
(c) January to March for the Third Quarter-April 2021 and		
(d) April to June for the Fourth Quarter-July 2021.		
Reviews in the first and third quarters may be verbal if performance is satisfactorily.		
7.2 The responsibility for rescheduling a cancelled coaching session will be with the individual who requested the rescheduling.		
7.3 The fourth quarter coaching is followed up by a review which may be conducted concurrently with the coaching session.		
7.4 The Employer must keep a record of mid-year review and the annual assessment meetings, and feedback must be based on the Employer's assessment of the Employee's performance.		
7.5 The Employer will be entitled to review and make reasonable changes to the provision of Annexure "A" from time to time for operational reasons. The Employee will be fully consulted before such change is made.		
7.6 The Employer may amend the provisions of the Performance Plan whenever the Performance Management System is adopted, implemented or amended, provided that the Employee must be consulted before such change is made.		
<b>8. Developmental Requirements</b>		
8.1 The Personal Development Plan, Annexure "D" for addressing developmental gaps will be provided when required.		
<b>9. Obligation of the Employer</b>		
9.1 The Employer shall-		
(a) create an enabling environment to facilitate effective performance by the Employee;		
(b) provide access to skills development and capacity building opportunities;		
(c) work collaboratively with Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;		
(d) on request of the Employee delegate such powers reasonably required by the Employee to enable him or her to meet the performance objectives and targets established in terms of		
(e) make available to the Employee such resources as the Employee may reasonably require from time to time to assist him or her to meet the performance objectives and targets		
<b>10. Consultation</b>		
10.1 The Employer agrees to consult the Employees timeously where the exercising of the powers will have amongst others-		
(a) a direct effect on the performance of any of the Employee's function;		
(b) commit the Employee to implement or give effect to a decision made by Employer; and		
(c) a substantial financial effect on the Employer.		
<b>11. Management of Evaluation Outcomes</b>		
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 between 5% and 14% of all inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:		
<b>Score</b>	<b>Performance Rating</b>	<b>Bonus Amount</b>
5	Score above 150% Outstanding Performance	10%-14% of the Total Package

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4	Score Above 130%-149%	Significantly above Expectation	5%-9% of the Total Package
3	Score of 100%-129%	Fully Effective	0%
2	Below 100%	Not fully Effective and Unacceptable Performance	No Bonus but remedial action Required

11.3 In case of unacceptable performance, the Employer shall-

- (a) provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and  
 (b) after appropriate performance counselling and having provided the necessary guidance 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 his or her duties.

## 12. Dispute Resolutions

12.1 Any dispute about the nature of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods of assessment and or salary increment in the

- (a) in case of the Municipal Manager, the MEC for local government in the province within thirty (30) days of receipt of formal dispute by the Employer, or any other person designated by the MEC;  
 (b) in case of managers directly accountable to the municipal manager, a member of the municipal council, provided such member was not part of the evaluation panel provided for in subregulation 27 (4)(e), within thirty (30) days of receipt of a formal dispute from the Employee; and  
 (c) in case of all other permanent Employees, in terms of the approved Employee Performance Appraisal System of the municipality, whose decision shall be final and binding on both parties.

12.2 In the event that the mediation process contemplated in clause 12.1 (a) and (b) respectively fails, clause 15 of the Contract of Employment shall apply.

## 13. General

13.1 The contents of this Agreement and the outcome of any review conducted in terms of Annexure "A" may be made available to the public by the Employer.

13.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Employer in terms of his or her contract of employment, or the effects of existing or new

13.3 The performance assessment results must be submitted to the Mayoral Committee of Setsoto Local Municipality within thirty (30) days after conclusion of the assessment.

## ANNEXURE A: PERFORMANCE PLAN

### SECTION 1: KEY PERFORMANCE AREA (SDBIP)

National Outcomes	South Africa remains a divided society
National Development Plan	A responsive, accountable, effective and efficient local government system
Back to Basic Principles	Building institutional resilience and administrative capability
Free State Growth and	Good Governance
IDP Reference	Organisational Development and Transformation
Strategic Goal	Develop Corporate Service Excellence

### Key Performance Area: Organisational Development and Transformation

Planning Level	Predetermined Objectives	Key Performance	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Weighting
<b>Key Performance Area: Infrastructure and Service Delivery</b>												
Output 1.1	Building institutional resilience and administrative capacity	Percentage of Actual spending of the Municipal budget on skills development	Percentage of the Municipal budget allocated to skills development spent	Target:	Percentage	1%	1%	1%	1%	1%	1%	5
				Budget:	Rands							
Output 1.2	Building institutional resilience and administrative capacity	Percentage of fixed term appointed Section 56 Managers	Appointment Letters and Contracts of Employment of Section 56 Managers	Target:	Percentage	100%	100%	100%	100%	100%	100%	10
				Budget:	Rands							
Output 1.3	Building institutional resilience and administrative capacity	Number of days taken by the Municipality to make an appointment	Proof that the Municipality filled the positions within the stipulated timeframe after being declared vacant	Target:	Number	0	60	60	60	60	60	5
				Budget:	Rands							
Output 1.4	Building institutional resilience and administrative capacity	Percentage towards awareness made on health and Safety programmes at the workplace	Approved and implemented programmes on the Awareness Campaigns on Health and Wellness in the workplace	Target:	Percentage	100%	100%	100%	100%	100%	100%	10
				Budget:	Rands							
Output 1.5	Supporting the delivery of the Municipal Services to the right quality and Standard	Number of risk registers developed, updated and reported on	Proof that the risk registers have been developed, updated and reported on	Target:	Number	4	4	1	1	1	1	10
				Budget:	Rands							
Output 1.6	Supporting the delivery of the Municipal Services to the right quality and Standard	Percentage of External and Internal audit queries responded to and addressed within timeframe	Proof that both External and Internal audit queries have been responded to and addressed within timeframe	Target:	Percentage	100%	100%	100%	100%	100%	100%	10
				Budget:								
Output 1.7	Building institutional resilience and administrative capacity	Percentage of effectiveness of the Human Resources Management	Approved and implemented programmes of the Human Resources Administration	Target:	Percentage	100%	100%	100%	100%	100%	100%	10
				Budget:								
Output 1.8	Building institutional resilience and administrative capacity	Percentage of effectiveness of the Human Resources Development	Approved and implemented programmes of the Human Resources Development	Target:	Percentage	100%	100%	100%	100%	100%	100%	10
				Budget:								
	Building institutional	Percentage of	Approved and	Target:	Percentage	100%	100%	100%	100%	100%	100%	

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<b>Output 1.9</b>	resilience and administrative capacity	effectiveness of the Legal Services and Contract Management	implemented programmes of the Legal Services and Contract Management	Budget:									10
<b>Output 1.10</b>	Building institutional resilience and administrative capacity	Percentage of effectiveness of the Administration and Council Support Services	Approved and implemented programmes of the Administration and Council Support Services	Target:	Percentage	100%	100%	100%	100%	100%	100%	100%	10
<b>Output 1.11</b>	Building institutional resilience and administrative capacity	Percentage of effectiveness of the Payroll Administration	Approved and implemented programmes of the Payroll Administration	Target:	Percentage	100%	100%	100%	100%	100%	100%	100%	10
<b>TOTAL KPA/SDBIP WEIGHTINGS</b>													<b>100</b>
<b>TOTAL KPA/SDBIP WEIGHTINGS (Must add up to 100%)</b>													<b>100</b>

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<b>SECTION 2: Job Description Key Performance Areas (JDKPA's)</b>				
<b>JDKPA Title</b>	<b>JDKPA Description</b>	<b>Evidence</b>	<b>Frequency</b>	<b>Weighting</b>
Financial Management	Must be able to know, understand and comply with the Municipal Finance Management Act, No. 56 of 2003	Explicit knowledge of all financial legislation and regulations	Annually	20
People Management and Empowerment	Must be able to manage and encourage people, optimise their outputs and effectively manage relationships in order to achieve Municipality's goals	Be able to show a high level of people Management skills	Annually	10
Problem solving and Analysis	Must be able to systematically identify, analyse and resolve existing and anticipated problems in order to reach optimum solutions expeditiously	A high level of negotiation skills and be able to perform under tremendous pressure	Annually	15
Communication	Must be able to exchange information and ideas in a clear and concise manner appropriate for the audience in order to explain, persuade, convince and influence others to achieve their desired outcomes	Able to convey and write reports that are adding value to the improvement of the institution as a whole	Annually	15
Programme and Project Management	Must be able to plan, manage, monitor and evaluate specific activities in order to ensure that the policies are implemented and that Local Government objectives are achieved	Knowledge of Project and Programme Management	Annually	20
Budget Management	Development, approval and implementation of the Service Delivery and Budget Implementation Plan 2020/2021	Approved Service Delivery and Budget Implementation Plan 2020/2021	Annually	20
<b>TOTAL JDKPA WEIGHTINGS (Must add up to 100%)</b>				<b>100</b>

**SECTION 3: CORE COMPETENCIES**

<b>Competency</b>	<b>Description</b>	<b>Evidence</b>	<b>Weighting</b>	
Strategic Capability and Leadership	Competency Based Assessment	Results	10	
Project and Programme Management	Competency Based Assessment	Results	10	
Financial Management	Competency Based Assessment	Results	15	
Client Orientation and Customer Care	Competency Based Assessment	Results	5	
Change Management	Competency Based Assessment	Results	10	
Knowledge Management	Competency Based Assessment	Results	5	
Service Delivery Innovation (SDI)	Competency Based Assessment	Results	10	
Problem Solving and Analysis	Competency Based Assessment	Results	10	
Communication	Competency Based Assessment	Results	10	
People Management and Empowerment	Competency Based Assessment	Results	5	
Accountability and Ethical Conduct	Competency Based Assessment	Results	10	
<b>TOTAL CORE COMPETENCY WEIGHTINGS (Must add up to 100%)</b>				<b>100</b>

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**ANNEXURE B: PERFORMANCE EVALUATION CRITERIA'S**

**KEY PERFORMANCE AREA AND JOB DESCRIPTION TASK EVALUATION CRITERIA**

1	2	3	4	5
Unacceptable Performance	Performance Not Fully Effective	Performance Fully Effective	Performance Significantly above Expectations	Outstanding Performance
Performance does not meet the standard performance 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	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.	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.	Performance is significantly higher than the standards 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.	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.

**CORE COMPETENCY EVALUATION CRITERIA**

1	2	3	4	5
Under Performance	Basic Performance	Meeting Performance	Superior Performance	Outstanding Performance
Has understanding of Competency but Has understanding of Competency but requires re-inforcement opportunity to enhance learning requires re-inforcement	Has awareness of competency but lacks full application competency	Competency Application of Competency without any support or assistance required	Strong Application of Competency	Mastery Application of Competency

**ANNEXURE C: LINE MANAGER REQUESTS**

Request	Description
Financial Support	Budget should be available to enable me to meet the set targets
Register for MFMP	Municipality should register me for the MFMP course as per the legal requirement
Training and Development	Attend continuous training and development programmes to enhance my knowledge of Local Government

**ANNEXURE D: PERSONAL DEVELOPMENT PLANNING**

PDP Initiative	Competency Development Area	Description	Evidence
Acquisition of further training and skills	Competency Based Assessment	Competency Based Assessment Test	Competency Based Assessment Result

Employee Signature ( Mr TP Motsima)		Date	14-Aug-20
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Acting Municipal Manager (Ms T F Zondi) Signature		Date	14-Aug-20
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