



## Setsoto Local Municipality Performance Agreement

<b>Organisation</b>	Setso Local Municipality	<b>Employee Name</b>	Zondo Richard Themba
<b>Department</b>	Development Planning and Social Security	<b>Post Title</b>	Municipal Manager
<b>Division</b>	All	<b>Post Identification Number</b>	Section 57
<b>Section</b>	All	<b>Post Level</b>	Director
<b>Line Manager</b>	Municipal Manager	<b>Cell Phone Number</b>	605473305
<b>Performance Period</b>	01 July 2021 to 30 June 2022		

**Purpose**  
The purpose of this Agreement is to:

- 1) 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;
- 2) 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;
- 3) Specify accountabilities as set out in the Performance Plan, which must be in a format substantially compliant with Annexure "A";
- 4) Monitor and measure performance against set targeted outcomes, outputs, activities, tasks and sub-tasks;
- 5) 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
- 6) Appropriately reward the Employee in accordance with the Employer's Performance Management Policy in the event of outstanding performance.

**Commencement and Duration**

1. This Agreement will commence on the 01 July 2021 and will remain in force until 30 June 2022, 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.
2. This Agreement will terminate on termination of the Employee's employment for any reason whatsoever.
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.
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.
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.

**Performance Objectives**

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.
2. The 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.
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. The Employee's performance will, in addition, be measure 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.

**Performance Management System**

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.
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.
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.
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.

**Evaluating Performance**

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.
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.
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"
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.
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. The Core Managerial Criteria must be addressed-
  - a) according to the extent to which the specified standards have been met;

STR  
T.R.Z

6) with indicative rating on a five-point scale for each criteria; and  
 7) by using the applicable assessment rating calculator to add the score and calculating the final Core Managerial Competency score.

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"

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 inverted to 80% and 20%. The sum of these two scores is used for calculating the performance bonuses as per clause 11.2 below.

9 For the purpose of evaluating the annual performance of the Municipal Manager, an evaluation Panel consisted of the following persons must be established-

The Executive Mayor;  
 i) Chairperson of the Audit and Performance Audit Committee;  
 ii) Member of the Mayoral Committee;  
 iii) Mayor/Municipal Manager from another municipality; and  
 iv) Member of a Ward Committee as nominated by the Executive Mayor.

9.1 For the purpose of evaluating the annual performance of the Manager directly accountable to the Municipal Manager, an evaluation Panel consisted of the following persons must be established-

The Municipal Manager  
 i) Chairperson of the Audit and Performance Audit Committee;  
 ii) Member of the Mayoral Committee; and  
 iii) Municipal Manager from another municipality.

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 System must be established-

**Schedule for Performance Reviews**

1 The performance of each Employee in relation to his or her Performance Agreement must be reviewed during-

i) July to September for the First Quarter-October 2021;  
 ii) October to December for the Second Quarter-January 2022;  
 iii) January to March for the Third Quarter-April 2022 and  
 iv) April to June for the Fourth Quarter-July 2022.

Reviews in the first and third quarters may be verbal if performance is satisfactorily.

2 The responsibility for rescheduling a cancelled coaching session will be with the individual who requested the rescheduling.  
 3 The fourth quarter coaching is followed up by a review which may be conducted concurrently with the coaching session.  
 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.  
 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.  
 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.

**Developmental Requirements**

1 The Personal Development Plan, Annexure "D" for addressing developmental gaps will be provided when required.

**Obligation to the Employer**

1 The Employer shall-

i) create an enabling environment to facilitate effective performance by the Employee;  
 ii) provide access to skills development and capacity building opportunities;  
 iii) work collaboratively with Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;  
 iv) 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 this Agreement; and  
 v) 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 established in terms of this Agreement.

**Consultation**

1.1 The Employer agrees to consult the Employees timeously where the exercising of the powers will have amongst others-

i) a direct effect on the performance of any of the Employee's function;  
 ii) commit the Employee to implement or give effect to a decision made by Employer; and  
 iii) a substantial financial effect on the Employer.

**Management of Evaluation Outcomes**

1.1 The evaluation of the Employee's performances will form the basis for rewarding outstanding performance or correcting unacceptable performance.

1.2 A performance bonus of between 0% and 14% of all inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

Score	Performance Rating	Bonus Amount	
5	Score above 150%	Outstanding Performance	10%-14% OF Total Package
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

1.3 In case of unacceptable performance, the Employer shall-

i) provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and  
 ii) 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.

**Dispute Resolutions**

2.1 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 Agreement, must be mediated by-

i) 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;  
 ii) 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  
 iii) 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

2.2 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.

**General**

3.1 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.

STR  
7-8-2

3.2 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 regulations, circulars, policies, directives or other instruments.

3.3 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** An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship

**NATIONAL DEVELOPMENT PLAN CHAPTERS** Economic Infrastructure

**FREE STATE GROWTH AND DEVELOPMENT STRATEGIES** Effective and Efficient Governance and Administration

**SP REFERENCE** Basic Services

**STRATEGIC GOAL** To Provide Strategic Leadership To The Strategic Operational Activities Of The Municipality

**KEY PERFORMANCE AREA (KPA)** Basic Services

Planning Level	Predetermined Objectives	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Weighting	
Activity 1.1	Supporting the delivery of municipal services to the right quality and standards	Percentage of households with access to refuse removal	Reports from waste management division	Target	Percentage	91%	91%	91%	91%	91%	91%	15%	
				Budget	Rand		4 832 593	4 832 593	4 832 593	4 832 593	4 832 593		
Activity 1.2	Supporting the delivery of municipal services to the right quality and standards	Number of Integrated Waste Management Plans developed, reviewed and approved	Approved Integrated Waste Management Plan and council resolution	Target	Number	1	1	0	0	0	1	15%	
				Budget	Rand		4 832 593	4 832 593	4 832 593	4 832 593	4 832 593		
Activity 1.3	Supporting the delivery of municipal services to the right quality and standards	Percentage of compliance with required attendance time for structural and wild firefighting incidents	Reports and Pictures	Target	Percentage	100%	100%	100%	100%	100%	100%	20%	
				Budget	Rand		4 832 593	4 832 593	4 832 593	4 832 593	4 832 593		
Activity 1.4	Supporting the delivery of municipal services to the right quality and standards	Percentage of business licenses applications and permits processed	Business application forms	Target	Percentage	100%	100%	100%	100%	100%	100%	20%	
				Budget	Rand		4 832 593	4 832 593	4 832 593	4 832 593	4 832 593		
Activity 1.5	Supporting the delivery of municipal services to the right quality and standards	Number of Disaster Management Plans developed, reviewed and approved	Approved Disaster Management Plan and council resolution	Target	Number	1	1	0	0	0	1	20%	
				Budget	Rand		4 832 593	4 832 593	4 832 593	4 832 593	4 832 593		
Total						Number of Targets	5	5	5	5	5		
Total						Total Budget	28 995 558	28 995 558	28 995 558	28 995 558	28 995 558	28 995 558	100%

**TOTAL KPA/SDBIP WEIGHTINGS (Must add up to 100%)** 100%

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

**NATIONAL OUTCOMES** 3. Infrastructure is poorly located, inadequate and under-maintained

**NATIONAL DEVELOPMENT PLAN CHAPTERS** 3. All people in South Africa

**FREE STATE GROWTH AND DEVELOPMENT STRATEGIES** 2. Supporting the delivery of municipal services to the high standards

**SP REFERENCE** Local Economic Development

**Redetermined Objective** Creating a conducive environment for local economic development

**STRATEGIC GOAL** Providing effective community services and promotion of local economy

**KEY PERFORMANCE AREA (KPA)** Local Economic Development

Planning Level	Predetermined Objectives	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Weighting
Activity 1.1	Creating a conducive environment for local economic development	Number of Entrepreneurs capacitated/empowered through trainings, workshops; awareness campaigns, roadshows, funding, information sharing sessions and seminars conducted	Reports, attendance registers or list of SMME's assisted to obtain funding	Target	Number	400	80	0	20	20	40	100,0%
				Budget	Rand		225 125	225 125	225 125	225 125	225 125	
Total						Number of targets	1	1	1	1	1	
Total						Total Budget	225 125	225 125	225 125	225 125	225 125	100%

**TOTAL KPA/SDBIP WEIGHTINGS (Must add up to 100%)** 100%

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

**NATIONAL DEVELOPMENT PLAN CHAPTERS** 8. Corruption levels are high (9)

**NATIONAL OUTCOMES** 9. A responsive, accountable, effective and efficient local government system

**BACK TO BASIC PRINCIPLES** Good Governance, transparency, and accountability

**FREE STATE GROWTH AND DEVELOPMENT STRATEGIES** 6. Good Governance

**REDETERMINED OBJECTIVES** Promoting good governance, transparency, and accountability

**KEY PERFORMANCE AREA (KPA)** Good Governance, transparency, and accountability

*STR*

*T.R.Z*

Planning Level	Predetermined Objectives Statement	Indicator	Evidence	Type	Unit of Measure	Baseline	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Weighting
Activity 1.1	Promoting good governance, transparency, and accountability	Number of Strategic Risks Register updated and mitigated	Updated Strategic Risks Register	Target	Number	4	4	1	1	1	1	15%
				Budget	Rand			4 832 593	4 832 593	4 832 593	4 832 593	
Activity 1.2	Promoting good governance, transparency, and accountability	Number of Operational Risks Register updated and mitigated	Updated Operational Risks Register	Target	Number	4	4	1	1	1	1	15%
				Budget	Rand			4 832 593	4 832 593	4 832 593	4 832 593	
Activity 1.3	Promoting good governance, transparency, and accountability	Percentage of external communication of audit findings responded to and addressed within	Communication of audit findings responses, annual financial statements and annual report	Target	Percentage	100%	100%	100%	100%	100%	100%	15%
				Budget	Rand			4 832 593	4 832 593	4 832 593	4 832 593	
Activity 1.4	Promoting good governance, transparency, and accountability	Percentage of external audit request for information responded to and addressed within timeframe	Requests for information responses, annual financial statements and annual report	Target	Percentage	100%	100%	100%	100%	100%	100%	15%
				Budget	Rand			4 832 593	4 832 593	4 832 593	4 832 593	
Activity 1.5	Promoting good governance, transparency, and accountability	Percentage of internal audit request for information responded to and addressed within	Request for information register and responses to information request register	Target	Percentage	100%	100%	100%	100%	100%	100%	15%
				Budget	Rand			4 832 593	4 832 593	4 832 593	4 832 593	
Activity 1.6	Promoting good governance, transparency, and accountability	Percentage of internal communication findings responded to and addressed within timeframe	Communication findings register and responses to communication findings register	Target	Percentage	100%	100%	100%	100%	100%	100%	15%
				Budget	Rand			4 832 593	4 832 593	4 832 593	4 832 593	
Activity 1.7	Promoting good governance, transparency, and accountability	Number of Appraisal Reports concluded	Invitations, Attendance Registers, Reports and Council Resolutions	Target	Number	4	4	4	4	4	4	10%
				Budget	Rand			4 832 593	4 832 593	4 832 593	4 832 593	
Total				Number of targets		11	11	11	11	11	11	
				Total Budget				38 660 744	38 660 744	38 660 744	38 660 744	
OTAL KPA/SDBIP WEIGHTINGS (Must add up to 100%)												100%

**SECTION 2: Job Description Key Performance Areas (JDKPA's)**

JDKPA Title	JDKPA Description	Evidence	Frequency	Weighting
Financial Management	Must be able to know, understand and comply with Municipal Finance Management Act, 56 of 2003	Monthly reports, quarterly reports and annual reports	Continuous	20
People Management and Empowerment	Must be able to manage and encourage people, optimise their inputs and effectively manage relationships in order to achieve the municipality's goal.	Monthly reports, quarterly reports and annual reports	Continuous	10
Problem Solving and Analysis	Must be able to systematically identify, analyse and resolve existing and anticipated problems in order to reach optimum solutions in a timely manner.	Monthly reports, quarterly reports and annual reports	Monthly	15
Communication	Must be able to exchange information and ideas in a clear and concise manner appropriate for audience in order to explain, persuade, convince and influence others to achieve the desired outcomes.	Monthly reports, quarterly reports and annual reports	Monthly	15
Programme and Project Management	Must be able to plan, monitor and evaluate specific activities in order to ensure that policies are implemented and the local government objectives are achieved	Monthly reports, quarterly reports and annual reports	Continuous	15
Budget Management	Development, approval and implementation of the Service Delivery and Budget Implementation Plan 2021/2022	Monthly reports, quarterly reports and annual reports	Continuous	25
<b>TOTAL JDKPA WEIGHTINGS (Must add up to 100%)</b>				<b>100</b>

**SECTION 3: CORE COMPETENCIES**

Competency	Description	Evidence	Weighting
Strategic Capability and Leadership	Competency Based Assessment	Results	10
Programme and Project Management	Competency Based Assessment	Results	10
Financial Management	Competency Based Assessment	Results	10
People Management and Empowerment	Competency Based Assessment	Results	10
Client Orientation and Customer Focus	Competency Based Assessment	Results	10
Change Management	Competency Based Assessment	Results	5
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
Accountability and Ethical Conduct	Competency Based Assessment	Results	10
<b>TOTAL CORE COMPETENCY WEIGHTINGS (Must add up to 100%)</b>			<b>100%</b>

STR  
7-R-2

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

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

1	2	3	4	5
Unacceptable	Performance Not	Performance Fully	Performance Significantly	Outstanding
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. <b>The employee has failed to</b>	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.

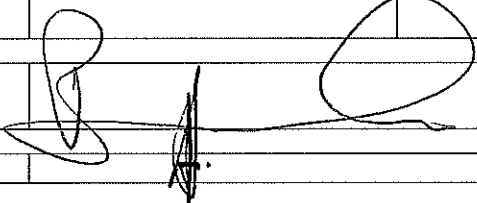
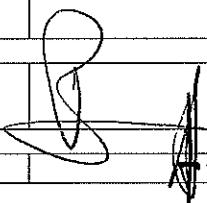
**CORE COMPETENCY EVALUATION CRITERIA**

1	2	3	4	5
Under	Basic	Meeting	Superior	Outstanding
Has understanding of competency but Has understanding of Competency but requires re-inforcement opportunity to enhance learning requires re-inforcement opportunity to enhance learning	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
Implementation of the SDBIP	Managers must ensure that SDBIP is implemented fully without fail
Time Management	Managers must ensure that they arrive on time and such discipline must be cascaded to their subordinates
Risk Management	Managers must ensure that risk management is discussed at their divisional meetings

**ANNEXURE D: PERSONAL DEVELOPMENT PLANNING**

PDP Initiative	Competency Development Area	Description	Evidence
Director: DPSS Signature			Date 31 August 2021
Municipal Manager Signature			Date 31 August 2021