

Kouga Municipality



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**THE MUNICIPALITY OF KOUGA
AS REPRESENTED BY THE MUNICIPAL MANAGER**

SIDNEY FADI

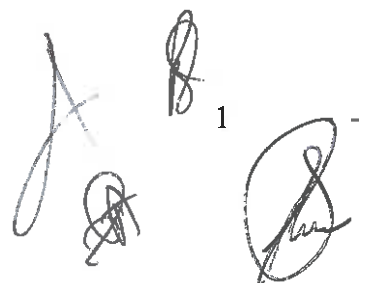
AND

**Me. CARLEEN ARENDS
THE EMPLOYEE OF THE MUNICIPALITY
DIRECTOR: LOCAL ECONOMIC DEVELOPMENT, TOURISM AND
CREATIVE INDUSTRIES**

FOR THE

FINANCIAL YEAR: 1 JULY 2016 TO 30 JUNE 2017

Performance Agreement – C Arends (2016/17)


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Kouga Municipality

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN

The Municipality of Kouga herein represented by Mr S, Fadi in his capacity as Municipal Manager (hereinafter referred to as the Employer)

and

Me Carleen Arends an Employee of the Municipality of Kouga (hereinafter referred to as the Employee).

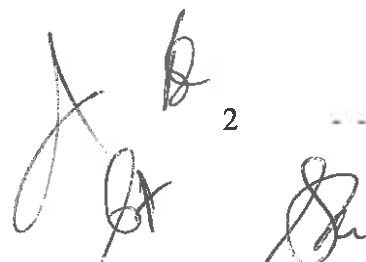
WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred 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 THIS AGREEMENT

- 2.1 Comply with the provisions of Section 57(1)(b),(4A) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;




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- 2.3 Specify accountabilities as set out in the Performance Plan;
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the Performance Agreement and Performance Plan as the basis for assessing the suitability of the Employee for permanent employment and/or to assess whether the Employee has met the performance expectations applicable to his/her job;
- 2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and
- 2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. DELIVERY

- 3.1 This Agreement will commence on the 01 July 2016 and will remain in force until 30 June 2017 where after a new Performance Agreement, 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 Employee's contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.5 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.

 
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4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan attached to this Agreement 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 Performance Plan 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.
- 4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key 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.

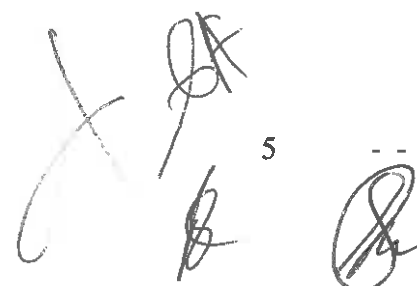
5. PERFORMANCE MANAGEMENT SYSTEM

- 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 with the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

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6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM THAT THE EMPLOYER ADOPTS.

- 6.1 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.
- 6.2 The Employee undertakes to submit performance evidence in a format the Employer may require at times and intervals as set out herein in order to enable the Employer to evaluate the performance of the Employee.
- 6.3 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.
- 6.3.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Managerial Competencies (CCR's) respectively.
- 6.3.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 6.3.3 KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.
- 6.4 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

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Kpa No	Key Performance Area	Weight
1	Good Governance and Public Participation:	10
2	Local Economic Development:	70
3	Financial Viability and Management:	10
Total		100

6.5 The CCR's will make up the other 20% of the Employee's assessment score. CCR's that are deemed to be most critical for the Employee's specific job are reflected in the list below as agreed to between the Employer and Employee:

CR No	Core Competency Requirement	Weight
Core Managerial Competencies		
1	Financial Management	10
2	People and Diversity Management	40
3	Client Orientation and Customer Focus	40
Total (Cannot exceed 100%)		100

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Competency 1: Financial Management

Definition: Must be able to comply with requirements for the accounting officer of the municipality as prescribed in the Municipal Finance Management Act No 56 of 2003.

PROFICIENCY LEVELS			
BASIC	COMPETENT	ADVANCED	EXPERT
<ul style="list-style-type: none"> • Articulates basic financial concepts and techniques as they relate to municipal processes and tasks (e.g. performance budgeting and value for money); • is familiar with the different sources of financial data, reporting mechanisms and financial processes and systems; • understands importance of financial accountability; • understands the necessity for asset control; • recognises key expenditure and financial accounting and reporting concepts; • performs key financial management processes (expenditure, accounting and reporting) with guidance / direction; • tracks and measures actual expenditure against budget; and • understands the role of an audit function. 	<ul style="list-style-type: none"> • Demonstrates knowledge of financial planning, budgeting and forecasting and how they interrelate; • manages, monitors and assess financial risk; • continuously looks for new opportunities to obtain and save funds; • ensures the preparation of the financial reports based on prescribed format; • understands and weighs up financial implications of propositions; • ensures the control assets according to prescribed policies and procedures; • understands, analyses and monitors financial reports; • allocates resources to established goals and objectives; • manage expenditure in relation to cash flow projections; • ensures effective utilisation of financial resources; 	<ul style="list-style-type: none"> • Ensures key planning, budgeting and forecasting processes and is able to answer questions in relation to the municipality's budget; • ensures the management of the financial planning, forecasting and reporting processes; • ensures the preparation of budgets that are aligned to the strategic objectives of the municipality's Integrated Development Plan (IDP); • addresses complex budgeting and financial management issues; • ensures the formulation of long term financial plans and resource allocations; • ensures the development and implementation of systems, procedures and processes in order to improve financial management; • advise on policies and procedures regarding asset control; 	<ul style="list-style-type: none"> • Develops planning tools that assist with evaluating and monitoring future expenditure trends; • ensures and monitors the setting of budgeting guidelines for the municipality; • sets strategic direction for the organisation / department in relation to expenditure and other financial processes; • ensures the identification and implementation of partnerships and explores other avenues to achieve financial savings and improved service delivery; • ensures the identification and implementation of new techniques to improve asset control; • evaluates financial impact of strategic decisions across the organisation;

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PROFICIENCY LEVELS			
BASIC	COMPETENT	ADVANCED	EXPERT
	<ul style="list-style-type: none"> develops corrective measures / actions to ensure alignment of budget to financial resources; and makes realistic projections in routine reports. 	<ul style="list-style-type: none"> dynamically allocates resources according to internal and external objectives; ensure the development of Expenditure Key Performance Indicators (KPIs); succeeds in achieving maximum results with limited resources; assists others with financial accounting \ reporting tasks; and analyse projections in reports. 	<ul style="list-style-type: none"> ensures the development of long-term plans, performance measures and budgets that are aligned with strategic objectives; and possesses financial acumen and understanding and runs the finances according to sound principles.

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Competency 2: People and Diversity Management

Definition: Must be able to manage and encourage people, optimise their outputs and effectively manage relationships in order to achieve the municipality's goals.

PROFICIENCY LEVELS			
BASIC	COMPETENT	ADVANCED	EXPERT
<ul style="list-style-type: none"> Participates in team goal setting and problem solving; interacts and collaborates with diverse groups of people; understands team strengths, weaknesses and preferences; and is aware of the appropriate steps and guidelines for employee development and feedback, but not yet fully able to implement these. 	<ul style="list-style-type: none"> Seeks opportunities to increase personal contribution & level of responsibility; supports and respects the individuality of others and recognises the benefits of diversity of ideas and approaches; delegates and empowers others to increase contribution and level of responsibility; applies labour and employment legislation and regulations consistently; facilitates team goal setting and problem solving; recognises individuals and teams and provides developmental feedback in accordance with performance management principles; adheres to internal and national standards with regards to human resource practices; identifies competencies required and suitable resources for specific tasks; 	<ul style="list-style-type: none"> Analyses ineffective team and work processes and recommends improvement; recognises and rewards desired behaviours and results; mentors and counsels others; addresses balance between individual career expectations and organisational needs; considers developmental needs of personnel when building teams and assigning tasks; establishes an environment in which personnel can maximise their potential; guides others on managing people; inspires a culture of performance excellence by giving positive and constructive feedback to the team; creates links among various individuals and teams and instills a common sense of identity towards the achievement of goals by various team members and stakeholders; 	<ul style="list-style-type: none"> Develops and incorporates best practice people management processes, approaches and tools across the organisation; creates processes to ensure accountability for people management and development; exceeds set goals for employment equity and affirmative action; has a reputation as a leader in fostering professional growth; sought after as a mentor; develops comprehensive, integrated strategies and approaches to managing human resources; develops systems and processes to recruit and retain high quality staff; and adapts leadership style to different people, cultures and situations.

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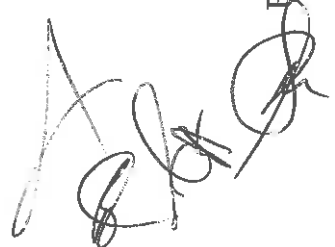
PROFICIENCY LEVELS			
BASIC	COMPETENT	ADVANCED	EXPERT
	<ul style="list-style-type: none"> displays personal interest in the well-being of colleagues; able to manage own time as well as time of colleagues and other stakeholders; and manages conflict through a participatory approach. 	<ul style="list-style-type: none"> shares knowledge of the big picture to help others understand their role; and creates a culture of continuous learning and development. 	

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Competency 3: Client Orientation and Customer Focus

Definition: Must be willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Batho Pele) into practice.

PROFICIENCY LEVELS			
BASIC	COMPETENT	ADVANCED	EXPERT
<ul style="list-style-type: none"> • Acknowledges customers rights; • applies customer knowledge to improve own organisation or department; • maintains good relationship with customers and understands their priorities; • redirects queries to the most appropriate person / solution provider and follows through to ensure customer needs are met; and • understands and complies with the content and requirements of chapter 4 of the Municipal Systems Act. 	<ul style="list-style-type: none"> • Develops clear and implementable service delivery improvement programmes; • identifies opportunities to exceed the expectations of customers; • ensures the design of internal work processes to improve customer service; • adds value to the organisation by providing exemplary customer service; • applies customer rights in own work environment; • fully complies with the chapter 4 requirements of the Municipal Systems Act; and • finds innovative ways to include participation in the preparation of the IDP. 	<ul style="list-style-type: none"> • Coaches others about the importance and application of customer and client knowledge; • fosters an environment in which customer satisfaction is valued and delivered; • addresses and resolves high-risk, high-profile stakeholder issues; and • takes advantage of opportunities to learn about stakeholders and brings this information to own functional area. 	<ul style="list-style-type: none"> • Ensures the coordination of the implementation of service delivery improvements within budget, time, quality and targets set by the municipality; • establishes guidelines to balance cost-consciousness and service delivery; • establishes the municipality's strategic direction for managing services towards stakeholders; • demands broad and deeper knowledge of clients and customers to ensure better service delivery; and • utilises long term, collaborative and strategic relationships with clients and customers to better service delivery.



7. PERFORMANCE EVALUATIONS

7.1 The Performance Plan annexed to this Agreement sets out –

7.1.1 The standards and procedures for evaluating the Employee's performance; and

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

7.2 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.

7.3 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.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP).

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

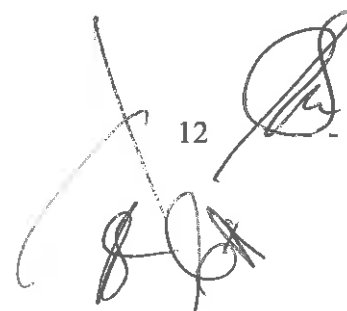
7.5.1.1. Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

7.5.1.2. An indicative rating on the five-point scale should be provided for each KPA.

7.5.1.3. The applicable assessment rating calculator (refer to paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

7.5.2 Assessment of the CCR's

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7.5.2.1. Each CCR should be assessed according to the extent to which the specified standards have been met.

7.5.2.2. An indicative rating on the five-point scale should be provided for each CCR.

7.5.2.3. The applicable assessment rating calculator (refer to paragraph 7.5.1) must then be used to add the score and calculate a final CCR score.

7.5.3 Overall rating

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

7.6 The assessment of the performance of the Employee 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 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					

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

7.7 For purposes of evaluating the annual performance of the Employee, an evaluation panel constituted of the following persons will be established –

7.7.1 Municipal Manager;

7.7.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee;

7.7.3 Member of the Mayoral Committee or Executive committee or in respect of a plenary type municipality, another member of council; and

7.7.4 Municipal Manager from another Municipality.

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1 The performance of each Employee in relation to his/her performance agreement shall be reviewed on the following dates with the understanding reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July – September 2016
Submission of evidence	:	20 October 2016
Evaluation	:	29 October 2016
Second quarter	:	October-December 2016
Submission of evidence	:	20 January 2017
Evaluation	:	30 January 2017
Third quarter	:	January-March 17
Submission of evidence	:	20 April 2017
Evaluation	:	25 April 2017
Fourth quarter	:	April-June 2017
Submission of evidence	:	20 July 2017
Evaluation	:	29 July 2017

8.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.

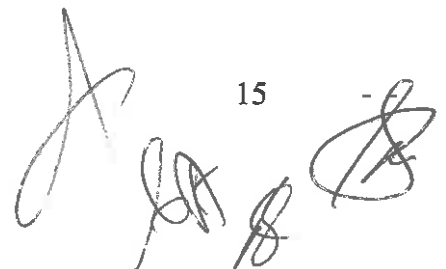
8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of Performance Plan from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

9. DEVELOPMENTAL REQUIREMENTS

The Pro Forma Personal Development Plan (PDP) for addressing developmental gaps is included in the Electronic Performance Management System. Such Plan may be implemented and/or amended as the case may be after the each assessment. In that case, the



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Employee will be fully consulted before any such change or plan is made as part of the assessment.

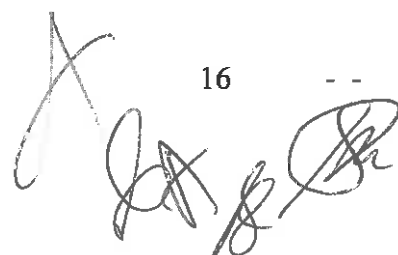
10. OBLIGATIONS OF THE EMPLOYER

10.1 The Employer shall-

- 10.1.1 Create an enabling environment to facilitate effective performance by the employee;
- 10.1.2 Provide access to skills development and capacity building opportunities;
- 10.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 10.1.4 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
- 10.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him/her to meet the performance objectives and targets established in terms of this Agreement.

11. CONSULTATION

- 11.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others-
 - 11.1.1 A direct effect on the performance of any of the Employee's functions;
 - 11.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
 - 11.1.3 A substantial financial effect on the Employer.
- 11.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 11.1 as soon as is practically possible to enable the Employee to take any necessary action with delay.

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12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 12.2 A performance bonus between 5% to 14% of the Employee's inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance subject to the provisions of applicable legislation in this regard.
- 12.3 The Employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.
- 12.4 In the case of unacceptable performance, the Employer shall –
- 12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
- 12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

13. DISPUTE RESOLUTION

- 13.1 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 –
- 13.1.1 The Mayor of the Employer within thirty (30) days of receipt of a formal written dispute from the Employee provided that where the dispute relates to the outcome of the performance evaluation the Mayor shall appoint a member of Council to

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consider submissions on performance whose decision shall be final and binding.

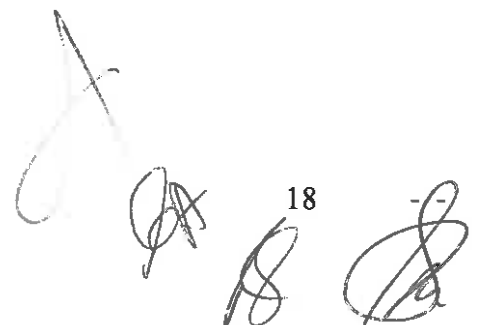
- 13.2 Any disputes about the outcome of the Performance Evaluations shall within thirty (30) days of receipt of a formal written dispute from the Employee be mediated by a member of the Kouga Municipal Council, provided that such Councillor was not part of the evaluation panel contemplated in paragraph 7 herein, whose decision shall be final and binding on both parties.
- 13.3 In the event that the mediation process contemplated above fails, clause 16 of the Contract of Employment shall apply.

14. GENERAL

- 14.1 The contents of this agreement and the outcome of any review conducted in terms of this agreement may be made available to the public by the Employer.
- 14.2 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.

15. PERSONAL DEVELOPMENT PLAN

- 15.1 The personal development plan of the Employee is captured on the Kouga Electronic PMS System through inputs made by the Employee and the personal development plan is thus not attached to this performance agreement but forms an integral part of this agreement despite it not being attached.

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Thus done and signed at JEFFREYS Bay on this the 27th day
JULY of 2016.

AS WITNESSES:

1. [Signature]
2. [Signature]

[Signature]
EMPLOYEE
[Signature]
MUNICIPAL MANAGER

[Signature]