



PERFORMANCE PLAN

Entered into by and between

**THE MUNICIPALITY OF KOUGA
AS REPRESENTED BY THE EXECUTIVE MAYOR**

Me. D KETTLEDAS

AND

**SAKHEKILE SIDNEY FADI
MUNICIPAL MANAGER
THE EMPLOYEE OF THE MUNICIPALITY**

PERIOD: 1 JULY 2016 TO 30 JUNE 2017

Three handwritten signatures in black ink are located in the bottom right corner of the page. The first signature is a simple, stylized 'A'. The second signature is more complex, appearing to be 'S F' followed by a flourish. The third signature is the most elaborate, featuring a large 'S' and 'F' with a final flourish.

1. PURPOSE

The performance plan defines the Council's expectations of the Municipal Manager's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2. KEY RESPONSIBILITIES


It is expressly agreed that while certain key responsibilities of the Municipal Manager shall be measured in terms of the Performance Agreement and the Performance plan, shall the duties of the Municipal Manager not be restricted to the measured responsibilities only.

The following objectives of Kouga Municipality will inform the Municipal Manager's performance against set performance indicators:

- 2.1 Basic service delivery to the community of Kouga and internal services to Directorates of Kouga Municipality.
- 2.2 Institutional development and transformation of Kouga Municipality.
- 2.3 Local economic development within the Kouga Municipal area.
- 2.4 Financial management and viability of Kouga Municipality.
- 2.5 Good governance within Kouga Municipality.

3. KEY PERFORMANCE AREAS

The following Key Performance Areas (KPA's) as, outlined in the Local Government: Municipal Planning and Performance Management Regulations (2006) and set in consultation with the employee, will inform the strategic objectives, listed in the table below:

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KPA No	Key Performance Areas	Weight
1	FINANCIAL VIABILITY AND MANAGEMENT	30
2	LOCAL ECONOMIC DEVELOPMENT	10
3	INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	10
4	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	20
5	INFRASTRUCTURE AND BASIC SERVICE DELIVERY	30
	Total	100

3.1 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:

CCR No	Core Competency Requirement	Weight
Core Managerial Competencies		
1	Financial Management	20
2	People and Diversity Management	40
3	Client Orientation and Customer Focus	40
	Total (Cannot exceed 100%)	100

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; • recognizes 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 general concepts 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 utilization 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 organization / 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 organization;

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 analyze 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.

Competency 2: PEOPLE AND DIVERSITY MANAGEMENT

Definition: Must be able to manage and encourage people, optimize 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 recognizes 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; • recognizes 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; • recognizes and rewards desired behaviors and results; • mentors and counsels others; • addresses balance between individual career expectations and organizational needs; • considers developmental needs of personnel when building teams and assigning tasks; • establishes an environment in which personnel can maximize 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 organization; • 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.

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. 	

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 organization 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 programs; • identifies opportunities to exceed the expectations of customers; • ensures the design of internal work processes to improve customer service; • adds value to the organization 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 • utilizes long term, collaborative and strategic relationships with clients and customers to better service delivery.

4. KEY PERFORMANCE INDICATORS

The following Key Performance Indicators (KPI's) provide the details of the evidence that must be provided to show that a key objective has been obtained. The target dates describe the timeframe in which the work must be achieved.

KEY PERFORMANCE AREA		FINANCIAL VIABILITY AND MANAGEMENT					PERFORMANCE STANDARDS	IDP REF
STRATEGY		Ensure the provision of budgetary and treasury functions, supply chain management services, revenue collection services, credit control services, property valuations and the management of financial systems so as to ensure compliance with the Local Government Municipal Finance Management Act 56 of 2000						
INSTITUTIONAL OBJECTIVES	KPI	30 September 2015	31 December 2015	31 March 2016	30 June 2016			
94% of revenue collected against revenue raised	% of revenue collected against revenue raised	94% revenue collected Against revenue raised	94% revenue collected Against revenue raised	94% revenue collected Against revenue raised	94% revenue collected Against revenue raised	94% revenue collected Against revenue raised	1 = Less than 80% collection rate 2 = 81 to 93% collection rate 3 = 94% collection rate 4 = 95 % collection rate 5 = more than 95 % collection rate	PR 12
90% of creditors paid within 30 days from date of invoice	% of creditors paid within 30 days from date of invoice	90% of creditors paid within 30 days from date of invoice	90% of creditors paid within 30 days from date of invoice	90% of creditors paid within 30 days from date of invoice	90% of creditors paid within 30 days from date of invoice	90% of creditors paid within 30 days from date of invoice	1 = less than 75% 2 = 76 – 85% 3 = 86 - 90% 4 = 91 – 95% 5 = more than 95%	PR 12
95% capital budget expenditure	% capital budget expenditure against budgeted and planned expenditure	95% capital expenditure against planned capital expenditure for the quarter	95% capital expenditure against planned capital expenditure for the quarter	95% capital expenditure against planned capital expenditure for the quarter	95% capital expenditure against planned capital expenditure for the quarter	95% capital expenditure against planned capital expenditure for the quarter and the year overall	1 = less than 75% 2 = 76 – 85% 3 = 86 - 90% 4 = 91 – 95% 5 = more than 95%	PR 12

5.24% of total operating budget allocated to repairs and maintenance	% of total operating budget allocated to repairs and maintenance	5.24% of operating budget allocated to repairs and maintenance	5.24% of total operating budget allocated to repairs and maintenance	5.24% of total operating budget allocated to repairs and maintenance	5.24% of total operating budget allocated to repairs and maintenance	5.24% of total operating budget allocated to repairs and maintenance	PR 12
100% of registered indigent residents have access to free basic services	% of residents registered on the indigent register with access to free basic services	100% of residents registered on the indigent register have access to free basic services	100% of residents registered on the indigent register have access to free basic services	100% of residents registered on the indigent register have access to free basic services	100% of residents registered on the indigent register have access to free basic services	100% of residents registered on the indigent register have access to free basic services	1 = less than 2% allocated 2 = 3% to 5% allocated 3 = 5.1 TO 5.3% allocated 4 = 5.4% to 8% allocated 5 = more than 8% allocated
90% of LED projects budget spent on LED projects (Operational Budget)	% of allocated LED project operational budget spent on LED projects	90% of quarterly LED project operational budget spent on LED projects	90% of quarterly LED project operational budget spent on LED projects	90% of quarterly LED project operational budget spent on LED projects	90% of quarterly LED project operational budget spent on LED projects	90% of quarterly and overall annual LED project operational budget spent on LED projects	1 = less than 80% 2 = 81 to 90% 3 = 91 to 95% 4 = 96 to 99% 5 = more than 99%
							1 = less than 85% spent 2 = 85 to 89% spent 3 = 90% spent 4 = 91 to 95% spent 5 = More than 95% spent

KEY PERFORMANCE AREA		LOCAL ECONOMIC DEVELOPMENT					PERFORMANCE STANDARDS	IDP REF
STRATEGY		Facilitate programs and projects to attract tourist to Kouga area inclusive of support to Local Tourism Offices and facilitate programs and projects to attract investment, the creation of jobs and the streamlining of administrative processes to stimulate economic development.						
INSTITUTIONAL OBJECTIVES	KPI	QUARTERLY TARGETS						
		30 September 2015	31 December 2015	31 March 2016	30 June 2016			
500 Temporary jobs created through LED initiatives, inclusive of municipal capital projects	Number of Jobs created through LED initiatives inclusive of municipal capital projects	100/500 Temporary jobs created through LED initiatives, inclusive of municipal capital projects	250/500 Temporary jobs created through LED initiatives, inclusive of municipal capital projects	400/500 Temporary jobs created through LED initiatives, inclusive of municipal capital projects	500/500 Temporary jobs created through LED initiatives, inclusive of municipal capital projects	1 = less than 250 jobs 2 = 251 to 499 jobs 3 = 500 jobs 4 = 501 to 550 jobs 5 = more than 550 jobs	PR 8	

KEY PERFORMANCE AREA		INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION					PERFORMANCE STANDARDS	IDP REF
STRATEGY		Facilitate the development and implementation of programs and projects for the transformation of the institution to reflect the demographics of South Africa and facilitate skills development initiatives to grow and develop institutional capacity						
INSTITUTIONAL OBJECTIVES	KPI	QUARTERLY TARGETS						
		30 September 2015	31 December 2015	31 March 2016	30 June 2016			
100% Compliance with the implementation of the Employment Equity Plan targets for the 2016/17 year in respect of the 3 highest levels of employment	% compliance with employment equity plan targets in respect of the highest 3 levels of employment	100% Compliance with the implementation of the Employment Equity Plan targets for the 2016/17 year in respect of the 3 highest levels of employment	100% Compliance with the implementation of the Employment Equity Plan targets for the 2016/17 year in respect of the 3 highest levels of employment	100% Compliance with the implementation of the Employment Equity Plan targets for the 2016/17 year in respect of the 3 highest levels of employment	100% Compliance with the implementation of the Employment Equity Plan targets for the 2016/17 year in respect of the 3 highest levels of employment	1 = less than 70% compliance 2 = 71 to 96% compliance 3 = 97% compliance 4 = 98 to 99% compliance 5 = 100% compliance	PR 13	

100% Expenditure of SETA funding for staff development initiatives	% expenditure of SETA funding for staff development	25/100% Expenditure of SETA funding for staff development initiatives in respect of the quarter	50/100% Expenditure of SETA funding for staff development initiatives in respect of the quarter	75/100% Expenditure of SETA funding for staff development initiatives in respect of the quarter	100/100% Expenditure of SETA funding for staff development initiatives in respect of the quarter and the year overall	1 = less than 80% expenditure 2 = 81 to 96% expenditure 3 = 97% expenditure 4 = 98 to 99% expenditure 5 = 100% expenditure	PR 14
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KEY PERFORMANCE AREA		GOOD GOVERNANCE AND PUBLIC PARTICIPATION					PERFORMANCE STANDARDS	IDP REF
STRATEGY		Ensure compliance with legislative requirements in so far as it relates to public participation programs, property management, records control, inter-governmental relations, communications with stakeholders, community satisfaction surveys, provision of legal advisory services to Council and administration, the provision of human resources services and the provision of administrative support to Council and its Committees.						
INSTITUTIONAL OBJECTIVES	KPI	QUARTERLY TARGETS					PERFORMANCE STANDARDS	IDP REF
		30 September 2015	31 December 2015	31 March 2016	30 June 2016			
4 public participation programs held during the course of the year	Number of public participation programs held during the year	N/a	1 /4 Public participation program conducted during the quarter	2/4 Public participation program held for the quarter	4/4 Public participation programs held, 2 for the quarter with a total of 4 public participation programs for the year	1 = no programs 2 = 1 to 2 programs 3 = 3 to 4 programs 4 = 5 programs 5 = more than 5 programs	PR 15	
15 Ward Committees functional with at least one meeting per quarter per Ward with 4 meeting per year per Ward Committee	Number of Ward Committees with 4 meetings per year	1 /4 All 15 Ward Committees have at least one meeting during the quarter	2 /4 All 15 Ward Committees have at least one meeting during the quarter	3 /4 All 15 Ward Committees have at least one meeting during the quarter	4 /4 All 15 Ward Committees have at least one meeting during the quarter	1 = Less than 10 Ward Committees with 1 meeting per quarter 2 = 11 to 12 Ward Committees with 1 meeting per quarter 3 = 13 Ward Committees with 1 meeting per quarter 4 = 14 Ward Committees with 1 meeting per quarter 5 = 15 Ward Committees with 1 meeting per quarter	PR 15	

90% Compliance with the Audit Corrective Action Plan towards a clean audit in respect of matters relative to the Institution	% Compliance with the implementation of Audit Corrective Action Plan for the Institution	90% Compliance with the Audit Corrective Action Plan towards a clean audit in respect of matters relative to the Institution	90% Compliance with the Audit Corrective Action Plan towards a clean audit in respect of matters relative to the Institution	90% Compliance with the Audit Corrective Action Plan towards a clean audit in respect of matters relative to the Institution	90% Compliance with the Audit Corrective Action Plan towards a clean audit in respect of matters relative to the Institution	90% Compliance with the Audit Corrective Action Plan towards a clean audit in respect of matters relative to the Institution	90% Compliance with the Audit Corrective Action Plan towards a clean audit in respect of matters relative to the Institution	90% Compliance with the Audit Corrective Action Plan towards a clean audit in respect of matters relative to the Institution	90% Compliance with the Audit Corrective Action Plan towards a clean audit in respect of matters relative to the Institution	1 = less than 75% compliance 2 = 75 – 89% compliance 3 = 90% compliance 4 = 91 – 95% compliance 5 = More than 95% compliance	PR 16
90% of properties in formal residential areas provided with potable water	KPI	QUARTERLY TARGETS				PERFORMANCE STANDARDS	WEIGHT (Total 100 per KPA)				
		30 September 2015	31 December 2015	31 March 2016	30 June 2016						
90% of properties in formal residential areas provided with potable water	% of properties in formal residential areas provided with potable water	90% of properties in formal residential areas provided with potable water	90% of properties in formal residential areas provided with potable water	90% of properties in formal residential areas provided with potable water	90% of properties in formal residential areas provided with potable water	90% of properties in formal residential areas provided with potable water	PR 2				
Water losses not to exceed 40% between purchased/produced and water sold	% water losses between purchased/produced and water sold	Water losses not to exceed 40% between purchased/produced and water sold for the quarter	Water losses not to exceed 40% between purchased/produced and water sold for the quarter	Water losses not to exceed 40% between purchased/produced and water sold for the quarter	Water losses not to exceed 40% between purchased/produced and water sold for the quarter	1 = losses in excess of 60% 2 = losses between 59 and 41% 3 = losses of 40% 4 = losses between 39 and 35% 5 = losses less than 35%	PR 2				

90% of properties in formal residential areas provided with sanitation services	% of properties in formal residential areas provided with sanitation services	90% of properties in formal residential areas provided with sanitation services	90% of properties in formal residential areas provided with sanitation services	90% of properties in formal residential areas provided with sanitation services	90% of properties in formal residential areas provided with sanitation services	90% of properties in formal residential areas provided with sanitation services	1 = less than 80% 2 = 81 to 89% 3 = 90% 4 = 91 to 95% 5 = more than 95%	PR 2
90% of properties in formal residential areas provided with electricity	% of properties in formal residential areas provided with electricity	90% of properties in formal residential areas provided with electricity	90% of properties in formal residential areas provided with electricity	90% of properties in formal residential areas provided with electricity	90% of properties in formal residential areas provided with electricity	90% of properties in formal residential areas provided with electricity	1 = less than 80% 2 = 81 to 89% 3 = 90% 4 = 91 to 95% 5 = more than 95%	PR 5
Electricity losses not to exceed 10% between electricity purchased and electricity sold	% electricity losses between electricity purchased and electricity sold	Electricity losses not to exceed 10% between electricity purchased and electricity sold for the quarter	Electricity losses not to exceed 10% between electricity purchased and electricity sold for the quarter	Electricity losses not to exceed 10% between electricity purchased and electricity sold for the quarter	Electricity losses not to exceed 10% between electricity purchased and electricity sold for the quarter	Electricity losses not to exceed 10% between electricity purchased and electricity sold for the quarter and year overall	1 = more than 20% losses 2 = 11 to 18% losses 3 = 10% losses 4 = 9 to 8% losses 5 = less than 8% losses	PR 5
100% of MIG grant allocations spent	% expenditure of MIG grant allocations	100% of the MIG grant expenditure targets for the quarter spent	100% of the MIG grant expenditure targets for the quarter spent	100% of the MIG grant expenditure targets for the quarter spent	100% of the MIG grant expenditure targets for the quarter spent	100% of the MIG grant expenditure targets for the quarter and year overall spent	1 = less than 75% expenditure 2 = 76 to 95% expenditure 3 = 96% expenditure 4 = 97 to 98% expenditure 5 = 100% expenditure	PR 1
100% of DME grant allocations spent	% expenditure of DME grant allocations	100% of the DME grant expenditure targets for the quarter spent	100% of the DME grant expenditure targets for the quarter spent	100% of the DME grant expenditure targets for the quarter spent	100% of the DME grant expenditure targets for the quarter spent	100% of the DME grant expenditure targets for the quarter and year overall spent	1 = less than 75% expenditure 2 = 76 to 95% expenditure 3 = 96% expenditure 4 = 97 to 98% expenditure 5 = 100% expenditure	PR 5

Thus done and signed at JEFFRESBAY on this the 27th day
July of 2016.

AS WITNESSES:

1. Reed



MUNICIPAL MANAGER

2. Am → → → 4

Kettle

EXECUTIVE MAYOR

