

## REPORT TO THE EXECUTIVE MAYOR: 25 JUNE 2019

File No.: 3/1/2

[Author: City Manager (A. Sihlahla) /ns]

### **SUBMISSION OF SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN AND PERFORMANCE AGREEMENTS OF THE MUNICIPAL MANAGER AND SECTION 56 MANAGERS FOR 2019/2020 FINANCIAL YEAR**

#### **1. PURPOSE**

The purpose of the report is for the Executive Mayor to **APPROVE** Service Delivery and Budget Implementation Plan, Performance Agreements and Performance Plans of the Municipal Manager and Senior Managers appointed in terms of Section 56 of Local Government Municipal Systems Act for 2019/2020 financial year.

#### **2. AUTHORITY**

The Executive Mayor



#### **3. LEGAL / STATUTORY REQUIREMENTS**

- 3.1. The Constitution of the Republic of South Africa, 1996
- 3.2. Municipal Systems Act, Act 32 of 2000 and Regulations
- 3.3. The Local Government: Municipal Planning and Performance Management Regulations, 2001.
- 3.4. The Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 as amended in 2014.
- 3.5. The Local Government: Municipal Finance Management Act 56 of 2003;
- 3.5. Municipal Budget and Reporting Regulations, 2001

#### **4. BACKGROUND**

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its

performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, and service contracts. SDBIP enhances the principle of democratic and accountable local government as enshrined in section 152 of the Constitution of the Republic of South Africa.

## **5. EXPOSITION OF FACTS**

Section 69 (3) of the MFMA, states that:

“the Accounting Officer must not later than 14 days after the approval of an annual budget submit to the mayor –

- (a) A draft service delivery and budget implementation plan for the budget year, and
- (b) Drafts of the annual performance agreements as required in terms of section 57 (1)(b) of the Municipal Systems Act for the municipal manager and all senior managers”

Subsequent to that, section 53 (1) © of the MFMA, states that:

“ the Mayor of a municipality must take all reasonable steps to ensure -

(ii) that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget; and

(iii) that the annual performance agreements as required in terms of section 57 (1)(b) of the Municipal Systems Act for the municipal manager and all senior managers –

(aa) comply with this Act in order to promote sound financial management;

(bb) are linked to the performance objectives approved with the budget and to the service delivery and budget implementation plan.”

Furthermore, section 53 (3) stipulates that:

“the Mayor must ensure that the revenue and expenditure projections for each month and service delivery targets and performance indicators for each quarter, as set out in the SDBIP are circulated or made public no later than 14 days after approval of the SDBIP.”

Buffalo City Metropolitan Municipality (BCMM) Integrated Development Plan and Budget for 2019/2020 was adopted by the Council on the 29 May 2019, therefore it is for this reason that the BCMM Accounting Officer has developed and submitted BCMM Service Delivery and Budget Implementation Plan and signed performance agreements of the Municipal Manager and section 56 managers to the Executive Mayor for approval.

## **6. CHALLENGES**

None

## **7. OTHER PARTIES CONSULTED**

7.1 City Manager

7.2 All HOD's

## **8. FINANCIAL IMPLICATIONS**

None

## **9. STAFF IMPLICATIONS**

None

## **10. RECOMMENDATIONS**

It is recommended that:

The Executive Mayor **APPROVES** the Service Delivery and Budget Implementation Plan (SDBIP), Performance Agreements and Performance Plans of the Municipal

Manager and Officials appointed in terms of section 56 of the Local Government:  
Municipal Systems Act



**N. SIDUKWANA**

**HEAD OF DIRECTORATE: EXECUTIVE SUPPORT SERVICES**

DATE: 25/06/2019



**A. SIHLAHLA**

**SUPPORTED / ~~NOT SUPPORTED~~**

**CITY MANAGER: BUFFALO CITY METROPOLITAN MUNICIPALITY**

DATE: 25/06/2019



**X. PAKATI**

**APPROVED / ~~NOT APPROVED~~**

**EXECUTIVE MAYOR: BUFFALO CITY METROPOLITAN MUNICIPALITY**

DATE: 25/06/2019

## **ANNEXURES**

*Annexure A: 2019/2020 Performance Agreements and Performance Plans of Municipal Manager & Section 56 Managers*

*Annexure B: Quarterly projections of service delivery targets and performance indicators for each vote (SDBIP 2019/2020)*

*Annexure C: Monthly projections of Revenue to be collected by each source*

*Annexure D: Monthly projections of expenditure (operating and capital) Revenue for each vote*

*Annexure E: Ward Information for expenditure and Service Delivery and Detailed capital works plan broken down by ward over 3 years*



***Annexure A: 2019/2020 Performance  
Agreements and Performance Plans of  
Municipal Manager & Section 56 Managers***

# Buffalo City Metropolitan Municipality

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## Performance Agreement

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### HEAD OF DIRECTORATE: EXECUTIVE SUPPORT SERVICES



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# PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**MR ANDILE SIHLAHLA**

In his capacity as City Manager of the Buffalo City Metropolitan Municipality

**AND**

**MISS NCUMISA SIDUKWANA**

In her capacity as Head of Directorate: Executive Support Services

FOR THE

**FINANCIAL YEAR 1 JULY 2019 – 30 JUNE 2020**

## **PERFORMANCE AGREEMENT**

### **ENTERED INTO BY AND BETWEEN:**

**Mr Andile Sihlahla** in his capacity as City Manager (hereinafter referred to as the Employer)

and

**Miss Ncumisa Sidukwana**, in her capacity as Head of Directorate: Executive Support Services an Employee of the Buffalo City Metropolitan Municipality (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. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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**

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4. Monitor and measure performance against set targeted outputs;



- 2.5. Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to the position;
- 2.6. 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. COMMENCEMENT AND DURATION**

- 3.1. This Agreement will commence on the **1 July 2019** and will remain in force until the **30 June 2020**.
- 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 employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1. The Performance Plan (Annexure A) sets out –
  - 4.1.1 the performance objectives and targets that must be met by the 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 Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, the Service Delivery and Budget

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Implementation Plan and the Budget of the Employer; and include key objectives, key performance indicators, target dates and weightings.

- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. 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 hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the Strategic Outcomes (SO's) (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## **6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
  - 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Strategic Outcomes (SO's) and 20 to Core Competency Requirements (CCR's).
  - 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
  - 6.1.3 SO's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the Performance Plan (Annexure A), which are linked to the SO's, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

MGDS/IDP/SDBIP Strategic Outcomes (SO's)	Weighting
An innovative and productive city	30%
A green city	10%
A connected city	10%
A spatially transformed city	0%
A well governed city	50%
Total	100%

### 6.3. Core Competency Requirements (CCR's) which are weighted at 20%

The CCRs which are deemed most critical to the employee's specific function have been prescribed by the Municipal Regulations of 2014 which are applicable to Senior Managers. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. Will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected.

This refers to a separate component dealing with competency and expected behaviour

Table 1: Core Competency Requirements from Regulations (2014)

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS					
LEADING COMPETENCIES		Achievement Levels	Weight	HOD's Achievement Level	CM's Score Level
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>Impact and Influence</li> <li>Institutional Performance Management</li> <li>Strategic Planning and Management</li> <li>Organisational Awareness</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			
People Management	<ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			
Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and</li> </ul>	Basic	12		
		Competent			

	<ul style="list-style-type: none"> <li>Implementation</li> <li>Service Delivery Management</li> <li>Program and Project Monitoring and Evaluation</li> </ul>	Advanced Superior			
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning and Execution</li> <li>Financial Strategy and Delivery</li> <li>Financial Reporting and Monitoring</li> </ul>	Basic Competent Advanced Superior	10		
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision and Strategy</li> <li>Process Design and Improvement</li> <li>Change Impact Monitoring and Evaluation</li> </ul>	Basic Competent Advanced Superior	9		
Governance Leadership	<ul style="list-style-type: none"> <li>Policy Formulation</li> <li>Risk and Compliance Management</li> <li>Cooperative Governance</li> </ul>	Basic Competent Advanced Superior	9		

#### CORE COMPETENCIES:

	Achievement Levels	Weight	HOD's Achievement Level	CM's Score Level
Moral Competence	Basic Competent Advanced Superior	6		
Planning and Organising	Basic Competent Advanced Superior	6		
Analysis and Innovation	Basic Competent Advanced Superior	6		
Knowledge and Information Management	Basic Competent Advanced Superior	6		
Communication	Basic Competent Advanced Superior	6		
Results and Quality focus	Basic Competent Advanced Superior	6		
<b>Total</b>		<b>100%</b>		

#### 6.4. Achievement Level Descriptions

The achievement levels indicated in the table below serve as a guide for the assessment of CCR's:

Achievement Levels	Rating	Description
Basic	2	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	3	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
Advanced	4	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
Superior	5	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

## 7 EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

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

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

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

7.5 The annual performance appraisal will involve:

7.5.1 An assessment of the achievement of results as outlined in the

performance plan as indicated hereunder;

- (a) Each Strategic Outcome (SO) will 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 Strategic Outcome.
- (b) An indicative rating on the five-point scale will be provided for each Strategic Outcome based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final Strategic Outcome score.

#### 7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) Achievement levels on paragraph 6.4 above will be used to score each CCR.
- (c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.

#### 7.5.3. An 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 Employee will be based on the following rating scale for Strategic Outcomes (SO's):

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 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 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 management efforts to encourage improvement.	

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

- 7.1. Municipal Manager
- 7.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 7.3. Ward Committee member (on a rotational basis), where applicable;
- 7.4. A member of the Mayoral Committee; and
- 7.5. A Municipal Manager from another municipality.

## 8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1. The performance of the Employee will be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July - September 2019 (October 2019)
Second quarter	:	October - December 2019 (January 2020)
Third quarter	:	January - March 2020 (April 2020)
Fourth quarter	:	April – June 2020 (July 2020)

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

8.3. Performance feedback based on the Employer's assessment of the Employee's performance will be provided to the Employee.

8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

## **9. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) addressing development gaps is attached as Annexure "B".

## **10. OBLIGATIONS OF THE EMPLOYER**

10.1. The Employer shall and agrees to –

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 or her to meet the performance objectives and targets established in this Agreement; and

10.1.5. Make available to the Employee such resources as the Employee may reasonably require from time to time to meet the performance objectives and targets established in this Agreement.



## **11. CONSULTATION**

11.1. The Employer agrees to consult the Employee timeously where the exercising of any of the powers or decisions of the Council will have or result in, amongst others, –

11.1.1. A direct impact 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 impact on the Employee or on the budget under the control of the Employee.

11.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **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 of between 5% to 14% of the inclusive annual remuneration package for the year under consideration may be paid to the Employee in recognition of outstanding performance.

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 / her duties.

## **13. DISPUTE RESOLUTION**

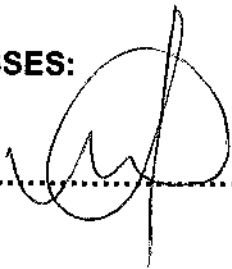
- 13.1 **Any** disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods, assessments and / or any other matter provided for, shall be mediated by –
- 13.1.1. The Executive Mayor, within thirty (30) days of receipt of a formal dispute from the Employee; or
- 13.1.2. Any other person appointed by the Executive Mayor.
- 13.6. In the event that the mediation process contemplated above fails, clause 19.3 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 Annexure A (Performance Plan) will 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 Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

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Thus done and signed at East London on the 25<sup>th</sup> day of June 2019.

AS WITNESSES:

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Employee

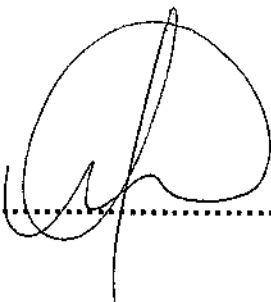
Thus done and signed at East London on the 25<sup>th</sup> day of June 2019.

AS WITNESSES:

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City Manager

# Buffalo City Metropolitan Municipality

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## Performance Agreement

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**ACTING HEAD OF DIRECTORATE:  
MUNICIPAL SERVICES**



**2019/2020**

# **PERFORMANCE AGREEMENT**

**MADE AND ENTERED INTO BY AND BETWEEN:**

**MR ANDILE SIHLAHLA**

In his capacity as City Manager of the Buffalo City Metropolitan Municipality

**AND**

**Mr H. Sikweza**

In his capacity as

**Acting Head of Directorate: Municipal Services**

**FOR THE**

**FINANCIAL YEAR: 1 JULY 2019 – 30 JUNE 2020**

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## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

**Mr Andile Sihlahla** in his capacity as City Manager (hereinafter referred to as the Employer)

And

**Mr H. Sikweza**, in his capacity as Acting Head of Directorate: Municipal Services an Employee of the Buffalo City Metropolitan Municipality (hereinafter referred to as the Employee).

### WHEREBY IT IS AGREED AS FOLLOWS:

### WHEREBY IT IS AGREED AS FOLLOWS:

#### 1. INTRODUCTION

- 1.1. The Employer has entered into a contract of employment with the Employee. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4. Monitor and measure performance against set targeted outputs;

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- 2.5. Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to the position;
- 2.6. 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. COMMENCEMENT AND DURATION**

- 3.1. This Agreement will commence on the **1 July 2019** and will remain in force until a new official appointment is made or another incumbent is appointed to act where after a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between 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 employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1. The Performance Plan (Annexure A) sets out –
  - 4.1.1 the performance objectives and targets that must be met by the 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 Annexure A are set by the Employer in consultation with the Employee and based on the

Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget of the Employer; and include key objectives, key performance indicators, target dates and weightings.

- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. 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 hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the Strategic Outcomes (SO's) (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## **6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
  - 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Strategic Outcomes (SO's) and 20 to Core Competency Requirements (CCR's).
  - 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
  - 6.1.3 SO's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.



- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the Performance Plan (Annexure A), which are linked to the SO's, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

MGDS/IDP/SDBIP Strategic Outcomes (SO's)	Weighting
An innovative and productive city	40%
A green city	40%
A connected city	0%
A spatially transformed city	20%
A well governed city	0%
Total	100%

### 6.3. Core Competency Requirements (CCR's) which are weighted at 20%

The CCRs which are deemed most critical to the employee's specific function have been prescribed by the Municipal Regulations of 2014 which are applicable to Senior Managers. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. Will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected. This refers to a separate component dealing with competency and expected behaviour

Table 1: Core Competency Requirements from Regulations (2014)

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS					
LEADING COMPETENCIES		Achievement Levels	Weight (%)	HOD's Achievement Level	CM's Score Level
Strategic Direction and Leadership	<ul style="list-style-type: none"><li>▪ Impact and Influence</li><li>▪ Institutional Performance Management</li><li>▪ Strategic Planning and Management</li><li>▪ Organisational Awareness</li></ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
People Management	<ul style="list-style-type: none"><li>▪ Human Capital Planning and Development</li><li>▪ Diversity Management</li><li>▪ Employee Relations Management</li><li>▪ Negotiation and Dispute Management</li></ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			

Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> <li>Service Delivery Management</li> <li>Program and Project Monitoring and Evaluation</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning and Execution</li> <li>Financial Strategy and Delivery</li> <li>Financial Reporting and Monitoring</li> </ul>	Basic	10%		
		Competent			
		Advanced			
		Superior			
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision and Strategy</li> <li>Process Design and Improvement</li> <li>Change Impact Monitoring and Evaluation</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			
Governance Leadership	<ul style="list-style-type: none"> <li>Policy Formulation</li> <li>Risk and Compliance Management</li> <li>Cooperative Governance</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			

#### CORE COMPETENCIES:

	Achievement Levels	Weight	HOD's Achievement Level	CM's Score Level
Moral Competence	Basic	6%		
	Competent			
	Advanced			
	Superior			
Planning and Organising	Basic	6%		
	Competent			
	Advanced			
	Superior			
Analysis and Innovation	Basic	6%		
	Competent			
	Advanced			
	Superior			
Knowledge and Information Management	Basic	6%		
	Competent			
	Advanced			
	Superior			
Communication	Basic	6%		
	Competent			
	Advanced			
	Superior			
Results and Quality focus	Basic	6%		
	Competent			
	Advanced			
	Superior			
Total		100%		

#### 6.4. Achievement Level Descriptions

Performance Agreement 2019/2020: Mr H. Sikweza

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ACF  
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aas  
EP

The achievement levels indicated in the table below serve as a guide for the assessment of CCR's:

<b>Achievement Levels</b>	<b>Rating</b>	<b>Description</b>
<b>Basic</b>	<b>2</b>	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
<b>Competent</b>	<b>3</b>	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
<b>Advanced</b>	<b>4</b>	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
<b>Superior</b>	<b>5</b>	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

## **7 EVALUATING PERFORMANCE**

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

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

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

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

7.5 The annual performance appraisal will involve:

7.5.1 An assessment of the achievement of results as outlined in the

performance plan as indicated hereunder;

- (a) Each Strategic Outcome (SO) will 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 Strategic Outcome.
- (b) An indicative rating on the five-point scale will be provided for each Strategic Outcome based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final Strategic Outcome score.

#### 7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) Achievement levels on paragraph **6.4 above** will be used to score each CCR.
- (c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.

#### 7.5.3. An 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 Employee will be based on the following rating scale for Strategic Outcomes (SO's):

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 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 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 management efforts to encourage improvement.	

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

- 7.1. Municipal Manager
- 7.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 7.3. Ward Committee member (on a rotational basis), where applicable;
- 7.4. A member of the Mayoral Committee; and
- 7.5. A Municipal Manager from another municipality.

## **8. SCHEDULE FOR PERFORMANCE REVIEWS**

8.1. The performance of the Employee will be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July - September 2019 (October 2019)
Second quarter	:	October - December 2019 (January 2020)
Third quarter	:	January - March 2020 (April 2020)
Fourth quarter	:	April - June 2020 (July 2020)

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

8.3. Performance feedback based on the Employer's assessment of the Employee's performance will be provided to the Employee.

8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

## **9. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) addressing development gaps is attached as Annexure "B".

## **10. OBLIGATIONS OF THE EMPLOYER**

10.1. The Employer shall and agrees to –

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 or her to meet the performance objectives and targets established in this Agreement; and

10.1.5. Make available to the Employee such resources as the Employee may

reasonably require from time to time to meet the performance objectives and targets established in this Agreement.

## **11. CONSULTATION**

11.1. The Employer agrees to consult the Employee timeously where the exercising of any of the powers or decisions of the Council will have or result in, amongst others, –

11.1.1. A direct impact 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 impact on the Employee or on the budget under the control of the Employee.

11.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **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 of between 5% to 14% of the inclusive annual remuneration package for the year under consideration may be paid to the Employee in recognition of outstanding performance.

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 / her duties.

### **13. DISPUTE RESOLUTION**

**13.1** Any disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods, assessments and / or any other matter provided for, shall be mediated by –

13.1.1. The Executive Mayor, within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2. Any other person appointed by the Executive Mayor.

13.6. In the event that the mediation process contemplated above fails, clause 19.3 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 Annexure A (Performance Plan) will 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 Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.



Thus done and signed at East London on the 25 day of June 2019.

AS WITNESSES:

1. ....

2. ....


  
Employee

Thus done and signed at East London on the 25 day of June 2019.

AS WITNESSES:

1. ....

2. ....

  
City Manager

# Buffalo City Metropolitan Municipality

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## Performance Agreement

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**HEAD OF DIRECTORATE: SPATIAL  
PLANNING AND DEVELOPMENT**



**2019/2020**

# PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**MR ANDILE SIHLAHLA**

In his capacity as City Manager of the Buffalo City Metropolitan Municipality

**AND**

**MS NONCEBA MBALI-MAJENG**

In her capacity as Head of Directorate: Spatial Planning and Development

FOR THE

**FINANCIAL YEAR 1 JULY 2019 – 30 JUNE 2020**

  
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## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

**Mr Andile Sihlahla** in his capacity as City Manager (hereinafter referred to as the Employer)

and

**Ms N. Mbali-Majeng**, in her capacity as Head of Directorate: Spatial Planning and Development an Employee of the Buffalo City Metropolitan Municipality (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. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4. Monitor and measure performance against set targeted outputs;
- 2.5. Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance

expectations applicable to the position;

- 2.6. 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. COMMENCEMENT AND DURATION**

- 3.1. This Agreement will commence on the **1 July 2019** and will remain in force until the **30 June 2020**.
- 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 employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1. The Performance Plan (Annexure A) sets out –
  - 4.1.1 the performance objectives and targets that must be met by the 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 Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget of the Employer; and include key objectives, key performance indicators, target dates and weightings.



4 A.m.m.



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- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. 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 hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the Strategic Outcomes (SO's) (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## **6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
- 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Strategic Outcomes (SO's) and 20 to Core Competency Requirements (CCR's).
- 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
- 6.1.3 SO's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.
- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the

Performance Plan (Annexure A), which are linked to the SO's, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

MGDS/IDP/SDBIP Strategic Outcomes (SO's)	Weighting
An innovative and productive city	0%
A green city	0%
A connected city	55%
A spatially transformed city	35%
A well governed city	10%
Total	100%

### 6.3. Core Competency Requirements (CCR's) which are weighted at 20%

The CCRs which are deemed most critical to the employee's specific function have been prescribed by the Municipal Regulations of 2014 which are applicable to Senior Managers. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. Will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected. This refers to a separate component dealing with competency and expected behaviour

Table 1: Core Competency Requirements from Regulations (2014)

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS					
LEADING COMPETENCIES		Achievement Levels	Weight (%)	HOD's Achievement Level	CM's Score Level
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>Impact and Influence</li> <li>Institutional Performance Management</li> <li>Strategic Planning and Management</li> <li>Organisational Awareness</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
People Management	<ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> <li>Service Delivery Management</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			

	<ul style="list-style-type: none"> <li>Program and Project Monitoring and Evaluation</li> </ul>				
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning and Execution</li> <li>Financial Strategy and Delivery</li> <li>Financial Reporting and Monitoring</li> </ul>	Basic	10%		
		Competent			
		Advanced			
		Superior			
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision and Strategy</li> <li>Process Design and Improvement</li> <li>Change Impact Monitoring and Evaluation</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			
Governance Leadership	<ul style="list-style-type: none"> <li>Policy Formulation</li> <li>Risk and Compliance Management</li> <li>Cooperative Governance</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			

#### CORE COMPETENCIES:

	Achievement Levels	Weight (%)	HOD's Achievement Level	CM's Score Level
Moral Competence	Basic	6%		
	Competent			
	Advanced			
	Superior			
Planning and Organising	Basic	6%		
	Competent			
	Advanced			
	Superior			
Analysis and Innovation	Basic	6%		
	Competent			
	Advanced			
	Superior			
Knowledge and Information Management	Basic	6%		
	Competent			
	Advanced			
	Superior			
Communication	Basic	6%		
	Competent			
	Advanced			
	Superior			
Results and Quality focus	Basic	6%		
	Competent			
	Advanced			
	Superior			
Total		100%		

#### 6.4. Achievement Level Descriptions

The achievement levels indicated in the table below serve as a guide for the assessment of CCR's:

*K. A. M. M. B. J.*  
*KP* *ues*



Achievement Levels	Rating	Description
Basic	2	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	3	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
Advanced	4	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
Superior	5	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

## 7 EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

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

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

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

7.5 The annual performance appraisal will involve:

7.5.1 An assessment of the achievement of results as outlined in the performance plan as indicated hereunder;

(a) Each Strategic Outcome (SO) will 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 Strategic Outcome.

- (b) An indicative rating on the five-point scale will be provided for each Strategic Outcome based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final Strategic Outcome score.

#### 7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) Achievement levels on paragraph **6.4 above** will be used to score each CCR.
- (c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.

#### 7.5.3. An 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 Employee will be based on the following rating scale for Strategic Outcomes (SO's):

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.					

*K. A. M. D. J.*

*KP aas*

3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	Not fully effective	Performance is below the 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 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 management efforts to encourage improvement.	

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

- 7.1. Municipal Manager
- 7.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 7.3. Ward Committee member (on a rotational basis), where applicable;
- 7.4. A member of the Mayoral Committee; and
- 7.5. A Municipal Manager from another municipality.

## 8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1. The performance of the Employee will be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

*K. M. M. N. Mbali-Majeng*  
*[Signature]*  
*[Signature]*

First quarter	:	July - September 2019 (October 2019)
Second quarter	:	October - December 2019 (January 2020)
Third quarter	:	January - March 2020 (April 2020)
Fourth quarter	:	April – June 2020 (July 2020)

- 8.2. The Employer shall maintain a record of the mid-year review and the annual assessment meetings.
- 8.3. Performance feedback based on the Employer's assessment of the Employee's performance will be provided to the Employee.
- 8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

## **9. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) addressing development gaps is attached as Annexure "B".

## **10. OBLIGATIONS OF THE EMPLOYER**

- 10.1. The Employer shall and agrees to –
- 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 or her to meet the performance objectives and targets established in this Agreement; and
- 10.1.5. Make available to the Employee such resources as the Employee may reasonably require from time to time to meet the performance objectives and targets established in this Agreement.

## **11. CONSULTATION**

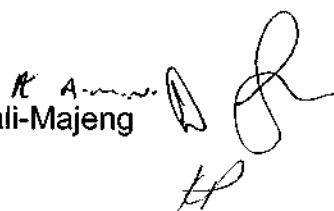
- 11.1. The Employer agrees to consult the Employee timeously where the exercising of any of the powers or decisions of the Council will have or result in, amongst others, –
- 11.1.1. A direct impact on the performance of any of the Employee's functions;
- 11.1.2. Commit the Employee to implement or to give effect to a decision made by the Employer; and
- 11.1.3. A substantial financial impact on the Employee or on the budget under the control of the Employee.
- 11.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **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 of between 5% to 14% of the inclusive annual remuneration package for the year under consideration may be paid to the Employee in recognition of outstanding performance.
- 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 / her duties.

## **13. DISPUTE RESOLUTION**

- 13.1 Any disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods, assessments and / or any other matter provided for, shall be mediated by –

Handwritten signatures and initials in black ink, including a large stylized signature and several smaller initials.

13.1.1. The Executive Mayor, within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2. Any other person appointed by the Executive Mayor.

13.6. In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

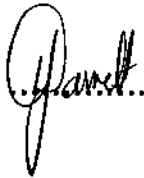
#### **14. GENERAL**


14.1. The contents of this Agreement and the outcome of any review conducted in terms of Annexure A (Performance Plan) will 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 Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Thus done and signed at East London on the 24 day of June 2019.

AS WITNESSES:

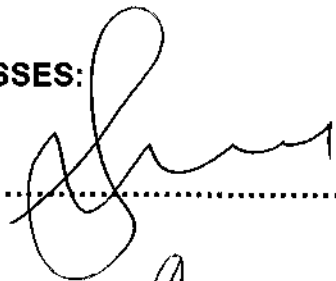
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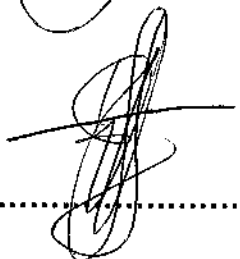
2. A. m. Nkobe.....

Thus done and signed at East London on the 25<sup>th</sup> day of June 2019.

AS WITNESSES:

1. .....

  
City Manager

2. .....

# Buffalo City Metropolitan Municipality

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## Performance Agreement

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**HEAD OF DIRECTORATE: LOCAL  
ECONOMIC DEVELOPMENT & AGENCY**



**2019/2020**

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# PERFORMANCE AGREEMENT

**MADE AND ENTERED INTO BY AND BETWEEN:**

**MR ANDILE SIHLAHLA**

In his capacity as City Manager of the Buffalo City Metropolitan Municipality

**AND**

**MISS NOLUDWE NCOKAZI**

In her capacity as

**Head of Directorate: Economic Development & Agencies**

**FOR THE**

**FINANCIAL YEAR: 1 JULY 2019 – 30 JUNE 2020**

## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

**Mr Andile Sihlahla** in his capacity as City Manager (hereinafter referred to as the Employer)

And

**Miss Noludwe Ncokazi**, in her capacity as Head of Directorate: Economic Development & Agencies an Employee of the Buffalo City Metropolitan Municipality (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. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4. Monitor and measure performance against set targeted outputs;
- 2.5. Use the Performance Agreement and Performance Plan as the basis

for assessing whether the Employee has met the performance expectations applicable to the position;

- 2.6. 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. COMMENCEMENT AND DURATION**

- 3.1. This Agreement will commence on the **1 July 2019** and will remain in force until the **30 June 2020**.
- 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 employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1. The Performance Plan (Annexure A) sets out –
  - 4.1.1 the performance objectives and targets that must be met by the 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 Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget of the Employer; and include key objectives, key performance indicators, target dates and weightings.



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- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. 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 hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the Strategic Outcomes (SO's) (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## **6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
- 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Strategic Outcomes (SO's) and 20 to Core Competency Requirements (CCR's).
- 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
- 6.1.3 SO's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.
- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the

  
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Performance Plan (Annexure A), which are linked to the SO's, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

MGDS/IDP/SDBIP Strategic Outcomes (SO's)	Weighting
An innovative and productive city	100%
A green city	0%
A connected city	0%
A spatially transformed city	0%
A well governed city	0%
Total	100%

### 6.3. Core Competency Requirements (CCR's) which are weighted at 20%

The CCRs which are deemed most critical to the employee's specific function have been prescribed by the Municipal Regulations of 2014 which are applicable to Senior Managers. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. Will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected. This refers to a separate component dealing with competency and expected behaviour

Table 1: Core Competency Requirements from Regulations (2014)

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS					
LEADING COMPETENCIES		Achievement Levels	Weight	HOD's Achievement Level	CM's Score Level
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>Impact and Influence</li> <li>Institutional Performance Management</li> <li>Strategic Planning and Management</li> <li>Organisational Awareness</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			
People Management	<ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			
Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> <li>Service Delivery Management</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			

	<ul style="list-style-type: none"> <li>Program and Project Monitoring and Evaluation</li> </ul>				
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning and Execution</li> <li>Financial Strategy and Delivery</li> <li>Financial Reporting and Monitoring</li> </ul>	Basic	10		
		Competent			
		Advanced			
		Superior			
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision and Strategy</li> <li>Process Design and Improvement</li> <li>Change Impact Monitoring and Evaluation</li> </ul>	Basic	9		
		Competent			
		Advanced			
		Superior			
Governance Leadership	<ul style="list-style-type: none"> <li>Policy Formulation</li> <li>Risk and Compliance Management</li> <li>Cooperative Governance</li> </ul>	Basic	9		
		Competent			
		Advanced			
		Superior			

#### CORE COMPETENCIES:

	Achievement Levels	Weight	HOD's Achievement Level	CM's Score Level
Moral Competence	Basic	6		
	Competent			
	Advanced			
	Superior			
Planning and Organising	Basic	6		
	Competent			
	Advanced			
	Superior			
Analysis and Innovation	Basic	6		
	Competent			
	Advanced			
	Superior			
Knowledge and Information Management	Basic	6		
	Competent			
	Advanced			
	Superior			
Communication	Basic	6		
	Competent			
	Advanced			
	Superior			
Results and Quality focus	Basic	6		
	Competent			
	Advanced			
	Superior			
<b>Total</b>		<b>100%</b>		

#### 6.4. Achievement Level Descriptions

The achievement levels indicated in the table below serve as a guide for the assessment of CCR's:

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<b>Achievement Levels</b>	<b>Rating</b>	<b>Description</b>
<b>Basic</b>	<b>2</b>	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
<b>Competent</b>	<b>3</b>	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
<b>Advanced</b>	<b>4</b>	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
<b>Superior</b>	<b>5</b>	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

## **7 EVALUATING PERFORMANCE**

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

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

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

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

7.5. The annual performance appraisal will involve:

7.5.1 An assessment of the achievement of results as outlined in the performance plan as indicated hereunder;

(a) Each Strategic Outcome (SO) will be assessed according to the extent to which the specified standards or performance

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indicators have been met and with due regard to *ad hoc* tasks that had to be performed under the Strategic Outcome.

- (b) An indicative rating on the five-point scale will be provided for each Strategic Outcome based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final Strategic Outcome score.

#### 7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) Achievement levels on paragraph 6.4 above will be used to score each CCR.
- (c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.

#### 7.5.3. An 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 Employee will be based on the following rating scale for Strategic Outcomes (SO's):

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 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 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 management efforts to encourage improvement.	

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

- 7.1. Municipal Manager
- 7.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 7.3. Ward Committee member (on a rotational basis), where applicable;
- 7.4. A member of the Mayoral Committee; and
- 7.5. A Municipal Manager from another municipality.

## 8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1. The performance of the Employee will be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July - September 2019 (October 2019)
Second quarter	:	October - December 2019 (January 2020)
Third quarter	:	January - March 2020 (April 2020)
Fourth quarter	:	April – June 2020 (July 2020)

- 8.2. The Employer shall maintain a record of the mid-year review and the annual assessment meetings.
- 8.3. Performance feedback based on the Employer's assessment of the Employee's performance will be provided to the Employee.
- 8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

## **9. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) addressing development gaps is attached as Annexure "B".

## **10. OBLIGATIONS OF THE EMPLOYER**

- 10.1. The Employer shall and agrees to –
  - 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 or her to meet the performance objectives and targets established in this Agreement; and
  - 10.1.5. Make available to the Employee such resources as the Employee may reasonably require from time to time to meet the performance objectives and targets established in this Agreement.

## **11. CONSULTATION**

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11.1. The Employer agrees to consult the Employee timeously where the exercising of any of the powers or decisions of the Council will have or result in, amongst others, –

11.1.1. A direct impact 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 impact on the Employee or on the budget under the control of the Employee.

11.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **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 of between 5% to 14% of the inclusive annual remuneration package for the year under consideration may be paid to the Employee in recognition of outstanding performance.

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 / her duties.

## **13. DISPUTE RESOLUTION**

13.1 Any disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods, assessments and / or any other matter provided for, shall be mediated by –

13.1.1. The Executive Mayor, within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2. Any other person appointed by the Executive Mayor.

13.6. In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.


#### **14. GENERAL**

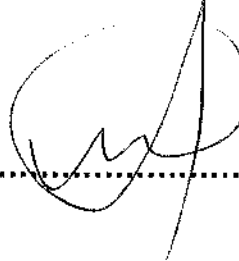
14.1. The contents of this Agreement and the outcome of any review conducted in terms of Annexure A (Performance Plan) will be made available to the public by the Employer.


14.2. Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his / her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Thus done and signed at East London on the 25<sup>th</sup> day of June 2019.

**AS WITNESSES:**


1.  .....

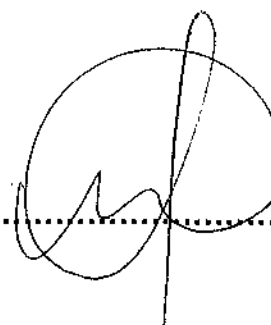
2.  .....

  
Employee

Thus done and signed at East London on the 25<sup>th</sup> day of June 2019.

**AS WITNESSES:**

1.  .....

2.  .....

  
City Manager

# Buffalo City Metropolitan Municipality

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## Performance Agreement

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**HEAD OF DIRECTORATE:  
INFRASTRUCTURE SERVICES**



**2019/2020**

# **PERFORMANCE AGREEMENT**

**MADE AND ENTERED INTO BY AND BETWEEN:**

**MR ANDILE SIHLAHLA**

In his capacity as City Manager of the Buffalo City Metropolitan Municipality

**AND**

**MR NCEBA NCUNYANA**

In his / her capacity as Head of Directorate: Infrastructure Services

**FOR THE**

**FINANCIAL YEAR: 1 JULY 2019 – 30 JUNE 2020**

## **PERFORMANCE AGREEMENT**

### **ENTERED INTO BY AND BETWEEN:**

**Mr Andile Sihlahla** in his capacity as City Manager (hereinafter referred to as the Employer)

and

**Mr N. Ncunyana**, in his capacity as Head of Directorate: Infrastructure Services an Employee of the Buffalo City Metropolitan Municipality (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. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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**

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4. Monitor and measure performance against set targeted outputs;



- 2.5. Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to the position;
- 2.6. 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. COMMENCEMENT AND DURATION**

- 3.1. This Agreement will commence on the **1 July 2019** and will remain in force until the **30 June 2020**.
- 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 employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1. The Performance Plan (Annexure A) sets out –
  - 4.1.1 the performance objectives and targets that must be met by the 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 Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, the Service Delivery and Budget

Implementation Plan and the Budget of the Employer; and include key objectives, key performance indicators, target dates and weightings.

- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. 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 hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the Strategic Outcomes (SO's) (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## **6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
  - 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Strategic Outcomes (SO's) and 20 to Core Competency Requirements (CCR's).
  - 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
  - 6.1.3 SO's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the Performance Plan (Annexure A), which are linked to the SO's, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

MGDS/IDP/SDBIP Strategic Outcomes (SO's)	Weighting
An innovative and productive city	0%
A green city	0%
A connected city	50%
A spatially transformed city	35%
A well governed city	15%
Total	100%

### 6.3. Core Competency Requirements (CCR's) which are weighted at 20%

The CCRs which are deemed most critical to the employee's specific function have been prescribed by the Municipal Regulations of 2014 which are applicable to Senior Managers. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. Will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected.

This refers to a separate component dealing with competency and expected behaviour:

Table 1: Core Competency Requirements from Regulations (2014)

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS					
LEADING COMPETENCIES		Achievement Levels	Weight (%)	HOD's Achievement Level	CM's Score Level
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>Impact and Influence</li> <li>Institutional Performance Management</li> <li>Strategic Planning and Management</li> <li>Organisational Awareness</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
People Management	<ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> </ul>	Basic	12%		
		Competent			
		Advanced			

	<ul style="list-style-type: none"> <li>Service Delivery Management</li> <li>Program and Project Monitoring and Evaluation</li> </ul>	Superior			
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning and Execution</li> <li>Financial Strategy and Delivery</li> <li>Financial Reporting and Monitoring</li> </ul>	Basic	10%		
		Competent			
		Advanced			
		Superior			
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision and Strategy</li> <li>Process Design and Improvement</li> <li>Change Impact Monitoring and Evaluation</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			
Governance Leadership	<ul style="list-style-type: none"> <li>Policy Formulation</li> <li>Risk and Compliance Management</li> <li>Cooperative Governance</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			

#### CORE COMPETENCIES:

	Achievement Levels	Weight (%)	HOD's Achievement Level	CM's Score Level
Moral Competence	Basic	6%		
	Competent			
	Advanced			
	Superior			
Planning and Organising	Basic	6%		
	Competent			
	Advanced			
	Superior			
Analysis and Innovation	Basic	6%		
	Competent			
	Advanced			
	Superior			
Knowledge and Information Management	Basic	6%		
	Competent			
	Advanced			
	Superior			
Communication	Basic	6%		
	Competent			
	Advanced			
	Superior			
Results and Quality focus	Basic	6%		
	Competent			
	Advanced			
	Superior			
Total		100%		

#### 6.4. Achievement Level Descriptions

The achievement levels indicated in the table below serve as a guide for the assessment of CCR's:

Achievement Levels	Rating	Description
Basic	2	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	3	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
Advanced	4	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
Superior	5	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

## 7 EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

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

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

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

7.5. The annual performance appraisal will involve:

7.5.1 An assessment of the achievement of results as outlined in the performance plan as indicated hereunder;

- (a) Each Strategic Outcome (SO) will 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 Strategic Outcome.
- (b) An indicative rating on the five-point scale will be provided for each Strategic Outcome based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final Strategic Outcome score.

#### 7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) Achievement levels on paragraph 6.4 above will be used to score each CCR.
- (c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.

#### 7.5.3. An 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 Employee will be based on the following rating scale for Strategic Outcomes (SO's):

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 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 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 management efforts to encourage improvement.	

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

- 7.1. Municipal Manager
- 7.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 7.3. Ward Committee member (on a rotational basis), where applicable;
- 7.4. A member of the Mayoral Committee; and
- 7.5. A Municipal Manager from another municipality.

## 8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1. The performance of the Employee will be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July - September 2019 (October 2019)
Second quarter	:	October - December 2019 (January 2020)
Third quarter	:	January - March 2020 (April 2020)
Fourth quarter	:	April – June 2020 (July 2020)

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

8.3. Performance feedback based on the Employer's assessment of the Employee's performance will be provided to the Employee.

8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

## **9. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) addressing development gaps is attached as Annexure "B".

## **10. OBLIGATIONS OF THE EMPLOYER**

10.1. The Employer shall and agrees to –

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 or her to meet the performance objectives and targets established in this Agreement; and

10.1.5. Make available to the Employee such resources as the Employee may reasonably require from time to time to meet the performance objectives and targets established in this Agreement.



## **11. CONSULTATION**

11.1. The Employer agrees to consult the Employee timeously where the exercising of any of the powers or decisions of the Council will have or result in, amongst others, –

11.1.1. A direct impact 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 impact on the Employee or on the budget under the control of the Employee.

11.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **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 of between 5% to 14% of the inclusive annual remuneration package for the year under consideration may be paid to the Employee in recognition of outstanding performance.

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 / her duties.

## **13. DISPUTE RESOLUTION**

13.1 **Any** disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods, assessments and / or any other matter provided for, shall be mediated by –

13.1.1. The Executive Mayor, within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2. Any other person appointed by the Executive Mayor.

13.6. In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

#### **14. GENERAL**

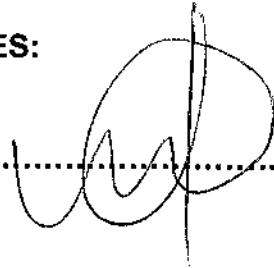
14.1. The contents of this Agreement and the outcome of any review conducted in terms of Annexure A (Performance Plan) will be made available to the public by the Employer.

14.2. Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his / her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.


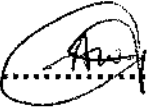
Thus done and signed at East London on the 25<sup>th</sup> day of June 2019.

AS WITNESSES:

1. ....



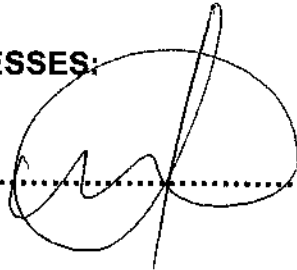
2. ....

  
\_\_\_\_\_  
Employee

Thus done and signed at East London on the 25<sup>th</sup> day of June 2019.

AS WITNESSES:

1. ....



2. ....

  
\_\_\_\_\_  
City Manager

# Buffalo City Metropolitan Municipality

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## Performance Agreement

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**HEAD OF DIRECTORATE: HUMAN  
SETTLEMENTS**



**2019/2020**

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# PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**MR ANDILE SIHLAHLA**

In his capacity as City Manager of the Buffalo City Metropolitan Municipality

**AND**

**MR LUYANDA MBULA**

In his capacity as

**Head of Directorate: Human Settlements**

FOR THE

**FINANCIAL YEAR: 1 JULY 2019 – 30 JUNE 2020**

## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

**Mr Andile Sihlahla** in his capacity as City Manager (hereinafter referred to as the Employer)

And

**Mr Luyanda Mbula**, in his capacity as Head of Directorate: Human Settlements an Employee of the Buffalo City Metropolitan Municipality (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. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4. Monitor and measure performance against set targeted outputs;
- 2.5. Use the Performance Agreement and Performance Plan as the basis

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for assessing whether the Employee has met the performance expectations applicable to the position;

- 2.6. 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. COMMENCEMENT AND DURATION**

- 3.1. This Agreement will commence on the **1 July 2019** and will remain in force until the **30 June 2020**.
- 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 employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1. The Performance Plan (Annexure A) sets out –
  - 4.1.1 the performance objectives and targets that must be met by the 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 Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget of the Employer; and include key objectives, key performance indicators, target dates and weightings.

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- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. 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 hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the Strategic Outcomes (SO's) (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## **6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
- 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Strategic Outcomes (SO's) and 20 to Core Competency Requirements (CCR's).
- 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
- 6.1.3 SO's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.
- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the



Performance Plan (Annexure A), which are linked to the SO's, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

<b>MGDS/IDP/SDBIP Strategic Outcomes (SO's)</b>	<b>Weighting</b>
An innovative and productive city	10%
A green city	0%
A connected city	0%
A spatially transformed city	60%
A well governed city	30%
<b>Total</b>	<b>100%</b>

### **6.3. Core Competency Requirements (CCR's) which are weighted at 20%**

The CCRs which are deemed most critical to the employee's specific function have been prescribed by the Municipal Regulations of 2014 which are applicable to Senior Managers. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. Will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected. This refers to a separate component dealing with competency and expected behaviour

**Table 1: Core Competency Requirements from Regulations (2014)**

<b>COMPETENCY FRAMEWORK FOR SENIOR MANAGERS</b>					
<b>LEADING COMPETENCIES</b>		<b>Achievement Levels</b>	<b>Weight (%)</b>	<b>HOD's Achievement Level</b>	<b>CM's Score Level</b>
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>Impact and Influence</li> <li>Institutional Performance Management</li> <li>Strategic Planning and Management</li> <li>Organisational Awareness</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
People Management	<ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> <li>Service Delivery Management</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			

	<ul style="list-style-type: none"> <li>Program and Project Monitoring and Evaluation</li> </ul>				
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning and Execution</li> <li>Financial Strategy and Delivery</li> <li>Financial Reporting and Monitoring</li> </ul>	Basic	10%		
		Competent			
		Advanced			
		Superior			
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision and Strategy</li> <li>Process Design and Improvement</li> <li>Change Impact Monitoring and Evaluation</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			
Governance Leadership	<ul style="list-style-type: none"> <li>Policy Formulation</li> <li>Risk and Compliance Management</li> <li>Cooperative Governance</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			

#### CORE COMPETENCIES:

	Achievement Levels	Weight (%)	HOD's Achievement Level	CM's Score Level
Moral Competence	Basic	6%		
	Competent			
	Advanced			
	Superior			
Planning and Organising	Basic	6%		
	Competent			
	Advanced			
	Superior			
Analysis and Innovation	Basic	6%		
	Competent			
	Advanced			
	Superior			
Knowledge and Information Management	Basic	6%		
	Competent			
	Advanced			
	Superior			
Communication	Basic	6%		
	Competent			
	Advanced			
	Superior			
Results and Quality focus	Basic	6%		
	Competent			
	Advanced			
	Superior			
<b>Total</b>		<b>100%</b>		

#### 6.4. Achievement Level Descriptions

The achievement levels indicated in the table below serve as a guide for the assessment of CCR's:

Achievement Levels	Rating	Description
Basic	2	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	3	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
Advanced	4	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
Superior	5	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

## 7 EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

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

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7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

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7.5. The annual performance appraisal will involve:

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(a) Each Strategic Outcome (SO) will 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 Strategic Outcome.

- (b) An indicative rating on the five-point scale will be provided for each Strategic Outcome based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final Strategic Outcome score.

#### 7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) Achievement levels on paragraph **6.4 above** will be used to score each CCR.
- (c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.

#### 7.5.3. An 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 Employee will be based on the following rating scale for Strategic Outcomes (SO's):

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.					
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- 8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

## **9. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) addressing development gaps is attached as Annexure "B".

## **10. OBLIGATIONS OF THE EMPLOYER**

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- 10.1.1. Create an enabling environment to facilitate effective performance by the Employee;
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#### **14. GENERAL**

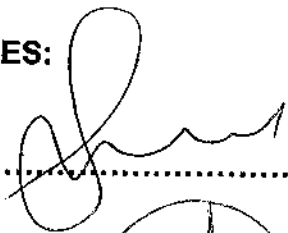
14.1. The contents of this Agreement and the outcome of any review conducted in terms of Annexure A (Performance Plan) will be made available to the public by the Employer.

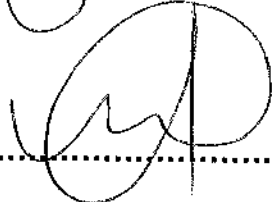
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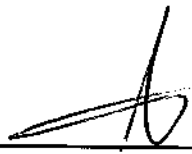


Thus done and signed at East London on the 25 day of June 2019.

AS WITNESSES:

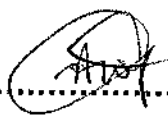
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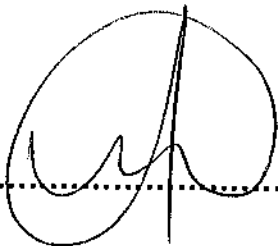
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Employee

Thus done and signed at East London on the 25 day of June 2019.

AS WITNESSES:

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City Manager

# Buffalo City Metropolitan Municipality

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## Performance Agreement

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**HEAD OF DIRECTORATE: HEALTH,  
PUBLIC SAFETY AND EMERGENCY  
SERVICES**



**2019/2020**

# **PERFORMANCE AGREEMENT**

**MADE AND ENTERED INTO BY AND BETWEEN:**

**MR ANDILE SIHLAHLA**

In his capacity as City Manager of the Buffalo City Metropolitan Municipality

**AND**

**MR VUYANI LWANA**

In his capacity as

**Head of Directorate: Health, Public Safety and Emergency Services**

**FOR THE**

**FINANCIAL YEAR 1 JULY 2019 – 30 JUNE 2020**

## **PERFORMANCE AGREEMENT**

### **ENTERED INTO BY AND BETWEEN:**

**Mr Andile Sihlahla** in his capacity as City Manager (hereinafter referred to as the Employer)

And

**Mr Vuyani Lwana**, in his capacity as Head of Directorate: Health, Public Safety and Emergency Services an Employee of the Buffalo City Metropolitan Municipality (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. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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**

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4. Monitor and measure performance against set targeted outputs;
- 2.5. Use the Performance Agreement and Performance Plan as the basis

for assessing whether the Employee has met the performance expectations applicable to the position;

- 2.6. 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. COMMENCEMENT AND DURATION**

- 3.1. This Agreement will commence on the **1 July 2019** and will remain in force until the **30 June 2020**.
- 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 employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1. The Performance Plan (Annexure A) sets out –
  - 4.1.1 the performance objectives and targets that must be met by the 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 Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget of the Employer; and include key objectives, key performance indicators, target dates and weightings.

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- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. 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 hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the Strategic Outcomes (SO's) (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## **6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
- 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Strategic Outcomes (SO's) and 20 to Core Competency Requirements (CCR's).
- 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
- 6.1.3 SO's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.
- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the

Performance Plan (Annexure A), which are linked to the SO's, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

MGDS/IDP/SDBIP Strategic Outcomes (SO's)	Weighting
An innovative and productive city	55%
A green city	35%
A connected city	0%
A spatially transformed city	0%
A well governed city	10%
Total	100%

### 6.3. Core Competency Requirements (CCR's) which are weighted at 20%

The CCRs which are deemed most critical to the employee's specific function have been prescribed by the Municipal Regulations of 2014 which are applicable to Senior Managers. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. Will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected. This refers to a separate component dealing with competency and expected behaviour

Table 1: Core Competency Requirements from Regulations (2014)

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS					
LEADING COMPETENCIES		Achievement Levels	Weight	HOD's Achievement Level	CM's Score Level
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>Impact and Influence</li> <li>Institutional Performance Management</li> <li>Strategic Planning and Management</li> <li>Organisational Awareness</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			
People Management	<ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			
Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> <li>Service Delivery Management</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			

	<ul style="list-style-type: none"><li>Program ad Project Monitoring and Evaluation</li></ul>				
Financial Management	<ul style="list-style-type: none"><li>Budget Planning and Execution</li><li>Financial Strategy and Delivery</li><li>Financial Reporting and Monitoring</li></ul>	Basic	10		
		Competent			
		Advanced			
		Superior			
Change Leadership	<ul style="list-style-type: none"><li>Change Vision and Strategy</li><li>Process Design and Improvement</li><li>Change Impact Monitoring and Evaluation</li></ul>	Basic	9		
		Competent			
		Advanced			
		Superior			
Governance Leadership	<ul style="list-style-type: none"><li>Policy Formulation</li><li>Risk and Compliance Management</li><li>Cooperative Governance</li></ul>	Basic	9		
		Competent			
		Advanced			
		Superior			
CORE COMPETENCIES:					
	Achievement Levels	Weight	HOD's Achievement Level	CM's Score Level	
Moral Competence	Basic	6			
	Competent				
	Advanced				
	Superior				
Planning and Organising	Basic	6			
	Competent				
	Advanced				
	Superior				
Analysis and Innovation	Basic	6			
	Competent				
	Advanced				
	Superior				
Knowledge and Information Management	Basic	6			
	Competent				
	Advanced				
	Superior				
Communication	Basic	6			
	Competent				
	Advanced				
	Superior				
Results and Quality focus	Basic	6			
	Competent				
	Advanced				
	Superior				
Total		100%			

#### 6.4. Achievement Level Descriptions

The achievement levels indicated in the table below serve as a guide for the assessment of CCR's:



Achievement Levels	Rating	Description
Basic	2	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	3	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
Advanced	4	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
Superior	5	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

## 7 EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

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

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

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

7.5. The annual performance appraisal will involve:

7.5.1 An assessment of the achievement of results as outlined in the performance plan as indicated hereunder;

(a) Each Strategic Outcome (SO) will 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 Strategic Outcome.

- (b) An indicative rating on the five-point scale will be provided for each Strategic Outcome based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final Strategic Outcome score.

#### 7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) Achievement levels on paragraph 6.4 above will be used to score each CCR.
- (c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.

#### 7.5.3. An 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 Employee will be based on the following rating scale for Strategic Outcomes (SO's):

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 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 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 management efforts to encourage improvement.	

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

- 7.1. Municipal Manager
- 7.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 7.3. Ward Committee member (on a rotational basis), where applicable;
- 7.4. A member of the Mayoral Committee; and
- 7.5. A Municipal Manager from another municipality.

## 8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1. The performance of the Employee will be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July - September 2019 (October 2019)
Second quarter	:	October - December 2019 (January 2020)
Third quarter	:	January - March 2020 (April 2020)
Fourth quarter	:	April – June 2020 (July 2020)

- 8.2. The Employer shall maintain a record of the mid-year review and the annual assessment meetings.
- 8.3. Performance feedback based on the Employer's assessment of the Employee's performance will be provided to the Employee.
- 8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

## **9. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) addressing development gaps is attached as Annexure "B".

## **10. OBLIGATIONS OF THE EMPLOYER**

- 10.1. The Employer shall and agrees to –
- 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 or her to meet the performance objectives and targets established in this Agreement; and
- 10.1.5. Make available to the Employee such resources as the Employee may reasonably require from time to time to meet the performance objectives and targets established in this Agreement.

## **11. CONSULTATION**

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11.1. The Employer agrees to consult the Employee timeously where the exercising of any of the powers or decisions of the Council will have or result in, amongst others, –

11.1.1. A direct impact 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 impact on the Employee or on the budget under the control of the Employee.

11.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **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 of between 5% to 14% of the inclusive annual remuneration package for the year under consideration may be paid to the Employee in recognition of outstanding performance.

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 / her duties.

## **13. DISPUTE RESOLUTION**

13.1 Any disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods, assessments and / or any other matter provided for, shall be mediated by –

13.1.1. The Executive Mayor, within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2. Any other person appointed by the Executive Mayor.

13.6. In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.


#### **14. GENERAL**

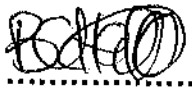
14.1. The contents of this Agreement and the outcome of any review conducted in terms of Annexure A (Performance Plan) will be made available to the public by the Employer.

14.2. Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his / her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Thus done and signed at East London on the 25 day of June 2019.

**AS WITNESSES:**


1.  .....

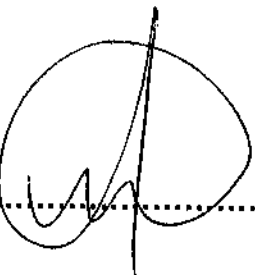
2.  .....

  
Employee

Thus done and signed at East London on the 25 day of June 2019.

**AS WITNESSES:**

1.  .....

2.  .....

  
City Manager

# Buffalo City Metropolitan Municipality

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## Performance Agreement

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**HEAD OF DIRECTORATE: CORPORATE  
SERVICES**



**2019/2020**



# **PERFORMANCE AGREEMENT**

**MADE AND ENTERED INTO BY AND BETWEEN:**

**MR ANDILE SIHLAHLA**

In his capacity as City Manager of the Buffalo City Metropolitan Municipality

**AND**

**MR APPANA SORRIAH NAIDOO**

In his capacity as Head of Directorate Corporate Services

**FOR THE**

**FINANCIAL YEAR 1 JULY 2019 – 30 JUNE 2020**

## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

**Mr Andile Sihlahla** in his capacity as City Manager (hereinafter referred to as the Employer)

and

**Mr AS Naidoo**, in his capacity as Head of Directorate: Corporate Services an Employee of the Buffalo City Metropolitan Municipality (hereinafter referred to as the Employee).

### WHEREBY IT IS AGREED AS FOLLOWS:

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#### 1. INTRODUCTION

- 1.1. The Employer has entered into a contract of employment with the Employee. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A;

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- 2.4. Monitor and measure performance against set targeted outputs;
- 2.5. Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to the position;
- 2.6. 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. COMMENCEMENT AND DURATION**

- 3.1. This Agreement will commence on the **1 July 2019** and will remain in force until the **30 June 2020**.
- 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 employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1. The Performance Plan (Annexure A) sets out –
  - 4.1.1 the performance objectives and targets that must be met by the 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 Annexure A are set by the Employer in consultation with the Employee and based on the

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Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget of the Employer; and include key objectives, key performance indicators, target dates and weightings.

- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. the relative importance of the key objectives to each other.
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- 5.1 The Employee hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the Strategic Outcomes (SO's) (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## **6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
  - 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Strategic Outcomes (SO's) and 20 to Core Competency Requirements (CCR's).
  - 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
  - 6.1.3 SO's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the Performance Plan (Annexure A), which are linked to the SO's, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

MGDS/IDP/SDBIP Strategic Outcomes (SO's)	Weighting
An innovative and productive city	0%
A green city	0%
A connected city	40%
A spatially transformed city	0%
A well governed city	60%
Total	100%

### 6.3. Core Competency Requirements (CCR's) which are weighted at 20%

The CCRs which are deemed most critical to the employee's specific function have been prescribed by the Municipal Regulations of 2014 which are applicable to Senior Managers. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. Will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected. This refers to a separate component dealing with competency and expected behaviour

Table 1: Core Competency Requirements from Regulations (2014)

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS					
LEADING COMPETENCIES		Achievement Levels	Weight	HOD's Achievement Level	CM's Score Level
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		Competent			
		Advanced			
		Superior			
People Management	<ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			

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Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> <li>Service Delivery Management</li> <li>Program and Project Monitoring and Evaluation</li> </ul>	Basic	12		
		Competent			
		Advanced			
		Superior			
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning and Execution</li> <li>Financial Strategy and Delivery</li> <li>Financial Reporting and Monitoring</li> </ul>	Basic	10		
		Competent			
		Advanced			
		Superior			
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision and Strategy</li> <li>Process Design and Improvement</li> <li>Change Impact Monitoring and Evaluation</li> </ul>	Basic	9		
		Competent			
		Advanced			
		Superior			
Governance Leadership	<ul style="list-style-type: none"> <li>Policy Formulation</li> <li>Risk and Compliance Management</li> <li>Cooperative Governance</li> </ul>	Basic	9		
		Competent			
		Advanced			
		Superior			

#### CORE COMPETENCIES:

	Achievement Levels	Weight	HOD's Achievement Level	CM's Score Level
Moral Competence	Basic	6		
	Competent			
	Advanced			
	Superior			
Planning and Organising	Basic	6		
	Competent			
	Advanced			
	Superior			
Analysis and Innovation	Basic	6		
	Competent			
	Advanced			
	Superior			
Knowledge and Information Management	Basic	6		
	Competent			
	Advanced			
	Superior			
Communication	Basic	6		
	Competent			
	Advanced			
	Superior			
Results and Quality focus	Basic	6		
	Competent			
	Advanced			
	Superior			
<b>Total</b>		<b>100%</b>		

#### 6.4. Achievement Level Descriptions

The achievement levels indicated in the table below serve as a guide for the assessment of CCR's:

<b>Achievement Levels</b>	<b>Rating</b>	<b>Description</b>
<b>Basic</b>	<b>2</b>	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
<b>Competent</b>	<b>3</b>	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
<b>Advanced</b>	<b>4</b>	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
<b>Superior</b>	<b>5</b>	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

## **7 EVALUATING PERFORMANCE**

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

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

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

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

7.5. The annual performance appraisal will involve:

7.5.1 An assessment of the achievement of results as outlined in the

performance plan as indicated hereunder;

- (a) Each Strategic Outcome (SO) will 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 Strategic Outcome.
- (b) An indicative rating on the five-point scale will be provided for each Strategic Outcome based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final Strategic Outcome score.

#### 7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) Achievement levels on paragraph 6.4 above will be used to score each CCR.
- (c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.


#### 7.5.3. An 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 Employee will be based on the following rating scale for Strategic Outcomes (SO's):

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					

SC AG






		fully achieved all others throughout the year.	
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7.7. For the purposes of evaluating the annual performance of the Employee, an evaluation panel constituted of the following persons will be established-

- 7.1. Municipal Manager
- 7.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 7.3. Ward Committee member (on a rotational basis), where applicable;
- 7.4. A member of the Mayoral Committee; and
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## 8. SCHEDULE FOR PERFORMANCE REVIEWS

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8.1. The performance of the Employee will be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July - September 2019 (October 2019)
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Fourth quarter	:	April – June 2020 (July 2020)

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

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8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

## **9. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) addressing development gaps is attached as Annexure "B".

## **10. OBLIGATIONS OF THE EMPLOYER**

10.1. The Employer shall and agrees to –

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 or her to meet the performance objectives and targets established in this Agreement; and

10.1.5. Make available to the Employee such resources as the Employee may reasonably require from time to time to meet the performance objectives and targets established in this Agreement.

## **11. CONSULTATION**

11.1. The Employer agrees to consult the Employee timeously where the exercising of any of the powers or decisions of the Council will have or result in, amongst others, –

11.1.1. A direct impact 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 impact on the Employee or on the budget under the control of the Employee.

11.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **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 of between 5% to 14% of the inclusive annual remuneration package for the year under consideration may be paid to the Employee in recognition of outstanding performance.

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 / her duties.

## **13. DISPUTE RESOLUTION**

13.1 **Any** disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods, assessments and / or any other matter provided for, shall be mediated by –

13.1.1. The Executive Mayor, within thirty (30) days of receipt of a formal dispute from the Employee; or


13.1.2. Any other person appointed by the Executive Mayor.

13.6. In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

#### **14. GENERAL**

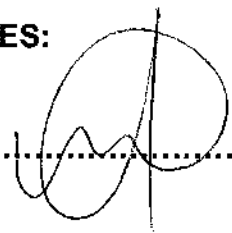
14.1. The contents of this Agreement and the outcome of any review conducted in terms of Annexure A (Performance Plan) will be made available to the public by the Employer.

14.2. Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his / her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

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was SE  


Thus done and signed at East London on the 25 day of June 2019.

AS WITNESSES:

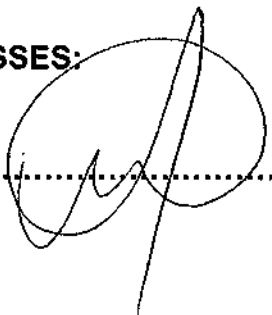
1. .... 

  
Employee

2. .... 

Thus done and signed at East London on the 25<sup>th</sup> day of June 2019.

AS WITNESSES:

1. .... 

  
City Manager

2. .... 

# Buffalo City Metropolitan Municipality

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## Performance Agreement

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**CITY MANAGER**



**2019/2020**

# **PERFORMANCE AGREEMENT**

**MADE AND ENTERED INTO BY AND BETWEEN:**

**MR XOLA PAKATI**

In his capacity as the Executive Mayor of the Buffalo City Metropolitan Municipality

**AND**

**MR ANDILE SIHLAHLA**

In his capacity as

**CITY MANAGER**

FOR THE

**FINANCIAL YEAR: 1 JULY 2019 – 30 JUNE 2020**

## **PERFORMANCE AGREEMENT**

### **ENTERED INTO BY AND BETWEEN:**

**Mr XOLA PAKATI** in his capacity Executive Mayor (hereinafter referred to as the Employer)

And

**Mr ANDILE SIHLAHLA**, in his capacity as Municipal Manager an Employee of the Buffalo City Metropolitan Municipality (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. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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**

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4. Monitor and measure performance against set targeted outputs;
- 2.5. Use the Performance Agreement and Performance Plan as the basis



for assessing whether the Employee has met the performance expectations applicable to the position;

- 2.6. 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. COMMENCEMENT AND DURATION**

- 3.1. This Agreement will commence on the **1 July 2019** and will remain in force until the **30 June 2020**.
- 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 employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1. The Performance Plan (Annexure A) sets out –
  - 4.1.1 the performance objectives and targets that must be met by the 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 Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget of the Employer; and include key objectives, key performance indicators, target dates and weightings.

- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. 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 hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the Strategic Outcomes (SO's) (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

## **6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
- 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Strategic Outcomes (SO's) and 20 to Core Competency Requirements (CCR's).
- 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
- 6.1.3 SO's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.
- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the

Performance Plan (Annexure A), which are linked to the SO's, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

<b>MGDS/IDP/SDBIP Strategic Outcomes (SO's)</b>	<b>Weighting</b>
An innovative and productive city	22%
A green city	9%
A connected city	22%
A spatially transformed city	18%
A well governed city	29%
<b>Total</b>	<b>100%</b>

### **6.3. Core Competency Requirements (CCR's) which are weighted at 20%**

The CCRs which are deemed most critical to the employee's specific function have been prescribed by the Municipal Regulations of 2014 which are applicable to Senior Managers. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. Will be selected from a list and agreed upon with the employer, with consideration for proficiency levels as agreed between the two parties. Weights will further be assigned to the CCRs selected.

This refers to a separate component dealing with competency and expected behaviour

**Table 1: Core Competency Requirements from Regulations (2014)**

<b>COMPETENCY FRAMEWORK FOR SENIOR MANAGERS</b>					
<b>LEADING COMPETENCIES</b>		<b>Achievement Levels</b>	<b>Weight (%)</b>	<b>CM's Achievement Level</b>	<b>Executive Mayor's Score Level</b>
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>Impact and Influence</li> <li>Institutional Performance Management</li> <li>Strategic Planning and Management</li> <li>Organisational Awareness</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
People Management	<ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			
Programme and Project Management	<ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> <li>Service Delivery Management</li> </ul>	Basic	12%		
		Competent			
		Advanced			
		Superior			

	<ul style="list-style-type: none"> <li>Program and Project Monitoring and Evaluation</li> </ul>				
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning and Execution</li> <li>Financial Strategy and Delivery</li> <li>Financial Reporting and Monitoring</li> </ul>	Basic	10%		
		Competent			
		Advanced			
		Superior			
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision and Strategy</li> <li>Process Design and Improvement</li> <li>Change Impact Monitoring and Evaluation</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			
Governance Leadership	<ul style="list-style-type: none"> <li>Policy Formulation</li> <li>Risk and Compliance Management</li> <li>Cooperative Governance</li> </ul>	Basic	9%		
		Competent			
		Advanced			
		Superior			

#### CORE COMPETENCIES:

	Achievement Levels	Weight (%)	CM's Achievement Level	Executive Mayor's Score Level
Moral Competence	Basic	6%		
	Competent			
	Advanced			
	Superior			
Planning and Organising	Basic	6%		
	Competent			
	Advanced			
	Superior			
Analysis and Innovation	Basic	6%		
	Competent			
	Advanced			
	Superior			
Knowledge and Information Management	Basic	6%		
	Competent			
	Advanced			
	Superior			
Communication	Basic	6%		
	Competent			
	Advanced			
	Superior			
Results and Quality focus	Basic	6%		
	Competent			
	Advanced			
	Superior			
<b>Total</b>		<b>100%</b>		

#### 6.4. Achievement Level Descriptions

The achievement levels indicated in the table below serve as a guide for the assessment of CCR's:

<b>Achievement Levels</b>	<b>Rating</b>	<b>Description</b>
<b>Basic</b>	<b>2</b>	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
<b>Competent</b>	<b>3</b>	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
<b>Advanced</b>	<b>4</b>	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
<b>Superior</b>	<b>5</b>	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

## **7 EVALUATING PERFORMANCE**

7.1 The Performance Plan (Annexure A) attached to this Agreement sets out–

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

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.

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

7.5 The annual performance appraisal will involve:

7.5.1 An assessment of the achievement of results as outlined in the performance plan as indicated hereunder;

(a) Each Strategic Outcome (SO) will 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 Strategic Outcome.

- (b) An indicative rating on the five-point scale will be provided for each Strategic Outcome based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final Strategic Outcome score.

#### 7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) Achievement levels on paragraph **6.4 above** will be used to score each CCR.
- (c) Based on the assessment rating calculator set out in the scorecard used where after the scores will be summated to calculate a final CCR's score.

#### 7.5.3. An 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 Employee will be based on the following rating scale for Strategic Outcomes (SO's):

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.					

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The Personal Development Plan (PDP) addressing development gaps is attached as Annexure "B".

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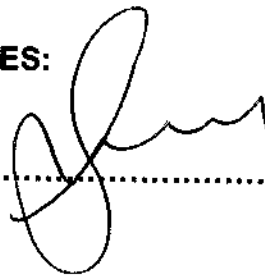
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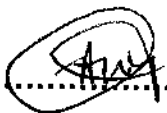
Thus done and signed at East London on the 25<sup>th</sup> day of June 2019.

AS WITNESSES:

1. ....



2. ....

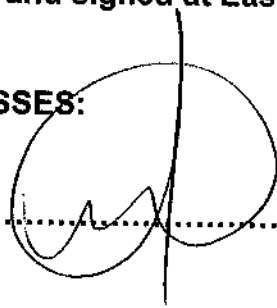


  
Employee

Thus done and signed at East London on the 25 day of June 2019.

AS WITNESSES:

1. ....



2. ....



  
Executive Mayor