

2008/09

Motheo District Municipality  
Municipal Manager  
Performance Agreement

### **1. Purpose**

The performance plan defines the Council's expectations of the Municipal Managers performance during the 2008/09 financial year.

### **2. Key Responsibilities**

The following objects of local government will inform the Municipal Managers performance:

- 2.1 Provide democratic and accountable government for local communities.
- 2.2 Ensure the provision of services to communities in a sustainable manner.
- 2.3 Promote social and economic development.
- 2.4 Promote a safe and healthy environment.
- 2.5 Encourage the involvement of communities and community organisations in the matters of local government.

### **3. Key Performance Indicators**

The performance indicators the SED: Social Development's' performance must achieve are arranged under the following key performance areas (KPA's) and Core Competency Requirements (CCR's):

#### **3.1 KPA's**

- Basic Service Delivery
- Municipal Institutional Development and Transformation.
- Local Economic Development
- Municipal Financial Viability and Management.
- Good Governance and Public Participation.

#### **3.2 Core Competency Requirements**

##### **3.2.1 Compulsory Core Managerial Competencies**

- Financial Management
- People Management and Empowerment
- Client Orientation and Customer Focus

### **3.2.2 Elective Core Managerial Competencies**

- Strategic Capability and Leadership
- Programme and Project Management
- Change Management
- Knowledge Management
- Service Delivery Innovation
- Problem Solving and Analysis
- Communication
- Honesty and Integrity

### **3.2.3 Elective Core Occupational Competencies**

- Competence in Self Management
- Interpretation of and implementation within the legislative and national policy frameworks
- Knowledge of developmental local government
- Knowledge of Performance Management and Reporting
- Knowledge of global and South African specific political, social and economic contexts
- Competence in policy conceptualisation, analysis and implementation
- Knowledge of more than one functional municipal field / discipline
- Skills in Mediation
- Skills in governance
- Competence as required by other national line sector departments
- Exceptional and dynamic creativity to improve the functioning of the municipality

#### 4. Rating

The assessment of the performance of the Municipal Manager will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description
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 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	Performance 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.

## 5. Quarterly performance appraisals

The performance of the Municipal Manager in relation to his performance agreement must be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if the employee's performance is satisfactory:

Quarter	Description	Date
First quarter	1 July – 30 September	To be determined by Executive Mayor
Second quarter	1 October -31 December	To be determined by Executive Mayor
Third Quarter	1 January – 31 March	To be determined by Executive Mayor
Fourth quarter	1 April- 30 June	To be determined by Executive Mayor

The Municipal Manager will keep record of the mid-year review and annual assessment meetings.

## 6. Annual performance appraisal for the purpose of the payment of a performance bonus

The annual performance appraisal of the Municipal Manager will be undertaken by a panel consisting of the following persons:

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- (iii) Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
- (iv) Mayor and/or municipal manager from another municipality; and

## 7. Performance Bonus

The annual performance bonus that can be paid to the Municipal Manager is based on the achievement of the following scores:

<i>Score</i>	<i>Adjusted Score</i>	<i>Performance bonus</i>
60%	100%	0%
77%	128%	0%
78%	130%	5%
80%	133%	5%
81%	135%	6%
82%	137%	6%
83%	138%	7%
84%	140%	8%
85%	142%	8%
86%	143%	8%
87%	145%	8%
88%	147%	9%
89%	148%	9%
90%	150%	10%
91%	152%	10%
92%	153%	10%
93% and above	155%	14%

## 8. Amendments

The Employer may review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement by both parties.

## 9. Key Performance Areas

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
<b>1. Municipal Transformation and Organisational Development</b>	30	Performance management system (PMS) reviewed and aligned to the IDP and implemented <b>MoV:</b> Mid-Year and Annual performance assessment report submitted to all the relevant stakeholders	31-Dec-07							
		Ensure that the review of the IDP is conducted and completed in terms of the budget timetable tabled in the Council <b>MoV:</b> IDP review completed in the timeframe allocated as well in the budget allocated	28-Feb-08							
		Ensure compliance with Council's employment equity strategy and plan by ensuring achievement of the Directorate's targets. <b>MoV:</b> 1. EEA2 and EEA4 reports submitted to DoL	30 Oct 2008							
		Establish a customer care management system and policy for the Municipality <b>MoV:</b> Conduct 2 customer satisfaction surveys and present report to council	30 Jun 09							
		Prepare comprehensive delegated powers for submission to the Council <b>MoV:</b> Conduct workshop of councillors and management regarding proposed delegated powers								

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
		Integrated human resource management systems, procedures and policies introduced and operationalised. <b>MoV:</b> <ul style="list-style-type: none"> <li>• Employment Equity Plan Reviewed</li> <li>• Workplace Skills Plan Compiled</li> <li>• Occupational Health and Safety compliance</li> </ul>	30 Jun 09							
<b>Weighting Total</b>	<b>30</b>	<b>Total Score achieved for KPA: Basic Service Delivery</b>								

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
2. Basic Service delivery	20	Ensure the provision of efficient and effective service delivery to the community so that the requirements of the IDP are met <u>MoV:</u> <ul style="list-style-type: none"> <li>• Establish a monitoring and reporting system/framework for water services providers</li> <li>• Ensure the submission of a business plan for the establishment and operation of a district disaster management centre to the Executive Committee</li> <li>• Asset register for all infrastructure and municipal property rehabilitated periodically maintained</li> </ul>	30 Jun 09							
		Establishment of IGR <u>MoV:</u> <ul style="list-style-type: none"> <li>° Ensure co-operation between district municipality and the local municipalities within the Municipality</li> <li>° Ensure quarterly consultation with parastatals and other critical stakeholders by holding quarterly meetings with the stakeholders</li> <li>° Ensure proper representation of stakeholders at all meetings</li> <li>° Ensure public attendance of IGR meetings</li> </ul>								
		Ensure that 100% of the capital	30-Jun-08							

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
		budget is spent during the 2007/2008 financial year								
		Prepare and submit annual report on the Municipality's performance in respect of programmes funded or partially funded by a Sch 4 allocation (MIG)	31-Aug-07							
		Prepare and submit annual report on the Municipality's performance in respect of programmes funded or partially funded by an Sch 6 allocation (MSIG, FMG, LGRG, DWAF, NER)	31-Aug-07							
<b>Weighting Total</b>	<b>20</b>	<b>Total Score achieved for KPA: Institutional Development &amp; Transformation</b>								

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
<b>3. Local Economic Development</b>	<b>5</b>	Manage external consultants and contractors appointed for technical projects. <b>MoV:</b> 1. Project plans and budgets to be in place and available for inspection 2. Progress against plans to be reported regularly	50% of spending for projects on SMME's							
		Promote the involvement of SMMEs in projects. <b>MoV:</b> No of SMMEs INVOLVED	30 Jun 09							
		Build consensus with stakeholders around an LED strategy for MDM with an orientation to maximizing growth, employment, empowerment and poverty reduction	30-Jun-09							
		Comparative and competitive economic advantages of the Municipality identified and incorporated in a credible LED strategy and programmes	30-Dec-08							
		To facilitate partnerships for economic development within the municipality <b>MoV:</b> • Attract investment to the Municipality • Establish District Local Economic Forum	30 Jun 09							
<b>Weighting Total</b>	<b>5</b>			<b>Total Score achieved for KPA: LED</b>						

Key Performance Area	Weight	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
<b>4. Municipal Financial Viability and Management</b>	<b>20</b>	Sound financial management practices implemented in terms of the MFMA priorities and timeframes, including but not limited to: <b>MoV:</b> • Budget aligned to the approved IDP • Meeting the financial reporting requirements of financial legislation, e.g. the MFMA and the annual DORA	31 May 09 30 Jun 09							
		Comprehensive financial management policies (and by-laws) developed consistent with GRAP/GAMAP, relevant legislation and best practice	31 Jan 09							
		Ensure that Procurement system and standards are maintained <b>MoV:</b> ° Workshop SCM policy and procurement procedures with councillors, top and middle management	30 Sept 08							

		<p>Municipal financial viability targets set and achieved</p> <p><b>MoV:</b></p> <ul style="list-style-type: none"> <li>• Turnaround time for creditor payment improved to 30 days</li> <li>• % Personnel cost over the total operational budget reduced to 35%</li> <li>• Adequate provision for bad debt and working capital is made consistent with acceptable accounting norms</li> <li>• Financial legislation implemented, including the Division of Revenue Act</li> </ul>	30 Jun 09							
<b>Weighting Total</b>	<b>20</b>	<b>Total Score achieved for KPA: Municipal Financial Viability and Management</b>								

Key Performance Area	Weighting	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
5. Good Governance and Public Participation	25	Contract variations are comprehensively documented, approved by the person/body that approved the principal contract and annexed to the principal contract as a properly executed and signed addendum	Ongoing							
		% of capital budget spent	95 - 100%=5 90 - 94%=3 85 - 89%=2							
		Ensure that the procedures for community participation processes as set out in legislation adhered to in terms of: <ul style="list-style-type: none"> <li>Budgeting <b>MoV:</b>(6 community meetings)</li> <li>Monitoring and reporting <b>MoV:</b> (PMS) (2 community meetings and 4 meetings of the MPAC)</li> </ul>	30 Jun 09							
		Capacity-building of councillors to enhance their knowledge and skills to ensure effective participation of all councillors in municipal and community affairs	100% of budget spent							

Key Performance Area	Weighting	Objective & Key Performance Indicator	Target Date	Progress on date of review	Rating					Score = Weighting x Rating
					1	2	3	4	5	
		An anti-corruption strategy/local integrity system in terms of national strategy is developed for the Municipality and implemented to prevent, detect and effectively deal with corruption and fraud	30-Jun-09							
		Mechanisms to ensure disclosure of financial interest by councillors and officials are in place	01-Nov-09							
		Ensure that a draft communication strategy for promoting communication between the Municipality and local municipalities is submitted to the Executive Mayor	30-Jun-09							
		Audit queries responded to within two weeks after receipt	30-Jun-09							
<b>Weighting Total</b>	<b>25</b>	<b>Total Score achieved for KPA: Good Governance &amp; Public Participation</b>								

## 10. Core Competency Requirements

Core Managerial and Occupational Competencies	Weighting	Description/Definition	Target Date	Rating					Score = Weighting x Rating
				1	2	3	4	5	
<b>Compulsory Core Managerial Competencies</b>									
1. Financial Management	5	Compiles and manages budgets, controls cash flow, institutes risk management and administers supply chain management processes in accordance with legal prescripts and generally recognised accounting practices in order to ensure the achievement of the Municipality's strategic objectives.	30 June 2009						
2. People Management and Empowerment	5	Manages and encourages people, optimises their outputs and effectively manages relationships in order to achieve the Municipality's strategic objectives.	30 June 2009						
3. Client Orientation and Customer Focus	5	Willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Batho Pele) into practice.	30 June 2009						
<b>Weighting Total</b>		<b>Total Score achieved for Compulsory Core Managerial Competencies</b>							
<b>Elective Core Managerial Competencies</b>									
1. Strategic Capability and Leadership	5	Provides a vision, sets the direction for the administration and inspires others to deliver on the municipality's mandate	30 June 2009						
2. Programme and Project Management	5	Plans, manages, monitors and evaluates specific activities in order to deliver the desired outputs and outcomes.	30 June 2009						
3. Change Management	5	Plans, develops a structured approach and monitors the transformation of individuals, teams, and the organisation from a current state to a desired future state.	30 June 2009						

Core Managerial and Occupational Competencies	Weighting	Description/Definition	Target Date	Rating					Score = Weighting x Rating
				1	2	3	4	5	
4. Problem Solving and Analysis	5	Systematically identifies analyses and resolves existing and anticipated problems in order to reach optimum solutions in a timely manner.	30 June 2009						
5. Communication	5	Keeps subordinates informed of all matters relevant to them, informs them of the reasons for decisions and sets the example by "walking the talk".	30 June 2009						
6. Honesty and integrity	5	Displays and builds the highest standards of ethical and moral conduct in order to promote confidence and trust in the Municipality.	30 June 2009						
<b>Weighting Total</b>		<b>Total Score achieved for Elective Core Managerial Competencies</b>							
<b>Elective Core Occupational Competencies</b>									
1. Interpretation of and implementation of legislation	5	Knowledge of the legislation and policies applicable to the position and the ability to apply such legislation and policies to the work situation.	30 June 2009						
2. Competence in policy conceptualisation, analysis and implementation	5	The ability to draft and implement a policy due to the arriving at a concept or a generalisation as a result of seeing things, experiencing things, being informed of something as well as the ability to analyse, comprehend and implement a policy drafted by somebody else.	30 June 2009						
3. Knowledge of more than one functional municipal field / discipline	5	Knowledge of more than one functional municipal field which are used in the execution of the duties associated with the position.	30 June 2009						
4. Skills in Mediation	5	The ability to assist two (or more) disputants in reaching an agreement as may be required from time to time by the position.	30 June 2009						

Core Managerial and Occupational Competencies	Weighting	Description/Definition	Target Date	Rating					Score = Weighting x Rating
				1	2	3	4	5	
5. Skills in Governance	5	Key principles of good governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organisation. Governance skills relates to the application of these principles in consistent management practice, policies, processes and decision-making for a given area of responsibility of the position.	30 June 2009						
<b>Weighting Total</b>		<b>Total Score achieved for Elective Core Occupational Competencies</b>							

Signed and accepted by (Municipal Manager): \_\_\_\_\_ Date: \_\_\_\_\_

Signed and accepted by (Executive Mayor): \_\_\_\_\_ Date: \_\_\_\_\_

## 11. Summary Score Sheet

Key Performance Area						
		Maximum Score	1st Quarter Score	2nd Quarter Score	3rd Quarter Score	4th Quarter Score
1	Basic Service Delivery	30				
2	Municipal Institutional Development and Transformation	20				
3	Local Economic Development	5				
4	Municipal Financial Viability and Management	20				
5	Good Governance and Public Participation	25				
	<b>Total Achieved</b>	<b>100</b>				
Core Competency Requirements						
	(B) Compulsory Core Managerial Competencies	Maximum Score	1st Quarter Score	2nd Quarter Score	3rd Quarter Score	4th Quarter Score
1	Financial Management	5				
2	People Management and Empowerment	5				
3	Client Orientation and Customer Focus	5				
	<b>Total Achieved</b>	<b>15</b>				
	(C) Elective Core Managerial Competencies	Maximum Score	1st Quarter Score	2nd Quarter Score	3rd Quarter Score	4th Quarter Score
1	Strategic Capability and Leadership	5				
2	Programme and Project Management	5				
3	Change Management	5				
4	Problem Solving and Analysis	5				
5	Communication	5				
6	Honesty and integrity	5				
	<b>Total Achieved</b>	<b>30</b>				

	<b>(D) Elective Core Occupational Competencies</b>	<b>Maximum Score</b>	<b>1st Quarter Score</b>	<b>2nd Quarter Score</b>	<b>3rd Quarter Score</b>	<b>4th Quarter Score</b>
1	Interpretation of and implementation within the legislative and national policy frameworks	5				
2	Competence in policy conceptualisation, analysis and implementation	5				
3	Knowledge of more than one functional municipal field / discipline	5				
4	Skills in Mediation	5				
5	Skills in Governance	5				
<b>Total Achieved</b>		<b>25</b>				
<b>Grand Total: B + C + D = 15 + 30 + 25 = 70</b>						

## 12.Consolidated Score Sheet

(A) Key Performance Areas			(B) Compulsory Core Managerial Competencies			(C) Elective Core Managerial Competencies			(D) Elective Core Occupational Competencies		
No.	Maximum Score	Score	No.	Maximum Score	Score	No.	Maximum Score	Score	No.	Maximum Score	Score
1			1	10		1	10		1	10	
2			2	10		2	5		2	10	
3			3	10		3	5		3	10	
4						4	5		4	10	
5						5	10		5	10	
						6	10				
<b>TOTAL</b>	<b>100</b>		<b>TOTAL</b>	<b>30</b>		<b>TOTAL</b>	<b>45</b>		<b>TOTAL</b>	<b>50</b>	
<b>Calculation of Scores Achieved</b>											
TOTAL % SCORED: (A =80%; E = 20%)						Total (A) =					
A = 0,8 X (Score Achieved/ Maximum Score) x 100						Total (B) +(C) + (D) = E					
E = 0,2 X (Score Achieved/ Maximum Score) x 100						Total (E) =					
A = 0,8 x (_____/100 ) x 100 = _____ %						Total % = A + E =					
E = 0,2 X (-----/115) x 100 = _____ %											

