

BA-PHALABORWA MUNICIPALITY



PERFORMANCE AGREEMENT

2022/2023

Dr KKL PILUSA

ACTING MUNICIPAL MANAGER

1. INTRODUCTION

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

1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement;

1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals;

1.4 The Parties wish to ensure that there is compliance with Sections 57 (4A), 57 (4B) and 57 (5) of the Systems Act;

1.5 In this Agreement, the following terms will have the meaning ascribed thereto:

1.5.1 "this Agreement" – means the performance Agreement between the Employer and the Employee and the Annexures thereto;

1.5.2 "the Executive Committee" – means the Executive Committee of council constituted in terms of the Structures Act (Local Government: Municipal Structures Act 117 of 1998) as represented by its chairperson, the Mayor;

1.5.3 "the Employee" means the **Acting Municipal Manager: Ba-Phalaborwa Municipality** appointed in terms of Section 56 of the Systems Act;

1.5.4 "the Employer" = means Ba-Phalaborwa Municipality; and

1.5.5 "the parties" means the Employer and the Employee.

- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason; and
- 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, key performance indicators and targets that must be met by the Employee;
 - 4.1.2 The time frames within which those performance objectives and targets must be met; and.
 - 4.1.3 The core competency requirements (Annexure C – definitions) as the management skills regarded as critical to the position held by the Employee
- 4.2 The performance objectives, key performance indicators and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include:
 - 4.2.1 key objectives that describe the main tasks that need to be done;
 - 4.2.2 key performance indicators that provide the details of the evidence that must be provided to show that a key objective has been achieved;
 - 4.2.3 target dates that describe the time frame in which the targets must be achieved; and
 - 4.2.4 weightings showing the relative importance of the key objectives to each other;
- 4.3 The Personal Development Plan (Annexure B) sets out the employee's personal development requirements in line with the objectives and targets of the Employer; and

KPA No.	Key Performance Areas	100%
1	Spatial Rationale	5%
2	Basic Service Delivery	10%
3	Municipal Financial Viability and Management	15%
4	Local Economic Development (LED)	15%
5	Municipal Institutional Development and Transformation	20%
6	Good Governance and Public Participation	25%
		Converted to 80%

5.7 Manager's responsibilities are also directed in terms of the abovementioned key performance areas. In the case of managers directly accountable to the Municipal Manager, other key performance areas related to the functional area of the relevant manager can be added subject to negotiation between the municipal manager and the relevant manager

5.8 The CCRs will make up the other 20% of the Employee's assessment score. CCRs that are deemed to be most critical for the Employee's specific job should be selected (v) from the list below as agreed to between the Employer and Employee. Three of the CCRs are compulsory for Municipal Managers:

CORE MANAGERIAL COMPETENCIES ¹	v ²	WEIGHTING %	LEVEL ³
Strategic Capability and Leadership		10	
Programme and Project Management		10	
Financial Management	v	5	
Change Management		5	
Knowledge Management		15	
Service Delivery Innovation		25	
Problem Solving and Analysis		15	
People Management and Empowerment	v	10	
Client Orientation and Customer Focus	v	25	
Communication		15	
Accountability and Ethical Conduct		10	

automatically. These scores are carried over to the applicable employee's performance plan. During assessment, the employee has a chance to submit evidence of performance where a disagreement

- (c) The Employee will submit his self-evaluation to the Employer prior to the formal assessment; and
- (d) An overall score will be calculated based on the total of the individual scores calculated above.

6.5.2 Assessment of the CCRs:

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met
- (b) An indicative rating on the five-point scale should be provided for each CCR
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score
- (d) An overall score will be calculated based on the total of the individual scores calculated above.

6.5.3 Overall rating

- (a) An overall rating is calculated by adding the overall scores as calculated in 6.5.1 (d) and 6.5.2 (d) above; and
- (b) Such overall rating represents the outcome of the performance appraisal.

6.6 The assessment of the performance of the Employee will be based on the following rating scale for KPIs and CCRs:

Level	% score	Terminology	Description
5	167	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	133 – 166	Performance	Performance is significantly higher than the standard

7. SCHEDULE FOR PERFORMANCE REVIEWS

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

Quarter	Review Period	Review to be completed by
1	July – September 2022	October 2022
2	October – December 2022	February 2023
3	January – March 2023	April 2023
4	April – June 2023	August 2023

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

7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance;

7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Employee will be fully consulted before any such change is made;

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

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall:

9.1.1 Create an enabling environment to facilitate effective performance by the employee;

9.1.2 Provide access to skills development and capacity building opportunities;

11.2.2 A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

11.3 In the case of unacceptable performance, the Employer shall:

11.3.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance;

11.3.2 After appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

12. DISPUTE RESOLUTION

12.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement, the Employee may within 3 (three) business days, meet with the Employer with a view to resolving the issue. The employer will record the outcome of the meeting in writing;

12.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, shall be appointed to resolve the matter within 30 (thirty) business days; and

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

13. GENERAL

13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer;

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments; and

13.3 The performance assessment results of the Municipal Manager must be submitted to the MEC responsible for local government in the relevant province as well as the national

Annexure A

PERFORMANCE PLAN

ENTERED INTO BY AND BETWEEN:

BAPHALABORWA MUNICIPALITY

AS REPRESENTED BY THE MAYOR

CLLR MIM MALATJI

["the Employer"]

AND

Dr KKL PILUSA

ACTING MUNICIPAL MANAGER

["the Employee"]

KPA 1: SPATIAL RATIONALE

KPA 2:
BASIC SERVICE DELIVERY

KPA 3:
**MUNICIPAL FINANCIAL VIABILITY AND
MANAGEMENT**

KPA 4:

LOCAL ECONOMIC DEVELOPMENT

KPA 4: Local Economic Development 15%

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicators	Responsible Manager	Baseline	Annual Target 30/06/2023	Budget	2022/2023 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 22)	2 nd Quarter (1 Oct – 31 Dec 22)	3 rd Quarter (1 Jan – 31 Mar 23)	4 th Quarter (1 Apr – 30 Jun 23)	
			Management on the implementation of social labour plans. Phalaborwa Copper, & Stibium, Foskor by 30/06/2023									on

KPA 5: Municipal Transformation and Institutional Development 20%												
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2023	Budget	2022/2023 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 22)	2 nd Quarter (1 Oct – 31 Dec 21)	3 rd Quarter (1 Jan – 31 Mar 22)	4 th Quarter (1 Apr – 30 Jun 22)	
5.1 Organisational Design & Human Resource												
5.1.1	Good governance and administration	Attract, develop and retain best human capital	Number of Reviewed Departmental Organisational structure by 30/06/2023	Acting Municipal Manager	1	1	opex	n/a	n/a	1	Reviewed organizational structure	
5.1.2	Good governance and administration	Attract, develop and retain best human capital	Deadline for submission of safety findings addressed by the 20 th of each month	Acting Municipal Manager	By the 20 th of each month	By the 20 th of each month	opex	By the 20 th of each month	By the 20 th of each month	By the 20 th of each month	Dated proof of submission	
5.2 Employment Equity												
5.2.1	Good governance and administration	Good corporate governance and public participation	Number of employees from previously disadvantaged groups appointed in the three highest levels of management as per EEP (PL 0,2,3) by 30/06/2023	Acting Municipal Manager	1	1	opex	n/a	n/a	1	Appointment letters; appointment register, Proof of Disadvantaged Employees	
5.3 Integrated Development Planning												
5.3.1	Good governance and administration	Advance good corporate governance	Number of IDP/Budget/PMS/M PAC Process Plan approved by Council by 31/07/2022	Acting Municipal Manager	1	1	opex	n/a	n/a	n/a	Council Approved IDP, Budget, PMS Process Plan	
5.3.2	Good governance and	Advance good corporate governance	Number of 2023/24 Draft IDP approved by Council by	Acting Municipal Manager	1	1	opex	n/a	1	n/a	Council Approved Draft IDP/ Council	

KPA 5: Municipal Transformation and Institutional Development 20%													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline	Annual Target 30/06/2023	Budget	2022/2023 Quarterly Projections				Evidence Required	
								1 st Quarter (1 Jul – 30 Sept 22)	2 nd Quarter (1 Oct – 31 Dec 21)	3 rd Quarter (1 Jan – 31 Mar 22)	4 th Quarter (1 Apr – 30 Jun 22)		
			Conducted to review their performance by 30/06/2023 (Mid-Year /Annual										
5.4.6	Good governance and administration	Advance good corporate governance	Number of 2021/22 Draft Annual Report approved Council by 31/01/2023	Acting Municipal Manager	1	1	opex	n/a	n/a	1	n/a	Council Approved 2021/22 Annual Report	
5.4.7	Good governance and administration	Advance good corporate governance	Number of Oversight report on 2021/22 Draft Annual report approved by 31/03/2023	Acting Municipal Manager	1	1	opex	n/a	n/a	1	n/a	Council approved Oversight report and Council resolution	
5.4.8	Good governance and administration	Advance good corporate governance	Number of Draft 2023/24 SDBIP submitted to the Mayor for approval (14 days after the adoption of the IDP and Budget)	Acting Municipal Manager	1	1	opex	n/a	n/a	n/a	1	Signed & Approved Draft SDBIP for 2023/24 by the Mayor	
5.4.9	Good governance and administration	Advance good corporate governance	Number of approved Final 2023/24 SDBIP (28 days after the adoption of the IDP and Budget) approved by the Mayor	Acting Municipal Manager	1	1	opex	n/a	n/a	n/a	1	Signed and Approved Final SDBIP by the Mayor	
5.4.10	Good governance and administration	Advance good corporate governance	Number of Reviewed 2022/23 SDBIP approved by 31/03/2023	Acting Municipal Manager	1	1	opex	n/a	n/a	1	n/a	Signed and Approved Reviewed 2022/23 SDBIP by the Mayor.	
5.4.11	Good governance and administration	Advance good corporate governance	Number of Mid-Year report submitted to stakeholders by 25/01/2023	Acting Municipal Manager	1	1	opex	n/a	n/a	1	n/a	Dated proof of submission	

KPA 6: Good Governance and Public Participation												
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicators	Responsible Manager	Baseline	Annual Target 30/06/2023	Budget	2022/2023 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 22)	2 nd Quarter (1 Oct – 31 Dec 22)	3 rd Quarter (1 Jan – 31 Mar 23)	4 th Quarter (1 Apr – 30 Jun 23)	
6.1 Public Participation and Ward Committees												
6.1.1	Good governance and administration	Advance good corporate governance	Number of scheduled quarterly Council meetings held by 30/06/2023	Acting Municipal Manager	18	7	opex	2	3	4	6	Minutes of council meetings, attendance registers
6.1.2	Good governance and administration	Advance good corporate governance	Number of scheduled monthly EXCO meetings held by 30/06/2023	Acting Municipal Manager	15	11	opex	3	5	8	11	Minutes of EXCO meetings, attendance registers
6.1.3	Good governance and administration	Advance good corporate governance	Number of scheduled quarterly MPAC meetings held by	Acting Municipal Manager	11	4	opex	1	2	3	4	Minutes of MPAC meetings, attendance registers

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KPA 6: Good Governance and Public Participation												
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicators	Responsible Manager	Baseline	Annual Target 30/06/2023	Budget	2022/2023 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 22)	2 nd Quarter (1 Oct – 31 Dec 22)	3 rd Quarter (1 Jan – 31 Mar 23)	4 th Quarter (1 Apr – 30 Jun 23)	
6.2.3	Good governance and administrative	Enhance stakeholder involvement	Number of IDP Technical Committee meeting held by 30/06/2023	Municipal Manager	4	4	opex	1	1	1	1	Attendance registers, agendas, invitations
6.2.4	Good governance and administrative	Enhance stakeholder involvement	Number of scheduled and convened monthly ward Committee meetings by 30/06/2023 (Functionality of ward committees)	Acting Municipal Manager	New	209	OPEX	57	95	152	209	minutes and attendance register
6.2.4	Good governance and administrative	Enhance stakeholder involvement	% of complains resolved	Acting Municipal Manager	100%	100%	opex	100%	100%	100%	100%	Complains register and batho pele report
6.2.5	Good governance and administrative	Enhance stakeholder management	Number of Mayor imbizos and public participation held per quarter 30/06/2023	Acting Municipal Manager	4	4	opex	1	1	1	1	Attendance register
6.3 Corporate Governance												
6.3.1	Good governance and administrative	Advance good corporate governance	Number of delegation of powers reviewed by 30/06/2023	Acting Municipal Manager	1	1	opex	n/a	n/a	n/a	1	Reviewed delegation of powers

KPA 6: Good Governance and Public Participation												
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicators	Responsible Manager	Baseline	Annual Target 30/06/2023	Budget	2022/2023 Quarterly Projections				Evidence Required
								1 st Quarter (1 Jul – 30 Sept 22)	2 nd Quarter (1 Oct – 31 Dec 22)	3 rd Quarter (1 Jan – 31 Mar 23)	4 th Quarter (1 Apr – 30 Jun 23)	
	and Administration	corporate governance	Reviewed fraud and anti-corruption strategy approved by 30/06/2023	Municipal Manager								corruption strategy
6.9 Security management												
6.9.1	Governance and Administration	Good corporate governance and public participation	Number of Security Management quarterly reports for Safeguarding of Council Assets by 30/06/2023	Acting Municipal Manager	4	4	opex	1	1	1	1	Security Management Reports
6.10. Communication												
6.01.1	Governance and Administration	Advance good corporate governance	Number of Communication Strategy reviewed and approved by Council by 30/06/2023	Acting Municipal Manager	1	1	Opex	n/a	n/a	n/a	1	Approved communication strategy and Council resolution
6.10.2	Governance and Administration	Advance good corporate governance	% for submission of information for publishing on	Acting Municipal Manager	100%	100%	opex	100%	100%	100%	100%	Legislation compliance

STRATEGIC RISK FOR THE ACTING MUNICIPAL MANAGER

**PERSONAL DEVELOPMENT PLAN
(PDP)**

ENTERED INTO BY AND BETWEEN:

BAPHALABORWA MUNICIPALITY

AS REPRESENTED BY THE MAYOR

CLLR M.M. MALATJI

["the Employer"]

AND

Dr KKL PILUSA

ACTING MUNICIPAL MANAGER

["the Employee"]

(a) The identified training needs should be entered into column one. The following should be taken into consideration:

Organisational Needs:

Strategic development priorities and competency requirements, in line with the Municipality's strategic objectives.

The competency requirements of individual jobs. The relevant job requirements (job competency profile) as identified in the job description should be compared to the current competency profile of the employee to determine the individual's competency gaps. Specific competency gaps as identified during the probation period and performance appraisal of the employee.

Individual training needs that are job / career related:

Prioritisation of the training needs [1 to ...] in column 1 should also be determined since it may not be possible to address all identified training needs in a specific financial year. It is however of critical importance that training needs be addressed on a phased and priority basis. This implies that all these needs should be prioritised for purposes of accommodating critical / strategic training and development needs in the HR Plan, Personal Development Plans and the Workplace Skills Plan.

Column 2: Outcomes Expected

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
E.g. 1. Appraise Performance of Managers	The manager will be able to enter into performance agreements with all managers reporting to him/her, appraise them against set criteria, within relevant time frames	A course containing theoretical and practical application with coaching in the workplace following [relevant unit standard]	External provider, in line with identified unit standard and not exceeding R6 000	March 200...	Appraisal of managers reporting to him/her	Senior Manager: Training/HR

Consideration must be given to the outcomes expected in column 2 so that once the intervention is completed the impact it had can be measured against relevant output indicators.

Column 6: Work Opportunity Created to Practice Skills / Development Area

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
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This further ensures internalization of information gained as well as return on investment (not just a nice to have skill but a necessary to have skill that is used in the workplace).

Column 7: Support Person

1. Skills/Performance Gap (in order of priority)	2. Outcomes Expected (measurable indicators: quantity, quality and time frames)	3. Suggested Training and/or development activity	4. Suggested mode of delivery	5. Suggested Time Frames	6. Work opportunity created to practice skill/development area	7. Support Person
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This identifies a support person that could act as coach or mentor with regard to the area of learning for the employee.

Annexure C

CORE COMPETENCY FRAMEWORK

ENTERED INTO BY AND BETWEEN:

BAPHALABORWA MUNICIPALITY

AS REPRESENTED BY THE MAYOR

CLLR M.M. MALATJI

["the Employer"]


AND

Dr KKL PILUSA

ACTING MUNICIPAL MANAGER

["the Employee"]

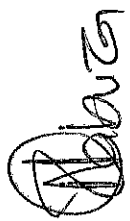
Employee's Signature:



Date:

29/07/2022

Witness



Mayor's Signature:



Date:

29/07/2022
