



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

PERFORMANCE AGREEMENT

MADE AND ENTERED into by and between

CAPE WINELANDS DISTRICT MUNICIPALITY

(hereinafter referred to as "the Employer) as represented by **Helena von Schlicht** in his capacity as Municipal Manager, duly authorized thereto in terms of section 57(2)(c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

AND

HENRY FREDERICK PRINS

(herein after referred to as "the Employee") in his capacity as **Municipal Manager**.

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A signature that appears to read "Ri...".
Initials "H. P.A." and "NS" with a circular stamp.

PREAMBLE

WHEREAS the Employer has entered into a Contract of Employment with the Employee in terms of section 56(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

AND WHEREAS section 57(1)(b) of the Act, read with the Contract of Employment concluded between the Parties, requires them to conclude an annual Performance Agreement;

AND WHEREAS the Parties wish to ensure that there is compliance with sections 57(4)(a), 57(4)(c) and 57(5) of the Act, 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.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

- 1.1 **“the Act”** shall mean the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- 1.2 **“the Parties”** shall mean the Employer and the Employee;
- 1.3 **“KPA or KPA’s”** shall mean key performance area(s);
- 1.4 **“KPI or KPI’s”** shall mean key performance indicator(s);
- 1.5 **“competency framework”** shall mean leading and core competencies as contained in regulation 3 of Annexure “A” of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers;

- 1.6 “PA” shall mean this Performance Agreement;
- 1.7 “PP” shall mean the Performance Plan attached as **Annexure “A”** to this Agreement, which shall be regarded as having been incorporated into the Agreement by reference;
- 1.8 “PDP” shall mean the Personal Development Plan attached as **Annexure “B”** to this Agreement, which shall be regarded as having been incorporated into the Agreement by reference; and
- 1.9 “Regulations” shall mean the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000): Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014.

2. PURPOSE OF AGREEMENT



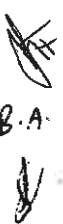
The purpose of this Agreement is to –

- 2.1 comply with the provisions of section 57(1)(b), 57(4)(a), 57(4)(c), 57(4A) and 57(5) of the Act as well as the Contract of Employment entered into between the Parties;
- 2.2 specify objectives and targets defined and agreed with the Employee and to communicate to the Employee the Employer’s expectations of the Employee’s performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan and the Budget of the Municipality;
- 2.3 specify accountabilities as set out in the PP, which forms **Annexure “A”** to this Agreement;
- 2.4 monitor and measure performance against set targeted outputs;

- 2.5 use the Agreement as the basis for assessing whether the Employee has met the performance expectations applicable to his job;
- 2.6 in the event of outstanding performance, to appropriately reward the Employee; and
- 2.7 give effect to the Employer's commitment to a performance-orientated relationship with its Employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **01 July 2021** and will remain in force until **30 June 2022**, where after a new PA, PP and PDP shall be concluded between the Parties for the next financial year or any portion thereof.
- 3.2 The Parties shall review the provisions of this Agreement during June each year.
- 3.3 The Parties will conclude a new PA, PP and/or PDP that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.4 This Agreement will terminate on the termination of the Employee's Contract of Employment for any reason.
- 3.5 The content of this Agreement may be revised at any time during the period specified in clause 3.1 above, to determine the applicability of the matters agreed upon.


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B.A.


3.6 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 PP 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 the PP are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan and the Budget of the Employer, and shall include key objectives, key performance indicators, target dates and weightings.

4.2.1 The key objectives describe the main tasks that need to be performed or executed.

4.2.2 The KPI's and means of verification provide the details of the evidence that must be provided to show that a key objective has been achieved.

4.2.3 The target dates describe the timeframe within which the work must be achieved.

4.2.4 The weightings show the relative importance of the key objectives to each other.

4.3 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the performance management system of the Municipality, management and staff of the Employer.

5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Municipality, management and staff to perform to the standards required.

5.3 The Employer shall consult the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.

5.4 The Employee undertakes to actively focus towards the promotion and implementation of the KPA's (including special projects relevant to the Employee's responsibilities) within the local government framework.

5.5 The criteria upon which the performance of the Employee shall be assessed, shall consist of two components, both of which shall be contained in the Agreement.

5.5.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the KPA's and the competency framework respectively.

5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

5.5.3 KPA's covering the main areas of work will account for 80% (eighty percent) and competency framework will account for 20% (twenty percent) of the final assessment.

5.6 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (KPI's) identified in the Performance Plan, which are linked to the KPA's, and will constitute 80% (eighty percent) of the overall assessment result as per the weightings agreed to between the Employer and Employee:

Key Performance Areas	Weighting
Municipal Institutional Development and Transformation	3%
Basic Service Delivery	20%
Local Economic Development (LED) – Covered under Basic Services	0%
Municipal Financial Viability and Management	7%
Good Governance and Public Participation	50%
Total	80%

5.7 The KPA's related to the functional area of the Employee shall be subject to negotiation between the Municipal Manager and the Employee.

5.8 The competency framework will make up the other 20% (twenty percent) of the Employee's assessment score.

5.9 Compulsory competencies are listed as follows:

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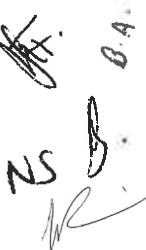
COMPETENCIES

The competencies required from employees prescribed in the Regulations on the appointment and conditions of employment of senior managers, R21 of 2014. The assessment of these competencies will account for **twenty percent** of the total employee assessment score.

Annexure C describes the different achievement levels for each Competency and should therefore form part of this section of the Performance Plan.

Competency	Definition	Weight
LEADING COMPETENCIES		
Strategic direction and leadership	<p>Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate. It includes:</p> <ul style="list-style-type: none"> • Impact and influence • Institutional performance management • Strategic planning and management • Organisational awareness 	1.67
People management	<p>Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives. It includes:</p> <ul style="list-style-type: none"> • Human capital planning and development • Diversity management • Employee relations management • Negotiation and dispute management 	1.67
Programme and project management	<p>Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives. It includes:</p> <ul style="list-style-type: none"> • Program and project planning and implementation • Service delivery management • Program and project monitoring and evaluation 	1.67
Financial management	<p>Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognised financial practices. Further to ensure that all financial transactions are managed in an ethical manner. It includes:</p> <ul style="list-style-type: none"> • Budget planning and execution • Financial strategy and delivery • Financial reporting and delivery 	1.67

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Competency	Definition	Weight
LEADING COMPETENCIES (continue)		
Change leadership	<p>Able to direct and initiate transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community. It includes:</p> <ul style="list-style-type: none"> • Change vision and strategy • Process design and improvement • Change impact monitoring and evaluation 	1.67
Governance leadership	<p>Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualisation of relevant policies and enhance cooperative governance relationships. It includes:</p> <ul style="list-style-type: none"> • Policy formulation • Risk and compliance management • Cooperative governance 	1.67
CORE COMPETENCIES		
Moral competence	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and display behaviour that reflects moral competence.	1.67
Planning and organising	Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency plans to manage risk.	1.67
Analysis and innovation	Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives.	1.67
Knowledge and information management	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government	1.67
Communication	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.	1.67
Results and quality focus	Able to maintain high quality standards, focus on achieving results and objectives while consistency striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives.	1.67
TOTAL		20


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6. EVALUATING PERFORMANCE

6.1 The PP attached as **Annexure "A"** to this Agreement, sets out –

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

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

6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the Contract of Employment remains in force.

6.3 Personal growth and development needs identified during any performance review discussion shall be documented in a PDP as well as the actions agreed to and implementation must take place within set time frames.

6.4 The Employee's performance shall be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

6.5 The annual performance appraisal shall involve:

6.5.1 **Assessment of the achievement of results as outlined in the PP**

(a) Each KPA shall be assessed according to the extent to which the specified standards or KPI's have been met and with due regard to *ad hoc* tasks that had to be performed under the KPA's.

(b) An indicative rating on the 5 (five) point scale should be provided for each KPA.

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- (c) The applicable assessment rating calculator (refer to clause 6.5.3 below) must be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the Competency Framework

- (a) Each competency should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the 5 (five) point scale shall be provided for each competency.
- (c) This rating shall be multiplied by the weighting given to each competency during the contracting process to provide a score.
- (d) The applicable assessment rating calculator (refer to clause 6.5.1) shall be used to add the scores and calculate a final competency framework score.

6.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator, which shall represent the outcome of the performance appraisal.

- (a) The assessment of the performance of the Employee will be based on the following rating scale for KPA's and the competency framework:

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 PDP 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 PDP.					
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 PDP.					
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 PDP. 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 improvements.					

- (b) For purposes of evaluating the annual performance of the Employee, an evaluation panel constituted of the following persons must be established -
- (i) Municipal Manager;
 - (ii) Chairperson of the Performance Audit Committee or the Chairperson or designated performance management specialist of the Audit Committee in the absence of a Performance Audit Committee;
 - (iii) Member of the Mayoral Committee;
 - (iv) Member of a ward committee as nominated by the Executive Mayor; and
 - (iv) Municipal Manager from another Municipality.
- (c) The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel referred to in sub-clause 6.5.3(b).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the Employee in relation to his/her PA shall be reviewed on the following dates, with the understanding that the 1st (first) and 3rd (third) quarter review may be verbal if performance is satisfactory:

First Quarter:	July – September	Before end of October 2021
Second quarter:	October - December	Before end January 2022
Third quarter:	January – March	Before end April 2022
Fourth quarter:	April – June	Before end July 2022

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 shall be entitled to review and make reasonable changes to the provisions of the PP from time to time for operational reasons, subject thereto that the Employee shall be fully consulted before any such change is made.

7.5 The Employer may amend the provisions of the PP whenever a performance management system is adopted, implemented and/or amended by the Municipality, as the case may be, subject thereto that the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan for addressing developmental gaps, is attached as Annexure "B" and shall form part of this Agreement.

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;

9.1.3 work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;

9.1.4 on the request of the Employee, delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and

9.1.5 make available to the Employee such resources as the Employee may reasonably require from time to time to assist him/her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have, amongst others -

10.1.1 a direct effect on the performance of any of the Employee's functions;

10.1.2 commit the Employee to implement or to give effect to (a) decision(s) taken by the Employer; and

10.1.3 a substantial financial effect on the Employer.

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 10.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the Employee's performance shall form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A pro-rata performance bonus ranging from 5% to 9% based on a score of 130% to 149% and a maximum of 10% based on a score of 150% and above, in terms of regulation 32(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 be paid to the Employee.

- 11.3 The annual performance bonus contemplated in clause 11.2 shall be calculated on the Total Cost of Employment of the Employee of the last working day of the financial year on which the performance bonus is due.
- 11.4 In the case of unacceptable performance, the Employer shall provide systematic remedial or developmental support to assist the Employee to improve his performance; and
- 11.5 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, and performance does not improve, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his duties.

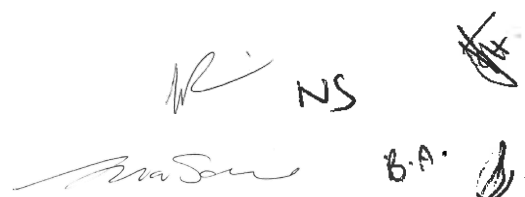
12. DISPUTE RESOLUTION

12.1 DISPUTES ON PERFORMANCE AGREEMENT

Any disputes about the nature of the Performance Agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by a member of the Municipal Council: Provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(d) of the regulations, within 30 (thirty) days of receipt of a formal dispute from the Employee, whose decision shall be final and binding on both Parties.

12.2 DISPUTES ON OUTCOME OF PERFORMANCE EVALUATION

Any disputes about the outcome of the Employee's performance evaluation must be mediated by a member of the Municipal Council: Provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(d), within 30 (thirty) days of receipt of a formal dispute from the Employee, whose decision shall be final and binding on both Parties.

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13. GENERAL

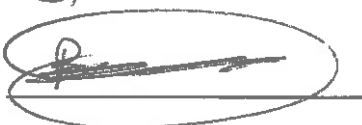
13.1 The contents of this Agreement shall be made available to the public by the Employer.

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

13.3 The performance assessment results of the Employee shall be submitted to the Minister responsible for local government in the Province of the Western Cape as well as the National Minister for local government within 14 (fourteen) days after conclusion of the assessment.

THUS DONE AND SIGNED AT STELLENBOSCH ON THIS THE 23RD DAY OF JUNE 2021 IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:

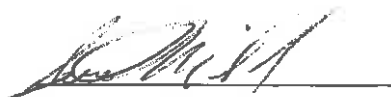
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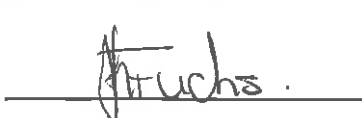
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H F PRINS

THUS DONE AND SIGNED AT PAARL ON THIS THE 23 DAY OF JUNE 2021 IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:

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ANNEXURE A

2021/2022 Key Performance Indicators

MUNICIPAL MANAGER - HF PRINS

Nr	SO	National KPA	Key Performance Indicator (KPI)	Unit of measurement	Baseline	Quarterly Targets				Annual Target	Weight (%)
						Q1	Q2	Q3	Q4		
1	1	Basic Service Delivery	Manage and achieve 90% of the KPIs of the Executive Director: Community Development & Planning Services	90% of the KPIs of the department have been met as calculated (cumulative)	80%	Not Applicable	80%	Not Applicable	90%	90%	8
2	2	Basic Service Delivery	Manage and achieve 90% of the KPIs of the Executive Director: Technical Services	90% of the KPIs of the department have been met as calculated (cumulative)	80%	Not Applicable	80%	Not Applicable	90%	90%	8
3	3	Municipal Financial Viability and Management, Municipal Transformation and Institutional Development, Good governance and Public Participation	Manage and achieve 90% of the KPIs of the Executive Director: Financial & Strategic Support Services	90% of the KPIs of the department have been met as calculated (cumulative)	80%	Not Applicable	80%	Not Applicable	90%	90%	8
4	3	Good Governance and Public Participation	Manage and achieve 90% of the KPIs of the Head of Division: IDP, Performance & Risk Management	90% of the KPIs of the division have been met as calculated (cumulative)	90%	Not Applicable	80%	Not Applicable	90%	90%	6
5	3	Good Governance and Public Participation	Manage and achieve 90% of the KPIs of the Head of Division: Internal Audit	90% of the KPIs of the division have been met as calculated (cumulative)	90%	Not Applicable	80%	Not Applicable	90%	90%	6
6	3	Good Governance and Public Participation	Manage and achieve 90% of the KPIs of the Head of Division: Legal	90% of the KPIs of the division have been met as calculated (cumulative)	80%	Not Applicable	80%	Not Applicable	90%	90%	6
7	3	Good Governance and Public Participation	Manage and achieve 90% of the KPIs of the Head of Division: Communication Services	90% of the KPIs of the division have been met as calculated (cumulative)	90%	Not Applicable	80%	Not Applicable	90%	90%	6
8	3	Good Governance and Public Participation	Achievement of quarterly organisational KPIs on SDBIP	% quarterly targets achieved (cumulative)	95%	Not Applicable	80%	Not Applicable	95%	95%	5

Mason

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B.A.

9	3	Good Governance and Public Participation	Number of meetings with the senior management team	Number of meetings held with an agenda and minutes	2	3	3	3	3	12	6
10	3	Good Governance and Public Participation	Improve inter-governmental relations within the district by initiating DCF and JDMA meetings.	Number of meetings initiated an agenda and minutes	3	1	2	1	2	6	4
11	3	Good Governance and Public Participation	Submission of updated annual risk register to FARMCO	Risk register submitted to FARMCO	1	0	0	0	1	1	4
12	3	Good Governance and Public Participation	Performance Agreements for MM and EDs signed and in place	4 performance agreements signed	1	0	0	0	4	4	5
13	3	Good Governance and Public Participation	Internal Audit reports submitted to Audit & Performance Committee on a quarterly basis	Quarterly reports submitted to Audit & Performance Committee	3	1	1	1	1	4	4
14	3	Good Governance and Public Participation	Obtain a clean audit report from the Auditor-General as at end November/December	Audit opinion issued by the AGSA	1	0	1	0	0	1	4
											80

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NS B.A.

ANNEXURE B

PERSONAL DEVELOPMENT PLAN 2021/22: HF PRINS

Municipal Manager								
Date of Entry	Skill required / performance gap	Outcomes Expected (what will I achieve)	Suggested Training and / or activity and mode of delivery	Suggested Time Frames/ completion date	Work Opportunity Created to Practice Skill / Development Area	Support Person	Signature of Employee	Comments at next Review
01 July 2021	Continuous Professional Development	Keep abreast of technology, best practice, etc.	Attendance of relevant congresses, seminars, forums, etc.	30 June 2022	Technical knowledge	Self		

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