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FINANCIAL YEAR: 1 JANUARY 2017 TO 30 JUNE 2017

FOR THE PERIOD

THE EMPLOYEE OF THE MUNICIPALITY

JOHANN METTLER  
CITY MANAGER

AND

THE EXECUTIVE MAYOR  
COUNCILLOR ATHOL TROLLIP

THE NELSON MANDELA BAY METROPOLITAN MUNICIPALITY  
AS REPRESENTED BY

MADE AND ENTERED INTO BY AND BETWEEN

PERFORMANCE AGREEMENT



**SECTION A: MR JOHANN METTLER**

**PREAMBLE**

The performance agreement is divided into five sections:

- Section A: Performance Agreement
- Section B: Performance Plan
- Section C: Core Competency Requirements
- Section D: Assessment Rating Calculator
- Section E: Personal Development Plan

**1. PARTIES**

The parties to this Agreement are:

- 1.1 The Nelson Mandela Bay Metropolitan Municipality ("the Employer").
- 1.2 Mr JOHANN METTLER of the Employer ("the Employee").

**2. INTRODUCTION**

- 2.1 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, No. 32 of 2000 ("the Systems Act").
- 2.2 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.

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- 3.1 comply with the provisions of Section 57(1) (b), (4A), (4B) and (5) of the Systems Act, as well as with the employment contract entered into between the parties;
- 3.2 specify objectives and targets defined and agreed with the Employee and to communicate to the Employee the Employer's expectations regarding his performance and accountabilities in alignment with the Integrated Development Plan (IDP), the Service Delivery and Budget Implementation Plan (SDBIP), as well as the Budget of the Municipality;
- 3.3 specify accountabilities as set out in a Performance Plan, which constitutes Section B of this Performance Agreement;
- 3.4 monitor and measure performance against set targeted outputs;
- 3.5 use this Performance Agreement as the basis for assessing whether the Employee has met the performance expectations applicable to his position;
- 3.6 appropriately reward the Employee in the event of outstanding performance; and
- 3.7 give effect to the Employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

**3. PURPOSE OF AGREEMENT**

- 2.3 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 achieve local government policy goals.
- 2.4 The parties wish to ensure full compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

The purpose of this Agreement is to -

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5.2 The performance objectives and targets reflected in Section B are set by the Employer in consultation with the Employee and based on the Integrated Development Plan (IDP), the Service Delivery and Budget Implementation Plan

must be met.

5.1.2 the timeframes within which those performance objectives and targets

Employee; and

5.1.1 the performance objectives and targets that must be met by the

5.1 The Performance Plan (Section B) sets out –

### 5. PERFORMANCE OBJECTIVES

revised immediately.

4.4 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 content of this Agreement is no longer appropriate, the content must be

4.3 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.

4.2 This Agreement will terminate on the termination of the Employee's contract of employment, for any reason.

4.1 This Agreement shall commence on 01 January 2017 and shall remain in force until 30 June 2017. Upon the expiry of this Performance Agreement and in the event that the employee is still in the service of the Municipality, a new Performance Agreement shall be concluded between the parties.

### 4. COMMENCEMENT AND DURATION

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(SDBIP), as well as the Budget of the Employer, and shall include key objectives, key performance indicators, target dates and weightings.

5.2.1 The Key Performance Areas (KPA's) describe the key functional areas of responsibility.

5.2.2 The key objectives describe the main tasks that need to be done.

5.2.3 The key performance indicators (KPI) provide the details of the evidence that must be provided to show that a key objective has been achieved.

5.2.4 The target dates describe the timeframe in which the work must be achieved.

5.2.5 The weightings indicate the relative importance of the key objectives to each other.

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

### 6. PERFORMANCE MANAGEMENT SYSTEM

6.1 The Employee agrees to participate in the Performance Management System that the Employer adopts or introduces for the Municipality.

6.2 The Employee accepts that the purpose of the Performance Management System will be to provide a comprehensive system of specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.

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- 6.3 The Employer will consult the Employee about the specific performance standards that will be included in the Performance Management System, as applicable to the Employee.
- 6.4 The Employee undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 6.5 The criteria, upon which the performance of the Employee must be assessed, shall consist of two components, both of which must be contained in the Performance Agreement.
  - 6.5.1 The Employee must be assessed against both components, with a weighting of 80:20 respectively allocated to the KPAs and the Core Competency Requirements (CCRs).
  - 6.5.2 Each area of assessment will be weighted and shall contribute a specific part to the total score.
  - 6.5.3 KPAs covering the main areas of work will account for 80%, while of the final assessment, CCRs will account for 20%.
- 6.6 The Employee's performance assessment shall be based on performance in terms of the outputs/outcomes (performance indicators) identified as per the attached Performance Plan (Section B), which are linked to KPAs, which constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

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CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
INDICATE CHOICE	WEIGHT	CORE MANAGERIAL COMPETENCIES
Compulsory	8%	1 Strategic financial management
Compulsory	8%	2 People management and empowerment
Compulsory	8%	3 Client orientation and customer focus
Not Compulsory	8%	4 Honesty and Integrity

6.7 The following CCRs, which are critical to the employee's specific job, shall make up the other 20% of the Employee's assessment score and must be considered with due regard to the proficiency level agreed to.

TOTAL PERCENTAGE		100%
NO	Key Performance Areas (KPA's)	Weighting
1	KPA 1: Effective city governance	17%
2	KPA 2: Integrated service delivery to a well-structured city	9%
3	KPA 3: Inclusive economic development and job creation	25%
4	KPA 4: Institutional and capacity development	16.5%
5	KPA 5: Financial Sustainability and Viability	32.5%

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The employee will be reviewed on the following dates with the understanding that review in the third quarter may be verbal if performance is satisfactory:

- 7.1.1 the standards to be met by the Employee; and
- 7.1.2 the intervals for the evaluation of the Employee's performance.

7.1 The Performance Plan (Section B) sets out –

**7. EVALUATING PERFORMANCE**

CORE OCCUPATIONAL COMPETENCIES		
FINANCIAL AND SUPPLY CHAIN MANAGEMENT		
COMPETENCE	INDICATE CHOICE	WEIGHT
5	Strategic leadership and management	Compulsory 9%
6	Operational financial management	Compulsory 9%
7	Governance, ethics and values in financial management	Compulsory 8%
8	Financial and performance reporting	Compulsory 8%
9	Risk and change management	Compulsory 9%
10	Legislation, policy and implementation	Compulsory 8%
11	Stakeholder relations	Compulsory 8%
12	Supply Chain Management	Compulsory 9%
<b>TOTAL PERCENTAGE</b>		<b>100 %</b>



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

**7.5.1 Assessment of achievement of results, as outlined in the performance plan:**

7.5 The annual performance review shall involve:

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

7.3 Personal growth and development needs identified during any performance review discussion, if any, must be documented in a Personal Development Plan, as well as the actions agreed to, and implementation must take place within set time frames.

7.2 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.

EVALUATION	PERIOD	DATE
2016/17	January 2017 -	During May 2017.
Third Quarter	March 2017	
2016/17	April 2017 -	During September 2017, after submission of the NMBM 2016/17 Annual Performance Report to the Auditor General on 31 August 2017.
Fourth Quarter	June 2017	
2016/17	January 2017 -	During April 2018, after Council approval of the 2016/17 Annual and Oversight Report in March 2018.
Annual performance	June 2017	
Evaluation		

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7.6 The assessment of the performance of the Employee shall be based on the following rating scale for KPAs and CCRs:  
An overall rating is calculated by using the applicable assessment-rating calculator (see Section C). Such overall rating represents the outcome of the performance appraisal.

**7.5.3 Overall rating**

- (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 must 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) The applicable assessment rating calculator (refer to Clause 7.5.3) must then be used to add the scores and calculate a final CCR score.

**7.5.2 Assessment of CCRs**

- (b) An indicative rating on the five-point scale must be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to Clause 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

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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 Performance Agreement and Performance Plan and has 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 per KPA and fully achieved all others throughout the year.	
3	Performance fully effective	Performance fully meets the standards expected in all areas of the position. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators, as specified in the Performance Agreement 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 Performance Agreement and Performance Plan.	

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- 7.7 For purposes of evaluating the performance of the **employee**, an evaluation panel constituted of the following persons must be established -
- (a) Executive Mayor;
  - (b) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
  - (c) Member of the Mayoral Committee;
  - (d) Mayor and/or Municipal Manager from another Municipality; and
  - (e) Member of a Ward Committee as nominated by the Executive Mayor.
- 7.8 The Executive Director responsible for the human resources function of the Municipality must provide secretarial services to the evaluation panel.
- 7.9 The Chief Operating Officer shall co-ordinate the performance management process including the evaluation, implementation and management of performance outcomes.

Level	Terminology	Description	Rating
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 Performance Agreement 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.	1 2 3 4 5

**8. SCHEDULE FOR QUARTERLY PERFORMANCE REVIEWS**

8.1 The Employer must conduct performance reviews on a quarterly basis during the financial year.

8.2 The Employer must keep a record of performance review meetings.

8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of Section B from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of Section B whenever the performance management system is adopted, implemented and/or amended, as the case may be, in which case the Employee will be fully consulted before any such change is made.

8.6 The Employer shall within a reasonable period after each quarter deliver to the Employee a written report setting forth the results of the relevant assessment.

**9. OBLIGATIONS OF EMPLOYER**

9.1 The Employer must –

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;

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the table below.

11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance, as reflected in

### 11. MANAGEMENT OF EVALUATION OUTCOMES

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 9.1 as soon as is reasonably practicable, to enable the Employee to take the necessary action without delay.

10.1.3 have a substantial financial effect on the Employer.

10.1.2 commit the Employee to implement or to give effect to a decision made by the Employer; and

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

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

### 10. CONSULTATION

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

9.1.4 at 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

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

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resolution) in regard to—

12.2 Unless otherwise provided for in this agreement, any dispute between the Parties hereto (and which dispute has previously been submitted to mediation without

12.1 If the Parties are in dispute, they will use their best endeavours to resolve the dispute through mediation. In the event of the Parties being unable to resolve the dispute by way of mediation, then the dispute between the parties will be determined in accordance with the arbitration procedures detailed below.

**12. DISPUTE RESOLUTION**

11.2.2 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 duties.

11.2.1 provide systematic remedial or developmental support to assist the Employee to improve his performance; and

11.2 In the case of unacceptable performance, the Employer shall –

FINAL SCORE (%)	PERFORMANCE BONUS (%)
Less than 100	Remedial Action
100 – 129	No Bonus
130 – 139	5
140 – 149	9
150 – 159	10
160 – 167	14

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12.6 If the Parties are agreed as to whether any matter in dispute falls under clauses 12.4.1 or 12.4.2 above, or should a determination be made in terms of Clause

12.5 If the Parties cannot agree whether any matter in dispute falls under Clauses 12.4.1 or 12.4.2 within seven (7) days, then that dispute will be submitted for decision in terms of Clause 12.4.3 above within seven (7) days after the Parties have so failed to agree, so that the arbitration can be held and concluded as far as possible within the period of twenty-one (21) days referred to above.

12.4.3 Any other matter, an independent person agreed upon between the Parties.

12.4.2 Primarily a legal matter, a practicing attorney of not less than fifteen (15) years' standing, or a Senior Counsel, agreed upon between the Parties;

12.4.1 Primarily an accounting matter, an independent chartered accountant of not less than fifteen (15) years standing, practicing as a registered auditor, agreed upon between the Parties;

12.4 The arbitrator shall be, if the matter in dispute is:-

12.3 The arbitration will be held in Port Elizabeth informally, but otherwise under the provisions of the Arbitration Act 1965, as amended from time to time, or any act passed in substitution for it, it being the intention that the arbitration will as far as possible be held and concluded within twenty-one (21) days after it has been demanded. All parties are entitled to be represented at the arbitration.

12.2.4 Any other matter arising directly or indirectly out of this Agreement; shall be submitted to, and decided by arbitration.

- 12.2.1 The interpretation of; or
- 12.2.2 The effect of; or
- 12.2.3 The carrying out of; or



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13.3 The annual performance evaluation results of the City Manager must be submitted to the MEC responsible for local government in the province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

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.

13.1 The contents of this agreement and the outcome of any review conducted in terms of Section B must be made available to the public by the Employer.

**13. GENERAL**

12.7 The decision of the arbitrator will be final and binding upon all the Parties and shall be carried into effect and may be made an order of any competent court, including any decision regarding the costs of the arbitration that the arbitrator shall be empowered to make.

12.4.3 above, but fail to agree on the appointment of an arbitrator, such failure to agree shall be referred to the most senior executive officer of the association representing the particular profession concerned, and in the case of Clause 12.4.3 above, to the President for the time being of the Law Society of the Cape for the appointment of arbitrator.

## SECTION B: PERFORMANCE PLAN

### 1. PURPOSE

This Performance Agreement defines Council's expectations of the City Manager's performance, of which the Performance Plan is a part. Section 57(5) of the Municipal Systems Act provides that performance objectives and targets must be based on key performance indicators, as set in the Municipality's Integrated Development Plan (IDP) and must be reviewed annually.

### 2. KEY RESPONSIBILITIES

The following objectives of local government inform the City Manager's performance against set performance indicators:

- 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 AREAS

The following Key Performance Areas (KPAs) as outlined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006), Government Gazette No29089, inform the strategic objectives listed in the Performance Plan in Section B of this agreement:

- **KPA 1:** Effective city governance
- **KPA 2:** Integrated service delivery to a well-structured city
- **KPA 3:** Inclusive economic development and job creation

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as well as the core competency requirements as outlined in Section C of this agreement.

- **KPA 5:** Financial Sustainability and Viability
- **KPA 4:** Institutional and capacity development

SECTION B: PERFORMANCE PLAN - OFFICE OF THE CITY MANAGER

KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	NO OF KPI	KEY PERFORMANCE INDICATOR (KPI)	BASELINE PERFORMANCE AS AT 31 DECEMBER 2016	TARGET-QUARTER ENDING 31 MARCH 2017	ANNUAL TARGET- QUARTER ENDING 30 JUNE 2017	RECOMMENDED PORTFOLIO OF EVIDENCE	RECOMMENDED INTERPRETATION OF RATING SCALE	WEIGHTING PER KPI	WEIGHTING PER KPA
KPA 1: Effective city governance	KPE 1.1: Governance	1.1.1	% achievement of the three (3) KPIs reflected under the key performance area "Effective city governance" in the 2016/17 SDBIP (refer to Annexure A)	33%	80%	80%	2016/17 SDBIP Institutional Performance Reports	5. Greater than 90% achievement 4. Greater than 80% up to 90% achievement 3. 80% achievement 2. Less than 80% down to 70% achievement 1. Less than 70% achievement	9%	17%
KPA 1: Effective city governance	KPE 1.2: Internal Controls	1.2.1	Implementing an action plan to address all matters of emphasis raised by the Auditor-General in respect of the 2015/16 audit	Qualified 2015/16 Audit Report received	N/A	N/A	2015/16 performance information and financial statements Email / letter to the Auditor-General Audit Report	5. Clear audit report received 4. Unqualified audit report received 3. Audit Action Plan implemented 2. Audit Action Plan developed and 50% implemented 1. Audit Action Plan developed but partially / not implemented	8%	
KPA 2: Integrated service delivery to a well-structured city	KPE 2.1: Service delivery	2.1.1	% achievement of the fifty two (52) KPIs reflected under the key performance area "Integrated service delivery to a well-structured city" in the 2016/17 SDBIP (refer to Annexure A)	63%	80%	80%	2016/17 SDBIP Institutional Performance Reports	5. Greater than 90% achievement 4. Greater than 80% up to 90% achievement 3. 80% achievement 2. Less than 80% down to 70% achievement 1. Less than 70% achievement	6%	9%
KPA 3: Inclusive economic development and job creation	KPE 3.1: Economic development and job creation	3.1.1	% achievement of the three (3) KPIs reflected under the key performance area "Inclusive economic development and job creation" in the 2016/17 SDBIP (refer to Annexure A)	66%	80%	80%	2016/17 SDBIP Institutional Performance Reports	5. Greater than 90% achievement 4. Greater than 80% up to 90% achievement 3. 80% achievement 2. Less than 80% down to 70% achievement 1. Less than 70% achievement	9%	25%
KPA 3: Inclusive economic development and job creation	KPE 3.2: Expanded Public Works Programme	3.2.1	Number of Work Opportunities (WO) created by NMBM directorates	2082	3477	6009	EPWP Reports Institutional Performance Reports	5. Greater than 7511 4. Greater than 6009 up to 7511 3. 6009 by June 2017 2. Less than 6009 down to 4507 1. Less than 4507	8%	

KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	NO OF INDICATORS	KEY PERFORMANCE INDICATOR (KPI)	BASELINE PERFORMANCE AS AT 31 DECEMBER 2016	TARGET-QUARTER ENDING 31 MARCH 2017	ANNUAL TARGET-QUARTER ENDING 30 JUNE 2017	RECOMMENDED PORTFOLIO OF EVIDENCE	RECOMMENDED INTERPRETATION OF RATING SCALE	WEIGHTING PER KPI	WEIGHTING PER KPA
KPA 3: Inclusive economic development and job creation	KPE 3.2: Expanded Public Works Programme	2	Number of Full Time Equivalent (FTE) jobs created by NMIMM directorates	365	1092	1830	EPWP Reports Institutional Performance Reports	5. Greater than 2288 4. Greater than 1830 up to 2288 3. 1830 by June 2017 2. Less than 1830 down to 1372 1. Less than 1372	8%	16.5%
KPA 4: Institutional and capacity development	KPE 4.1: Institutional and capacity development	1	% achievement of the two (2) KPAs reflected under the key performance area "Institutional and capacity development" in the 2016/17 SDBIP (refer to Annexure A)	0%	80%	80%	2016/17 SDBIP Institutional Performance Reports	5. Greater than 90% achievement 4. Greater than 80% up to 90% achievement 3. 80% achievement 2. Less than 80% down to 70% achievement 1. Less than 70% achievement	6%	16.5%
KPA 4: Institutional and capacity development	KPE 4.2: Performance Management	1	Conducting performance reviews / evaluations with Section 56 Managers in line with Local Government Municipal Performance Regulations	2016/17 First quarter performance reviews conducted with direct reporting senior managers	2016/17 Mid-Term performance reviews conducted with direct reporting senior managers	2016/17 Third quarter performance reviews conducted with direct reporting senior managers 2015/16 Annual performance evaluations of direct reporting senior managers conducted after Council adoption of the 2015/16 Annual and Oversight Report	'Senior Managers' Performance Agreements / Plans Attendance Registers Minutes Reports on Reviews Reports on Annual evaluations	5. In addition to 3 and 4 below, demonstrate a % quarter-to-quarter improvement in Institutional performance 4: In addition to 3 below, conduct EXCO meetings where "Directorate Performance" (directorate KPAs, targets and actual performance reported) is an agenda item 3. 2016/17 Third quarter performance reviews conducted and 2015/16 Annual performance evaluations conducted after adoption of the 2015/16 Annual and Oversight Report 2: Any 5 of the quarterly performance reviews / annual performance evaluations not completed / conducted 1: More than 5 quarterly performance reviews / annual performance evaluations not completed / conducted	7.5%	32.5%
KPA 5: Financial Sustainability and Viability	KPE 5.1: Financial Management	1	% achievement of the six (6) KPAs reflected under the key performance area "Financial Sustainability and Viability" in the 2016/17 SDBIP (refer to Annexure A)	40%	80%	80%	2016/17 SDBIP Institutional Performance Reports	5. Greater than 90% achievement 4. Greater than 80% up to 90% achievement 3. 80% achievement 2. Less than 80% down to 70% achievement 1. Less than 70% achievement	9%	32.5%
KPA 5: Financial Sustainability and Viability	KPE 5.1: Financial Management	1	% of the Municipality's budget actually spent on implementing its Workplace Skills Plan	0.029%	0.071%	0.114%	Financial reports	5: 0.114% by April 2017 4: 0.114% by May 2017 3: 0.114% 2: Below 0.114% down to 0.071% 1: Below 0.071% down to 0%	7.5%	32.5%
KPA 5: Financial Sustainability and Viability	KPE 5.1: Financial Management	1	% of the Municipality's Capital Budget actually spent	37.40%	60%	95%	Financial reports	5: Above 97% to 100% 4: Above 95% up to 97% 3: 95% 2: Below 95% down to 24% 1: Below 24%	8%	32.5%

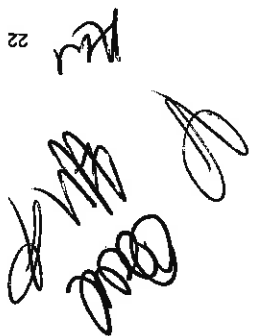
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KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE ELEMENT (KPE)	KEY PERFORMANCE INDICATOR (KPI)	BASELINE PERFORMANCE AT 31 DECEMBER 2016	TARGET-QUARTER ENDING 31 MARCH 2017	ANNUAL TARGET-QUARTER ENDING 30 JUNE 2017	RECOMMENDED PORTFOLIO OF EVIDENCE	RECOMMENDED INTERPRETATION OF RATING SCALE	WEIGHTING PER KPI	WEIGHTING PER KPA
KPA 5: Financial Sustainability and Viability	KPE 5.1: Financial Management	% of the Municipality's approved Operating Budget spent on repairs and maintenance	1.32%	4.67%	5.94%	Financial reports	5: 7% 4: Above 5.94% up to 6.99% 3: 5.94% 2: Below 5.94 down to 2% 1: Below 2%	8%	

SECTION C: CORE COMPETENCY REQUIREMENTS (100%)

MINIMUM COMPETENCY LEVELS

NO	Competence	Description	Generic performance standards	WEIGHT
1	CORE MANAGERIAL COMPETENCIES: Financial management	Interpret South African legislation and policy affecting municipal financial management (116361)	Apply the techniques of sound financial management in local government	8%
	Also listed under:- FINANCIAL AND SUPPLY CHAIN MANAGEMENT COMPETENCIES Strategic financial management	Interpret the elements of sound financial management in local government	Identify and describe the key elements in the structure of public policy making in South Africa and the connections and power relations between them.	
		Demonstrate, through analysis, an understanding of the environment in which policy-making takes place with emphasis on factors that significantly impinge on policy-making.	Interpret the elements of initiatives taken through various pieces of legislation to promote sound financial management in local government	
		Demonstrate an understanding of the principles of good governance and ethical behaviour within a municipal setting.	Apply the techniques of sound financial management in local government	
	Apply approaches to managing municipal income and expenditure within a multi-year framework (116342)	Develop approaches to managing a municipality's revenue in a sustainable manner.	Develop a subsidy framework for municipal rates and tariffs that encourages efficient and effective use of resources while promoting equity.	
		Apply the different approaches to forecasting municipal income and expenditure over the medium term.	Assess the organizational implications of planning income and expenditure over the medium term.	
		Contribute to the design rates, tariffs and user charges.	Develop a credit control and debt collection policy.	
	Manage a municipality's assets and liabilities (116362)	Provide advice to a municipality on optimizing relationships with the financial community.	Describe and prepare proposals to accessing bank finance.	
		Consider the merits of hire purchase transactions and leasing of municipal assets.	Plan for contingent municipal liabilities.	
		Develop a municipal asset management plan.		

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9%	Delegates and empowers others to increase contribution and level of responsibility.	= Applies labour and employment legislation and regulations consistently.	= Recognises individuals and teams and provides developmental feedback in accordance with performance management principles.	9%	Adheres to internal and national standards with regard to HR practices.	= Deals with labour matters according to legislation.	= Identifies competencies required and ensures that all employees in the directorate have personal development plans.	9%	Manages conflict through a participatory and transparent approach.	= Understands the service needs of a	= Client/customer: (internal or external) and actively focuses on anticipating, meeting and exceeding the needs in a timely and appropriate manner.	9%	Follows through on client enquiries, requests and complaints in a timely manner.	= Advises clients about status of issues or progress of projects.	= Maintains clear communication with clients regarding mutual expectations and monitors client satisfaction.	9%	Implements Batho Pele principles.	= Aligns the organisational structure and management processes to support the client's vision.	9%	Conducts self in accordance with organisational code of conduct and policies.	= Reports fraud, corruption, nepotism and maladministration.	= Honours the confidentiality of matters and does not use it for personal gain or the gain of others.	9%	Uses work-time for organisational matters and not for personal matters.	= Contributes to the strategic planning process in a South African Municipality (16358)	= Formulate vision and mission statements in a South African Municipality as required by the Local Government Legislative Framework.	continues	Conduct a stakeholder analysis and develop a framework for a community participation process.	= Identify key performance areas applicable to institutional strategies as required by the Local Government Legislative Framework.	= Formulate institutional strategies.	9%	Formulate a strategic plan and related programmes.	= Demonstrate knowledge of the legislative framework for integrated development planning and apply requirements of legislation.	= Formulate programmes and develop methods for monitoring the implementation of a strategic plan and related programmes.	9%	Gives direction and realises the organisation's strategic objectives as expressed in the SDBIP, Budget and IDP.	= Determines and articulates the vision, sets the direction for the organisation and/or directorate and inspires others to deliver on	= CHAIN MANAGEMENT COMPETENCIES: Strategic leadership and management	9%	CHAIN MANAGEMENT COMPETENCIES: Strategic leadership and management	= FINANCIAL AND SUPPLY CHAIN MANAGEMENT	= FINANCIAL AND SUPPLY CHAIN MANAGEMENT
9%	Manages and encourages people, optimises their outputs and effectively manages relationships in order to achieve organisational goals.	= Manages and encourages people, optimises their outputs and effectively manages relationships in order to achieve organisational goals.	= CORE MANAGERIAL COMPETENCIES: People management and empowerment	9%	Focus orientation and customer client/customer: Client	= Displays and builds the highest standards of ethical and moral conduct in order to promote confidence and trust.	= CORE MANAGERIAL COMPETENCIES: Honesty and Integrity	9%	Contributes to the strategic planning process in a South African Municipality (16358)	= FINANCIAL AND SUPPLY CHAIN MANAGEMENT COMPETENCIES: Strategic leadership and management	= FINANCIAL AND SUPPLY CHAIN MANAGEMENT COMPETENCIES: Strategic leadership and management	9%	Honours the confidentiality of matters and does not use it for personal gain or the gain of others.	= Discloses conflict of interest issues.	= Uses work-time for organisational matters and not for personal matters.	9%	Formulate vision and mission statements in a South African Municipality as required by the Local Government Legislative Framework.	= Formulate institutional strategies.	= Formulate programmes and develop methods for monitoring the implementation of a strategic plan and related programmes.	continues	Gives direction and realises the organisation's strategic objectives as expressed in the SDBIP, Budget and IDP.	= Determines and articulates the vision, sets the direction for the organisation and/or directorate and inspires others to deliver on	= CHAIN MANAGEMENT COMPETENCIES: Strategic leadership and management	9%	CHAIN MANAGEMENT COMPETENCIES: Strategic leadership and management	= FINANCIAL AND SUPPLY CHAIN MANAGEMENT	= FINANCIAL AND SUPPLY CHAIN MANAGEMENT															



9%	Develops detailed action plans to execute strategic initiatives. Achieves strategic objectives against specified performance measures. Translates strategies into action plans. Builds and supports a high-performance team. Communicates strategic plan to the directorate(s). Provides strategic leadership to relevant key Council structures.	Conducts a stakeholder analysis and develops a framework for a community participation process. Demonstrates knowledge of the legislative framework for integrated development planning and applies requirements of legislation. Formulates programs and develops methods for monitoring the implementation of a strategic plan and related programmes.	Apply the principles of budgeting within a municipality (116345)
9%	Develops indicators to be used in the measurement of the delivery of all elements of a strategic plan and effects periodic monitoring and evaluation.	Apply the principles of budgeting within a municipality (116345)	FINANCIAL AND SUPPLY CHAIN MANAGEMENT COMPETENCIES: Operational Financial Management
9%	Demonstrate an awareness of the role of a budget in the municipal context. Differentiate between formats of budgets used in a municipality. Evaluate a municipal budgeting system. Contribute to preparing a municipal budget that reflects an integrated developmental plan. Differentiate between approaches to preparing a municipal budget. Identify and describe the elements of management information systems (MIS) relevant to public finance management, and administration. Utilize information technology to aid management planning. Assess and provide recommendations on the risk associated with information technology. Utilize e-commerce and e-governance software to enhance work productivity.	Apply principles of information systems to public finance and administration (119352)	

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9% continues	Identify and apply different methods of accounting for costs in the public setting. Compile costing information for management control. Prepare cost performance reports using variance analysis techniques. Present relevant data to support non-routine short-term decisions. Conduct working capital management activities in accordance with sound financial management policy (19331)	Apply cost management information systems in the preparation of management reports (19341)	<b>FINANCIAL AND SUPPLY</b> <b>CHAIN MANAGEMENT</b> <b>COMPETENCIES:</b> Operational Financial Management (Continues)
	Use the working capital management policy applicable to the public management and administration sector. Use financial information to inform working capital decisions. Manage accounts receivable. Manage inventory. Manage cash resources.	Plan a municipal budgeting and reporting cycle (119364)	<b>6</b> <b>FINANCIAL AND SUPPLY</b> <b>CHAIN MANAGEMENT</b> <b>COMPETENCIES:</b> Operational Financial Management
	Identify the roles and responsibilities of municipal political executive and senior management required by the local government legislative framework. Identify the roles and responsibilities of municipal political executives, accounting officers and senior managers in the budget preparations are identified using regulatory framework.	Plan a municipal budget calendar in accordance with the legislation Develop a legislatively compliant municipal budget and treasury office Comply with the conditions for municipal delegations	
	Demonstrates knowledge of general concepts of financial planning, budgeting and forecasting and how they interrelate. Manages and monitors financial risk.	Maximises the organisation's business sense and displays a sound business understanding in applying the most effective management practices to achieve organisational financial goals and objectives.	
	Defines and evaluates mechanisms and processes for deciding the overall levels of expenditure at local government level. Defines the notions of political and managerial accountability and separation of responsibilities within the municipal context.	Applies the techniques of sound financial management in local government. Demonstrates an understanding of the principles of good governance and ethical behaviour within a municipal setting.	
	Explains the working capital policy in the public finance management and administration sector. Identifies the element covered by the working capital policy. Demonstrates the need to manage the overall working capital position to meet overall financial management policy.	Uses the working capital management policy applicable to the public management and administration sector.	
	Applies government guidelines relating to procurement and inventory. Provides management techniques and practices are used with reference to various inventory items.	Manages inventory.	
	Implements Asset Management Strategy.		
9% continues			

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7		8			
The typical scope of this outcome will include roles and responsibilities of the Mayor, Municipal Manager, Council, Chief Finance Officer and Senior Managers.	Plans a municipal budget calendar in accordance with the legislation.	Develops a legislatively compliant municipal Budget and Treasury Office.	Develops a budget that complies with relevant legislation.		
				Applies the principles of ethics in a municipal environment (116343)	Demonstrate knowledge and insight into existing legislation, regulations and codes affecting activities of municipalities in South Africa
Governance, ethics and values in financial management	CHAIN MANAGEMENT COMPETENCIES:	CHAIN MANAGEMENT AND SUPPLY	Prepare and analyse municipal financial reports (116363)		
				Prepare and comment on financial reports for different forms of municipal entities	
CHAIN MANAGEMENT AND SUPPLY	CHAIN MANAGEMENT COMPETENCIES: Financial and performance reporting	Apply accounting principles and procedures in the preparation of reports and decision making (119350)	Demonstrate an understanding of accounting principles and reporting requirements and nature of functions in public sector		
				Analyse and interpret financial statements for stakeholders	Apply and comment on statements of generally recognized accounting practice
				Apply end of period accounting procedures in the preparation of financial statements	Apply procedures necessary for control over cash transactions and balances
				Apply selected GRAP (Generally Recognised Accounting Practices) to periodic accounting reporting process (119348)	Explain and apply the conceptual framework underlying GRAP
				Analyse and interpret financial statements	Analyse and interpret financial statements

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8%	Implement performance management systems and mechanisms in a South African municipality, as required by the Local Government Legislative Framework Write and develop performance management concepts for the effective measurement of municipal strategic and financial performance Develop and identify the critical areas of a performance management agreement to be used as a form of contract of employment for a municipal staff member Identify and establish institutional arrangements required for performance management in a municipality Apply performance management concepts to municipal service delivery	Conduct performance management to a South African municipal environment (116341) <b>CHAIN MANAGEMENT</b> <b>COMPETENCIES:</b> Financial and performance reporting (Continues)	8
9%	Identify the role played by risk management in a municipality Interpret and apply legislation relevant to municipal risk management in South Africa municipalities Demonstrate how risk management contributes to good governance Develop a municipally wide risk management and reporting system Develop a risk management process Develops and implements risk management plans and reporting quarterly. Ensures the establishment and functionality of risk structures. Ensures the development and implementation of risk management strategies.	Apply risk management in South African municipalities (116339) <b>CHAIN MANAGEMENT</b> <b>COMPETENCIES:</b> Risk and change management	9
9%	Demonstrate an understanding of and interpret the South African Constitution in relation to public sector financial management Identify and apply the regulations governing the Division of Revenue Demonstrate knowledge of and apply the South African legal system within the public sector financial management and administration context Apply legislative regulations and legal principles to contracts Manage the implementation of the Municipal Finance Management Act in a municipality Adheres to legislative compliance. Adheres to the Municipal Finance Management Act. Applies the principles of ethics and professionalism to a municipal code of conduct Assessment Criteria. Avoids misconduct and bringing the Municipality into disrepute.	Discuss the selected legislative regulatory framework governing the public sector interpretation of and implementation within the legislative and national policy frameworks Also listed under: <b>FINANCIAL AND SUPPLY CHAIN MANAGEMENT</b> <b>COMPETENCIES:</b> Legislation, policy and implementation <b>CORE OCCUPATIONAL</b> <b>COMPETENCIES:</b> Interpretation of and implementation within the legislative and national policy frameworks	10





## SECTION D

### (a) Performance Calculations and Ratings

At the end of each performance review cycle, the candidate will be assessed in terms of the required targets reflected on his performance plan. The following elements are essential in determining performance levels:

### (b) Performance Weighting

Weightings allow emphasis to be placed on KPAs and key objectives that carry more importance and/or take more time. Every KPA in the performance plan must be assigned a weighting. The total of the weightings on each of the two components of the performance plan must add up to 100.

The purpose of the weighting is to enable Council to ensure performance of the key objectives with the highest strategic importance.

### (c) Performance Rating

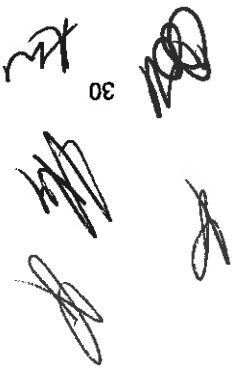
The rating can be defined as the level of achievement of the targets set for a specific key performance area. The Nelson Mandela Bay Municipality uses the five-point system for rating performance, as contained in the Local Government: Municipal Performance Regulations, 2006.

### (d) Score

The score represents the product of the average rates of all the targets for each key performance indicator, and the weight for the respective key performance area; e.g. if the average rate is 3 and the weighting is 15, then the weighted score =  $3 \times 15$ , which equals 45.

### (e) Total Weighted Score and Performance Percentage

The total score is the sum of the weighted scores for all the key performance areas and core competency requirements for a specific position. Therefore by adding all the weighted scores, one arrives at a figure representing the total weighted score.

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SECTION D: 2016/17 PERSONAL DEVELOPMENT PLAN / INDIVIDUAL LEARNING PLAN - MR J METTLER

No	Skills / Performance Gap (in order of priority)	Outcomes Expected (measurable indicators: quantity, quality and time frames)	Suggested training and / or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill / development area	Support Person
1							
2							
3							
4							

The DP will be populated, if necessary, during the 2016/17 quarterly performance reviews.

MR J METTLER  
CITY MANAGER  
DATE: 28/11/17

CLR A TROLLIP  
EXECUTIVE MAYOR: NELSON MANDELA BAY MUNICIPALITY  
DATE: 28/11/17

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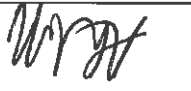
**SECTION E : SIGNATURE PAGE**

I, **Johann Mettler**, appointed in the position **CITY MANAGER** for Nelson Mandela Bay Municipality, in respect of the 2016/17 financial year, herewith accept full accountability for the deliverables assigned to me. This serves to confirm that this document is a true reflection of the deliberations held between the **EXECUTIVE MAYOR** and myself on the required performance standards and time-lines agreed to, in relation to the position of **CITY MANAGER** and the 2016/17 Office of the City Manager Performance Scorecard. This further serves to confirm that I will set out to adhere to the Minimum Competencies as prescribed by the National Treasury Local Government: Municipal Finance Management Act: Municipal Regulations on Minimum Competency Levels as stipulated in the enclosed Core Competencies (Section B).

Thus done and signed at **PORT ELIZABETH** on **28 January 2017**.


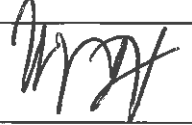
  
\_\_\_\_\_  
**JOHANN METTLER**  
**CITY MANAGER**

**AS WITNESSES**

1.   
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2.   
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\_\_\_\_\_  
**COUNCILLOR ATHOL TROLLIP**  
**THE EXECUTIVE MAYOR**

**AS WITNESSES**

1.   
\_\_\_\_\_  
2.   
\_\_\_\_\_