

WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY



PERFORMANCE AGREEMENT: 2021/22

Entered into by and between

Winnie Madikizela-Mandela Local Municipality

("the Employer ")

Represented by the Municipal Manager: Mr. L. Mahlaka

Duly authorized by the Council

AND

Ms. N MAFUMBATHA

["the Employee"]

L. M. Mahlaka
N.M. B.H. Zov. M.G.

ACRONYMS

SDBIP	-	Service Delivery and Budget Implementation Plan
BEE	-	Black Economic Empowerment
MM	-	Municipal Manager
EXCO	-	Executive Committee
SM	-	Senior Manager
HoD	-	Head of Department
IDP	-	Integrated Development Plan
LED	-	Local Economic Development
MFMA	-	Municipal Finance Management Act, No. 56 of 2003
KPA	-	Key Performance Area
KPI	-	Key Performance Indicators
CCR	-	Core Competency Requirements
RSA	-	Republic of South Africa
SCM	-	Supply Chain Management
NEDLAC	-	National Economic Development and Labour Council
PDP	-	Personal Development Plan
PA	-	Performance Agreement
PP	-	Performance Plan
OPMS	-	Organizational Performance Management System

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DEFINITIONS

Ruling Language - Refers to the language parties to the contract choose to use as a medium for formal communication between themselves.

Financial Year- Refers to the 12 month period which the organization determines as its budget year.

GENERAL PROVISIONS

1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Senior Manager: Development Planning for a period of four (5) years, ending on 30 March 2023, in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").
- 1.2 Section 57(1) (b) of the Municipal Systems Act, read with the contract of employment concluded between the parties, requires the parties to conclude an annual performance agreement. That the parties hereby agree to have the contract developed in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Senior Manager: Development Planning reporting to the Municipal Manager representing the municipality, to a set of actions that will secure local government policy goals.
- 1.4 The performance contract is between **Nobahle Mafumbatha**, the Senior Manager: Development Planning, and **Luvuyo Mahlaka**, the Municipal Manager. It is for the

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2021/2022 financial year only. The expected performance reflected in the contract is based on the Integrated Development Plan 2021/22, and the 2021/2022 Service Delivery and Budget Implementation Plan. The two afore-mentioned documents have been adopted as the working documents of Winnie Madikizela-Mandela Local Municipality and therefore, shall be the basis of performance assessment.

2. STRATEGIC OBJECTIVE

The Senior Manager: Development Planning has the overall responsibility of ensuring that she shall be, subject to the policy directions of the Municipality, responsible and accountable for administratively being in charge of the Development Planning department, performing such as local economic development, town planning and land use, and any other functions as may be delegated to her by the Municipal Manager.

In addition to the above, she shall be responsible for ensuring that the municipality has and maintains -

- (i) Management of Development Planning department in accordance with applicable legislation and ensuring the development and the implementation of policies and plans; and
- (ii) Ensuring compliance with the reporting processes as required in different legislation and municipal policies.
- (iii) Ensuring proper town and regional planning is implemented in a scientific way, conform to standards and delivered with optimum quality.

3. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT

If the Senior Manager: Development Planning achieves outstanding performance, she shall qualify for the annual performance bonus in accordance with clause 6 of the contract of employment, as amended, entered into between the Municipal Manager and the Senior Manager on 01 March 2018, as well as the results of the performance evaluation agreed to in the contract. The acceptability of the level of her performance or otherwise shall be determined and declared by the performance evaluation team in accordance with the

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provision of the agreement, following the receipt of a report on the Senior Manager: Development Planning achievement or otherwise of the KPIs as reflected in clause 4 of the contract.

Annexure A as attached has listed Key Performance Areas (KPAs) and Core Competency Requirements (CCRs) that are worth 100 points in total. Each KPA and CCR consists of Key Performance Indicators that have different weightings; which weightings are then converted by the adopted rating calculator into the final weightings; which final weightings are to be assessed. The achievement of above 160 percent shall be regarded as 100% cash bonus warranting, above 130 percent to 160 percent, as average and warranting a proportional percentage of performance bonus, above 80 percent to 130 percent shall warrant some form of in-kind recognition, and below 50 percent, shall require the employer to effect remedial measures that may include an incapacity disciplinary enquiry.

A performance bonus for outstanding performance or an in-kind recognition of effective performance shall only be affected after,

- I. The Annual Report for the financial year under review has been tabled and adopted by the Municipal Council;
- II. An evaluation of performance in accordance with the provisions of regulation 23, and the contract; and
- III. Approval of such evaluation by the Municipal Council as a reward for outstanding performance or effective performance.

The increment for 2021/2022 shall be based on the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers directly accountable to Municipal Managers, 2006. The employer shall grant an annual salary adjustment linked to a cost-of-living adjustment based on market indicators, which is not performance based.

4. EVALUATING PERFORMANCE

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The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

The annual performance appraisal will involve:

- I. Assessment of the achievement of results as outlined in the performance plan;
- II. Assessing the extent to which the specified standards or KPIs have been met with due regard to ad-hoc tasks that had to be performed under the KPAs and CCRs.

The criteria upon which the performance of the employee shall be assessed consists of two components, both of which shall be contained in the performance plan: -

- I. The employee must be assessed against both components, with a weighting of 80:20 allocated to the KPAs and the CCRs respectively;
- II. Each area of assessment will be weighted and will contribute a specific part to the total score.

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A five-point rating scale to be used for both KPAs and CCRs, is as depicted hereunder:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at the level. The key 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 the in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as					

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		specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.						
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The performance bonus payment shall be categorized into two bands with multiple ranges per band.

The first performance bonus (cash rewards) payment band ranges between 5% and 9% of the all-inclusive remuneration package, as follows:

- I. A score of above 130% to 136%, to qualify for a 5% bonus;
- II. A score of above 136% to 142%, to qualify for a 7% bonus;
- III. A score of above 142% to 149%, to qualify for a 9% bonus.

The second performance bonus (cash rewards) payment band ranges between 10% and 14% of the all-inclusive remuneration package, as follows:

- I. A score of 150% to 155%, to qualify for a 10% bonus;
- II. A score of above 155% to 160%, to qualify for a 13% bonus;
- III. A score of above 160%, to qualify for a 14% bonus.

A performance bonus may not be paid on a pro-rata basis as the bonus is paid annually after complying with the legal requirements captured in the contract and the applicable laws.

The performance achievement ranging from 80% to 130% shall be regarded as fully effective and therefore warranting the employer to acknowledge and or recognize the employee, whichever is necessary. The category of performance acknowledgement and recognition is a non-financial rewards system. It will apply as follows:

- i. A score of 80% to 100%, to receive a letter of acknowledgement and recognition issued by the Municipal Manager;
- ii. A score of above 100% to 120%, to receive a recognition certificate from the Mayor;

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- iii. A score of above 120% to 130%, to receive an academic/skills development programme grant to a maximum of R20 000.00 only; there to be paid directly to a learning institution of choice. The selected programme must be linked to the personal development plan (Annexure B).

A level of performance achievement of below 50% shall warrant the employer to execute corrective measures that may include disciplinary measures due to incapacity.

5. DEVELOPMENTAL REQUIREMENTS

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

6. CONSEQUENCE OF SUBSTANDARD PERFORMANCE

Where the employer, at any time during the Senior Manager: Development Planning' employment, is not satisfied with the Senior Manager's performance with respect to any matter dealt with in the Agreement, the employer will give notice to the Senior Manager: Development Planning to attend a monitoring and review meeting.

The Senior Manager will have the opportunity at the meeting to satisfy the Municipal Manager or the monitoring and evaluation team of the measures being taken to ensure that her performance becomes satisfactory and any program, including any dates, for implementing these measures.

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7. RULING LANGUAGE

The contract is made out in the English language, which shall be the ruling language. All correspondence between the parties to the contract and all reports and documents pertaining to the contract shall be in English language.

8. TERM OF CONTRACT

The contract shall be deemed to have been entered into on the 1st of July 2021 and will expire on the 30th of June 2022. The parties will conclude a new performance agreement that replaces the Agreement by not later than 31st July 2022. The Agreement will terminate on the termination of the Senior Manager: Development Planning' contract of employment for any reason.

9. LIMITATIONS OF THE CONTRACT

The contract is an agreement between the employer and the Senior Manager about the expected performance of the latter during the specified term. The contract is subject to the employment contract which the Senior Manager entered into on accepting her position and to South African legislation. In the case of any ambiguity, the employment contract shall prevail over the performance contract. Nothing contained in the Agreement in any way limits the right of the employer to terminate the Senior Manager's contract of employment with or without notice for any other breach by the Senior Manager of her obligations to the Municipality or for any other valid reason in law.

10. MONITORING AND EVALUATION

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The monitoring and performance reviews for each quarter as determined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers 2006, shall be comprised of the Municipal Manager, and their brief will be to assess the performance of the Senior Manager: Development Planning line with the performance requirements as outlined in Annexure A of the contract. Despite the in-year reviews, the employer shall establish an assessment team to conduct an annual performance review; the team shall be composed as follows:

- I. Municipal Manager,
- II. Chairperson of the Audit Committee,
- III. A member of the Executive Committee, and
- IV. Municipal Manager from another municipality.

The Senior Manager: Corporate Services shall provide secretariat services to the assessment team referred to above.

11. DISPUTE RESOLUTION

In case of disputes, which cannot be resolved through negotiations and mediation, the employee has a right to refer the case to the Mayor who must settle the case within thirty (30) days of receipt of a formal written dispute. The decision of the Mayor shall be deemed final and binding on both parties.

12. JURISDICTION

Regardless of the place of execution, performance or domicile of the parties, the contract and all modifications and amendments hereof shall be governed by and construed under and in accordance with the laws of the Republic of South Africa.

13. WHOLE AGREEMENT

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The parties to the contract agree that the contract constitutes the whole agreement and arrangement for the performance of the Senior Manager: Development Planning with effect from 01 July 2021.

No agreement, varying, adding to, deleting from or canceling the contract, shall be effective unless reduced to writing and signed by both parties. The following annexures and appendices attached to the contract will have the same force and effect as if they were written in the section of the contract:

ANNEXURE A: PERFORMANCE PLAN

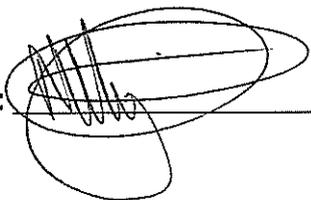
ANNEXURE B: PERSONAL DEVELOPMENT PLAN

APPENDIX 1: COMMITMENT OF MANAGEMENT TEAM

APPENDIX 2: OBLIGATIONS OF THE EMPLOYER

SIGNED at Mbizana on this 28 Day of July 2021

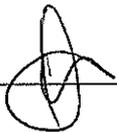
SENIOR MANAGER: DEVELOPMENT PLANNING

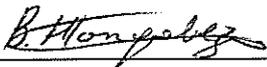
Signature:  _____

Name Printed: Nobahle Mafumbatha

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WITNESSES

1. Signature:  _____ Name Printed: **Zininzi Ndzelu**

2. Signature:  _____ Name Printed: **Bonginkosi Hlangabezo**

FOR AND ON BEHALF OF WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY

MUNICIPAL MANAGER

Signature:  _____

Name Printed: **Luvuyo Mahlaka**

WITNESSES

1. Signature:  _____ Name Printed: **Nwabisa Jokweni**

2. Signature:  _____ Name Printed: **Noncedo Livi**

ANNEXURE "A"

PERFORMANCE PLAN

14. KEY PERFORMANCE AREAS (KPAS) FOR 2021/22

14.1 BASIC SERVICE DELIVERY

OBJECTIVES	WEIGHTING	RATING CALCULATION WEIGHTING %	KPI's	ANNUAL TARGETS			FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY		
14.1.1 To reduce access roads backlog by constructing 9 KMs by end June 2022	8	10	Completed construction of 13.2 KMs of roads	30 June 2022	Approved design and completed roads	Completed 13.2 km.	R 13 764 828.00	Practical Completion Certificates and a close out report of each completed road

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14.1.2 To routinely rehabilitate gravel access roads by June 2022	5	6.25	Completed maintenance of 50km of gravel access roads.	30 June 2022	Completed road maintenance according to the maintenance	50km maintained	R 16 700 000	Practical Completion Certificates
14.1.3 To ensure subsidization of poor households in order to receive basic services by June 2022	5	6.25	Reviewed and adopted 1 credible indigent register	30 June 2022	Reviewed and adopted 1 credible indigent register	Reviewed and adopted 1 credible indigent register by June 2022	R1 104 949.00	Monthly reports, Adopted credible indigent register & Council resolution

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14.2 LOCAL ECONOMIC DEVELOPMENT & SPATIAL PLANNING

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS				FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY			
14.2.1 To ensure compliance with National Building Regulations by June 2022	5	6.25	Number of Updated building plan registers and number of routine inspections conducted	30 June 2022	Update building plan register and conducted routine inspection reports	1 Updated building plan register and 12 routine inspections conducted by June 2022	N/A	Updated building plan register, 12 Routine Inspections Register and Report	
14.2.2 To ensure compliance with SPLUMA by June 2022	8	10	Number of District Municipal Planning Tribunal Meetings for consideration of land development applications received	30 June 2022	Quarterly seating's of District Municipal Planning Tribunal Meeting for consideration of land development applications received	4 District Municipal Planning Tribunal Meetings for consideration of land development applications received by June 2022	R 146420	Attendance registers, 4 Planning Tribunal reports	

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14.2.3 To grow and strengthen the agricultural sector by supporting local farmers	8	10	Reviewed Agricultural development plan	30 June 2022	Reviewal of agricultural development plan.	Council adopted Agricultural development plan by June 2022	R 1624726	Inception Report, Progress Report Draft Agricultural plan and Adopted Agric Plan
			Number of local farmers supported through Agri-parks program & Implemented Farmers support program		Facilitation of Agri-parks program and Implementation of Farmers support program	5 local farmers supported through Agri-parks program & Farmer Support program by June 2022		Call for an advert, Report, Council Extract & Delivery Note
14.2.4. To promote enterprise development to contribute 10% to the local economy by 2022	8	10	Number of SMME's Capacitated and supported with equipment, protective clothing, machinery and promotional material by June 2022		Capacity building and support with Equipment, protective clothing machinery and promotional material	20 SMME's Capacitated and supported with equipment, protective clothing, machinery and promotional material by June 2022	R 3064234	Developed and Approved Terms of Reference, Attendance Registers and Delivery Notes

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14.3 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING G %	KPI's	TARGETS				FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY			

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS				FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY			
14.3.1 To implement and sustain a functional and effective Performance Management System (PMS) by June 2022	5	6.25	Number of PMS agreements signed and workplans formulated.	30 June 2022	Signing of PMS agreements and workplans formulated for employees below Senior managers	40 PMS agreements signed and workplans formulated for employees below Senior managers by June 2022	N/A	Signed PMS agreements and workplans	
14.3.2 To implement and sustain a functional and effective Performance Management System (PMS) by June 2022	5	6.25	Number of employees assessed	30 June 2022	Mid and annual performance assessments conducted	40 Mid and annual performance assessments by June 2022	R -	Signed assessment report	

14.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT


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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	
14.4. To achieve 100% billing for all services that are to be billed by June 2022	5	6.25	Reduced queries - 100% of consumers billed as per consumer master database	30 June 2022	Completion of billing processes by the 3rd day of each following month	Billing completed by the 3rd day of each month following the billing month by June 2022	12 Month end closing Reports
14.4.3 To achieve a clean audit as at 30 June 2022	5	6.25	Accurate and complete reconciliations	31 December 2021	Monthly review of debtors, rates and investment reconciliation by the 7th working day of each month	12 monthly reviewed debtors ,12 investments and 12 rates reconciliation by June 2022	12 Signed debtors,12 investments and 12 rates reconciliation

14.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OBJECTIVES	WEIGHTING	RATING	KPI's	TARGETS	MEANS OF

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NG	CALCULATOR WEIGHTING %	TIME	QUALITY	QUANTITY	FINANCIAL IMPLICATIONS	VERIFICATION
14.5.1 To ensure coordinated participation on municipal programmes by June 2022	5	30 June 2022	CDW Awareness Campaigns, ward war room monitoring and two round table meetings held	1 Awareness Campaign, 2 round table meetings and 8 ward war room monitored by June 2022	R 144316	Concept document & Attendance registers and ward war-room referrals
14.5.2 To ensure development of a credible IDP - aligned with PMS & Budget by May 2022	8	30 June 2022	Development of a five-year IDP for council term 2022/27 which must be adopted by the council by May 2022	Council Approved five-year IDP for council term 2022/27 by May 2022	R 1283228	Council resolution on adoption of IDP Process Plan for 2022/2027 review. Mayoral Imbizo Comments & attendance registers. Council resolution on adoption of draft IDP review for 2022 / 2027. Council

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY		
								resolution on Adoption of final IDP review for 2022 / 2027
Total	80	100						

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15. CORE COMPETENCIES REQUIREMENTS (CCRs)

SELECTED CORE COMPETENCIES REQUIREMENTS

- 1) Financial Management (Objective 15.1)
- 2) People Management and Empowerment (Objective 15.2)
- 3) Client Orientation and Customer Focus (Objective 15.3)
- 4) Change Management (Objective 15.4)
- 5) Supply Chain Management (Objective 15.4)

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	
15.1 To timely produce budgets in line with the National Treasury guidelines and regulations	5	25%	Council resolutions adopting the budgets	30 June 2022	Compile at least three budgets to be approved by council	3 Approved budgets by June 2021	Adjustment budget / Draft budget 21/22; Approved 21/22 Final Budget and Council resolutions
15.2 To implement and sustain a functional and effective Performance Management System (PMS) by June 2022	3	15%	Number of PMS agreements signed and work plans formulated for employees and below senior managers and number of Assessments conducted	30 June 2022	55 PMS agreements signed and work plans formulated for employees	55 PMS agreements signed and work plans formulated for employees	55 Signed Performance agreements & work plans, Mid-Year Assessment

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	
15.3 To minimize customer care related complaints and create a customer friendly environment by June 2022	3	15 %	Number of Customer care programmes conducted	June 2022	below senior managers, 1 Mid-Year Assessment by June 2022	below senior managers, 1 Mid-Year Assessment by June 2022.	report
					Implementation of Customer care policy	8 customer care programs conducted (2 customer care indaba, 2 awareness, 2 customer care day, outreach and customer care day and 4 Presidential hotline report) by June 2022	8 Attendance registers, Concept documents and Presidential hotline report

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	
15.4 To ensure proper sitting of Council & council committees by June 2022	5	25%	Number of Council meetings and committees' meetings and the Adoption of Council meeting schedule and its committee meetings	30 June 2022	Adoption of Council meeting schedule and its committee meetings, 4 Council meetings coordinate Council meetings and conduct 36 council committees' meetings	Adoption of Council meeting schedule and its committee meetings, 4 Council meetings convened and 36 council committees by June 2022	Adopted schedule of council meetings and its committees for 2021/2022 FY, Adverts for council meetings and registers for council and its committee meetings
15.5 To accurately account for the value and location of all municipal assets by 30 June 2022	4	20%	Asset Management unit with its own manager	30 June 2022	Establishment of the Asset Management unit	Functional and Fully-Fledged Asset Management Unit by June 2022	Approved Organizational Structure, Advert, Appointment letter
Total	20	100					

NB: All performance requirements have a deadline of 30 June 2022 unless stated otherwise in the requirements.

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ANNEXURE "B"

PERSONAL DEVELOPMENT PLAN

NAME: Nobahle Mafumbatha
JOB TITLE: Senior Manager: Development Planning
EMPLOYER: Winnie Madikizela-Mandela Local Municipality
FINANCIAL YEAR: 2021/212

Competency area to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
1. Strategic leadership and management.	Receive the appropriate knowledge and training and thereafter be assessed by an Assessor accredited by the Local Government Sector Education Training Authority (LGSETA) in terms of the SAQA guidelines and NQF registered unit standards and criteria. Leadership course in Local Government.	Senior Manager: Corporate Services and Municipal Manager	By 30/06/2022	Achieving the minimum competency requirements, as prescribed in the Municipal Regulations on Minimum Competency Levels, issued in terms of the MFMA, No. 56 of 2003.
2. Strategic financial management.	Receive the appropriate knowledge and training and thereafter be assessed by an Assessor accredited by the Local Government Sector Education Training Authority (LGSETA) in terms of the	Senior Manager: Corporate Services and Municipal Manager	By 30/06/2022	Achieving the minimum competency requirements, as prescribed in the Municipal Regulations on Minimum Competency Levels, issued in

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	SAQA guidelines and NQF registered unit standards and criteria. Financial Management			terms of the MFMA, No. 56 of 2003.
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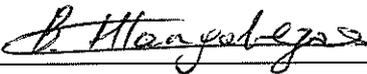
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APPENDIX 1

Commitment of Management Team reporting directly to the Senior Manager

We, B. Hlangabezo (Manager: LED) and Manager Planning & Land Use hereby make the commitment to support the Senior Manager, N Mafumbatha, to achieve targets as set in the performance contract between her and the employer. As support managers, we understand that her targets are impossible to achieve without our full support and co-operation. We, therefore, accept both our individual and collective responsibilities towards the attainment of the set targets.

1. Signed by



2. Signed by



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APPENDIX 2

1. OBLIGATIONS OF THE EMPLOYER (KEY ASSUMPTIONS)

1.1 Office Accommodation

During the full period of the performance agreement the employer shall provide adequate office accommodation for the Senior Manager. The occupational cost including the attendant ground rent obligations will be borne by the Employer.

1.2 Personnel

The employer shall be required to hire managers reporting directly to the Senior Manager: Development Planning.

1.3 Facilities and Equipment

1.3.1 During the full period of the performance contract, the employer shall avail to the Senior Manager all existing facilities and equipment which she will need in executing her duties.

1.4 Other provisions

1.4.1 Approvals

The Employer shall make a decision/comment on items submitted for approval/comment within two (2) week of receipt of the items.

1.4.2 Tasks to the Employer

The employer undertakes to execute all crucial activities that fall under her responsibility as required by the contract order not to derail the

continuity of department operations. If there is failure on the employer's part and the Senior Manager feels that the attainment of targets of the contract is at stake, the two parties will meet and agree on the way forward.

1.4.3 Substitution of the Senior Manager

The employer reserves the right to take appropriate action to replace the Senior Manager: Development Planning as per employment contract of the Senior Manager.

2 OBLIGATIONS OF THE SENIOR MANAGER

2.1 Conditions of service

2.1.1 The Senior Manager shall be the head of the Development Planning Department, subject to the conditions of service as stipulated by the employer. The conditions of service of the Senior Manager shall include but not be restricted to:

2.1.1.1 Setting of specific targets for managers reporting to her.

2.1.1.2 Advise Municipal Manager on all matters including progress made in the implementation of the SDBIP.

2.1.1.3 Setting and monitoring of performance indicators for the Department and execute corrective measures as and when necessary.

2.1.1.4 Ensuring that the departmental assets are in a good working condition.

2.1.1.5 Provision of high-quality service within the department in a cost-effective manner within agreed time frames.

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- 2.1.1.6 Completing and submitting performance reports for the Department, to the Municipal Manager on a quarterly basis for information purposes.
 - 2.1.1.7 Assessing performance reports for departmental staff where necessary.
 - 2.1.1.8 Preparation of the departmental annual budget and once approved, adhering to it.
 - 2.1.1.9 Implementing strategies to improve the morale of staff.
 - 2.1.1.10 Attending meetings and other occasions on behalf of the department and the municipality.
- 2.1.2 The Senior Manager shall ensure that her staff has access to and is well informed about the disciplinary procedure of the municipality.
- 2.1.3 Making recommendations to the Municipal Manager to hire staff in the Department as the need arises.
- 2.1.4 Determining the optimum staff level necessary for the accomplishment of targets and advising the employer on reduction or increase of staff in the department. Staff restructuring or reduction will utilize the existing municipal 'staff pool' as will be mutually agreed between the employer and the *Senior Manager* in fulfillment of the current staff reduction policy. If such staff is to be laid off due to the staff reduction policy, the cost of severance and other terminal benefits shall be borne by the employer as required by the Labour Laws of RSA.
- 2.1.5 Carrying out all the necessary departmental staff training as shall be mutually agreed with the employer.

NM BH NG

2.2 Standard of Service

2.2.1 The Senior Manager shall exercise all her skills, reasonable care, responsibility and diligence in discharge of her duties under the contract. The Senior Manager Officer shall do so with sound professional conduct in accordance with generally accepted standards.

2.2.2 Nothing in the Agreement diminishes the obligations, duties or accountabilities of the Senior Manager in terms of her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

2.3 Supervision of Personnel in the Municipality

The Senior Manager undertakes to supervise personnel in her department. If she is dissatisfied with performance of any staff, provisions of the relevant internal policy and legislative framework of RSA shall apply.

2.4 Targets and Milestones

2.4.1 The Senior Manager shall do all in her power to achieve the targets and milestones indicated in the municipal IDP and Performance Management System.

2.4.2 The Senior Manager undertakes to achieve the parent targets, which shall be directly related to the expected improvement in the level of services and therefore improvement in the quality of life within the municipality. The parent targets are those defined as performance requirements in Section 14 of the contract.

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2.5 Reporting

2.5.1 The Senior Manager shall submit detailed quarterly reports on the operations of the Department to the employer. The reports shall include details of achievement of targets and milestones for that quarter for information purposes. The quarterly report should reach the employer within one month after the quarter in question has lapsed.

2.5.2 The Senior Manager also undertakes to submit any other report/s as required by the employer.

2.6 Expenditure

The Senior Manager shall be responsible for the implementation of the approved operational and capital budget of the Development Planning Department.

2.7 Maintenance of Assets (fixed and movable) in the Municipality

The Senior Manager shall assist the Municipal Manager in the maintenance of assets in the department with the Municipal Manager having no authority to enter into service contracts with service providers to carry out such maintenance.

2.8 Purchases

2.8.1 The Senior Manager undertakes to utilize the most recently approved Municipal Supply Chain Management Policy (SCM) to handle all procurement within the municipality, according to the provisions of the contract. No procurement shall be allowed to proceed outside of the approved SCM policy.

2.9 Financial Procedures

2.9.1 Financial year shall commence on the 1st of July and end on the 30th of June each year; such period defined as the financial year shall be used for purposes of budgets, expenditures, cash flows and other operational requirements.

2.9.2 The employer reserves the right to ensure that finances are operated in accordance with the government's financial regulations and can utilize the services of an Auditor in the regard.

2.9.3 The Senior Manager must ensure strict adherence of all approved municipal financial policies, including issues of cost effectiveness, cost efficiency and over expenditure.

2.10 Budget

2.10.1 During the budget process the Senior Manager shall make the necessary submissions to the Budget Office, reflecting the projected financial needs of her department for the following financial year.

2.10.2 The approval of the departmental budget shall constitute the authority to the Senior Manager to incur expenditure accordingly and in line with the performance targets indicated in the performance contract.

2.11 Liability

The Senior Manager shall be responsible towards the municipality for the performance of services in accordance with the provisions of the contract, subjects the following limitation:

N.M. B.H. N.L. N.G.

2.11.1 The Senior Manager shall not be liable for any damage or injury caused by or arising out of the act, neglect, default or omission, of any personnel in her department in the course of duty or anybody subcontracted by the municipality.

3. **OTHER PROVISIONS**

3.1 Unforeseen conditions

There may be some unforeseen conditions necessary for the success of the performance contract. If either party discovers such circumstances, during the course of operation of the performance contract, the matter shall be brought to the attention of the other, in writing. A meeting, whose timing shall be mutually agreed upon, shall then be convened to discuss the outstanding issues. The minutes of such a meeting shall form an addendum to the contract.

Handwritten initials: N.M., B.H., N.J.

