



MAKANA
MUNICIPALITY | EASTERN CAPE

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**MAKANA LOCAL MUNICIPALITY
AS REPRESENTED BY THE MUNICIPAL MANAGER**

**NAME: Mr. PUMELELO MAXWELL KATE
(HEREIN REFERRED TO AS THE 'EMPLOYER')**

AND

**NAME: Ms. NATASHA MGCOBOKAZI KHOAHLA
(HEREIN REFERRED TO AS THE 'EMPLOYEES')**

**FOR THE FINANCIAL YEAR:
1ST July 2023 – 30th JUNE 2024**

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **1st January 2024** and will remain in force until **30th June 2024** thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the **Employee's** contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon as per the agreement of the parties.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether because of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4 PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out-
 - 4.1.1 The performance objectives 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 Annexure A are set by the **Employer** in consultation with the **Employee** and are based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) 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 done.
 - 4.2.2 The key performance indicators 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 in which the work must be achieved.
 - 4.2.4 The weightings show the relative importance of the key objectives to each other.

REF	KEY PERFORMANCE AREAS (KPA'S)	WEIGHTING
KPA 05	Financial Viability and Management	10%
KPA 05	Good Governance and Public Participation	10%
TOTAL		100
KPA WEIGHT		80%

- 5.7 In the case of managers directly accountable to the municipal manager, key performance areas related to the functional area of the relevant manager must be subject to negotiation between the municipal manager and the relevant manager.
- 5.8 The competencies will make up the other 20% of the **Employee's** assessment score. A person appointed as a senior manager must have the competencies as set out below. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. All competencies must therefore be considered as measurable and critical in assessing the level of a senior manager's performance.

LEADING COMPETENCIES		WEIGHT
01	Strategic Direction and Leadership	30%
02	People Management	10%
03	Program and Project Management	10%
04	Financial Management	10%
05	Change Leadership	10%
06	Governance Leadership	4.2
CORE COMPETENCIES		
07	Moral Competence	4.2
08	Planning and organising	4.2
09	Analysis and Innovation	4.2
10	Knowledge and Information Management	4.2
11	Communication	4.2
12	Results and Quality Focus	4.2
TOTAL		100
WEIGHT		20%

6. EVALUATING PERFORMANCE

6.1 The Performance Plan (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.

Category	Level	Explanation
KPI's Not Met/ unacceptable performance	1	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 the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.
KPI's Almost Met/ Not fully effective	2	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.
KIP's Met / Fully effective	3	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.
KPI's Well Met/ Performance significantly above expectations	4	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.
KPI's Extremely Well Met/ Outstanding Performance	5	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above full effective results against all performance criteria and indicators as specified in the Pa and Performance Plan and maintained this in all areas of responsibility throughout the year.

6.7 For purposes of evaluating the annual performance of Director an evaluation panel constituted of the following persons must be established -

- 6.8.1 Municipal Manager
- 6.8.2 Chairperson of the audit committee
- 6.8.3 Portfolio Chairperson
- 6.8.4 Municipal manager from another municipality.

6.8 The manager responsible for human resources or any Manager appointed of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (6.7).

- 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 made 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 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 will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 11.2 A performance bonus of 5% to 14% of the all-inclusive annual remuneration package may be paid to the **Employee** in recognition of outstanding performance to be constituted as follows:
- 11.2.1 A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
- 11.2.2 A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

SCORE	BONUS %
Less than 100	Remedial action
100 - 129	No bonus
130 - 133	5
134 - 137	6
138 - 141	7
142 - 145	8
146 - 149	9
150 - 153	10
154 - 157	11
158 - 161	12
162 - 165	13
166 - 167	14

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

Thus done and signed at Makhanda on this 30 day of January 2024

AS WITNESSES:

1.  _____


2.  _____



EMPLOYEE


AS WITNESSES:

1.  _____

2.  _____



MUNICIPAL MANAGER


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Objective	Performance Indicator	Ref No	Unit of Measure	Frequency of Reporting	Indicator Formula	Source	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Targets
KPA TWO (2): COMMUNITY AND SOCIAL CONCERNS (CSC)											
Improved stakeholder collaboration to unlock opportunities for economic growth	Percentage of LED forum resolution implemented	LED 1.5	Percentage of resolution	Quarterly	(1) Number of LED forum resolution implemented / (2) Total number of LED forum resolution	LED Forum Report					
Support SME and Community Development initiatives	Number of SME Support programmes facilitated	LED 1.3	Number of Support	Quarterly	(1) Number of SME support programmes	Report on the number of SME support programmes facilitated					
Promoting and enabling environment	Average time taken to resolve business license applications	LED 1.1	Days (15)	Quarterly	(1) Sum of the total working days per business application finalized / (2) Number of business applications finalized	Report on Business License Applications received	15 Days	15 Days	15 Days	15 Days	15 Days
Promoting and enabling environment	Average time taken to resolve informal trading permits	LED 1.2	3 Days	Quarterly	(1) Sum of the number of days from the time of complete application for each informal trading permit to the time of application / (2) Number of completed informal trading permit applications	Report on informal trading permits	3 Days	3 Days	3 Days	3 Days	3 Days
Promoting and enabling environment	Average number of days taken to process building application of 500 square meters or more	LED 1.3	Days (20)	Quarterly	(1) Sum of the number of days between the date of submission of a complete building plan application to the municipality and the communication of the application result of the application, for all applications of 500 square meters or more / (2) Number of building plan applications greater than or equal to 500 square meters processed	Planning Department report	30 Days	30 Days	30 Days	30 Days	30 Days
Promoting and enabling environment	Average number of days taken to process Land Use Applications (New)	LED 1.32	Months (6)	Quarterly	(1) Sum of the number of days between the date of submission of application to approval by Council	Planning Department report	N/A	N/A	N/A	N/A	6 Months
Support SME and Community Development initiatives	Number of SME Supported participants in National Arts Festival	LED 1.4	Number of SME's	Annual	(1) Simple count of the number of SMEs supported to participate in National Arts Festival	Report on SMEs participated in the NAF	N/A	N/A	N/A	N/A	2
Promoting and enabling environment	Percentage of approved new applications for rezoning a property for commercial purposes	CS (LED)	Number of applications	Annual	(1) Number of applications for rezoning a property for commercial purposes approved / (2) Number of rezoning application for commercial purposes	Municipal records	N/A	N/A	N/A	N/A	6 months
Promoting and enabling environment	Development of informal trading policy	LED 1.7	Approved policy	Annually	(1) Approved policy	Council resolution	Approved Informal Trading policy	N/A	N/A	N/A	Approved Informal Trading policy
Promoting and enabling environment	Percentage of business licenses renewed	CS (LED)	Number business licenses	Quarterly	(1) Number of business licenses renewed within the municipal area / (2) business licenses renewed applications submitted	Municipal records	100%	100%	100%	100%	100%
Promoting and enabling environment	Implementation of Mahabinda Ecol Project Plan	LED 1.6	Invitation to interest developers	Quarterly	(1) Simple count of the number of invite to interested developer	Advert	Invite interested Developer	N/A	N/A	Development TOR	Invite interested developers
KPA FOUR (4): INSTITUTIONAL CAPACITY AND ORGANISATIONAL DEVELOPMENT (OOD)											
Improve organisational culture to enhance productivity	100% Signed Performance Agreement Managerial levels	ICOD 1.10	Cascading PMS to Middle management	Annually	(1) Number of performance agreement signed / (2) Number of manager in the directorate	Percentage Signed performance agreement	N/A	N/A	N/A	Signed performance Agreement for all Middle Management	Signed performance Agreement for all Middle Management
KPA FIVE (5): FINANCIAL VIABILITY AND MANAGEMENT (FV)											
Ensure sound financial sustainability and adhere to statutory prescriptions	Percentage of overtime paid to employee over threshold	ICOD 1.13	Percentage	Quarterly	(1) Simple count of the number of employees paid overtime / (2) Number of employees worked overtime	Overtime report	0%	0%	0%	0%	0%
Ensure sound financial sustainability and adhere to statutory prescriptions	Zero (0) Percentage of unauthorized, wasteful and fruitless expenditure in directorate total operational	FVM 1.14	Percentage	Quarterly	(1) Simple count of the IWF expenditure / (2) total operational budget	Unauthorized, wasteful and fruitless expenditure report	0%	0%	0%	0%	0%
GOOD GOVERNANCE AND PUBLIC PARTICIPATION (GGPP)											
Ensure good governance and compliance	Develop a land invasion Policy	Ris 1.10 Op	Development and the approved Policy	Quarterly	(1) Simple count	Progress report on development of Land invasion policy	N/A	N/A	N/A	Progress Report	Approve Land invasion policy

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Ensure good governance and compliance	Adequate budget for township establishment	Risk (10)Op	Signed MOU/SLA	Annually	(1) Sample count	MOU/SLA with DBSA	N/A	N/A	N/A	MOU/SLA with DBSA	MOU/SLA with DBSA
Ensure good governance and compliance	Add GIS Map/plan on to the existing Munsott contract	Risk (2)Op	Revised Contract	Annually	(1) Sample count	Revised SLA for scope extension from Munsott	N/A	N/A	N/A	Revised SLA for scope extension from Munsott	Revised SLA for scope extension from Munsott
Ensure good governance and compliance	Develop annual action plan for implementation of the SDF and Present plan for Max hands	Risk (3)Op	Annual Action Plan	Annually	(1) Sample count	Annual Action Plan	N/A	N/A	N/A	Annual Action Plan	Annual Action Plan
Ensure good governance and compliance	Capacitate the existing building inspector and controller to be the place officers to effectively deal with law enforcement	Ris (10) St	Certification of Building Inspector	Annually	(1) Sample count	Report on the certification of Building inspectors	N/A	Certification of Building Inspector	N/A	Certification of Building Inspectors as law enforcement officers by local magistrate	Certification of Building Inspectors as law enforcement officers by local magistrate

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