PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE MUNICIPALITY OF DR JS MOROKA LOCAL MUNICIPALITY

AS REPRESENTED BY THE EXECUTIVE MAYOR

Cllr N.S MTSWENI

AND

THE EMPLOYEE OF THE MUNICIPALITY

Ms M.M MATHEBELA
MUNICIPAL MANAGER

FOR THE

FINANCIAL YEAR: 2024 – 2025

N.S

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Municipality of Dr. JS Moroka Local Municipality herein represented by **Cllr N.S Mtsweni** in her/his capacity as the Municipal Executive Mayor (hereinafter referred to as the **Employer** or Supervisor)

And

Ms MM Mathebela, employee of the Municipality of Dr. JS Moroka Local Municipality (hereinafter referred to as the **Municipal Manager**.

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

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

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

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

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

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

2.1 comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;

2.2 specify objectives and targets established for the **Employee** and to communicate to the **Employee** the **Employer**'s expectations of the **Employee**'s performance expectations and accountabilities;

2.3 specify accountabilities as set out in the Performance Plan;

2.4 monitor and measure performance against set targeted outputs;

2.5 use the Performance Agreement and Performance Plan as the basis for assessing the suitability of the **Employee** for permanent employment and/or to assess whether the **Employee** has met the performance expectations applicable to his/her job;

2.6 appropriately reward the **Employee** in accordance with the **Employer**'s performance management policy in the event of outstanding performance; and

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2.7 give effect to the **Employer**'s commitment to a performance-orientated relationship with the **Employee** in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

3.1 This Agreement will commence on **the 1st July 2024 regardless of when it was signed** and will remain in force until **30th June 2025**, whereafter 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.

3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4 PERFORMANCE OBJECTIVES

4.1 The Performance Plan (Annexure A) sets out-

4.1.1 the performance objectives 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 based on the Integrated Development Plan and the Budget of the **Employer**, and shall include key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

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

5 PERFORMANCE MANAGEMENT SYSTEM

5.1 The **Employee** agrees to participate in the performance management system that the **Employer** adopts or introduces for the **Employer**, management and municipal staff of the **Employer**.

5.2 The **Employee** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to

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assist the **Employer**, management and municipal staff to perform to the standards required.

5.3 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 The **Employee** agrees to participate in the performance management and development system that the **Employer** adopts.

6.1 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.

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

6.2.1 The **Employee** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Managerial Competencies (CMCs) respectively.

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

6.2.3 KPAs covering the main areas of work will account for 80% and CMCs will account for 20% of the final assessment.

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

Key Performance Areas (KPA's)	**Weighting**
Basic Service Delivery	20
Municipal Institutional Development and Transformation	20
Local Economic Development (LED)	5
Municipal Financial Viability and Management	10
Good Governance and Public Participation	20
Spatial Rationale	5
Total	**80 %**

6.4 The CMCs will make up the other 20% of the **Employee**'s assessment score. CMCs that are deemed to be most critical for the **Employee**'s specific job should be selected (√) from the list below as agreed to between the **Employer** and **Employee**:

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CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	√	**WEIGHT**
Strategic Capability		4
Programme and Project Management		
Financial Management		
Change Management		4
Knowledge Management		
Service Delivery Innovation		4
Problem Solving and Analytical Thinking		
People and Diversity Management		
Client Orientation and Customer Focus		
Communication		
Accountability and Ethical Conduct		4
Policy conceptualisation and implementation		
Mediation skills		
Advanced negotiation skills		
Advanced influencing skills		
Partnership and Stakeholder Relations		4
Supply Chain Management		
		20 %

7. EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) to this Agreement sets out -

7.1.1 the standards and procedures for evaluating the **Employee**'s performance; and
7.1.2 the intervals for the evaluation of the **Employee**'s performance.

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.

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

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

7.5 The annual performance appraisal will involve:

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

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

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

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(c) The applicable **assessment rating calculator** (refer to paragraph 7.5.3 below) **must then be used to add the scores and calculate a final KPA score.**

7.5.2 **Assessment of the CMCs**

(a) Each CMC should be assessed according to the extent to which the specified standards have been met.

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

(c) The applicable **assessment rating calculator** (refer to paragraph 6.5.1) **must then be used to add the scores and calculate a final CMC score.**

7.5.3 **Overall rating**

An overall rating is calculated by using the applicable **assessment-rating calculator**. Such overall rating represents the outcome of the performance appraisal.

7.6 The assessment of the performance of the **Employee** will be based on the following rating scale for KPA's and CMCs:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					

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Level	Terminology	Description	Rating				
			1	2	3	4	5
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and 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 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.					

7.7 For purposes of evaluating the performance of the **Employee**, an evaluation panel constituted by the following persons will be established –

7.7.1 Executive Mayor/ Mayor;
7.7.2 Chairperson of the Audit Committee;
7.7.3 Ward committee member (on a rotational basis), where applicable;
7.7.4 Member of the Mayoral Committee; and
7.7.5 Mayor and/ or Municipal Manager from another Municipality.

8. SCHEDULE FOR PERFORMANCE REVIEWS

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

First quarter	:	July – September
Second quarter	:	October – December
Third quarter	:	January – March
Fourth quarter	:	April – June

8.2 The **Employer** shall keep a record of the mid-year review and annual assessment 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 Annexure "A" 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 Annexure A whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case the **Employee** will be fully consulted before any such change is made.

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9. DEVELOPMENTAL REQUIREMENTS

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

10. OBLIGATIONS OF THE EMPLOYER

10.1 The Employer shall –

10.1.1 create an enabling environment to facilitate effective performance by the employee;

10.1.2 provide access to skills development and capacity building opportunities;

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

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

10.1.5 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.

11. CONSULTATION

11.1 The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will have amongst others –

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

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

11.1.3 a substantial financial effect on the **Employer**.

11.2 The **Employer** agrees to inform the **Employee** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the **Employee** to take any necessary action without delay.

12. MANAGEMENT OF EVALUATION OUTCOMES

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

12.2 A performance bonus of 5% to 14% of the inclusive annual remuneration package may be paid to the **Employee** in recognition of outstanding performance.

12.3 The **Employee** will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.

12.4 In the case of unacceptable performance, the **Employer** shall –

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12.4.1 provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and

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

13. DISPUTE RESOLUTION

13.1 Any disputes about the nature of the **Employee**'s performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –

13.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the **Employee**; or

13.1.2 any other person appointed by the MEC.

13.2 In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

14. GENERAL

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

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

Thus **done** and **signed** at .....on this the..... day of 2024

AS WITNESSES:

1. _____

2. _____

_____
(EMPLOYEE)
MS M.M MATHEBELA
MUNICIPAL MANAGER

AS WITNESSES:

1. _____

2. _____

_____
(EMPLOYER)
Cllr N.S MTSWENI
EXECUTIVE MAYOR

N.S

PERSONAL DEVELOPMENT PLAN (PDP)

Entered into by and between

CLLR N.S MTSWENI

and

Ms M.M MATHEBELA

N.S

1. Personal Development Plan ```

1.1.1 A Municipality should be committed to –

(a) the continuous training and development of its employees to achieve its vision, mission and strategic objectives and empower employees; and

(b) managing training and development within the ambit of relevant national policies and legislation.

1.1.2 A Municipality should follow an integrated approach to Human Resource Management, that is:

(a) Human resource development forms an integral part of human resource planning and management.

(b) In order for training and development strategy and plans to be successful it should be based on sound Human Resource (HR) practices, such as the (strategic) HR Plan, job descriptions, the result of regular performance appraisals and career pathing.

(c) To ensure the necessary linkage with performance management, the Performance Management and Development System provides for the Personal Development Plans of employees to be included in their annual performance agreements. Such approach will also ensure the alignment of individual performance objectives to the municipality's strategic objectives, and that training and development needs can be identified through performance management and appraisal.

(d) Career-pathing ensures that employees are placed and developed in jobs according to aptitude and identified potential. Through training and development they can acquire the necessary competencies to prepare them for future positions. A comprehensive competency framework and profile for Municipal Managers are attached and these should be linked to relevant registered unit standards to specifically assist them in compiling Personal Development Plans in consultation with their managers.

(e) Personal Development Plans are compiled for individual employees and the data collated from all employees in the municipality forms the basis for the prescribed Workplace Skills Plan, which municipalities are required to compile as a basis for all training and education activities in the municipality in a specific financial year and report on progress made to the Local Government Sector Education and Training Authority.

1.1.3 The aim of the compilation of Personal Development Plans is to identify, prioritise and implement training needs.

1.1.4 Compiling the Personal Development Plan attached at Appendix.

(a) Competency assessment instruments, which are dealt with more specifically in Appendix 1 and 2, should be established to assist with the objective assessment of employees' actual competencies against their job specific competency profiles and managerial competencies at a given period in time with the purpose of identifying training needs or skills gaps.

(b) The competency framework and profiles and relevant competency assessment results will enable a manager, in consultation with his / her employee, to **compile a Personal Development Plan**. The identified training needs should be **entered into column 1 of Appendix 1, entitled Skills / Performance Gap**. The following should be carefully determined during such a process:

(i) Organisational needs, which include the following:

- Strategic development priorities and competency requirements, in line with the municipality's strategic objectives.
- The competency requirements of individual jobs. The relevant job requirements (job competency profile) as identified in the job

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description should be compared to the current competency profile of the employee to determine the individual's competency gaps.

- Specific competency gaps as identified during the probation period and performance appraisal of the employee.

(ii) Individual training needs that are job / career related.

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

(d) Consideration must then be given to the **expected outcomes**, to be listed in **column 2 of Appendix 1**, so that once the intervention is completed the impact it had can be measured against relevant output indicators.

(d) **An appropriate intervention** should be identified to address training needs / skills gaps and the outcome to be achieved but with due regard to cost effectiveness. These should be listed in **column 3 of Appendix 1, entitled: Suggested training and / or development activity** in line with the National Qualifications Framework, which could enable the trainee to obtain recognition towards a qualification for training undertaken. It is important to determine through the Training / Human Resource Development / Skills Development Unit within the municipality whether unit standards have been developed and registered with the South African Qualifications Authority that are in line with the skills gap and expected outcomes identified. Unit standards usually have measurable assessment criteria to determine achieved competency.

(e) **Guidelines regarding the number of training days per employee and the nominations of employees:** An employee should on average receive at least five days of training per financial year and not unnecessarily be withdrawn from training interventions.

(f) **Column 4 of Appendix 1: The suggested mode of delivery** refers to the chosen methodology that is deemed most relevant to ensure transfer of skills. The training / development activity should impact on delivery back in the workplace. Mode of delivery consists of, amongst others, self-study [The official takes it upon him / her to read e.g. legislation]; internal or external training provision; coaching and / or mentoring and exchange programmes, etc.

(g) The **suggested time frames (column 5 of Appendix 1)** enable managers to effectively plan for the annum e.g. so that not all their employees are away from work within the same period and also ensuring that the PDP is implemented systematically.

(h) **Work opportunity created to practice skill / development areas, in column 6 of Appendix 1**, further ensures internalisation of information gained as well as return on investment (not just a nice to have skill but a necessary to have skill that is used in the workplace).

(i) The final column, **column 7 of Appendix 1**, provides the employee with a **support person** that could act as coach or mentor with regard to the area of learning.

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Personal Development Plan of:.....

Appendix

Compiled on (Date):.....

1. Skills / Performance Gap	2. Suggested training and / or development activity	3. Priority • High (H) • Medium (M) • Low (L)	3. Suggested Time Frames	7. Support Person
Financial Regulation	MFMA Professional Course	Medium	Quarterly	CFO Prov. Treasury
.				
.				

Municipal Manager's Signature: _____

Executive Mayor's signature: _____

NLS.

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Appendix C

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) Mathebela M.M

(Postal address) P.O. Box 800
Marble Hall

(Residential address) 627 Delphinium Str
Marble Hall

(Position held) Municipal Manager

(Name of Municipality) Dr JS Moroka

Tel: _____ Fax: _____

hereby certify that the following information is complete and correct to the best of my knowledge:

1. **Shares and other financial interests (Not bank accounts with financial institutions.)**
See information sheet: note **(1)**

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity
	N/A		

2. **Directorships and partnerships**
See information sheet: note **(2)**

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration/ Income
	N/A	

3. **Remunerated work outside the Municipality**
Must be sanctioned by Council. See information sheet: note **(3)**

Name of Employer	Type of Work	Amount of remuneration/ Income
	N/A	

4. **Consultancies and retainerships**
See information sheet: note **(4)**

Name of client	Nature	Type of business activity	Value of any benefits received
	N/A		

5. **Sponsorships**
See information sheet: note **(5)**

Source of assistance/sponsorship	Description of assistance/ Sponsorship	Value of assistance/sponsorship
	N/A	

6. **Gifts and hospitality from a source other than a family member**
See information sheet: note **(6)**

Description	Value	Source
	N/A	

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7. **Land and property**
See information sheet: note **(7)**

Description	Extent	Area	Value
627 - House		14 501 0000	R630.000

SIGNATURE OF EMPLOYEE

DATE: 24/07/24

PLACE: Siyabuswa

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer _____

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer _____

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer _____

Full first names and surname:
BONGILE SIPHO MASOMBUKA (Block letters)

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Designation (rank) STRYBAT Ex Officio Republic of South Africa

Street address of institution 241 MASAKHANE STREET SIYABUSWA

Date 2024-07-31 Place SIYABUSWA

CONTENTS NOTED: EXECUTIVE MAYOR

DATE: 31-07-2024

SOUTH AFRICAN POLICE SERVICE
COMMUNICATION
2024 -07- 31
SIYABUSWA
SOUTH AFRICAN POLICE SERVICE