

# " The City of Heritage "



## ULUNDI MUNICIPALITY PERFORMANCE AGREEMENT

2019/2020

ENTERED INTO AND BETWEEN

### THE ULUNDI LOCAL MUNICIPALITY

Herein represented by Councillor W. M. NTSHANGASE in his capacity as Mayor of the Municipality (hereinafter referred to as the EMPLOYER)

AND

**N.G. ZULU**

Municipal Manager of the Municipality (hereinafter referred to as the EMPLOYEE)

*W.M.*  
*N.G.G.*  
*KN* *NGZ* *D.N*

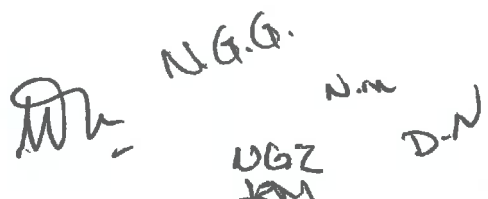
## 1. INTRODUCTION

- 1.1 The Ulundi Local Municipality (the Employer) has entered into a contract of employment with (the Employee) in terms of Section 57(1)(a) of the Municipal Systems Act, Act 32 of 2000, as amended (hereinafter referred to as the Systems Act).
- 1.2 Section 57(1)(b) of the Systems Act, read with the contract of employment between the two 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), reporting to the Executive Committee of the Municipality (the Employer), to a set of actions that will secure local government policy goals.
- 1.4 This performance agreement is concluded between the Employee and the Executive Committee of the Employer, represented by the Councillor elected as Mayor.

## 2. PURPOSE OF THIS AGREEMENT

The purpose of this agreement is to:

- 2.1 Comply with the provisions of Section 57 of the Systems Act and the Municipal Performance Regulations published in the *Government Gazette* dated 1 August 2006;
- 2.2 Specify objectives and targets defined and agreed with the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance and accountabilities in alignment with the Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget of the Municipality;
- 2.3 Specify accountabilities as set out in the Municipal Performance Plan for the 2019/2020 financial year, which forms an annexure to the performance agreement;
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the performance agreement as the basis for assessing whether the Employee has met the performance expectations applicable to her job;
- 2.6 In the event of outstanding performance, to appropriately reward the Employee; and

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

### **3. PERFORMANCE MANAGEMENT SYSTEM**

- 3.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Municipality.
- 3.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.
- 3.3 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.
- 3.4 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas reflected in the Municipal Performance Plan for the 2019/2020 financial year within the local government framework.

### **4. EMPLOYER OBLIGATIONS**

- 4.1 The Employer shall endeavour to create a working environment that is conducive to the Employee being able to attain the standards of performance expected of her.
- 4.2 The Employer shall provide the Employee with such physical, financial and human resources as are reasonably required for her to perform her functions.
- 4.3 The Employer shall provide access to skills development and capacity building opportunities.
- 4.4 The Employer shall empower the Employee by way of a set of appropriate delegations to act and make relevant decisions in the course of her employment.
- 4.5 The Employer shall work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the employee.

- 4.6 The Employer shall conduct the performance review in a fair and transparent manner.

## 5. EMPLOYEE OBLIGATIONS


- 5.1 The Employee is obliged to perform her functions to the best of her abilities and shall as far as practically possible endeavour to meet the standards of performance as set out in the attached Municipal Performance Plan for the 2019/2020 financial year.
- 5.2 The Employee shall under all circumstances act in the best interests of the Ulundi Local Municipality (the Employer).
- 5.3 The Employee shall co-operate with the Employer in conducting performance reviews.

## 6. CONSULTATION

- 6.1 The Employer agrees to consult the Employee timeously where the exercising of its powers will have amongst others:
- 6.1.1 A direct effect on the performance of any of the Employee's functions;
- 6.1.2 A commitment by the Employee to implement or to give effect to a decision made by the Employer: and
- 6.1.3 A substantial financial effect on the Employee.
- 6.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in sub-item 6.1 as soon as is practicable to enable the Employee to take the necessary action without delay.

## 7. COMMENCEMENT AND DURATION


- 7.1 Irrespective of the date of the signature of the agreement, this performance agreement and its annexure (the Municipal Performance Plan for the 2019 / 2020 financial year) will commence on 1 July 2019 and will remain in force until 30 June 2020. Thereafter a new annexure to this agreement will be concluded between the two parties for the following financial year.

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- 7.2 The parties will review the provisions of this agreement during June each year. The parties will then conclude a new performance agreement that replaces the previous agreement by no later than 31 July of that year.
- 7.3 The agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 7.4 Nothing contained in this performance agreement in any way limits the right of the Employer to terminate the Employee's contract of employment with or without notice for any other breach by the Employee of her obligations to the Employer or for any other valid reason in law.
- 7.5 The content of the agreement may be revised at any time during the abovementioned period to determine the appropriateness of the matters agreed upon.
- 7.6 If at any time during the validity of the performance agreement the work environment alters (whether as a result of government or Council decisions or otherwise) to the extent that the contents of the agreement are no longer appropriate, the content shall immediately be revised and then mutually agreed upon by the two parties.

## **8. PERFORMANCE OBJECTIVES**

- 8.1 The Municipal Performance Plan for the 2019/2020 financial year sets out:
- 8.1.1 The key performance areas for which the Employee is responsible.
- 8.1.2 The performance objectives and targets that must be met by the Employee.
- 8.1.3 The timeframes within which those performance objectives and targets must be met.
- 8.1.4 The performance objectives and targets reflected in the Performance Plan are set by the Employer in consultation with the Employee in compliance with legislative requirements and based on the Integrated Development Plan and the Budget of the Municipality and include key performance areas, objectives, targets, key performance indicators and weightings.
- 8.1.5 The key performance areas describe the main tasks to be done. The key performance indicators consist of the details of the evidence that must be provided to show that an objective has been achieved. The targets describe the timeframe in which the work must be achieved.

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The weightings reflect the relative importance of the objectives to each other.


- 8.2 The **Employee's** assessment will be based on his/her performance in terms of the output/outcomes (performance indicators) identified as the performance plan annexed into this agreement, which are linked to the Key Performance Areas, and will constitute 80% of the overall assessment results as per the weightings agreed into between the **Employer** and the **Employee**:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	
Local Economic Development (LED)	
Municipal Transformation and Organisational Development	
Good Governance and Public Participation	
Financial Viability and Management	
Spatial and Environmental	
<b>TOTAL</b>	<b>80%</b>

- 8.3 The **Core Competencies** will make up the other 20% of the **Employee's** assessment score. In terms of Local Government: Regulations on appointment and conditions of employment of Senior Managers, Reg. 21 of 17 January 2016, the "Core Competencies" are competencies that cut across all levels of work in a municipality and enhance contextualised leadership that guarantees service delivery impact; and "Leading competencies" means competencies that are required to develop clear institutional strategy, initiate, drive and implement programs to achieve long-term sustainable and measurable service delivery performance results. 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 and as listed as follows:

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<b>LEADING COMPETENCIES</b>		
<b>COMPETENCY</b>		<b>Weighting</b>
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>• Impact and Influence</li> <li>• Institutional Performance Management</li> <li>• Strategic Planning and Management</li> <li>• Organisational Awareness</li> </ul>	
People Management	<ul style="list-style-type: none"> <li>• Human Capital Planning and Development</li> <li>• Diversity Management</li> <li>• Employee Relations Management</li> <li>• Negotiation and Dispute Management</li> </ul>	
Programme and Project Management	<ul style="list-style-type: none"> <li>• Programme and Project Planning and Implementation</li> <li>• Service Delivery Management</li> <li>• Programme and Project Monitoring and Evaluation</li> </ul>	
Financial Management	<ul style="list-style-type: none"> <li>• Budget Planning and Execution</li> <li>• Financial Strategy and Delivery</li> <li>• Financial Reporting and Monitoring</li> </ul>	
Change Leadership	<ul style="list-style-type: none"> <li>• Change Vision and Strategy</li> <li>• Process Design and Improvement</li> <li>• Change Impact Monitoring and Evaluation</li> </ul>	
Governance Leadership	<ul style="list-style-type: none"> <li>• Policy Formulation</li> <li>• Risk and Compliance Management</li> <li>• Co-operative Governance</li> </ul>	
<b>Total Weighting Leading Competencies</b>		
<b>CORE COMPETENCIES</b>		
<b>COMPETENCY</b>		<b>Weighting</b>
Moral Competence		
Planning and Organising		
Analysis and Innovation		
Knowledge and Information Management		
Communication		
Results and Quality Focus		
<b>Total Weighting Core Competencies</b>		
<b>TOTAL PERCENTAGE WEIGHTING</b>		<b>20%</b>

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 RM D-N

## **9. ASSESSMENT OF PERFORMANCE**

### **9.1 Performance Reviews**

The performance of the Employee in relation to her performance agreement shall be reviewed on the following basis:

First Quarter	July to September
Second Quarter	October to December
Third Quarter	January to March
Fourth Quarter	April to June

9.1.1 The quarterly reviews for the first and third quarter may be undertaken verbally between the Employer representative and the Employee if performance is satisfactory.

9.1.2 The fourth quarter (annual) review will be undertaken by an evaluation panel. The evaluation panel will consist of three of the following persons:

Mayor of the Ulundi Municipality (Chairperson)  
Chairperson of the Audit Committee  
Member of the Executive Committee of the Ulundi Municipality  
Mayor/Municipal Manager from another Municipality  
Member of a Ward Committee as nominated by the Mayor

9.1.3 The Employer shall keep a record of the mid-year review and the annual assessment meetings.

9.1.4 Performance feedback will be based on both the Employer's and the Employee's assessment of the Employee's performance. Part of the review process is the development of an agreed assessment of the Employee's performance.

9.1.5 The Employer will be entitled to review and make reasonable changes to the provisions on the performance plan from time to time for operational reasons. The Employee will be fully consulted before any such change.

9.1.6 The Employer may amend the provisions on the performance plan whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case the

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Employee will be fully consulted be fully consulted before any such change is made.

### **9.3 Evaluation of Performance**

The evaluation of performance consists of the following:

- 9.3.1 An assessment of the achievement of results as outlined in the Municipal Performance Plan (80%); an assessment of the Leading and Core Competencies is (20%)
- 9.3.2 Each objective in the Municipal Performance Plan will be assessed according to the extent to which the specified standards or performance indicators have been met.
- 9.3.3 Each of the elements of the Core Management Criteria and the Core Management Responsibilities, which have been weighted equally, will be assessed according to the extent to which the alignment and performance measure standards have been met.
- 9.3.4 An indicative rating on the five point rating scale will be provided for each performance objective and / or managerial competency.
- 9.3.5 The applicable assessment rating calculator will then be used to add the scores and calculate a final KPA score.
- 9.3.6 An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

## **10. MANAGEMENT OF EVALUATION OUTCOMES**

- 10.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 10.2 A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package will be paid to the Employee in recognition of outstanding performance to be constituted as follows:

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10.2.1 A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9% and a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

10.2.2 Should an employee incur unauthorised, irregular, fruitless and wasteful expenditure he/she will not receive a performance bonus for that particular financial year.


10.3 Where the Employer is not satisfied with the Employee's performance with respect to any matter dealt with in this agreement, the Employer will give notice to the Employee to attend a meeting to discuss the matter. The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that the Employee's performance becomes satisfactory. The Employee will provide the Employer with a programme, including any dates, for implementing these measures.

Should the Employer not be satisfied with the explanations and measures as provided by the Employee, the matter will be referred to the full Council of the Employer for further action which can result, subject to compliance with applicable labour legislation, in termination of the Employee's employment in accordance with the notice period set out in the contract of employment.

## 11. DISPUTE RESOLUTION


11.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the objectives and performance targets established in terms of this agreement, the Employee may meet with the Employer with a view to resolving the issue. At the Employee's request the Employer will record the outcome of the meeting in writing.

11.2 In the event that the Employee remains dissatisfied with the outcome of that meeting, she may refer a formal dispute for mediation to the MEC for local government in the Province, or any other person designated by the MEC whose decision, rendered within 30 (thirty) days of receipt of the formal dispute, shall be final and binding on both parties.

  
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## 12. GENERAL


- 12.1 The contents of this performance agreement must be made available to the public by the Employer in accordance with the Municipal Finance Management Act, Act 56 of 2003, and Section 46 of the Systems Act
- 12.2 This performance agreement is written in English; hence English shall be the language of all communication between the two parties. All correspondence between the parties to this agreement and all reports and other documentation shall be submitted in English.
- 12.3 The parties to this agreement record that this agreement constitutes the whole of the agreement and arrangements for the performance of the Employee for the 2019/2020 financial year.
- 12.4 No agreement varying, adding or deleting from or cancelling this agreement shall have any effect unless reduced to writing and signed by both parties.
- 12.5 Nothing in this agreement diminishes the obligations, duties or accountability of the Employee in terms of her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- 12.6 The annual performance evaluation result of the Employee must be submitted to the MEC responsible for Co-operative Governance & Traditional Affairs in KwaZulu-Natal as well as the Minister for Co-operative Governance & Traditional Affairs within 14 (fourteen) days after the conclusion of the assessment.

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D.G.Z  
RM D.N

**13. SIGNATURE OF THE PARTIES**

Signed at Ulundi on this 31<sup>ST</sup> day of JULY 2019



AS WITNESSES

- 1.  .....
- 2.  .....

  
.....  
**N.G. ZULU**

Signed at Ulundi on this 31<sup>ST</sup> day of JULY 2019

AS WITNESSES

- 1.  .....
- 2.  .....

  
.....  
**MAYOR**

## EVALUATION OF PERFORMANCE

### PART A: MUNICIPAL PERFORMANCE PLAN

Key Performance Areas	Maximum Score	Agreed Evaluation	Actual Score	Percentage of Maximum Score
<b>TOTAL</b>				

Contribution to Overall Performance Score (80%) \_\_\_\_\_

**PART B: LEADING AND CORE COMPETENCIES**

Competency	Weight	Agreed Evaluation	Percentage Score
Strategic Direction and Leadership			
People Management			
Program and Project Management			
Financial Management			
Change Leadership			
Governance Leadership			
Moral Competence			
Planning and Organising			
Analysis and Innovation			
Knowledge and information Management			
Communication			
Results and Quality Focus			
<b>TOTAL</b>			

Contribution to Overall Performance Score (20%) \_\_\_\_\_

**SUMMARY**

Performance Area	Performance Score
Part A: Municipal Performance Plan	
Part B: Leading and Core Competencies	
<b>TOTAL EVALUATION OF PERFORMANCE</b>	

Signed: 

N.G. Zulu

Date: 31/07/2019

Signed: 

Mayor W.M. Ntshangase

Date: 31/07/2019

**FINAL ORGANISATIONAL SCORECARD**

**" The City of Heritage "**



**FOR THE YEAR 01 JULY 2019 TO 30 JUNE 2020**

KM  
N.G.G.  
N.C. D.N  
R.D. 002

KRM

N. G. G.  
D.N  
17/02

MILNER MUNICIPALITY DRAFT PROGRAMMATICAL BUDGET FOR FINANCIAL YEAR 2019/20

Item	Project Name	Object Code	Strategic Objective	Responsible Department	Responsible Officer	Start Date	End Date	Annual Budget	Estimate	Capital Budget	Revenue	Expenditure	Impact	Notes
02000-10-001	Basic Services Delivery	10.1.1	To provide an efficient, cost-effective and sustainable basic services delivery	Development of infrastructure and services projects	Number	2019/20	2019/20	1500000	0	0	0	1500000	1	Pre-approval of all projects to be undertaken in the financial year
02000-10-001	Basic Services Delivery	10.2.1	To ensure the maintenance of the sewerage system and to provide a safe and healthy environment	Number of operational sewerage treatment works	Number	2019/20	2019/20	1000000	0	0	0	1000000	2	Completion of the tendering process for the upgrade of the sewerage system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.2	To ensure the maintenance of the water supply system and to provide a safe and healthy environment	Number of operational water supply treatment works	Number	2019/20	2019/20	1000000	0	0	0	1000000	3	Completion of the tendering process for the upgrade of the water supply system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.3	To ensure the maintenance of the refuse collection system and to provide a safe and healthy environment	Number of operational refuse collection vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	4	Completion of the tendering process for the upgrade of the refuse collection system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.4	To ensure the maintenance of the street lighting system and to provide a safe and healthy environment	Number of operational street lighting poles	Number	2019/20	2019/20	1000000	0	0	0	1000000	5	Completion of the tendering process for the upgrade of the street lighting system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.5	To ensure the maintenance of the road maintenance system and to provide a safe and healthy environment	Number of operational road maintenance vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	6	Completion of the tendering process for the upgrade of the road maintenance system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.6	To ensure the maintenance of the public works system and to provide a safe and healthy environment	Number of operational public works vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	7	Completion of the tendering process for the upgrade of the public works system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.7	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	8	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.8	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	9	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.9	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	10	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.10	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	11	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.11	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	12	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.12	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	13	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.13	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	14	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.14	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	15	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.15	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	16	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.16	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	17	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.17	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	18	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.18	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	19	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020
02000-10-001	Basic Services Delivery	10.2.19	To ensure the maintenance of the refuse removal system and to provide a safe and healthy environment	Number of operational refuse removal vehicles	Number	2019/20	2019/20	1000000	0	0	0	1000000	20	Completion of the tendering process for the upgrade of the refuse removal system by 30 June 2020

























