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Ms XN Venn
(the Employee)

AND

Duly authorized in terms of section 57 (2) (b) of the Municipal System
Act, No. 32 of 2000
Represented by the Municipal Manager, Ms L. Nonyongo

NTABANKULU LOCAL MUNICIPALITY
(the Employer)

Entered into by and between

PERFORMANCE AGREEMENT: 2018/19



INTRODUCTION

As provided in section 57(1) (a) of the Local Government Municipal Systems Act 32 of 2000, the council of Ntabankulu Local Municipality has entered into an employment contract with the , Ms Xoliswa Venn for period of 4 years, commencing from 01 October 2018 and ending on 01 October 2022.

2. Section 57 (1) (b) of the Local Government Municipal Systems Act read with the contract of employment concluded between the employer and employee and the Municipal performance Regulations for Municipal Managers and managers directly accountable to the municipal manager require that a performance contract be concluded between the parties as herein undertaken.

3. The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the CFO reporting to the Municipal Manager, to a set of actions, outputs and outcomes that will ensure the attainment of both the local government policy goals and the performance objectives of Ntabankulu Local Municipality as enshrined in the Integrated Development Plan.

4. This performance contract is entered into between Xoliswa Venn, the CFO and Ntabankulu Local municipality as represented by the Municipal Manager, Ms Luleka Nonyongo and is based on the adopted Integrated Development plan 2018/2019 to 2021/2022 as reviewed in 2018 and the 2018/2019 Service Delivery Budget Implementation Plan.

2. PURPOSE OF THE 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 (Annexure A);
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the Performance contract and Performance Plan as the basis for assessing the suitability of the Employee for continued employment and/or to Assess whether the Employee has met the performance expectations applicable to his/her job;
- 2.7 Appropriately reward the Employee in accordance with the Employer's performance management framework in the event of outstanding performance; and
- 2.8 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved qualitative and quantitative service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 Notwithstanding the date of signature hereof this Agreement shall commence from the 01 September 2018 and shall remain in force until the 30th June 2019, where-after a new Performance contract, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof within 1 month after the commencement of the new financial year.
- 3.2 This Agreement shall terminate in its entirety on the termination of the Employee's contract of employment for whatever reason subject to relevant legislative prescripts.
- 3.3 The contents of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon subject to both parties reaching an agreement.
- 3.4 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the

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4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan included herein as Annexure A, which forms an integral part of this agreement enshrines the following (which are concluded by mutual consensus by parties based on key strategic documents of the Municipality):
- 4.2 The overall performance objectives and targets that must be met by the Employee including the performance indicators and weightings;
- 4.3 The time frames for the achievement of those performance objectives and targets;
- 4.4 The performance objectives shall in addition be viewed within the context and in lieu of the overall contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM.

- 5.1 Both parties agree to participate in the performance management system that the Employer has adopted or introduced for the Municipality, Management and Municipal Staff.
- 5.2 Both parties hereby covenant to consult each other and arrive at a mutual agreement about the specific performance standards to be included in the performance management system.

- 5.3 The CFO undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the CFO responsibilities) within the local government framework.
- 5.4 The criterion upon which the performance of the employee is to be evaluated is contained in annexure E and is included herein as an addendum and forms an important part of this contract.

- 5.5 The Employee must be assessed her performance in terms of the performance indicators (inputs/outputs/outcomes) identified in the attached Performance Plan (Annexure A) and include:
 - 5.5.1 The Key Performance Areas and the Leading and Core Competencies, with a weighting of 80 and 20 respectively are listed herewith as agreed between the employer and employee.
 - 5.5.2 The Key Performance Areas will constitute 80% of the Employee's assessment score, and will contain the following areas of which all of them are compulsory

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5.5.2 The Key Performance Areas will constitute 80% of the Employee's assessment score, and will contain the following areas of which all of them are compulsory and weights must be allocated to each of them according to the scale of core and functional responsibilities:

Key Performance Areas (100% of Total)	Weight %
Municipal Institutional Development and organizational Transformation	15%
Basic Service Delivery	5%
Local Economic Development	10%
Municipal Financial Viability and Management	60%
Good Governance & Public Participation	10%
Total	100%

5.5.3 The table below indicated six leading competencies which comprise of twenty (20) driving competencies that communicate what is expected for effective performance in local government

5.5.4 The competency framework further involves six(6) core competencies that act as drivers to ensure that the leading competencies are executed at an optimal level

LEADING COMPETENCIES		Weight %
Strategic Direction and Leadership	<ul style="list-style-type: none"> Impact and influence Institutional performance Management and Strategic Planning Management Organisational Awareness 	10%
People Management	<ul style="list-style-type: none"> Human Capital Planning and Development Diversity Management Employee Relations Management Negotiation and Dispute Management 	10%
Program and Project Management	<ul style="list-style-type: none"> Program and Project Planning and Implementation Service Delivery Management Program and Project Monitoring and Evaluation 	10%
Financial Management	<ul style="list-style-type: none"> Budget Planning and Execution Financial Strategy and Delivery Financial Reporting and 	30%

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- 6.1. Section 14 of this Agreement sets out the standards and procedures for evaluating the employee's performance, intervals for the evaluation of employee's performance and recognition of outstanding performance (awarding of a performance bonus)
- 6.2. Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan (contained herein as Annexure B) as well as the actions agreed to and implementation must take place within set time frames.
- 6.3. The Employee's performance will be measured in terms of contributions to the goals and strategies contemplated in the Employer's Integrated Development Plan.
- 6.4. The annual performance appraisal must involve—
- 6.4.1. An assessment of the achievement of results as outlined in the performance plan;
- 6.4.2. An assessment of each Key Performance Area 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;
- 6.4.3. A rating on the five-point scale for each Key Performance Area; and
- 6.4.4. The use of the applicable assessment rating calculator to add the scores and calculate a final Key Performance Area score.

6. EVALUATING PERFORMANCE

CORE COMPETENCIES		Weight %
Change Leadership	<ul style="list-style-type: none"> Change Vision and Strategy Process Design and Improvement Change Impact Monitoring and Evaluation 	10%
Governance Leadership	<ul style="list-style-type: none"> Policy Formulation Risk and Compliance Management Cooperative Governance 	10%
Moral Competence		5%
Planning and Organizing		3%
Analysis and Innovation		3%
Knowledge and Information Management		2%
Communication		2%
Results and Quality Focus		5%
Total		20%

6.5. The core competencies must be assessed-

- 6.5.1. According to the extent to which the specified standards have been met;
- 6.5.2. With an indicative rating on the five-point scale for each Criteria; and
- 6.5.3. By using the applicable assessment rating calculator to add the scores and calculating a final score.

- 6.6. An overall rating is calculated by using the applicable assessment rating calculator, which represents the outcome of the performance appraisal.
- 6.7. Employee performance will be based on the following rating scale for both Key Performance Indicators and core competencies
- 6.8. The performance of the Employee must be evaluated by an evaluation panel constituted in terms of regulation 27(4)(d), (e) and (f) of the Regulations.

Level	Terminology	Description Rating	Proposed revised definition or performance against indicator
5 (150% above)	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.	Individual has performed exceptionally on these indicators and has very significantly surpassed expectations
4 (130%-149%)	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	Individual has performed well and has gone slightly above expectations
3 (100%)	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.	Individual has met the expectations associated with these indicators
2 (81% - 99%)	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	Performance is below the standard required for the job in key areas

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- 8.1 The reviews in the first and third quarter may be verbal if performance is satisfactory.
- 8.2 The reviews in the second and annual performance must be formal and the employer must keep a record of these reviews and feedback must be based on the Employer's assessment of the Employee's performance.
- 8.3 The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented or amended, provided that the Employee is consulted before any such change is made.

Interval	Period	Evaluation deadline
First quarter	July to September	Before end October
Mid term	October to December	Before end January
Third quarter	January to March	Before end April
Annual	July-June	2 months after the issuing of the Audit Report

8.1 The performance of each Employee in relation to his or her performance agreement must be reviewed during-

8. SCHEDULE FOR PERFORMANCE REVIEWS

Individual has performed poorly on these indicators significantly below the standard required	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against 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.	1(80% and below))	Unacceptable performance
Individual has performed poorly on these indicators significantly below the standard required	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.		

8.4 The work performance and performance review will not be confined and limited to the performance plan; any incidental work outside the performance plan shall be performed and evaluated accordingly.

9. DEVELOPMENTAL REQUIREMENTS

9.1 The Personal Development Plan (PDP) is attached herein as annexure B and forms an integral part of this agreement for addressing developmental gaps

9.2 Both parties hereby agree to uphold the filling of gaps identified in the PDP

10. OBLIGATIONS OF THE EMPLOYER

The Employer shall –

- 10.1 Create an enabling environment to facilitate effective performance by the employee;
- 10.2 Provide access to skills development and capacity building opportunities;
- 10.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 10.4 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
- 10.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him/ her to meet the performance objectives and targets established in terms of this agreement.

11. EMPLOYEE OBLIGATIONS

11.1 The employee is obliged to perform her functions to the best of her abilities and shall as far as is practically possible endeavour to meet the standards of performance as set out in this agreement.

11.2 The employee shall act in the good faith and in the best interest of the Municipality at all times

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13.3 The employee shall be entitled to such corrective action remedies and/or incentives as are applicable depending on the outcome of his/her performance reviews.

13.2 In particular where a Personal Development Plan has identified a need for capacity building or training or other forms of support, the employee shall be entitled to receive same, bearing in mind relevant budgetary and other constraints which may not though be unreasonably withheld.

13.1 The employee shall be entitled to such co-operation and support as is reasonably required for him/her to perform his/her duties to the standard required of him/her.

13. EMPLOYEE RIGHTS

12.4 Take such corrective action or impose such disciplinary action or award such incentives as per policy.

12.3 Such circumstances as contemplated above shall be taken into account when the employee's performance is evaluated.

12.2 Alter the employee's responsibilities from time to time depending on the operational requirements of the organisation e.g. assign him/her to perform a special project not envisaged in his/her job description or service delivery and budget implementation plan.

12.1 Expect the employee to perform as agreed;

The employer shall be entitled to:

12. EMPLOYER RIGHTS

review.

11.4 The employee shall co-operate with the employer in conducting the performance

KPA's within the timeframes agreed upon.

programs identified in her service delivery and budget implementation plans or

11.3 The employee shall be responsible for the completion or execution of the specific

14 MANAGEMENT OF EVALUATION OUTCOMES

- 14.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 14.2 A performance bonus of between 5% and 14% of the inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance.
- 14.2.1 In addition to what is suggested in the regulations in Ntabankulu the following shall apply:

FINAL SCORE	BONUS/REWARD
150 and above	10% to 14% of the annual total remuneration package
130 to 149%	5% to 9% of the annual total remuneration package
101% to 129%	No reward
81% -100%	No reward
(80% and below)	Compulsory Performance Counseling

RANGE	SCORE	% Bonus	
150 AND ABOVE	164 and above	14	
	163	13.705	
	162	13.42	
	161	13.135	
	160	12.85	
	159	12.565	
	158	12.28	
	157	11.995	
	156	11.71	
	155	11.425	
	154	11.14	
	153	10.855	
	152	10.57	
	151	10.285	
	150	10	
	Between 130 and 149	149	9
		148	8.6
147		8.4	
146		8.2	
145		8	
144		7.8	
143		7.6	
142		7.4	
141		7.2	
140		7	
139		6.8	
138		6.6	
137		6.4	
136		6.2	
135		6	
134		5.8	
133		5.6	
132	5.4		
131	5.2		
130	5		

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NB: SAME PRINCIPLE TO THE CCR'S

- (a) Allocate score per target per KPA
- (b) Multiply each score with weight per target and per KPA
- (c) Add all scores per KPA and get one actual score per KPA
- (d) Add all Actual Score per KPA and get the Overall Score
- (e) Multiply Overall score with 33,3, get a performance Score
- (f) Convert the Performance Score into a percentage by multiply by 80% and you get the percentage

15.4.1. CALCULATING THE KPA PERFORMANCE

15.4 The following formula shall be used to allocate the performance bonus after the total score has been calculated:

- 15.2.1 The performance score obtained on marks by using the performance plan;
- 15.2.2 Where the external factors have a negative influence on the result of the performance, the Municipality may at its discretion decide to grant a reward.
- 15.2.3 The reward if granted, will be paid annually only after adoption by Council of the Annual Report for that financial year and after finalization of the appraisal;
- 15.2.4 The final outcome of the performance appraisal will determine the reward;
- 15.3 The rating scale shall be used for rating including the actual targets set and contained in annexure A.

15.2 The payment of the reward shall be based on the period under review and results of the performance score as stipulated in annexure A and include the following:

15.1 The annual increase will be determined by Council based on the affordability and the stipulations of the Contract of Employment and does not in any way form part of a reward for performance.

15. REWARD FOR PERFORMANCE

- 14.3 In the case of unacceptable performance, the Employer—
- 14.4 must provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
- 14.5 May, after appropriate performance counseling and having provided the necessary guidance and support as well as reasonable time for improvement in performance, consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

16. CONSULTATION

- 16.1. Both parties to this agreement agree to consult each other in the event either party wishes to exercise a duty or function in terms of this agreement.
- 16.2. The employer agrees to inform the employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in paragraph 16.1, as soon as is practicable to enable the employee to take any necessary action without delay.

17. CONSEQUENCE OF SUBSTANDARD PERFORMANCE

- 17.1. Where the employer is at any time during the employee's employment not satisfied with her performance with respect to any matter dealt with in this Agreement, the employer will give notice to the employee to attend a meeting with the Performance Evaluation Committee.
- 17.2. The employee shall have the opportunity at the meeting to satisfy the employer and the panel of the measures being taken to ensure that the employee's performance becomes satisfactory and any programme, including any dates, for implementing these measures.
- 17.3. Where there is a dispute or difference as to the performance of the employee under this agreement, the parties will confer with a view to resolving the dispute or difference.
- 17.4. If at any stage thereafter the employer holds the view that the performance of the employee is not satisfactory, the employer will, subject to compliance with applicable labour legislation, be entitled by notice in writing to the employee to terminate her employment in accordance with the notice period set out in the employee's contract of employment.
- 17.5. Nothing contained in this Agreement in any way limits the right of the employer to terminate the employee's contract of employment with notice for any other reason in law.

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- 19.2 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.
- 19.1 The contents of the Agreement and the outcome of any review conducted, will not be confidential, and may be made available to the public by the employer, where appropriate.

19. GENERAL

- 18.3 The parties hereby agree that "final" shall not limit a dissatisfied party to invoke any provisions in his/her disposal within labour and any other relevant laws.
- 18.2 In the event that the employee remains dissatisfied with the outcome of that meeting, he/she may raise the issue in writing with the employer (municipal council) by requesting that the issue be placed on the agenda of an appropriate meeting of Council. The Council will determine a process for resolving the issue, which will involve at least providing the employee with an opportunity to state his/ her case orally or in writing. At the employee's request the Council will record its decision on the issue in writing. The decision of the Council on the issue will be made within 2 (two) weeks of the issue being raised, or as soon thereafter as possible, and will be final.
- 18.1 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 performance objectives and targets established in terms of this Agreement, the employee may meet with the Performance Evaluation Committee with a view to resolving the issue. At the employee's request the evaluating panel will record the outcome of the meeting in writing.

18. DISPUTES

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AS WITNESSES:

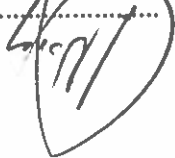
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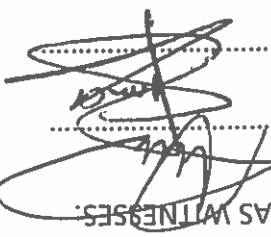
XN VENN

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MUNICIPAL MANAGER

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AS WITNESSES:

Thus done and signed at Ntabankulu on this 23rd of November 2018

The parties hereby agree having read, understood and received a copy of this agreement which contents are hereby accepted in all entreties.

20. ATTESTATION

ANNEXURE A



PERSONAL DEVELOPMENT PLAN:

NAME & SURNAME: XOLISWA VENN

This plan must be completed and reviewed during the planning phase of Employee Performance Management Cycle (July). The purpose is to provide opportunity for the Employee and the immediate supervisor to identify incumbent's strength, skills and competency gap. To complete this plan you need to know and understand your Department objectives, your customer's (internal and external), requirements and your key performance indicators. The information provided should be considered in relation to the critical nature of the current position and your future career goals.

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