



UMZIMVUBU
LOCAL MUNICIPALITY

PERFORMANCE AGREEMENT

FORTUNE TINASHE FUNDIRA

CHIEF FINANCIAL OFFICER

2019 – 2020

UPHULISO KUMNTU WONKE

APPENDIX A

PERFORMANCE PLAN 2019/2020

Entered into by and between

uMzimvubu Local Municipality

and

Fortune Tinashe Fundira

1. Purpose

The performance plan defines the Council's expectations of the **CHIEF FINANCIAL OFFICER** performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2. Key responsibilities

The following objects of local government will inform the **CHIEF FINANCIAL OFFICER's** performance against set performance indicators:

- 2.1 Provide democratic and accountable government.
- 2.2 Ensure sound governance within the municipality.
- 2.3 Promote social and economic development.
- 2.4 Promote a safe and healthy environment.
- 2.5 Encourage the involvement of communities and community organisation in the matters of local government.

3. Key Performance Areas

The following Key Performance Areas (KPAs) as outlined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006), inform the strategic objectives listed in the table below:

- 3.1 Basic Service Delivery.

- 3.2 Municipal Institutional Development and Transformation.
- 3.3 Local Economic Development
- 3.4 Municipal Financial Viability and Management.
- 3.5 Good Governance and Public Participation
- 3.6 Spatial Development

4. Key Performance Objectives and Indicators, for the CHIEF FINANCIAL OFFICER

The provisions and statutory time frames contained in the following legislation are required to be reported on and measured:

- 4.1 Local Government: Municipal performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Manager, 2006 (Regulation No. R805, dated 1 August 2006)
- 4.2 Regulation No. 796 (Local Government: Municipal Planning and Performance Management Regulations, 2001) dated 24 August 2001
- 4.3 Municipal Finance Management Act, 2003,
- 4.4 Municipal Structures Act, 1998, in particular but not limited to Section 29 and 50
- 4.5 Umzimvubu Delegation of powers, particularly, powers delegated to **CHIEF FINANCIAL OFFICER**
- 4.6 Municipal Systems Act, 2000, in particular, but not limited to, Chapter 6, 7 sections 66 and 71, Schedule 2

Signed and accepted by:

TINASHE FUNDIRA 

Job title:

Chief Financial officer

Date:

19/06/2019

Signed by the Municipal Manager on behalf of the uMzimvubu Local Municipality

Municipal Manager:



Date:

19/06/19

APPENDIX B

PERSONAL DEVELOPMENT PLAN - 2019 / 2020

Incumbent	Fortune Tinashe Fundira
Employee No.	6007
Job Title	Chief Financial Officer
Report to	Municipal Manager

1. What are the competencies required for this job (refer to competency profile of job description)?

Qualification requirements

- a. NQF Level 6 OR Certificate in Municipal Financial Management (SAQA qualification ID No. 48965) - Low capacity municipality.
- b. 5 years at middle management level

Other competencies

1. Strategic leadership and management
2. Strategic financial management
3. Operational financial management
4. Governance, ethics and values in financial management
5. Financial and performance reporting
6. Risk and change management
7. Project management
8. Legislation, policy and implementation
9. Stakeholder relations
10. Supply chain management
11. Audit and assurance

2. What competencies from the above list, does the job holder already possess?

1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11

3. What then are the competency gaps? (If the job holder possesses all the necessary competencies, complete No's 5 and 6.)

Competencies were obtained after completing courses for Municipal Finance and Supply Chain management – Part 1 and Certificate: Municipal Financial Management (CPMD).

4. Actions/Training interventions to address the gaps/needs

N/A

5. Indicate the competencies required for future career progression/development

Updates on Local Government Finance, Treasury reforms and Accounting Standards.

6. Actions/Training interventions to address future progression

Notify supervisor of future developmental trainings and workshops in order to obtain permission to attend.

7. Comments/Remarks of the Incumbent

The development of the position requires that one be kept abreast with developments and updates within the financial sector, thus emphasis should be on continued development.

8. Comments/Remarks of the supervisor

Agreed upon


Signature:



Supervisor:



Date:



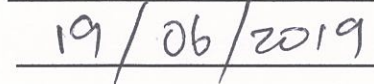
Signature:



Incumbent:



Date:



APPENDIX C

FINANCIAL DISCLOSURE FORM - 2019 / 2020

I, the undersigned (surname and initials) Fundira, Fortune Tinashe of

P.O Box 11062, Southernwood, East London, 5213

(Postal address) and

284 Robin Road, Sunrise on Sea, East London, 5200

(Residential address)

employed as Chief Finance Officer at uMzimvubu Local

Municipality 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)

No	Number of shares/ extent of financial interest	Nature	Nominal value	Name of Company or entity
1	100 Shares (2013/184210/07)	Director	R1.00	Aridnuf (Pty) Ltd
2	10 Shares(2017/236817/07)	Director	R1.00	Ivyland (Pty) Ltd
3	N/A	N/A	N/A	R0.00
4	N/A	N/A	N/A	R0.00
5	N/A	N/A	N/A	R0.00

2. Directorships and Partnerships

See information sheet: Note (2)

No	Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
1	Aridnuf (Pty) Ltd	General dealer	R0
2	Ivyland (Pty) Ltd	Property investment	R0
3	N/A	N/A	R0.00
4	N/A	N/A	R0.00
5	N/A	N/A	R0.00

3. Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

No	Name of Employer	Type of business	Amount of Remuneration or Income
1	Aridnuf (Pty) Ltd	General Dealer	R0.00
2	N/A	N/A	R0.00
3	N/A	N/A	R0.00
4	N/A	N/A	R0.00
5	N/A	N/A	R0.00

Council sanction confirmed:

Signature of Mayor/Municipal Manager/Head of department: _____

Date: 21/07/19

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4. Consultancies and retainerships

See information sheet: Note (4)

No	Name of client	Nature	Type of business activity	Value of benefits received
1	N/A	N/A	N/A	R0.00
2	N/A	N/A	N/A	R0.00
3	N/A	N/A	N/A	R0.00
4	N/A	N/A	N/A	R0.00
5	N/A	N/A	N/A	R0.00

5. Sponsorships

See information sheet: Note (5)

No	Source of sponsorship	Description of sponsorship	Value of sponsorship
1	N/A	N/A	R0.00
2	N/A	N/A	R0.00
3	N/A	N/A	R0.00
4	N/A	N/A	R0.00
5	N/A	N/A	R0.00

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

No	Description	Value	Source
1	N/A	N/A	R0.00
2	N/A	N/A	R0.00
3	N/A	N/A	R0.00
4	N/A	N/A	R0.00
5	N/A	N/A	R0.00

7. Land and property

See information sheet: Note (7)

No	Description	Extent	Area	Value
1	ERF 284, Robin road, Sunrise on Sea, East London	1012 square metres	Sunrise on Sea, East London	R350 000
2	45 Pipet Crescent, Beacon bay, East London	506 square metres	Beacon bay, East London	R130 000
3	ERF 6628, Beacon bay, East London	625 square metres	Beacon bay, East London	R200 000
4	N/A	N/A	N/A	R0.00
5	N/A	N/A	N/A	R0.00


SIGNATURE OF EMPLOYEE

DATE:

19/06/2019

PLACE:

Kwa BHACA

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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 Yes
 - (ii) Do you have any objection to taking the prescribed oath or affirmation?
Answer No
 - (iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?
Answer Yes
2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

71828040
S. A. P. S. MOUNT FRERE
CST

Commissioner of Oath /Justice of the Peace

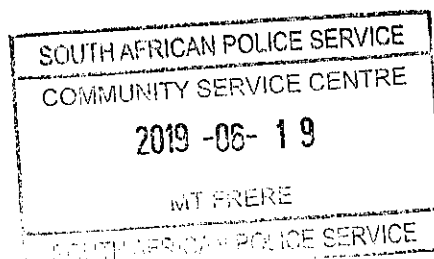
Full first names and surname: SINSILE NTONDINI (Block letters)

Designation (rank): CONSTABLE Ex Officio Republic of South Africa

Street address of institution: 83 MAIN STREET
MOUNT FRERE

Date: 19/06/2019

Place: S.A.P.S MOUNT FRERE



INFORMATION SHEET FOR THE GENERIC FINANCIAL DISCLOSURE FORM

The following notes is a guide to assist with completing the Financial Disclosure form (Annexure A):

NOTE 1: Shares and other financial interests

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognised by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and
- The name of that entity.

NOTE 2: Directorships and partnerships

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and
- The amount of any remuneration received for such directorship or partnership/s.

Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated.

Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

NOTE 3: Remunerated work outside the Municipality (As sanctioned by Council)

Designated employees are required to disclose the following details with regard to remunerated work outside the public service:

- The type of work;
- The name and type of business activity of the employer; and
- The amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind, and work means rendering a service for which the person receives remuneration.

NOTE 4: Consultancies and retainerships

Designated employees are required to disclose the following details with regard to consultancies and retainerships:

- The nature of the consultancy or retainership of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainerships.

NOTE 5: Sponsorships

Designated employees are required to disclose the following details with regard to sponsorships:

- The source of the sponsorship;
- The description of the sponsorship; and
- The value of the sponsorship.

NOTE 6: Gifts and hospitality from a source other than a family member
Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350.00;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350.00 in the relevant 12 month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantages that they received from any source e.g. any discount prices or rates that are not available to the general public. All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

NOTE 7: Land and Property

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description of the land or property;
- The extent of the land or property;
- The area in which it is situated; and
- The value of the

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN

UMZIMVUBU LOCAL MUNICIPALITY

Herein represented by **Gladstone Phillip Tobela Nota**, in his duly authorised capacity as **MUNICIPAL MANAGER** of UMZIMVUBU LOCAL MUNICIPALITY

AND

FORTUNE TINASHE FUNDIRA

Hereinafter referred to as **EMPLOYEE** in his capacity as duly appointed as **CHIEF FINANCIAL OFFICER** of the municipality for the period of **01 July 2019 to 30 June 2020**

WHEREAS

- A. The Employer has entered into an Agreement of Employment with the Employee in terms of section 57(1)(b) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended;
- B. Section 57(2)(a)(i) and (ii) of the amended Local Government: Municipal Systems Act, 2000, read with the Memorandum of Agreement of Employment concluded between the parties, requires the parties to conclude an annual Performance Agreement within sixty (60) days of assumption of duty, and renew it annually within one month after the beginning of each financial year of the municipality;
- C. The parties must 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 as defined in the municipal Integrated Development Plan; and
- D. The parties must ensure that there is compliance with Sections 57(4A), (4B), 57 (4C) and 57(5) of the Local Government: Municipal Systems Act, 2000 as amended,

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

INTERPRETATION AND DEFINITIONS

1. In this Agreement, unless the context indicates otherwise–
- (a) an expression, which denotes any gender, includes the other genders, a natural person includes an judicial person and vice versa, and the singular includes the plural and vice versa;
 - (b) clause headings are for convenience only and will not be used in its interpretation, and the following expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings–

“**agreement**” means this Performance Agreement and all the Appendices hereto;

“**Employee**” means FORTUNE TINASHE FUNDIRA;

“**KPA**” means Key Performance Area;

“**KPI**” means Key Performance Indicator;

“**KRA**” means Key Responsible Area;

“**MEC**” means the Member of the Eastern Cape Executive Council responsible for local government;

“**MFMA**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“**Municipality**” means UMZIMVUBU LOCAL MUNICIPALITY, established in terms of Structures Act;

“**parties**” means the Municipality and the Employee;

“**performance management system**” means a process used by the Municipality to evaluate organisational and its individual performance against the goals and objectives set out on the IDP.

"Regulations" means the Local Government: Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006, promulgated in the Government Gazette as Regulation Notice 805 on 1 August 2006;

"Structures Act" means the Local Government: Municipal Structures Act, 2000 (Act No. 117 of 1998); and

"Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended, and the Regulations promulgated in terms of the Act;

- (c) words and expressions defined in any sub-clause, for the purpose of the clause of which that sub-clause forms part, bear the meaning assigned to such words and expressions in that sub-clause; and
- (d) this agreement is governed by and construed in accordance with the laws of the Republic of South Africa.

PURPOSE OF THIS AGREEMENT

2. The purpose of this Agreement is to –

- (a) comply with the provisions of Section 57(1)(b),(4A),(4B), (4C) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- (b) communicate the Employer's performance expectations and accountabilities to the Employee, by specifying objectives and targets as defined in the IDP;
- (c) specify accountabilities as set out in the Performance Plan, which must be in a format substantially compliant with Appendix "A";
- (d) monitor and measure performance against set targeted outputs;
- (e) use this Agreement and the Performance Plan as the basis for assessing the performance of the Employee and to establish whether the Employee has met the performance expectations applicable to the position; and

- (f) Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance.

COMMENCEMENT AND DURATION

- 3.(1) This Agreement will commence on 01 July 2019 and will remain in force until 30 June 2020, whereafter a new Agreement, Performance Plan and Personal Development Plan must be concluded between the parties for each of the following financial years or any portion thereof for the duration of the Agreement of Employment.
- (2) This Agreement will terminate on the termination of the Employee's employment for any reason whatsoever or when the Acting Appointment is terminated.
- (3) The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- (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 extent that the contents of this Agreement are no longer appropriate, the contents must immediately be revised.
- (5) Any significant amendments or deviations must take cognisance of the requirements of sections 34 and 42 of the Systems Act, and regulation 4(5) of the Regulations.

PERFORMANCE OBJECTIVES

- 4.(1) The Performance Plan must set out the–
 - (a) the performance objectives and targets that must be met by the Employee; and
 - (b) the time frames within which those performance objectives and targets must be met.
- (2) The performance objectives and targets reflected in the Performance Plan must–
 - (a) be set by the Employer in consultation with the Employee;

- (b) be based on the Integrated Development Plan and Budget of the Employer; and
 - (c) include key objectives, performance indicators, target dates and weightings.
- (3) It is agreed that–
- (a) the key objectives must describe the main tasks that must be performed by the Employee;
 - (b) the key performance indicators provide the details of the evidence that must be provided to indicate that a key objective has been achieved;
 - (c) the target dates describe the timeframe in which the work must be achieved; and
 - (d) the weightings indicate the relative importance of the key objectives to each other.
- (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.

PERFORMANCE MANAGEMENT SYSTEM

- 5.(1) The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Municipality, and accepts that the purpose of the performance management system is to provide a comprehensive system, with specific performance standards, to assist Municipality to perform to the standards required.
- (2) The Employer must consult the Employee about the specific performance standards that are included in the performance management system that are applicable to the Employee.
- (3) The Employee undertakes to actively focus on the promotion and implementation of the Key Performance Areas, including special projects relevant to the Employee's responsibilities, within the local government framework.

- (4) The Employee must be assessed on his or her performance in terms of the performance indicators identified in the attached Performance Plan and include–
- (a) the Key Performance Areas; and
- (b) Core Managerial Competencies,
- with a weighting of 80:20 allocated to sub-clause (a) and (b) respectively.
- (5) The Key Performance Areas will make up 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 (80% of Total)	Weighting
Basic Service Delivery	20
Municipal Institutional Development and Transformation	20
Local Economic Development	10
Municipal Financial Viability and Management	40
Good Governance and Public Participation	5
Spatial Development	5
Total	100%

- (6) The Core Management Criteria will make up the other 20% of the Employee’s assessment score
- (7) The Core Competency Requirements are deemed to be most critical for the Employee’s specific job and only ten (10) of them should be selected from the list below as agreed to between the Employer and Employee:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (20% of Total)		
CORE MANAGERIAL COMPETENCIES (CMC)	√	WEIGHT
Strategic Direction and Leadership		5
Programme and Project Management		10

Financial Management		20
Change Management		5
People Management		10
Governance Leadership		5
CORE OCCUPATIONAL COMPETENCIES (COC's)		
Moral competence		10
Planning and organising		10
Analysis and innovation		5
Knowledge and information Management		10
Communication		5
Results and quality focus		5
Total percentage		100%

- (8) Final Assessment scores shall be given according to each Key Performance Area either by working out a mean or by giving one final score to each KPA.
- (9) Final Assessment scores shall be awarded according to each Core Managerial Competency either by working out a mean or by giving one final score to each CMC.

EVALUATING PERFORMANCE

6. (1) The Performance Plan, attached hereto as Appendix "A", must set out the : -
- (a) the standards and procedures for evaluating the Employee's performance; and
 - (b) the intervals for the evaluation of the Employee's performance.
- (2) Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage during the validity of the Agreement of Employment.
- (3) Personal growth and development needs identified during any performance review discussion, as well as the actions and time frames agreed to, must be documented in a Personal Development Plan, which must be in a format substantially compliant with Appendix "B".

- (4) The Employee's performance will be measured in terms of contributions to the goals and strategies contemplated in the Employer's Integrated Development Plan.
- (5) The annual performance appraisal must involve–
- (a) an assessment of the achievement of results as outlined in the performance plan;
 - (b) 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;
 - (c) a rating on the five-point scale for each Key Performance Area; and
 - (d) the use of the applicable assessment rating calculator to add the scores and calculate a final Key Performance Area score.
- (6) The Core Management Criteria must be assessed–
- (a) according to the extent to which the specified standards have been met;
 - (b) with an indicative rating on the five-point scale for each Criteria; and
 - (c) by using the applicable assessment rating calculator to add the scores and calculating a final score.
- (7) An overall rating is calculated by using the applicable assessment-rating calculator, Which represents the outcome of the performance appraisal, provided that the performance assessment of the Employee will be based on the following rating scale for both Key Performance Indicators and Core Management Criteria:

Level	Terminology	Description Rating
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.
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.

- (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.

SCHEDULE FOR PERFORMANCE REVIEWS

- 7.(1) The performance of each Employee in relation to his or her performance agreement must be reviewed during–

- (a) July to September for the First quarter;
- (b) October to December for the Second Quarter;
- (c) January to March for the Third quarter
- (d) April to June for the Fourth quarter,

Provided that reviews in the first and third quarter may be verbal if performance is satisfactory.

- (2) The Employer must keep a record of all performance assessment meetings, and feedback must be based on the Employer's assessment of the Employee's performance.
- (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 must be consulted before any such change is made.
- (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.

OBLIGATIONS OF THE EMPLOYER

8. The Employer must–

- (a) create an enabling environment to facilitate effective performance by the Employee;
- (b) provide access to skills development and capacity building opportunities;
- (c) work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;

- (d) on the request of the Employee delegate such powers reasonably required by the Employee to enable him or her to meet the performance objectives and targets established in this Agreement; and
- (e) make available to the Employee such resources as the Employee may reasonably require from time to time to assist him or her to meet the performance objectives and targets established in this Agreement.

CONSULTATION

9. (1) The Employer agrees to consult the Employee timeously where the exercising of the powers will–
- (a) have a direct effect on the performance of any of the Employee's functions;
 - (b) commit the Employee to implement or to give effect to a decision made by the Employer; and
 - (c) have a substantial financial effect on the Employee.
- (2) The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in sub-clause (1) above, as soon as is practicable to enable the Employee to take any necessary action without delay.

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.
- (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, as per regulation 32(2) of the Regulations.
- (3) In the case of unacceptable performance, the Employer–

(a) must provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

(b) may, after appropriate performance counselling 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.

(4) The formula as reflecting in the municipal performance management policy and included in the automated performance management system shall be used to calculate total scores for awarding performance bonus: -

(5) The following formula shall be used to allocate the performance bonus after the total score has been calculated in accordance with section 10 (4) above:

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
129% to 100%	Not entitled to performance bonus
99% and below	Compulsory Performance Counselling

(6) The above mentioned formula in subsection 5 shall be normalised as follows:-

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

RANGE	SCORE	% Bonus
Between 130 and 149	149	9
	148	8.6
	147	8.4
	146	8.2
	145	8
	144	7.8

	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

	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

SUB-STANDARD / POOR PERFORMANCE MANAGEMENT

- 11. The parties must ensure that there is compliance with Chapter 3 of the Local Government: Disciplinary Regulations for Senior Managers, 2010
- 11.1 The procedures for dealing with substandard performance are meant or intended to:-
 - (a) Create an enabling environment to facilitate effective performance by the employee;

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- (b) Provide the employee with access to skills development and capacity building opportunities in order to promote efficient and effective performance;
 - (c) Provide remedial and developmental support to assist the employee to deal with substandard performance; and
 - (d) Ensure that the municipal council and the employee work collaboratively to generate solutions to problems and improve the performance of employees
- 11.2 The Code of Good practise provided for in Schedule 8 of the Labour Relations Act, 1995, constitutes part of the procedures in respect of poor performance.
- 11.3 The municipality will assess the employee's performance by considering the following:
- (a) the extent to which the substandard performance impacts on the work of the municipality and the achievement of municipal goals;
 - (b) the extent to which the employee fails to meet the required performance standards set by the municipal council;
 - (c) the extent to which the employee lacks the necessary skills, competencies and expertise to meet the performance objectives and targets for his/ her post as contained in the performance agreement; and
 - (d) the nature of the employee's work and responsibilities
- 11.4 If the municipality has reason/s to believe that the employee is not performing according to the minimum performance standards of his or her post, the Mayor in the case of the municipal manager or the municipal manager, in the case of manager directly accountable to the municipal manager or senior manager, in the case of a deputy senior manager, assistant manager or project manager must –
- (a) convene a meeting to give feedback to the employee on his or her performance;

- (b) furnish the employee with reasons why it is necessary to initiate the procedure as per clause 11.1
- 11.5 In the meeting contemplated in Clause 11.4 (1), the Mayor or the Municipal Manager or Senior Manager or a Deputy Senior Manager or Assistant Manager as the case may be, must –
- (a) explain the requirement, levels, skills and nature of the post;
 - (b) evaluate the employee's performance in relation to the performance agreement;
 - (c) explain the reasons why the performance is considered substandard; and
 - (d) afford the employee or his/ her representative an opportunity to respond to the performance outcomes referred to in sub-section (b)
- 11.6 After considering the employee's reasons, the Mayor or the Municipal Manager or Senior Manager or a Deputy Senior Manager or Assistant Manager as the case may be, if necessary -
- (a) initiate a formal programme of counselling and training to enable the employee to reach the required standard of performance, which must include –
 - (i) assessing the time that it will take for the employee to deal with substandard performance;
 - (ii) establish realistic timeframes within which the municipality will expect the employee to meet the required performance standards, which should not exceed six (6) months; and
 - (iii) identifying and providing appropriate training for the employee to reach the required standard of performance
 - (b) establish ways to address any factors that may affect the employee's performance that lie beyond the employee's control.

11.7 If the employee fails to meet the required performance standard for the post, after being subjected to a formal programme of counselling, and training as contemplated in sub-section 11.6 the –

- (a) Mayor or the Municipal Manager or Senior Manager or Deputy Senior Manager or Assistant Manager as the case may be, may –
 - (i) regularly evaluate the employee's performance;
 - (ii) provide further remedial or developmental support to assist the employee to eliminate the substandard performance
 - (iii) the implementation of sub-section 11.7 shall be ongoing for a period not exceeding four (4) months

11.8 If the employee's performance does not improve after he / she received appropriate performance counselling and the necessary support and reasonable time to improve his / her performance as contemplated in sub-section 11.7 or he / she refuses to follow formal programme of counselling and training

- (a) The Mayor or the Municipal Manager or Senior Manager or a Deputy Senior Manager or Assistant Manager as the case may be, must bring the allegations of substandard performance against the employee to the attention of the municipal council in the case of Municipal Manager or Manager directly reporting to the Municipal Manager or to the Municipal Manager in the case of Deputy Senior Manager or Assistant Manager or Project Manager in the form of a report.
- (b) The Mayor or the Municipal Manager or Senior Manager or Deputy Senior Manager or Assistant Manager as the case may be, must table the report before the municipal council or Municipal Manager not later than seven (7) days after receipt thereof, failing which the Mayor may request the Speaker to convene a special council meeting within seven (7) days to consider the said report.

11.9 If the municipal council or Municipal Manager is satisfied that sufficient evidence exist to institute disciplinary proceedings against the employee on the basis of the alleged substandard performance –

- (a) the municipal council must do so by way of a resolution; and
- (b) the Mayor in in the case of Municipal Manager, or the Municipal Manager in the case of the Manager directly reporting to the Municipal Manager, Deputy Senior Manager, Assistant Manager and Project Manager, must –
 - (i) furnish the employee with written reasons why it is necessary to initiate this procedure; and
 - (ii) invoke the provisions of Regulation 8 of the Local Government: Disciplinary Regulations for Senior Managers, 2010, which are also applicable to Deputy Senior Manager, Assistant Manager and Project Manager.

DISPUTE RESOLUTION

12.(1) Any disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods of assessment and or salary increment in the agreement, must be mediated by –

- (a) The Mayor, within thirty days of receipt of a formal dispute from the Employee, whose decision shall be final and binding to both parties
- (2) Any disputes about the outcome of the Employee's performance evaluation, must be mediated by–
 - (a) A member of the municipal Council, provided that such Councillor was not part of the evaluation panel contemplated in regulation 27(4)(e) of the Regulations, within thirty days of receipt of a formal dispute from the Employee, whose decision shall be final and binding on both parties.

GENERAL

- 13.(1) The Employer must make the contents of this Agreement and the outcome of any review conducted in terms of the Performance Plan available to the public as contemplated in section 46 of the Systems Act.

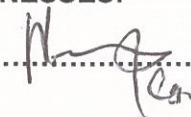
- (2) Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his or her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

- (3) The performance assessment results of the Municipal Manager must be submitted to the Member of the Executive Council responsible for local government in the Eastern Cape as well as the National Minister responsible for local government, within fourteen days after the conclusion of the assessment.

- (4) The employee is required to complete the Financial Disclosure Form as per Item 5 of the Code of Conduct for municipal staff members which is attached to this agreement as Appendix "C".

SIGNED AT KWABHACA ON THIS 19th DAY OF June 2019



AS WITNESSES:

- 1. 
- 2.



SIGNATURE OF THE EMPLOYER REPRESENTATIVE

AS WITNESSES:

- 1.  Y.H. MNGQONGWA
- 2.  W. Gwanya



SIGNATURE OF THE EMPLOYEE