

## **PERFORMANCE AGREEMENT**

**COMMENCING 01 JULY 2018**

**MADE AND ENTERED INTO BY AND BETWEEN**

### **THE COUNCIL OF THE NEWCASTLE MUNICIPALITY**

Herein represented by **Bhekani Errol Mswane**

in his duly authorised capacity as **Municipal Manager** of the **NEWCASTLE Municipality**

AND

\_\_\_\_\_  
**BHEKISISA ERIC HLONGWE**

**STRATEGIC EXECUTIVE DIRECTOR : BUDGET TREASURY OFFICE**

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## 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".

(2) Section 57(1)(b) of the Systems Act, read with the Memorandum of Agreement of Employment concluded between the parties, requires the parties to conclude an annual Performance Agreement. The employer must conclude a Performance Agreement within 60 days of assumption of duty and renew it annually within one month of the commencement of the beginning of the financial year.

(3) The parties will 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 IDP.

(4) The parties will 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 Memorandum of Agreement of Employment entered into between the parties;

**2.2** communicate to the Employee the Employer's performance expectations and accountabilities by specifying objectives and targets as defined in the IDP;

**2.3** specify accountabilities as set out in the Performance Plan (in a format substantially compliant with Appendix "A");

**2.4** monitor and measure performance against set targeted outputs;

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

**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 **01 JULY 2018** and will remain in force in line with Employment agreement until the **30 June 2019**, where after 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 if applicable.

**3.2** The parties will review the provisions of this Agreement during June each year and will conclude a new Performance Agreement (and Performance Plan and Personal Development Plan) that replaces this Agreement at least once a year but not later than one month after the commencement of the new financial year, in line with the Employment Agreement.

**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 abovementioned 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.

**3.6** Any significant amendments/ deviations referred to in 3.4 and 3.5 above must take cognisance of, where relevant, the requirements of sections 34 and 42 of the Systems Act, and must be done in terms of regulation 4 (5) of the Local Government: Municipal Performance Regulations for Municipal Managers and managers directly accountable to the Municipal Manager, 2006 ("the Regulations");

#### **4 PERFORMANCE OBJECTIVES**

**4.1** The Performance Plan (Appendix "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 Appendix "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.

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## 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 itself, 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 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** KPAs covering the main areas of work will account for 80% and CMCs will account for 20% of the final assessment.

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

**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 (Appendix "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	0%
Municipal Institutional Development and Transformation	5%
Local Economic Development (LED)	0%
Municipal Financial Viability and Management	85%
Good Governance and Public Participation	10%
Cross Cutting(Municipal Planning)	0%
<b>Total</b>	<b>100%</b>

**6.4** The Critical Leading Competencies (CLC) and Core Competencies requirements (CCR's) as per Annexure A of the Local Government : Competency Framework for Senior Managers will make up the other 20% of the Employee's assessment score. There is no hierarchical connotation and all competencies are essential to the role of a senior manager. All competencies must therefore be selected from the list below as agreed to between the Employer and Employee:-

<b>CRITICAL LEADING COMPETENCIES</b>		<b>WEIGHT</b>
<b>Strategic Direction and Leadership</b>	<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>	10%
<b>People Management</b>	<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>	10%
<b>Programme and Project Management</b>	<ul style="list-style-type: none"> <li>• Program and Project Planning and Implementation</li> <li>• Service Delivery Management</li> <li>• Program and Project Monitoring and Evaluation</li> </ul>	5%
<b>Financial Management</b>	<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>	40%
<b>Change Leadership</b>	<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>	10%
<b>Governance Leadership</b>	<ul style="list-style-type: none"> <li>• Policy Formulation</li> <li>• Risk and Compliance Management</li> <li>• Co-operative Governance</li> </ul>	5%
<b>CORE COMPETENCIES</b>		
<b>Moral Competence</b>		3%
<b>Planning and Organising</b>		3%
<b>Analysis and Innovation</b>		3%
<b>Knowledge and Information Management</b>		3%
<b>Communication</b>		3%
<b>Results and Quality Focus</b>		5%
<b>Total Percentage</b>		<b>100%</b>

## 7. EVALUATING PERFORMANCE

**7.1** The Performance Plan/scorecard (Appendix "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 (in a format substantially compliant with Appendix "B") 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.
- (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 7.5.1 above) 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. (Calculator available on DPLG website.)

In line with Provincial Cabinet resolutions as per Circular 7: 2018 from the Department of Co-operative Governance and Traditional Affairs, a performance bonus will not be recommended should the incumbent be held accountable for Unauthorised, irregular and fruitless and wasteful expenditure for the relevant financial year.



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.					
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 an evaluation panel constituted in terms of Regulation 27(4)(d)(e) and (f) will be established.

## **8. SCHEDULE FOR PERFORMANCE REPORTING, MONITORING, EVALUATION AND REVIEW**

**8.1** The performance of the Employee in relation to his performance agreement shall be monitored and evaluated on the following dates (in line with the Performance Management Framework – as amended) with the understanding that informal and formal evaluations will be documented for each quarter. Quarterly evaluations will be subject to an internal audit process being concluded. Monthly reporting may be verbal and informal for the purposes of identifying areas for corrective action and/or review. The first and third quarter may be verbal if performance is satisfactory:

<b>QUARTER</b>	<b>PERIOD</b>	<b>REVIEW TARGET DATE</b>	<b>Review type</b>
FIRST	July 2018	31 August 2018	Informal (Verbal)
	August 2018	30 September 2018	Informal (Verbal)
	September 2018	31 October 2018	Informal (Written)
SECOND	October 2018	30 November 2018	Informal (Verbal)
	November 2018	31 December 2018	Informal (Verbal)
	December 2018	31 January 2019	Informal (Written)
THIRD	January 2019	28 February 2019	Informal (Verbal)
	February 2019	31 March 2019	Informal (Verbal)
	March 2019	30 April 2019	Informal (Written)
Fourth /Annual	April 2019	31 May 2019	Informal (Verbal)
	May 2019	30 June 2019	Informal (Verbal)
	June 2019	31 July 2018	Informal (Written)
	Annual 2018/19	31 May 2019	Formal Evaluation Panel

**8.2** The Employer shall keep a record of the quarterly, mid-year review and annual assessment meetings.

**8.3** The Employee is responsible for maintaining a Portfolio of Evidence, which must be made available at the informal and formal evaluation sessions, and for audit purposes

**8.4** Performance scoring and feedback shall be based on the Employer's assessment of the Employee's performance against Actuals reported and evidence provided.

**8.5** The Employer will be entitled to review and make reasonable changes to the provisions of Appendix "A" in line with Mid Year Assessment for operational reasons. The Employee will be fully consulted before any such change is made.



**8.6** The Employer may amend the provisions of Appendix "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.

## **9. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Appendix "B". The PDP will be completed after the 1<sup>st</sup> quarter performance assessment, and quarterly assessments thereafter.

## **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 Employee.

**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**

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

**12.1.2** A performance bonus may be paid in terms of section 32(2) of the Local Government : Municipal Performance Regulations and any other policy of Council,

**12.2** In the case of unacceptable performance, the Employer must implement Procedures for dealing with substandard performance as prescribed in section 16 of the Local Government : Disciplinary Code and Procedures for Senior manager which is attached hereto as Appendix C.

### **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 salary increment in the agreement, must be mediated by –

**13.1.1** in the case of the Municipal Manager be mediated by the MEC for local government in the province, or any other person appointed by the MEC within thirty (30) days of receipt of a formal dispute from the employee; and

**13.1.2** in the case of Managers directly accountable to the Municipal Manager, the Mayor, within thirty (30) days of receipt of a formal dispute from the Employee;

***whose decision shall be final and binding on both parties.***

**13.2** Any disputes about the outcome of the employee's **performance evaluation**, must be mediated by -

**13.2.1** In the case of the Municipal Manager be mediated by the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee or any other person appointed by the MEC; and

**13.2.2.** In the case of Managers directly accountable to the Municipal Manager, a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the employee;

***whose decision shall be final and binding on both parties.***


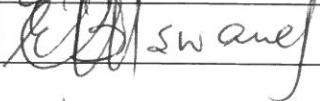
### **14. GENERAL**

**14.1** The contents of this agreement and the outcome of any review conducted in terms of Appendix "A" must be made available to the public by the Employer (MFMA, 2003 and Section 46 of the Systems Act, 2000).

**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.



**14.3** The performance assessment results of the Municipal Manager must be submitted to the MEC responsible for local government in the relevant province as well as the National Minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Signed and accepted B E HLONGWE	
Signed and accepted by B.E MSWANE	 swanej
Date Performance Plan signed	31/07/18
Witness Number One : Name and Signature	BONGWE MAKHANDA
Witness Number Two : Name and Signature	SHEUNA JHAIRGH FAKIR





**PERSONAL DEVELOPMENT PLAN**

**MUNICIPALITY:** NEWCASTLE MUNICIPALITY

**INCUMBENT:** B HLONGWE

**SALARY:**

**JOB TITLE:** SED: BTO

**REPORT TO:** MUNICIPAL MANAGER

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

**CRITICAL LEADING COMPETENCIES**

- Strategic Direction and Leadership
- People Management
- Programme and Project Management
- Financial Management
- Change Leadership
- Governance Leadership

**CORE COMPETENCIES**

- Moral Competence
- Planning and Organising
- Analysis and Innovation
- Knowledge and Information Management
- Communication
- Results and Quality Focus

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

**All the above**

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

Municipal Finance Management Programme- IN PROGRESS

**Please refer to No's 5 and 6 below**

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

Formal training

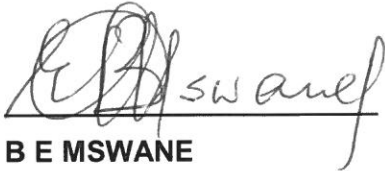
5. Indicate the competencies required for future career progression/development


None

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*SF* *BM*

6. Actions/Training interventions to address future progression <b>None</b>
7. Comments/Remarks of the Incumbent None
8. Comments/Remarks of the supervisor  _____ _____ _____ _____

**Agreed upon**

Signature:   
 Supervisor: **B E MSWANE**  
 Date: 31/07/18

Signature:   
 Incumbent: **B HLONGWE(Mr)**  
 Date: 30 June 2018

  
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NEWCASTLE MUNICIPALITY

PERFORMANCE PLAN 2018/19  
SED : BUDGET AND TREASURY OFFICE

SDBIP REFERENCE NUMBER	OSC REFERENCE NUMBER	NATIONAL KPA	IDP PRIORITY	OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2018/2019	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	WEIGHTING
CFD001	OSCG001	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To Report regularly on governance and related matters	Monthly Execution of Resolutions progress report submitted to as per resolution register to Municipal Manager	Output	Reports	New KPI	12	3	3	3	3	Quarterly	Proof of Submission to Municipal Managers Office, Monthly Execution of Resolutions report	
CFD002		GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To Report regularly on governance and related matters	Monthly Review by SED to implement departmental operational plans aligned to SDBIP's and Capital programme	Output	Reports	New KPI	12	3	3	3	3	Quarterly	Minutes of monthly review meetings on departmental operational plan	
CFD003	OSCG003	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To Report regularly on governance and related matters	Quarterly Progress report on implementation of Risk Management Strategies submitted to CRO	Output	Reports	New KPI	4	1	1	1	1	Quarterly	Proof of submission to CRO and monthly progress reports	10%
CFD004	OSCG004	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To Report regularly on governance and related matters	Quarterly Progress report on implementation of Oversight Report recommendations submitted to MPAC	Output	Reports	New KPI	4	1	1	1	1	Quarterly	Minutes of MPAC and Monthly progress reports	
CFD005	OSCG005	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To Report regularly on governance and related matters	Quarterly Progress reports on implementation of Management Action Plan to AG findings to CRO	Output	Reports	New KPI	4	1	1	1	1	Quarterly	Proof of submission to CRO and monthly progress reports	
CFD006	OSCTD002	MUNICIPAL INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To implement the IPMS Policy of Council	%age of employees appraised as per the individual's performance Management System	Output	Reports	New KPI	100%	100%	100%	100%	100%	Quarterly	Performance Plan by no later than 31 July 2018 Q2-Q4 Evaluation reports/ Evaluation records as submitted to Corporate Services	5%
CFD007		MUNICIPAL INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To comply with minimum competency requirements	Completion of MFMP programme	Outcome	Competency certificate	New KPI	Completion of MFMP programme	n/a	n/a	N/A	Completion of MFMP programme	Annual	MFMP competency certificate	
CFD008	OSCFM002	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To ensure implementation of capital programme	The percentage of a capital budget spent on capital projects identified in the municipality's integrated Development Plan	Output	Percentage	90%	90%	N/A	N/A	N/A	90%	Annual	Year to date (Month-end) expenditure reports from ETO.	
CFD009	OSCFM010	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To Report regularly on governance and related matters	Monthly Progress reports on the implementation of Revenue Enhancement Strategies submitted to relevant Portfolio Committee and Esco	Output	Reports	New KPI	12	3	3	3	3	Quarterly	Minutes of PFSC and Progress reports	

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NEWCASTLE MUNICIPALITY																	
PERFORMANCE PLAN 2018/19																	
SED : BUDGET AND TREASURY OFFICE																	
SDBIP REFERENCE NUMBER	OSC REFERENCE NUMBER	NATIONAL KPA	IDP PRIORITY	OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2018/2019	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	WEIGHTING
CFO010	OSCFM07	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	Achieve Value for money	To have an effective Supply Chain Management system in place.	Approved 2019/20 annual procurement plan by June 2019 by the Finance Portfolio Steering Committee	Output	Approved procurement plan aligned to the approved budget	New KPI	Approved 2019/20 annual procurement plan by June 2019 by the Finance Portfolio Steering Committee	N/A	N/A	N/A	Approved 2019/20 annual procurement plan by June 2019 by the Finance Portfolio Steering Committee	Annual	Minutes of PFSC and Approved Procurement Plan	
CFO011	OSCFM08	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	Achieve Value for money	To have an effective Supply Chain Management system in place.	%age Implementation of the procurement plan per quarter	Output	Percentage	New KPI	100%	100%	100%	100%	100%	Quarterly	Procurement plan progress report bid commitments and appointment letters	
CFO012	OSCFM09	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	Revenue enhancement	Facilitate the annual Review of the Revenue Enhancement Strategy	Annual Review of the Revenue Enhancement Strategy by June 2019	Output	Council Minutes and Approved Revenue Enhancement Strategy	Review the Revenue Enhancement Strategy by June 2019	Annual Review the Revenue Enhancement Strategy by June 2019	N/A	N/A	N/A	Annual Review the Revenue Enhancement Strategy by June 2019	Annual	Council resolution and Approved Revenue Enhancement Strategy	
CFO013	OSCFM10	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	Revenue enhancement	Report on the implementation of the Revenue Enhancement Strategy	Quarterly reporting on Revenue Enhancement Strategy	Output	Report to PFSC	New KPI	Quarterly reporting on Revenue Enhancement Strategy to PFSC	N/A	N/A	N/A	Quarterly reporting on Revenue Enhancement Strategy to PFSC	Quarterly	Revenue enhancement strategy, plan, progress report and calculation sheet	
CFO014	OSCFM17	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial management and good governance	To ensure compliance with the roll out of the MSCOA	% Compliance with MSCOA assessed by National Treasury as per quarterly requirements	Output	Percentage	TBD	100% Compliance with MSCOA assessment by National Treasury as per quarterly requirements	100% Compliance with MSCOA assessment by National Treasury as per quarterly requirements	100% Compliance with MSCOA assessment by National Treasury as per quarterly requirements	100% Compliance with MSCOA assessment by National Treasury as per quarterly requirements	100% Compliance with MSCOA assessment by National Treasury as per quarterly requirements	Quarterly	Assessment Report from National Treasury	
CFO015	OSCFM03	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	To improve credit control processes by sending out sms, calling of defaulting customers	%age of defaulting customers (excluding indigent) to be contacted at least monthly via sms, calling	Output	Percentage	New KPI	75% of defaulting customers (excluding indigents) to be contacted at least monthly via sms, calling	75% of defaulting customers (excluding indigents) to be contacted at least monthly via sms, calling	75% of defaulting customers (excluding indigents) to be contacted at least monthly via sms, calling	75% of defaulting customers (excluding indigents) to be contacted at least monthly via sms, calling	75% of defaulting customers (excluding indigents) to be contacted at least monthly via sms, calling	Quarterly	List of defaulting customers. List of sms sent out per system, register of site visits performed, record of calls made	
CFO016	OSCFM04	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure effective and efficient billing and revenue collection processes.	To promote and / benefit by ensuring that all indigent account holders are eligible for the support.	Annual review of the indigent register by 30 June 2019	Output	Verification report	Verified indigent report by June 2018	Annual review of the indigent register at 30 June 2019	Annual review of the indigent register by a third party (service provider)	Annual review of the indigent register at 30 June 2019	Annual review of the indigent register at 30 June 2019	Annual review of the indigent register at 30 June 2019	Quarterly	Quarter 1: Verification report including meeting minutes and list of indigents to Portfolio Committee. Quarter 2 & 3:	
CFO017	OSCFM05	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	Improve the payment factor by at least 2 percentage basis points annually (by June of every year)	To promote and / benefit by ensuring that all indigent account holders are eligible for the support.	Increase of payment factor by 2 percentage basis point by 30 June 2019	Output	Percentage	79%	81%	79.5%	80%	80.5%	81%	Quarterly	Payment factor report submitted to finance Portfolio Committee and portfolio minutes	
CFO018	OSCFM01	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To improve access to basic services	To improve indigent benefit by ensuring that all indigent are eligible for the support and to eradicate a culture	The percentage of households earning less than R1100 per month with access to free basic services; (R3500 as per the approved Newcastle Indigent Policy)	Output	Percentage	22% (19 487/90347-100)	20%	20%	20%	20%	20%	Quarterly	Indigent register at end of quarter together with STATS SA information	

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SED : BUDGET AND TREASURY OFFICE																	
SDBP REFERENCE NUMBER	OSC FMO NUMBER	NATIONAL KPA	IDP PRIORITY	OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE 2018/2019	ANNUAL TARGET 2018/2019	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	WEIGHTING
CFO019	OSCFM014	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and fiscal good governance	To ensure efficient and effective implementation of financial internal controls	Financial viability in terms of debt coverage	Output	Percentage	6%	5%	N/A	N/A	N/A	5%	Annual	Loan repayment schedule and Section 71 Reports	
CFO020	OSCFM015	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and fiscal good governance	To ensure efficient and effective implementation of financial internal controls	Financial viability in terms of cost coverage	Output	number of Months	1 Month	1 Month	N/A	N/A	N/A	1 Month	Annual	Bank Statement, Investment Schedule and Section 71 Reports	
CFO021	OSCFM016	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and fiscal good governance	To ensure efficient and effective implementation of financial internal controls	Financial viability in terms of outstanding service debtors	Output	Percentage	85%	85%	n/a	n/a	n/a	85%	Annual	Calculation support proof of total receipts for the year and the total debtors outstanding at year end (Audited AFS)	85%
CFO022	OSCFM011	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and fiscal good governance	To ensure efficient and effective implementation of financial internal controls	% compliance with MFMA reporting obligations as per MFMA calendar	Output	Percentage	100%	100% compliance with MFMA reporting obligations as per MFMA calendar	100% compliance with MFMA reporting obligations as per MFMA calendar	100% compliance with MFMA reporting obligations as per MFMA calendar	100% compliance with MFMA reporting obligations as per MFMA calendar	100% compliance with MFMA reporting obligations as per MFMA calendar	Quarterly	National Treasury Compliance Report	
CFO023	OSCFM008	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and fiscal good governance	Review the financial policies to ensure sound financial and fiscal management and fiscal good governance	Number of Financial policies reviewed by May 2019	Output	Council resolution and Approved policies	Approved by 30 May 2018	16 policies submitted to council for final approval by 31 May 2018	16 policies submitted to council for final approval by 31 May 2018	16 policies submitted to council for final approval by 31 May 2018	16 policies submitted to council for final approval by 31 May 2018	16 policies submitted to council for final approval by 31 May 2018	Bi-Annual	Council resolution and approved policies	
CFO024	OSCFM012	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and fiscal good governance	To ensure efficient and effective implementation of financial internal controls	Approval of Annual Budget for 2019/20	Output	Council Resolution and Approved Budget	Approved budget for 2018/19 by 31 May 2018	Approval of Annual Budget for 2019/20 by 31 May 2019	Tableting of Draft Annual Budget for 2019/20 by March 2019	Approval of Annual Budget for 2019/20 by 31 May 2019	Approval of Annual Budget for 2019/20 by 31 May 2019	Approval of Annual Budget for 2019/20 by 31 May 2019	Bi-annual	Council resolution	
CFO025	OSCFM013	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and fiscal good governance	To ensure efficient and effective implementation of financial internal controls	Approval of Adjustment Budget by 28 February 2019	Output	Council Resolution and Approved adjusted Budget	Approved Adjustment Budget by 28 February 2018	Approval of Adjustment Budget by 28 February 2019	Approval of Adjustment Budget by 28 February 2019	Approval of Adjustment Budget by 28 February 2019	Approval of Adjustment Budget by 28 February 2019	Approval of Adjustment Budget by 28 February 2019	Annual	Council resolution	

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SED : BUDGET AND TREASURY OFFICE																	
SOBIP REFERENCE NUMBER	OSC REFERENCE NUMBER	NATIONAL KPA	IDP PRIORITY	OBJECTIVE	STRATEGIES	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2018/2019	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	WEIGHTING
CFO026		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	Approval of Mid-year budget review by 31 January 2019	Output	Approved mid-year budget review 25 January 2018	Approved mid-year budget review by 25 January 2018	Approval of Mid-year Budget review by 31 January 2019	N/A	N/A	Approval of Mid-year budget review by 31 January 2019	N/A	Annual	Council resolution	
CFO027		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	Submission of Annual Financial Statements to Auditor-General on or before 31 August 2018	Output	Proof of submission of Annual Financial Statements	Submitted Annual Financial Statements August 2017	Proof of submission of AFS by 31 August 2018	Submission of Annual Financial Statements to Auditor-General on or before 31 August 2018	N/A	N/A	N/A	Annual	Proof of submission from Auditor-General	
CFO028		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management /Viability	To ensure sound financial and fiscal management and good governance	To ensure efficient and effective implementation of financial internal controls	Monthly Section 71 reports to the Mayor, National and Provincial Treasurers within 10 working days of each month.	Output	Proof of submission to the Mayor	12	12	3	3	3	3	Monthly	Proof of submission to the Mayor	
CFO029	OSCBS015	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Basic Service Delivery and Infrastructure	To ensure an effective fleet management system	To develop and/or review fleet management policy and fleet replacement plan	Approved Fleet Management Policy by March 2019	Output	Minutes approving Fleet Management Policy	New KPI	Approved Fleet Management Policy by March 2019	N/A	N/A	Approved Fleet Management Policy by March 2019	N/A	Annual	Approved Fleet Management Policy & Council Minutes	
CFO030	OSCBS016	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Basic Service Delivery and Infrastructure	To ensure an effective fleet management system	To develop and/or review fleet management policy and fleet replacement plan	Annual Review of Fleet Replacement Plan by March 2019	Output	Approved Vehicle Replacement Plan	2016/17 Replacement Plan	Annual Review of Fleet Replacement Plan by March 2019	N/A	N/A	Annual Review of Fleet Replacement Plan by March 2019	N/A	Annual	Approved Fleet Replacement Plan by Municipal Manager/Escocourell	
CFO031		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To ensure effective internal controls for the department	Development of	%age of Standard Operating Procedures finalised/reviewed against predetermined functions of the unit	Output	%age	New KPI	100%	100%	N/A	N/A	N/A	Annual	SOP's as signed off by SED against identified functions of the department	
CFO032		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To ensure positive audit outcomes for the department	Implementation of effective systems to contribute towards a positive audit outcomes	Retention of an 'Unqualified Audit Opinion' by Auditor-General for the department.	Output	Audit Outcome	Unqualified Audit Opinion by AG	Retention of an 'Unqualified Audit Opinion' by Auditor-General for the department.	N/A	N/A	N/A	N/A	Annual	AG report for 2017/18 financial year	
CFO033		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To ensure the development and implementation of effective internal controls	Implementation of effective systems to contribute towards a positive audit outcomes (Records Management)	Development and/or review of Standard Operating Procedures for the department as aligned to the SOP from Corporate Services (Central Registry) by 30 June 2019	Output	Standard Operating Procedure	Draft SOP by Corporate Services	Retention of an 'Unqualified Audit Opinion' by Auditor-General for the department as aligned to the SOP from Corporate Services (Central Registry)	N/A	N/A	N/A	and/or review of Standard Operating Procedures for Records Management for the department as aligned to the SOP from Corporate Services (Central)	Annual	SOP as signed off by SED	

NEWCASTLE MUNICIPALITY

PERFORMANCE PLAN 2018/19

SED : BUDGET AND TREASURY OFFICE

SDBP REFERENCE NUMBER	OSC REFERENCE NUMBER	NATIONAL KPA	IDP PRIORITY	OBJECTIVE	STRATEGIES	KPI LAZED TO (3%)	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2018/2019	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	WEIGHTING
CFO034		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To ensure the departmental implementation of effective internal controls	Implementation of effective systems to contribute towards a positive audit outcomes (Unauthorised, irregular and fruitless and wasteful expenditure)		%age Compliance with SCM Regulations and Policy within department	Outcome	Compliance report by BTO	New KPI	100%	n/a	100%	100%	100%	Quarterly	Quarterly compliance report prepared by BTO (SCM Unit)	

*[Signature]*

Signed : B Hlongwe

*[Signature]*

Signed : B E Mawane

BONGIWE MAKHANJA

Witness 1 :

SHELINA JHAIRGH FAKIR

Witness 2 :

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*[Handwritten mark]*

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