

Annexure A

(to Memorandum of Agreement of Employment)

PERFORMANCE AGREEMENT

COMMENCING 01 July 2018

MADE AND ENTERED INTO BY AND BETWEEN

THE COUNCIL OF THE NEWCASTLE MUNICIPALITY

Herein represented by **Eric Makhosini Nkosi**

in his duly authorised capacity as **Mayor** of the **NEWCASTLE Municipality**

AND

B E MSWANE

MUNICIPAL MANAGER

BE Makhosini Nkosi
2018

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	25%
Municipal Institutional Development and Transformation	5%
Local Economic Development (LED)	5%
Municipal Financial Viability and Management	35%
Good Governance and Public Participation	20%
Cross Cutting	10%
Total	100%

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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:-

CRITICAL LEADING COMPETENCIES		WEIGHT
Strategic Direction and Leadership	<ul style="list-style-type: none"> • Impact and Influence • Institutional Performance Management • Strategic Planning and 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%
Programme 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 Monitoring 	10%
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 • Co-operative Governance 	10%
CORE COMPETENCIES		
Moral Competence		10%
Planning and Organising		5%
Analysis and Innovation		5%
Knowledge and Information Management		5%
Communication		5%
Results and Quality Focus		10%
Total Percentage		100%

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:

QUARTER	PERIOD	REVIEW TARGET DATE	Review Type
First	July 2018 to September 2018	31 October 2018	Informal (Verbal)
Second	October 2018 to December 2018	31 January 2019	Informal (Written)
Third	January to March 2019	30 April 19	Informal (Verbal)
Fourth	April 2015 to June 2018	31 July 2019	Informal (Written)
Annual	July 2018 to June 2019	31 May 2019 <i>2020</i>	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 1st quarter performance assessment, and quarterly assessments thereafter.

10. OBLIGATIONS OF THE EMPLOYER

10.1 The Employer shall –

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- 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;

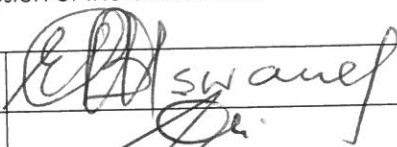
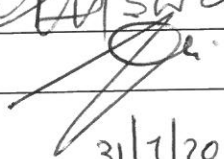


whose decision shall be final and binding on both parties.

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 BE MSWANE	
Signed and accepted by E. M NKOSI	
Date Performance Plan signed	31/7/2018
Witness Number One : Name and Signature	N-Ticka-Lugunanani 
Witness Number Two : Name and Signature	BONGINE MAKHANYA 

APPENDIX B
(TO THE PERFORMANCE AGREEMENT)

PERSONAL DEVELOPMENT PLAN

MUNICIPALITY: NEWCASTLE MUNICIPALITY

INCUMBENT: B E MSWANE

SALARY:

JOB TITLE: MUNICIPAL MANAGER

REPORT TO: MAYOR

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.)


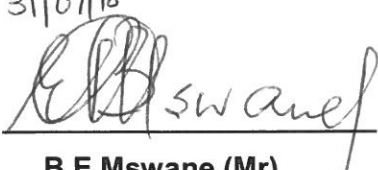
Not applicable

Please refer to No's 5 and 6 below

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

5. Indicate the competencies required for future career progression/development Ongoing leadership training and skills improvement, Master in Public Administration as an when necessary, ongoing training on new legislation
6. Actions/Training interventions to address future progression Ongoing leadership training and skills improvement, Master in Public Administration as an when necessary, ongoing training on new legislation
7. Comments/Remarks of the Incumbent None
8. Comments/Remarks of the supervisor

Agreed upon

Signature: 
Supervisor: **MAYOR – CLLR EM NKOSI**
Date: 31/07/18
Signature: 
Incumbent: **B E Mswane (Mr)**
Date: 2018/07/31



NEWCASTLE MUNICIPALITY														
PERFORMANCE PLAN 2018/19														
MUNICIPAL MANAGER														
REFERENCE NUMBER	OSC REFERENCE NUMBER	NATIONAL KPA	IDP PRIORITY	OBJECTIVE	STRATEGIES	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2018/2019	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	WEIGHTING
MM001	OSCBS007	BASIC SERVICE DELIVERY	Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal)	To create a safe and healthy environment	To provide a refuse removal service to the Newcastle Community	BS4.2.1	%age of households with access to basic level solid waste removal	OUTPUT	Percentage	65.90%	65.90%			5.0%
MM002	OSCBS018	BASIC SERVICE DELIVERY	Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal)	To facilitate the provision of sustainable human settlements in line with the national and provincial norms and standards.	To reduce housing backlog to meet the provincial and national targets	BS5.2.1	Number of Top-structures built in a year	Output	Number	tbc	400	Bi-annual	Progress Reports and D6 Certificates	5%
MM003	OSCBS002	BASIC SERVICE DELIVERY	Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal)	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality.	Increase number of households with access to basic potable (drinkable) water.	BS2.1.1	% Of households with access to a basic level of water	Output indicator	Percentage (%)	93.40%	93.40%	Annual	Progress report based on Stats SA census figures, BTO reports on new connections OR supported by completion certificates and final payment certificates/invoices signed by the Director and SED	5.0%
MM004	OSCBS003	BASIC SERVICE DELIVERY	Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal)	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality	Increase number of households with access to basic sanitation.	BS2.2.1	% Of households with access to a basic level of sanitation	Output indicator	Percentage (%)	80.60%	81.05%	Annual	Progress report based on Stats SA census figures, BTO reports on new connections OR supported by completion certificates and final payment certificates/invoices signed by the Director and SED	5.0%
MM005	OSCBS014	BASIC SERVICE DELIVERY	Improved access to basic service delivery (i.e. Water, sanitation, electricity, housing, waste removal)	To ensure access to electricity within the Newcastle Licence area	To provide electricity within the Newcastle Municipality Licensed Areas.	BS7.2.1	Percentage of households with access to a basic level of electricity	OUTPUT	Percentage	95.00%	95%	Annual	BTO and progress reports against Stats SA census information	5.0%
MM006	OSCCC006	CROSS CUTTING	Spatial and environmental sustainability	To promote spatial restructuring and integration	Development of municipal SDF in line with the 4th Generation of IDP	CS4.3.1	Approved Spatial Development Framework by 31 May 2018	Output	Approved SDF	Newcastle SDF	Approved Spatial Development Framework by 31 May 2019	Annual	Council Resolution and Approved SDF	5%
MM007	OSCGG026	CROSS CUTTING	GOOD GOVERNANCE	To ensure the development and the maintenance of credible IDP	To develop IDP in line with 4th generation guide packs / guidelines	GS14.1.1	Review and Adoption of IDP by 31 May 2019	OUTPUT	Adopted IDP	Adoption of IDP by 31 May 2019 for implementation on the next financial year.	Review and Adoption of IDP by 31 May 2019	Quarterly	Q1 : Approved Process Plan , Q2 N/A, Q3 Draft IDP, Q4 Council Resolution	5%
MM008		GOOD GOVERNANCE	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability To facilitate good governance by providing assurance to council on internal controls, risk management and governance processes.	To Report regularly on governance related matters		Quarterly Review of performance information of Section 56/57 managers	Output	Reports	New KPI 4	4	Quarterly	Minutes of monthly review meetings on departmental operational plan	2.5%
MM009		GOOD GOVERNANCE	Accelerated Municipal Transformation and Corporate Development		Providing recommendations and advice to management to improve internal controls, risk management and governance processes.		Number of audit committee meeting convened	Output	Number		4		Audit committee minutes and agenda of meetings	5.0%

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PERFORMANCE PLAN 2018/19														
MUNICIPAL MANAGER														
REFERENCE NUMBER	OSC REFERENCE NUMBER	NATIONAL KPA	IDP PRIORITY	OBJECTIVE	STRATEGIES	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2018/2019	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	WEIGHTING
MM010	OSCG0024	GOOD GOVERNANCE	Accelerated Municipal Transformation and Corporate Development	To promote good governance through the Annual performance reporting process	To ensure compliance with Annual performance Reporting process	GG12.1.1	Annual Performance Report submitted to the Auditor-General by 31 August 2018	Output Indicator	Reports	Performance report submitted to AG on the 31	Annual Performance Report submitted to the Auditor-General by 31 August 2018	Annual	Acknowledgement of receipt from AG	5.0%
MM011	OSCG0025	GOOD GOVERNANCE	Accelerated Municipal Transformation and Corporate Development	To promote good governance through the Annual performance reporting process	To ensure compliance with Annual report process	GG13.1.1	Tabling of Annual Report to Council by 31 January 2019 and Approval of Annual Report by 31 March 2019	Output Indicator	Reports	Approved Annual Report by Council 31 March 2018	Tabling of Annual Report to Council by 31 January 2019 and Approval of Annual Report by 31 March 2019	Annual	Council Resolution and Approved Annual Report	2.5%
MM012		GOOD GOVERNANCE	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	Outcome	Audit Outcome	Unqualified Audit Opinion by AG	Retention of an 'Unqualified Audit Opinion' by Auditor-General for the department	Annual	AG report for 2017/18 financial year	2.5%
MM013		GOOD GOVERNANCE	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 Procedure relating to Records Management by 30 June 2019	Output	Standard Operating Procedure	Draft SOP by Corporate Services	Development and/or review of Standard Operating Procedure relating to Records Management by 30 June 2019	Annual	SOP as signed off by SED	2.5%
MM014	OSCLE0013	LOCAL ECONOMIC DEVELOPMENT	Local Economic Development (eradication of poverty and unemployment)	To promote economic development that will result in sustainable job creation	Provide economic data	EO1.1.1	The Number of jobs created through municipality's local economic development initiatives including capital projects	Output	Number	700	1968	Annual	Progress Report to Portfolio Committee	5%
		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				FV2.1.1	The percentage of a capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated Development Plan	Output	Percentage	90%	90%	Annual	Year to date (Month-end) expenditure reports from BTO.	5%
MM015	OSCFM002	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Accelerated Municipal Transformation and Corporate Development	To ensure good governance and accountability	To ensure implementation of capital programme	FV5.1.1	Increase of payment factor by 2 percentage basis point by 30 June 2019	Output	Percentage	79%	81%	Quarterly	Payment factor report submitted to finance Portfolio Committee and portfolio minutes	5%
MM016	OSCFM005	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 / improve indigent subsidy and / benefit by ensuring that all indigent account holders are eligible for the support	FV1.1.1	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% (18000/90347*100)	Quarterly	Indigent register at end of quarter together with STATS SA information	2.50%
MM017	OSCFM001	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management / Viability	To improve access to basic services	To promote and / improve indigent subsidy and / benefit by ensuring that all indigent are eligible for the support and to eradicate a culture of non payment	FV9.1.4	Financial viability in terms of debt coverage	Output	Percentage	6%	5%	Quarterly	Loan repayment schedule and Section 71 Reports	2.50%
MM018	OSCFM014	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	FV9.1.5	Financial viability in terms of cost coverage	Output	number of Months	1 Month	1 Month	Annual	Bank Statement, Investment Schedule and Section 71 Reports	2.50%
MM019	OSCFM015	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			Output				Annual		

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NEWCASTLE MUNICIPALITY

PERFORMANCE PLAN 2018/19

MUNICIPAL MANAGER

REFERENCE NUMBER	OSC REFERENCE NUMBER	NATIONAL KPA	IDP PRIORITY	OBJECTIVE	STRATEGIES	KPI No. LINKED TO IDP	KEY PERFORMANCE INDICATOR	KPI TYPE (INPUT, OUTPUT, OUTCOME, PROCESS)	UNIT OF MEASURE	BASELINE	ANNUAL TARGET 2018/2019	FREQUENCY OF REPORTING	PRIMARY SOURCE OF EVIDENCE	WEIGHTING
MM020	OSCFM016	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	FV9.1.6	Financial viability in terms of outstanding service debtors	Output	Percentage	85% annual budget for 2018/19 by	88%	Annual	Calculation support proof of total receipts for the year and the total debtors outstanding at year end (Audited AFS)	2.50%
MM021	OSCFM012	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	FV9.1.2	Approval of Annual Budget for 2019/20 by 31 May 2019	Output	Resolution and Approved Budget	Approval of Annual Budget for 2019/20 by 31 May 2019		Bi-annual	Council resolution	5%
MM022	OSCFM013	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	FV9.1.3	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	Annual	Council resolution	2.5%
MM023		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 by 31 August 2017	Proof of submission of AFS by 31 August 2018	Annual	Proof of submission from Auditor-General	5%
MM024		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Sound Financial Management/Viability	To ensure the development and 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	Outcome	Compliance report by BTO	New KPI	100%		Quarterly compliance report as issued by BTO (SCM Unit)	2.5%
MM025	OSCTD002	MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	Accelerated Municipal Transformation and Corporate Development	To achieve equity in the workplace by promoting equal opportunities and fair treatment	To ensure compliance with Employment Equity Act at all levels	IT2.1.1	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan	OUTPUT	Number	18	32	Annual	Employment Equity Report and appointment letters	5%

Signed : BE MSWANE

Signed : Mayor E M Nkosi

Witness 1 :

Witness 2: