



PERFORMANCE AGREEMENT

THOZAMILE FUNDILIZWE FUNANI

ACTING SENIOR MANAGER: CORPORATE SERVICES

2024-2025

UPHUHLISO KUMNTU WONKE



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN

UMZIMVUBU LOCAL MUNICIPALITY

Herein represented by **TOBELA GLOSTONE NOTA** in her duly authorized capacity
MUNICIPAL MANAGER as of UMZIMVUBU LOCAL MUNICIPALITY

AND

TOZAMILE FUNDILIZWE FUNANI

Hereinafter referred to as **EMPLOYEE** in his capacity as duly appointed as **SENIOR
MANAGER CORPORATE SERVICES** the municipality for the period of **01 July 2024
to 30 AUGUST 2024**

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), 57(4B), 57 (c) 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 *TOZAMILE FUNDILIZWE FUNANI*

“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 evaluation organizational and its individual performance against 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 2024 and will remain in force until 30 August 2024 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
Municipal Institutional Development and Transformation	85
Local Economic Development	10
Municipal Financial Viability and Management	
Good Governance and Public Participation	
Basic Service Delivery	5
Spatial Development	
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 (12) of them should be selected from the list below including the compulsory CMC s as agreed to between the Employer and Employee.

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (20% of Total)		
CORE MANAGERIAL COMPETENCIES (CMC's)	√	WEIGHT
Strategic Direction and Leadership	√	5
Programme and Project Management	√	10
Financial Management	√	5
Change Management	√	10
People Management	√	10
Governance Leadership	√	5
CORE OCCUPATIONAL COMPETENCIES (COC's)		
Moral Competence	√	5
Planning and Organising	√	10
Analysis and Innovation	√	10
Knowledge and Information Management	√	10



Communication	√	10
Results and quality focus	√	10
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 CCR.

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) January to March for the Third quarter
 - (b) 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 following formula shall be used to calculate total scores for awarding performance bonus: -
- i) (a) $\text{Weight} \times \text{Final score per KPA} = V \times 80\%$ (for KPA) = score for each KPA
- (b) Add up all KPA scores to get a total sum = W
- ii) (a) $\text{Weight} \times \text{Final score per CMC} = Y \times 20\%$ (for CMC) = score for each CCR
- (b) Add up all CCR scores to get a total sum = Z
- III) $W + Z = \text{Total score (percentage)}$
- (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
100% and below	Compulsory Performance Counselling



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

RANGE	SCORE	% Bonus
<u>150 AND ABOVE</u>	164 and above	14
	163	13.705
	162	13.42
	161	13.135
	160	12.85
	159	12.565
	158	12.28
	157	11.995
	156	11.71
	155	11.425
	154	11.14
	153	10.855
	152	10.57
	151	10.285
	150	10

RANGE	SCORE	% Bonus
Between 130 and 149	149	9
	148	8.6
	147	8.4
	146	8.2
	145	8
	144	7.8
	143	7.6
	142	7.4
	141	7.2
	140	7
	139	6.8
	138	6.6
	137	6.4
	136	6.2
	135	6
	134	5.8



	133	5.6
	132	5.4
	131	5.2
	130	5

SUB-STANDARD / POOR PERFORMANCE MANAGEMENT

11. (a) All endeavors shall be made to provide support in the form of guidance, training and counselling to the employee when displaying signs of sub-standard performance.
- (b) The employee shall be given adequate period ranging from four months to six months to improve performance.
- (c) Unequivocal performance targets with a succinct action plan shall be drawn up for the employee with clear results to be achieved.
- (d) The time needed for an employee to improve his/ her performance shall be dictated by the nature and level of the job.

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.



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 KwaZulu ON THIS 10 July DAY OF **2024**

AS WITNESSES:

1. [Signature]
2. [Signature]

[Signature]
SIGNATURE OF THE EMPLOYER REP.

AS WITNESSES:

1. [Signature]
2. [Signature]

[Signature]
SIGNATURE OF THE EMPLOYEE REP.



Key Performance Area	Employee name and surname	Mr. Tozamile Fundilizwe Funani				Authorised signature on behalf of the employer		Date	
	Job title	Acting Senior Manager: Corporate services				Employee's signature		Date	10/7/24
	Employee no.					Financial Year	2024/2025		10 July 2024
	Department	Corporate Services Department							
	Programme/Project	KPI	Baseline	Budget amount	calculation type	Weight	Sources of evidence	Annual Target	
Basic Service Delivery	Internet of Things - 4th Industrial Revolution - Free Wi-Fi for one ward installed	Number of Wards with installed Free Wi-Fi	1	R 1 500 000	Stand-Alone	5%	Invoice, Close out report, pictorial evidence	1	<div>Dec</div> <div>N/A</div> <div>Sep</div> <div>N/A</div> <div>Mar</div> <div>Develop TOR and submission to SCM Ward</div> <div>Jun</div> <div>Wi-Fi installation in One Ward</div>
Local Economic Development	Scaree skills bursary	Number of students allocated with bursaries for scarce skills	10	R 1 062 893	Stand-Alone	5%	Signed study agreements and proof of payments	10	<div>N/A</div> <div>N/A</div> <div>10 students subsidized with bursary for scarce skills</div>
Local Economic Development	Career Pathing	Number of Career Exhibitions co-ordinated for Grade 12 Learners	1	R 1 300 000	Stand-Alone	5%	Career Pathing Report and register	1	<div>N/A</div> <div>N/A</div> <div>Conduct on Career Expo for Grade 12 Learners</div> <div>N/A</div>
Institutional Transformation Development	Strategic Planning Sessions coordinated	Number of Strategic Planning Sessions Coordinated	4	R60 000.00	Accumulative	5%	Attendance Register, Strategic planning report	4	<div>N/A</div> <div>2</div> <div>2</div> <div>N/A</div>
Institutional Transformation Development	Capacity Building Councilors and Employees trainings	Number of trainings coordinated for Councilors and Employees in terms of 'WSP	15	R1 600 000.00	Accumulative	30%	Report on trainings, attendance register	15	<div>4</div> <div>4</div> <div>4</div> <div>3</div>
Institutional Transformation Development	Departmental Events Coordinated	Number of departmental Events Coordinated	8	R3 265 636.00	Accumulative	25%	Attendance Register, report on event/ pictorial evidence	8	<div>1 Event (Awareness Program on Labour Relations)</div> <div>2 (Employee Excellency, Wellness Day)</div> <div>3 (Career Expo, Information Sharing, Prayer Day)</div> <div>2 (Wellness Day, Schools IT Development)</div>
Institutional Transformation Development	Internal Bursary for ULM Employees	Number of employees awarded with internal bursary	20	R1 000 000	Stand-Alone	25%	Report on internal bursary holders, copy of Agreement between ULM and Learner, proof of payment to students	20	<div>N/A</div> <div>N/A</div> <div>N/A</div> <div>20</div>
						100%			