

Ingquza Hill Local Municipality

Performance Agreement

Made by and entered into between

**Ingquza Hill Local Municipality
("the employer")**

**Represented by the Mayor, Councillor Nonkosi Pepping, duly
authorized in terms of Section 57 (2) (c) of the Local Government: Municipal
Systems Act No. 32 of 2000**

and

**Vellie Castro Makedama
("The Municipal Manager")**

**In his capacity as the accounting officer and the municipal administrative head
of Ingquza Hill Local Municipality**

FINANCIAL YEAR: 2025/2026 FY

ACRONYMS

SDBIP	Service Delivery and Budget Implementation Plan
BEE	Black Economic Empowerment
EXCO	Executive Committee
HOD	Head of Department
IDP	Integrated Development Plan
LED	Local Economic Development
MFMA	Municipal Finance Management Act, No. 56 of 2003
KPA	Key Performance Area
KPI	Key Performance Indicators
CCR	Core Competency Requirements
RSA	Republic of South Africa
SCM	Supply Chain Management
NEDLAC	National Economic Development and Labour Council
PIMS	Planning Implementation and Management Support
PDP	Personal Development Plan
PA	Performance Agreement
PP	Performance Plan
OPMS	Organizational Performance Management System

DEFINITIONS

Ruling Language - Refers to the language parties to the contract choose to use as a medium for formal communication between themselves.

Financial Year Refers to the 12-month period which the organization determines as its budget year.

GENERAL PROVISIONS

I. INTRODUCTION

- 1.1 The Council has entered a contract of employment with the Municipal Manager for a Period of five (5) years, ending on **31 October 2027**, in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 (The Systems Act").
- 1.2 Section 57(1) (b) of the Municipal Systems Act, read with the contract of employment concluded between the parties, requires the parties to conclude an annual performance agreement. The parties hereby agree to have this contract developed in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Municipal Manager reporting to the Council represented by the Mayor, to a set of actions that will secure local government policy goals.
- 1.4 This performance contract is between **Velle Castro Makhedama**, the Municipal Manager, and **Inguza Hill Local Municipality**, represented by **Councillor Nonkosi Pepping**, the Mayor. It is for the 2025/2026 financial year only. The expected performance reflected in this contract is based on the five-year Integrated Development Plan as reviewed and revised in 2025, and the 2025/2026 FY Service Delivery and Budget Implementation Plan. The two aforementioned documents have been adopted as the working documents of Inguza Hill Local Municipality and therefore shall be the basis of the performance assessment.

2. STRATEGIC OBJECTIVE

Over the period of his employment, the municipal manager shall bear the overall responsibility of driving the Integrated Development Plan, making an assurance that its strategic objectives are achieved. As the accounting officer of the municipality, the municipal manager has a responsibility to ensure that the municipal Organizational Performance Management System is driving the municipality towards the creation of the community portrayed by the municipality.

3. SCHEDULE FOR PERFORMANCE REVIEWS

3.1 The performance of the Employee in relation to his or her performance agreement must be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

Quarter	Review Period	Review to be completed by
1	July- Sep	October (informal)
2	Oct- Dec	January- February (Formal)
3	Jan- March	April (informal)
4	April- June	July- August (formal)

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

3.2.1 The Employer must keep a record of the mid-year review and annual assessment meetings, and feedback must be based on the Employer's assessment of the Employee's performance.

3.2.2 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.

3.2.3 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.

4. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT

If the municipality achieves outstanding performance, he shall qualify for the annual performance bonus in accordance with the contract of employment, as entered into between the Mayor (for the Employer) and the Municipal Manager on **01 November 2022**, as well as the results of the performance evaluation agreed to in this contract. The acceptability of the level of performance or otherwise shall be determined and declared by the performance evaluation team in accordance with the provision of this agreement, following the receipt of a report on the Municipal Manager's achievement or otherwise of the KPIs as reflected in clause 3 of this contract.

Annexure "A" attached has listed Key Performance Areas (KPAs) and Core Competency Requirements (OCRs) that are collectively worth 100 points. Each KPA and CCR consists of Key Performance Indicators that have different weightings. The achievement score of above 160% shall be regarded as a 100% performance bonus warranting, above 130% to 160%, as average and

warranting a proportional percentage of performance bonus, above 80% to 130% shall warrant some form of in-kind recognition, and below 50%, shall require the employer to effect remedial measures that may include incapacity disciplinary enquiry.

A performance bonus for outstanding performance or an in-kind recognition of effective performance shall only be effected after,

- i. The annual report for the financial year under review has been tabled and adopted by the Municipal Council;
- ii. An evaluation of performance in accordance with the provisions of regulation 23, and this contract; and
- iii. Approval of such evaluation by the Municipal Council or delegated structure as a reward for outstanding performance or effective performance.

The salary increase for 2023/2024 shall be based on the provisions of the Local Government Municipal Performance Regulations for Municipal Managers directly accountable to Municipal Managers, 2006. The employer shall grant an annual salary adjustment linked to a cost-of-living adjustment based on market indicators, which is not performance-based.

5. EVALUATING PERFORMANCE

The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

The annual performance appraisal will involve:

- I. Assessment of the achievement of results as outlined in the performance plan;
- II. Assessing the extent to which the specified standards or KPIs have been met with due regard to ad-hoc tasks that had to be performed under the KPAs and CCRs.

The criteria upon which the performance of the employee shall be assessed consist of two components, both of which shall be contained in the performance plan:-

- I. The employee must be assessed against both components, with a weighting of 80:20 allocated to the KPAs and the CCRs respectively;
- II. Each area of assessment will be weighted and will contribute a specific part to the total score.

A five-point rating scale to be used for both KPAs and CCRs is as depicted hereunder:

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 key 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	Performance 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.					
	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.					

The performance bonus payment shall be categorized into two bands with some ranges per band.

The first performance bonus (cash rewards) payment band ranges between 5% and 9% of the all-inclusive remuneration package, as follows:

- I. A score of 130% to 136%, to qualify for a 5% bonus;
- II. A score of above 136% to 142%, to qualify for a 7% bonus;
- III. A score of above 142% to 149%, to qualify for a 9% bonus.

The second performance bonus (cash rewards) payment band ranges between 10% and 14% of the all-inclusive remuneration package, as follows:

- I. A score of 150% to 155%, to qualify for a 10% bonus;
- II. A score of above 155% to 160%, to qualify for a 13% bonus;
- III. A score of above 160%, to qualify for a 14% bonus.

A performance bonus may not be paid on a pro-rata basis as the bonus is paid annually after complying with the legal requirements captured in this contract and the applicable laws.

The performance achievement ranging from 80% to 129% shall be regarded as fully effective and therefore warranting the employer to acknowledge and or recognize the employee, whichever is necessary. This category of performance acknowledgement and recognition is a non-financial rewards system. It will apply as follows:

- i. A score of 80% to 100%, to receive a letter of acknowledgement and recognition issued by the Mayor;
- ii. A score of above 100% to 120%, to receive a recognition certificate from the Mayor;
- iii. A score of above 120% to 129%, is to receive an academic/skills development programme grant to a maximum of R20 000.00 only, this is to be paid directly to a learning institution of choice. The selected programme must be linked to the personal development plan (Annexure B).

A level of performance achievement of 50% and below shall warrant the employer to execute corrective measures that may include disciplinary measures due to incapacity.

6. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure "B".

7. CONSEQUENCE OF SUB-STANDARD PERFORMANCE

Where the Mayor, at any time during the Municipal Manager's employment, is not satisfied with the Municipal Manager's performance with respect to any matter dealt with in this Agreement, the employer will give notice to the Municipal Manager to attend a monitoring and review meeting.

The Municipal Manager will have the opportunity at the meeting to satisfy the Mayor or the monitoring and evaluation team of the measures being taken to ensure that his performance becomes satisfactory and any program, including any dates, for implementing these measures.

8. RULLING LANGUAGE

The contract is made out in the English language, which shall be the ruling language. All correspondence between the parties to this contract and all reports and documents pertaining to this contract shall be in the English language.

9. TERM OF CONTRACT

This contract shall be deemed to have been entered into on the 1st of July 2025 and will expire on the 30th of June 2026. The parties will conclude a new performance agreement that replaces this Agreement by not later than 31 July 2026. This Agreement will terminate on the termination of the Municipal Manager's contract of employment for any reason.

10. LIMITATIONS OF THE CONTRACT

This contract is an agreement between the employer and the Municipal Manager about the expected performance of the latter during the specified term. This contract is subject to the employment contract which the Municipal Manager entered into upon accepting his position and to the relevant South African legislation. In the case of any ambiguity, the employment contract

shall prevail over this performance contract. Nothing contained in this Agreement in any way limits the right of the employer to terminate the Municipal Manager's contract of employment with or without notice for any other breach by the Municipal Manager of his obligations to the Municipality or for any other valid reason in law.

11. MONITORING AND EVALUATION

The monitoring and performance reviews for each quarter as determined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006, shall be comprised of the Mayor, and his brief will be to assess the performance of the Municipal Manager in line with the performance requirements as outlined in Annexure A of this contract. Despite the in-year reviews, the employer shall establish an assessment team to conduct an annual performance review; the team shall be composed as follows:

- I. Mayor,
- II. Chairperson of the performance/audit committee,
- III. A member of the Executive Committee,
- IV. Mayor and/or Municipal Manager from another municipality, and
- V. Member of the ward committee as nominated by the mayor.

The Senior Manager: Corporate Services must provide secretariat services to the evaluation panel referred to in clause 10 above.

12. DISPUTE RESOLUTION

In case of disputes, which cannot be resolved through negotiations and mediation, the employee has a right to refer the case to the MEC who must settle the case within thirty (30) days of receipt of a formal written dispute. The decision of the MEC shall be deemed final and binding on both parties.

13. JURISDICTION

Regardless of the place of execution, performance or domicile of the parties, this contract and all modifications and amendments hereof shall be governed by and construed under and in accordance with the laws of the Republic of South Africa.

14. WHOLE AGREEMENT

The parties to this contract agree that this contract constitutes the whole agreement and arrangement for the performance of the Municipal Manager with effect from 01 July 2025.

No agreement, varying, adding to, deleting from or cancelling this contract, shall be effective unless reduced to writing and signed by both parties. The following annexures and appendices attached to this contract will have the same force and effect as if they were written in this section of the contract:

ANNEXURE A: PERFORMANCE PLAN

ANNEXURE B: PERSONAL DEVELOPMENT PLAN

APPENDIX 1: COMMITMENT OF THE MANAGEMENT TEAM

APPENDIX 2: OBLIGATIONS OF EMPLOYER

Signed at ELASTIK on this 30 day 07 of _____ 2025.

MUNICIPAL MANAGER:

Signature: 

Print name: NEUVE C. MAKEDAMA

WITNESSES:

1. Signature:  Print name: A. HLOMA

2. Signature:  Print name: N. MSHUNQISWA

FOR AND ON BEHALF OF INGUZA HILL LOCAL MUNICIPALITY

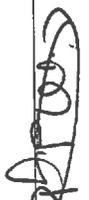
MAYOR:

Signature:  _____

Print name: PRUDENCE N. PEPPIN

WITNESSES:

1. Signature:  _____ Print name: P. Kwasuwa

2. Signature:  _____ Print name: C. Madzoka

ANNEXURE "A"

PERFORMANCE PLAN

15. KEY PERFORMANCE AREAS (KPA) FOR 2025/26 FY

KEY PERFORMANCE AREA	WEIGHTING
Basic Service Delivery	30%
Municipal Institution Development and Transformation	10%
Planning and Local Economic Development	20%
Municipal Financial Viability and Management	10%
Good Governance and Public participation	20%
Social Service	10%
Tolat	100%

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

Strategic Objective: To provide basic service delivery through infrastructural development in an environmentally friendly manner Basic Service Delivery

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGET								TOTAL BUDGET	Weighting
				Quarter 1	Means of verification	Quarter 2	Means of verification	Quarter 3	Means of verification	Quarter 4	Means of verification		
				Target		Target		Target		Target			
Objective: To provide basic services through infrastructure development in an environmental friendly manner													
Construction of 15km of access roads- Mtshayelo Access road in ward 27(5km), Ngonyameni to Maqanyeni Access road in ward 11 (5KMs) Sirhetshe to Sibuthe Access road in ward 3 (5KMs) by 30 June 2026	Designs in Place	1.1.1.1.% Completion of construction of 15km - Mtshayelo Access road in ward 27(5km), Ngonyameni to Maqanyeni Access road in ward 11 (5KMs) Sirhetshe to Sibuthe Access road in ward 3 (5KMs) 30 June 2026	100%	Stage 1 (10%) - Appointment of contractor and Site Establishment by June 2026	Appointment letter and Signed Monthly Reports	Stage 3 (40%) Installation of pipes by December 2025	Monthly Reports	Stage 4 (60%) Tipping of gravel material by March 2026	Signed Monthly Reports	Stage 6 (100%) Completion of works by June 2026	Signed Monthly reports PracticalCompletion Certificate	R14 135 500.00	1.5

Construction of 24m long Ngonyameni to Maqanyeni bridge in ward 11 by 30 June 2026	Designs in Place	1.1.1.2 % Completion of 24m long Ngonyameni bridge in ward 11 by 30 June 2026	100%	Stage 1 (10%) - Appointment of contractor and Site Establishment by September 2025	Appointment letter and Signed Monthly Reports	Stage 2 (40%) Base Foundation slab by December 2025	Monthly Reports	Stage 3 (60%) Columns and top slab completed by March 2026	Monthly Reports	Stage 6 (100%) Completion of works	Monthly reports Practical Completion Certificate	R4 822 750.00	1.5
Construction of 19km of access roads Chwechwela Access road in ward 22 Ngibe Access road in ward 21 New Rest to Khonjwayo Access road in ward 19 Mkhabela to Makolonini Access road in ward 25 by 30 June 2026	Registered in MIG-MIS System	1.1.3.1 % Completion of construction of 19km of access roads Chwechwela Access road in ward 22 Ngibe Access road in ward 21 New Rest to Khonjwayo Access road in ward 19 Mkhabela to Makolonini Access road in ward 25 by 30 June 2026	10%	No Target	N/A	No Target	N/A	No Target	N/A	Stage 1 (10%) - Appointment of contractor and Site Establishment by June 2026	Appointment letter and Monthly progress report	R3,000,000.00	1.5

Construction of 10m long Chwechwela bridge in ward 22 and Ngibe 12m long bridge road in ward 21 by 30 June 2026	Registered in MIG-MIS System	1.1.3.2.% Completion of construction of 10m long Chwechwela bridge in ward 22 and Ngibe 12m long bridge road in ward 21 by 30 June 2026	10%	No Target	N/A	No Target	N/A	No Target	N/A	Stage 1 (10%) - Appointment of contractor and Site Establishment by June 2026	Appointment letter and Monthly progress report	R1,000,000.00	1.5
Construction of 10km Surfacing of Flagstaff Internal Streets-Phase 2 in Ward 06 Flagstaff Town and Lusikisiki Internal Streets-Phase 3 in ward 15 by 30 June 2026	Phase 1 completed in Flagstaff and Phase 2 completed in Lusikisiki	1.1.4.1. % completion of construction of 10km Surfacing of Flagstaff Internal Streets-Phase 2 in Ward 06 Flagstaff Town and Lusikisiki Internal Streets-Phase 3 in ward 15 by 30 June 2026	100%	Stage 4 (60%) Tipping of gravel material by September 2025	Monthly Reports	Stage 4 (70%) - Pavement Layers by 31 December 2025	Monthly Reports	Stage 5 (80%) - Kerbing by 31 March 2026	Monthly Reports	Stage 6 (100%) Completion of works	Monthly reports Practical Completion Certificate	R29,393,050.00	1.5

Rehabilitation of 2000m ² Surfaced Roads (Pothole patching) in ward 6,15 and 19 by 31 March 2026	34781m ² rehabilitated	1.1.5.1 % completion of rehabilitation of 2000m ² of surfaced road (pothole patching) in Ward 6, 15 and 19 by 31 March 2026	100%	Project at (33%) 500m ² rehabilitated by 30 September 2025	Signed Monthly progress reports	Project at (66%) 1000m ² Rehabilitated by 31 December 2025	Signed Monthly progress reports	Project at (100%) 2000m ² Rehabilitated by 31 March 2026	Signed Monthly report and completion certificate	No Target	Signed Monthly report and completion certificate	R3,000,000.00	1.5
Rehabilitation of 160km access roads in all 32 wards by 30 June 2026	756km maintained	1.1.5.2 % completion of Rehabilitation of 160km access roads in all 32 wards by 30 June 2026	100%	Project at (25%) of 160 kms rehabilitated by 30 September 2025	Signed Monthly progress reports	Project at (50%) of 160 kms rehabilitated by 31 December 2025	Signed Monthly progress reports	Project at (75%) of 160 kms rehabilitated by 31 March 2026	Signed Monthly reports	Project at (100%) of 160 kms rehabilitated by 30 June 2026	Signed Monthly reports and happy letters from Ward Cllr and completion certificates	R21,000,000.00	1.5
Rehabilitation of Mbhayi 10m long Bridge in ward 4 and Rehabilitation of Nzaka 15m long Bridge in ward 11 by 30 June 2026	New project	1.1.5.3 % Completion of Rehabilitation of 10m long Mbhayi Bridge in ward 4 15m long Nzaka Bridge in ward 11 by 30 June 2026	100%	No Target	N/A	No Target	N/A	Stage 1 (10%) - Appointment of contractor and Site Establishment by March 2026	Signed Monthly Reports	Stage 6 (100%) wing walls, protection works and road signs complete and project complete by 30 June 2026	Signed Monthly reports and Practical Completion Certificate	R1 414 000.00	1.5

Construction of 0,23ha of Ward 2 Multipurpose sports Field - Phase 2 at Mavaleleni village by 30 September 2025	Project is 80% complete	1.1.6.1.100% completion of 0,23ha of Ward 2 Multipurpose sports field Mavaleleni village by 30 September 2025	100%	Project at (100%) Landscaping and Project completed by 30 September 2025	Signed Monthly progress reports and Practical Completion Certificate	No Target	N/A	No Target	N/A	No Target	Signed Monthly progress reports and Practical Completion Certificate	R2,500,000	1
Construction of Zone 5 0,11ha Sports Field at Malangeni village in Ward 16 by December 2025	Project at 10%	1.1.1.6.2 % Completion Zone 5 0,11ha Sports Field at Malangeni village in Ward 16 by 31 December 2025	100%	Project at (80%) Installation of artificial turf and line markings by complete 30 September 2025	Signed Monthly Reports	Project at (100%) Change rooms, guard house and project complete 31 December 2025	Signed Monthly report and Completion certificate.	No Target	N/A	No Target	Signed Monthly report and Completion certificate.	R3,000,000.00	1.5

Construction of ablution facility with change rooms and braai facilities at Mbotyi beach in Ward 23 by 30 June 2026	New project	1.1.7.1 % Completion of ablution facility with change rooms and braai facilities at Mbotyi beach in Ward 23 by 30 June 2026	100%	Stage 1 (10%) - Appointment of contractor and Site Establishment by 30 September 2025	Appointment letter and Signed Monthly Reports	Project at 40% (Stage 2) Toilets complete by December 2025	Signed Monthly Reports	Project at (100) - Stage 5 Change rooms and braai area complete by 31 March 2026	Signed Monthly progress reports and Practical completion Certificates	No Target	Signed Monthly progress reports and Practical completion Certificates	R2,000,000.00	1
Construction of Information Centre in Lusikisiki (Ward 15) by 30 June 2026	New project	1.1.7.2. % Completion of Lusikisiki Information Centre (220m2) in Ward 15 by 30 June 2026	100%	Project at 10% (Stage 1) - Handover and Site Establishment by 30 September 2025	Signed Monthly progress reports	Project at 40% (Stage 2) Eathworks, Foundations by 31 December 2025	Signed Monthly progress report	Project at (80%) - Stage 5 Superstructure, Plumbing, Electricity by 31 March 2026	Signed Monthly progress reports	Project at 100% (Stage 6) - Finishes, Landscaping by 30 June 2026	Practical Completion certificate	R4,000,000.00	1.5

Construction of Lusikisiki Town Hall (Phase 2) with floor size 2500m2 in Lusikisiki Town 31 December 2025	23% completed	1.1.9.1. % completion of Lusikisiki Town Hall (Phase 2) with floor size 2500m2 in Ward 19 at Lusikisiki Town by 31 December 2025	100%	Project at (80%) Plumbing, electrical, windows and plastering completed by 30 September 2025	Signed Monthly progress reports	Project at (100%) Stage 6 finishes completed and project completed by 31 December 2025	Signed progress reports and practical completion certificate	No Target	N/A	No Target	Signed progress reports and practical completion certificate	R9,000,000.00	1.5
Completion of Flagstaff Town Hall (Phase 2) with floor size 2500m2 in ward 06 at Flagstaff Town by 30 September 2025	90% completed	1.1.9.2 % completion of Flagstaff Town Hall (Phase 2) with floor size 2500m2 in Ward 06 by 30 September 2025	100%	Project at (100%) Stage 6 finishes completed and project completed by 30 September 2025	Practical Completion Certificate, signed Monthly progress report	No Target	N/A	No Target	N/A	No Target	Practical Completion Certificate, signed Monthly progress report	R2,500,000.00	1.5

Construction of Animal Pound in Flagstaff (Ward 06) and Construction of Animal Pound in Lusikisiki (Ward 15) by 30 June 2026	New project	1.1.10.1. % Construction of Animal Pound in Flagstaff (Ward 06) and Construction of Animal Pound in Lusikisiki (Ward 15) by 30 June 2026	100%	Project at 10% (Stage 1) Appointment of Contractor and Site Establishment by 30 September 2025	Appointment letter, Handover Minutes, attendance register and Signed Monthly progress reports	Project at 40% (Stage 2) fencing installation by 31 December 2025	Signed Monthly Reports	Project at (80%) - Stage 5 Erection of kraal by 31 March 2026	Signed Monthly report	Project at 100% (Stage 6) - Installation of Wendy House by 30 June 2026	Completion certificate and Signed Monthly reports	R3,000,000.00	1.5
Installation of 10 high mastlights at ward 1,2,3,5,9,10, 12,13,16 and 25 by June 2026	86 High Mast Light Installed	1.1.14.1 % Completion for Installation of 10 high mastlights at ward 1,2,3,5,9,10, 12,13,16 and 25 by 30 June 2026	100%	Project at 10% - Appointment of the contractor and Site Establishment	Appointment letter and Signed Monthly report	Project at 50% - Installation of 5 high mastlights	Signed Monthly report	Project at 90% - Installation of 9 high mastlights	Signed Monthly report	Projects at 100% - All High Mast lights installed and energized.	Signed monthly report and Completion certificate	R10,000,000.00	1.5

Installation of 20 streetlights at ward 6 and 15 by end December 2025	16 LED streetlights installed	1.1.15.1 % Completion for installation of 20 streetlights at ward 6 and 15 by end December 2025	100%	Project at 40% - Appointment of the contractor and Site Establishment, purchasing of material	Appointment letter and Signed Monthly progress report	Project at 100% - Installation of 20 streetlights	Signed Monthly Progress report and Completion certificate.	N/A	N/A	N/A	Signed Monthly Progress report and Completion certificate.	R3,000,000.00	1.5
Installation for Electrification of 47 h/h at Mhlophekazi, Nozayi and Bhisana by Semptember 2025	Project at 50%	1.1.16.1. % Completion of installation of electricity Infrastructure of 47h/h at Mhlophekazi, Nozayi and Bhisana by Semptember 2025	100%	Project at 100% - Installation of transformers and electric meters completed	Signed Monthly Progress Report and Completion Certificate	No Target	N/A	No Target	N/A	No Target	Signed Monthly Progress Report and Completion Certificate	R1,000,000.00	1.5
Installation of electricity infrastructure for 134 H/H by June 2026	Installation of electricity infrastructure for 134 H/H	1.1.16.2 % Completion for Installation of electricity infrastructure for 134 H/H by 30 June 2026	100%	Project at 10% - Appointment of the contractor and Site Establishment	Appointment letter and Signed Monthly progress reports	Project at 40% - Digging holes and planting poles completed	Signed Monthly progress reports	Project at 70% - stringing of LV and MV line completed	Signed Monthly progress reports	Project at 100% - Installation of transformers and electric meters completed	Signed Monthly progress reports and completion certificate	R3,660,000.00	1

Constuction of viewing deck in ward 23 by March 2026	LED Strategy and tourism Development Strategy, destroyed viewing deck	1.1.1.17.2. % completion of construction of viewing deck constructed in ward 20 Lusikisiki by March 2026	100%		N/A	N/A	N/A	N/A	10% Appointm ent and site establish ment	Appoint ment letter and handing over minutes and register	100% Completi on of the viewing deck constcrio n	Completionn certificate and signed monthly report	R2,000,000.00	1
Construction of buy-back centres by March 2026	Existing Landfill Site and IWMP	1.1.1.17.3.. Number of buy back centres constructed by March 2026	2	N/A	N/A	N/A	N/A	2	Appoint ment letter, Comple tion certifica te and Signed report	N/A	N/A	N/A	R2,000,000.00	1

KEY PERFORMANCE AREA (KPA) 2: INSTITUTIONAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT

Strategic Objectives: To promote Institutional Transformation and Organizational Development

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGET								TOTAL BUDGET	MEANS OF VERIFICATION	Weighting
				Quarter 1	Means of verification	Quarter 2	Means of verification	Quarter 3	Means of verification	Quarter 4	Means of verification			
				target		target		target		target				
ICT projects completed within deadlines (Licenses ,Laptops Network Support , Cloud base backup, Server Room maintenance Desktop Printer from schools. UPS) by June 2026	Approved ICT Strategy	2.1.1. Number of ICT projects completed within deadlines (Licenses, Laptops Network Support, Cloud-base backup, Server Room maintenance Desktop & Printer for schools. UPS) as per ICT Strategy by June 2026	7	N/A	N/A	3	Delivery noted for laptops and signed report network support	3	Delivery for note desktop and printers for schools and UPS; and signed report for sever room	1	Signed report for distribution of licenses	R15,352,527.35	Delivery notes for Desktop and printers for schoos ; laptops and UPS and signed report network support, sever report and licenses	1

ICT Steering Committee by June 2026	ICT Steering committee in place	2.1.2. Number of ICT Steering Committee meetings held by June 2026	4	1	Notice and attendance register and draft minutes	1	Notice and attendance register and draft minutes	1	Notice and Attendance register and draft minutes	1	Notice and attendance register and draft minutes	R0.00	Notice and attendance register and draft minutes	1
Establishment of ICT Centres in best performing school based on 2025 matric results by March 2026	New Project	2.1.3. Number of ICT centers established in best performing school based on 2025 matric results by March 2026	2	N/A	N/A	N/A	N/A	2	Signed report, Delivery Note and distribution register	N/A	N/A	R2 000 000 00	Signed report, Delivery Note and distribution register	1
Review and development of policies adopted by the council	Policies adopted by council by June 2026	2.2.1. Number of times policies are developed /reviewed, and adopted by the Council	1	N/A	N/A	N/A	N/A	1	Signed Council Resolution and Signed report and signed policies	N/A	N/A	R150 000.00	Signed Council Resolution and Signed report	1
Review and adoption of Organogram by June 2026	Organogram Review adopted by Council	2.2.2. Number of times the Organogram is reviewed and adopted by the Council by June 2026	1	N/A	N/A	N/A	N/A	N/A	N/A	1	Signed Council Resolution and Signed Organogram		Signed Council Resolution and Signed Organogram	1

Reduction of municipal vacancy rate on funded posts by June 2026	Recruitment is done as per the Recruitment Policy and approved organizational structure	2.2.3. Percentage reduction of municipal vacancy rate on funded posts by June 2026	15%	2%	Issued Vacancy Bulletin and reports	2%	Issued Vacancy Bulletin and reports	10%	Issued Vacancy Bulletin and signed reports	15%	Issued Vacancy Bulletin and signed reports	R489 037.50	4 Issued Bulletin and signed report	1
Submission of quarterly Employment Equity Reports to the Committee by June 2026	Approved EE Plan in place, EE committee fully functional, Acknowledged by Department of Labour and Employment	2.2.4. Number of quarterly reports on the implementation of the Employment Equity Plan submitted to EE Committee by June 2026	4	1	Signed Reports and Attendance Register	1	Signed Reports and Attendance Register	1	Signed Reports and Attendance Register	1	Signed Reports and Attendance Register	R0.00	Signed Reports and Attendance Register	1
Implementation of Training interventions of Councilors and employees as per the Workplace Skills	Adopted Training and Development Policy. Adopted WSP	2.2.5. Number of training interventions conducted for Councilors and employees as per workplace skills plan by June 2026	16	3	Signed Report and Attendance Register	4	Signed Report and Attendance Register	5	Signed Report and Attendance Register	4	Signed Report and Attendance Register	R 2 000 000.00	Signed Report and Attendance Register	1

by June 2026														
Signing of performance agreements by Senior and middle managers by June 2026	PMS policy in place. Signed performance agreements in 2024/2025 FY	2.2.6. Number of senior and middle managers with signed performance agreements by June 2026	15	15	Signed Performance agreements	NA	NA	N/A	N/A	N/A	N/A	R-	Signed Performance agreements	1
Sitting of performance assessments for senior and middle managers by June 2026	PMS policy in place. Signed performance agreements in 2024/2025 FY	2.2.7. Number of performance assessments conducted for senior and middle managers by June 2026	3	N/A	N/A	1	Attendance register and report	1	R157,500.00	1	Attendance register and signed report	R315 000.00	Attendance registered and signed report	1

KEY PERFORMANCE AREA (KPA) 3: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

Strategic Objectives: To promote local economic development.

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGETS								TOTAL BUDGET	MEANS OF VERIFICATION	Weighting	
				Quarter 1			Quarter 2		Quarter 3		Quarter 4				
				tar	bud	Means of verification	tar	Means of verification	tar	Means of verification	tar				Means of verification
Objective: To address past spatial imbalances, promoting orderly development and preserving the environment and Local Economic Development															
Provision of fencing to 4 agricultural projects within municipal wards 2 Lusikisiki and 2 Flagstaff by March 2026	6 Agricultural projects have been fenced	3.1.1. Number of Agricultural projects to be provided with fencing within municipal wards in Lusikisiki and Flagstaff by March 2026	4	N/A	R-	N/A	2	Signed monthly report and Completion certificate	2	Signed Monthly Report and completion certificate	N/A	N/A	R2 000 000.00	Reports and completion certificates	1.5

Provision of inputs to 10 maize producers within municipal wards Lusikisiki and Flagstaff by December 2025	10 agricultural projects assisted with inputs	3.1.2. Number of maize producers to be supported with inputs within municipal wards in Lusikisiki and Flagstaff by December 2025	10	N/A	R-	N/A	10	Signed monthly report and Completion certificate and distribution register and delivery note and confirmation from Ward Cllr	N/A	N/A	N/A	N/A	R1,500 000.00	Signed monthly report and Completion certificate and distribution register and delivery note and confirmation from Ward Cllr	1.5
Provision of medication for 20 livestock farmers within municipal wards, in Lusikisiki and Flagstaff by June 2026	11 farmers assisted with livestock remedy	3.1.3. Number of livestock farmers to be provided with medication within municipal wards in Lusikisiki and Flagstaff by June 2026	20	N/A	R-	N/A	N/A	N/A	N/A	N/A	20	Reports and Delivery Notes and Distribution register and confirmation from Ward Cllr	R1 000 000.00	Reports and Delivery Notes and Distribution register and confirmation from Ward Cllr	1.5

Conduct a feasibility study for the Agricultural miling plant project in Ward 6, Flagstaff by June 2026	LED Strategy and Agricultural sector plan	3.1.4. % completion of feasibility study to be conducted for the Agricultural project in Ward 6, Flagstaff by June 2026	100%	15 %	R0.00	Signed advert and assesment report	25 %	Inception report and signed appointment letter	50%	Signed draft report by the consult, consultation and costing report	100%	Final report	R400,000.00	Final approved report	1.5
Host in annual tourism events to market Ingquza Hill as a tourist destination by September 2025	2 Events have been held successfully in the last 2 years	3.2.1. Number of tourism events to markert Ingquza Hill as a tourist destination held by September 2025	1 event hosted	1	R1,3000.00	Reports and attendance registers	N/A	N/A	N/A	N/A	N/A	N/A	R1,300000.00	Reports and attendance registers	1
Conduct a feasibility study for forestry depot project in ward 15 Lusikisiki by June 2026	Forestry sector plan and 19 forestry plantations	3.3.1. % completion of feasibility study for forestry depot In ward 15, Lusikisiki to be completed	100%	15 %	R30000.00	Signed Assesment, specification and consultations reports	25 %	Inception report abd signed appointment letter	50%	Draft feasibility report	100%	Signed Final report	R700,000.00	Final report Signed	1

		by June 2026													
Conduct a feasibility study and costing for Magwa Falls tourism activities in the ward 23 by June 2026	LED Strategy and Tourism Development Strategy	3.3.2. % Completion of feasibility study for tourism activities to be conducted at Magwa Falls by June 2026	100%	15 %	R300 000	Signed Assessment, specification and consultations reports	25 %	Inception report	50%	final report with costing	10 0%	Signed Final report	R600,00 0.00	Signed Final report	1
Provide support to Small Medium Enterprises by December 2025	LED Strategy and 9 Small Medium Enterprises were supported	3.3.3. Number of Small and Medium Enterprises to be supported by June 2025 by December 2025	12	N/A	R-	N/A	12	Signed Report, delivery notes and acknowledgement by ward cllrs	N/A	N/A	N/A	N/A	R3 000 000.00	Signed Report, delivery notes and acknowledgement by ward cllrs	1

Constuction of 30 trading kraals and cages for livestock traders in ward 6 and 15 by June 2026	LED Strategy and 110 hawkers' stalls have been bought for hawkers	3.3.5. Number of livestock trading stalls and cages to be constructed in ward 6 and 15 by end June 2026	30	N/A		N/A	N/A	N/A	N/A	N/A	30	Appointment letter and Signed Report and completion certificates	R2 000 000.00	Appointment letter and Signed Report and completion certificates	1
EIA to be conducted in 17 forests at wards 05,09,10,11,16,18,20, 22,23,27,29, 30, 31 and 32 by June 2026	Environmental Management Plan	3.4.1 % completion of Environmental Impact Assessment (EIA) for 17 forests by June 2026	50%	15%	R-	Signed ToR & Consultations	25%	Signed Inception Report & Attendance register	35%	Draft Environmental Impact Assessment Report	50%	Public participation report & attendance register	R800 000.00	Draft report Submission	1
Development of Climate Change strategy by June 2026	Environmental Management Plan	3.4.2. % completion of Climate change strategy by June 2026	100%	15%	R-	Market research, ToR &	25%	Signed Inception Report & Attendance register	50%	Draft plan	100%	Final Plan Report	R600 000.00	Final Plan	1
Review of Municipal Housing Sector plan by June 2026	Outdated Housing sector Plan which was reviewed in 2022	3.5.1. % Completion of the review of Municipal Housing sector Plan	100%	15%	R0.00	Signed ToR	25%	Inception Report & Attendance register	50%	Draft Housing Sector Plan	100%	Final report	R200,000.00	Final approved housing sector plan	1

		by June 2026													
Relocation of pegs for and Lusikisiki Commonages by June 2026	SDF	3.5.3. % Completion of relocation of pegs Flagstastaf and Lusikisiki comonages by June 2026	100% of 2 boundaries delinat ed	15 %	R0.0 0	ToR & Consulta tions	25 %	Inception Report & Attandance register	50%	Draft Report, Draft layout Plan and Draft SG diagram	10 0%	Final report, approve d layout plan, approve d SG diagram , Signbo ards	R200,00 0.00	Final report, approved layout plan, approved SG diagram, Signboards	1
Replanning of Nkululekweni Settlement in Flagstaff by June 2026	SDF	3.5.4. % Completion of Nkululekw eni Settlement replanning in Flagstaff by June 2026	100%	15 %	R0.0 0	Signed ToR	25 %	Inception Report & Attandance register	50%	Tachy survey, Draft Report, Draft layout Plan and Draft SG diagram	10 0%	Final report, approve d layout plan, approve d SG diagram s	R500,00 0.00	Final report, approved layout plan, approved SG diagrams	1
Land Audit Review by June 2026	SDF	3.5.5. % Completion of Land audits reviewed by June 2026	100%	15 %	R0.0 0	Signed ToR & Consul ations	25 %	Inception Report & Attandance register	50%	Draft land Audit report	10 0%	Draft final report	R300,00 0.00	Reviewed land auditing	1

Street naming and numbering by June 2026	SDF	3.5.6. % Completion of street naming and numbering in both towns by June 2026	100% of 23 Streets to be named and numbered	15 %	R0.00	Layout of the streets to be named and numbered	25 %	Public participation report and attendance register	50%	Council resolution on the streets to be named and numbered	100%	Installation of Street Names	R150,000.00	Street Signage and report	1
Formalisation of unsurveyed municipal properties by June 2026	Common age land	3.5.7. % Completion of unsurveyed Municipal properties formalized by June 2026	100% of 20 municipal properties to be formalized	15 %	R0.00	Signed ToR	25 %	Inception Report & Attendance register	50 percent	Tachy survey, Draft Report, Draft layout Plan and Draft SG diagram	100%	Final report, approved layout plan, approved SG diagrams	R300,000.00	Final report, approved layout plan, approved SG diagrams	1
Submission of Building Plans for approval by June 2026	IHLM Building Regulation Bylaw	3.5.8. Number of Building Plans approved by June 2026	20	5	R0.00	Report on building plan approval.	5	Report on building plan approval.	5	Report on building plan approval.	5	Report on building plan approval.	R0.00	Report on building plan approval.	1

KEY PERFORMANCE AREA (KPA) 4: FINANCIAL MANAGEMENT AND VIABILITY

Strategic Objectives: To promote and enhance financial viability.

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Quarter 1	MEANS OF VERIFICATION	Quarter 2	MEANS OF VERIFICATION	Quarter 3	MEANS OF VERIFICATION	Quarter 4	MEANS OF VERIFICATION	TOTAL BUDGET	MEANS OF VERIFICATION (POE)	Weighting
				Target		Target		Target		Target				
Key Performance Area: Financial Viability Management														
Preparation and submission of funded annual budget in compliance with budget circular by June 2026	Annual and adjustment budgets for 2023-24 adopted by council	4.1.1. Number of prepared and adopted funded budgets in compliance with circulars for 2026/2027 FY by June 2026	2	N/A	N/A	N/A	N/A	1	Adjusted Budget Summary and signed Signed Council Resolution & B Schedule and proof of submission to treasury portal	1	Annual Budget Summary and Council Resolution & A Schedule and proof of submission to treasury portal	R0.00	Budget Summary and Council Resolution & A Schedule and proof of submission to treasury portal	1
Preparation and submission of section 71 financial monthly reports to the Treasury within 10 working days after the end of the month by June 2026	The municipality complies with section 71 of the MFMA. 12 Monthly reports submitted	4.1.3. Number of S71 financial monthly reports submitted to the mayor and Treasury within 10 working days after the end of the month	12	3	Signed Quality Certificate and proof of submission	3	Signed Quality Certificate and proof of submission	3	Signed Quality Certificate and proof of submission	3	Signed Quality Certificate and proof of submission	R0.00	Signed Quality Certificate and proof of submission	1

		by June 2026												
Preparation and submission of Section 52 (d) quarterly reports submitted to the Mayor and Treasury within 30 days after the end of the quarter by June 2026	The municipality complies with section 52 (d) of the MFMA. 4 quarterly reports submitted	4.1.4. Number of S52 (d) quarterly reports submitted to the Council and Treasury within 30 days after the end of the quarter by June 2026	4	1	Signed Quality Certificate and proof of submission	1	Signed Quality Certificate and proof of submission	1	Signed Quality Certificate and proof of submission	1	Signed Quality Certificate and proof of submission	R	Signed Quality Certificate and proof of submission	1
Preparation and submission of section 72 (mid-term) report submitted to Mayor and Treasury by 25 January 2026	The municipality complies with section 72 of the MFMA. 1 mid-term report submitted annually	4.1.5. Number of S72 (mid-term) reports submitted to Mayor and Provincial and National Treasury by 25 January 2026	1	N/A	N/A	N/A	N/A	1	Signed Quality Certificate and proof of submission	N/A	N/A	R	Signed Quality Certificate and proof of submission	1

Preparation and submission of the AFS submitted to Auditor General, National Treasury and Provincial Treasury by 31 August 2025	AFS for 2022/23 were submitted	4.1.6. Number AFS submitted to Auditor General, National Treasury and Provincial Treasury by 31 August 2025	1	1	Acknowledgment letter from AG	N/A	N/A	N/A	N/A	N/A	N/A	R 2,500,000	Acknowledgment letter from AG	1
Payment of Valid invoices within 30 days after receipt and confirmation of invoices monthly by June 2026	All invoices that were received and confirmed were paid within 30 days in 2023/24	4.2.1 Percentage of valid invoices paid within 30 days after receipt and confirmation of invoices by June 2026	100%	100%	Creditors Age Analysis	100%	Creditors Age Analysis	100%	Creditors Age Analysis	100%	Creditors Age Analysis	R0.00	Creditors Age Analysis	1
Collection of Debt from all billed municipal consumers by June 2026	Report on Revenue collection for 2023/2024 FY, 86% was collected for	4.3.1 % Collection of debtors from all billed consumers by June 2026	85%	85%	Revenue Collection report	85%	Revenue Collection report	85%	Revenue Collection report	85%	Revenue Collection report	R0.00	Revenue Collection report	1

	2023/2024 fy													
Review of Budget and Treasury-related Policies by June 2026	Budget and Treasury Policies were reviewed in 2024/2026	4.3.2. Number of times Budget and Treasury related policies reviewed and adopted by council by June 2026	1	N/A	N/A		N/A	N/A	N/A	1	Sined Council Resolution	R200,000.00	Signed Council Resolution	0.5
Confirmation of insurance for all Municipal Assets by June 2026	All Municipal assets were insured by 2023/24 financial year. Assets are insured as they are procured	4.5.2. Number of confirmations of Insurance for Municipal Assets by June 2026	4	1	Confirmation of insurance for all Municipal Assets	1	N/A	1	Confirmation of insurance for all Municipal Assets	1	Confirmation of insurance for all Municipal Assets	R3 500 000.00	Confirmation of insurance for all Municipal Assets	1

Implementation of activities in the procurement plan by end June 2026	Procurement plan was implemented on a monthly basis in 2023/24 financial year	4.6.1. % implementation of activities in the Procurement Plan by end June 2026	85%	25%	Quarterly progress report on Procurement Plan.	50%	Quarterly progress report on Procurement Plan.	75%	Quarterly progress report on Procurement Plan.	85%	Quarterly progress report on Procurement Plan.	R -	Quarterly progress report on Procurement Plan.	0.5
Provision of Free Basic Services to deserving and qualifying households by June 2026	Free Basic Services provided to households in the IHLM	4.9.1. Percentage distribution of FBS to deserving and qualifying households by June 2026	100%	100%	N/A	100%	N/A	100%	N/A	100%	Report on delivery of FBS Distribution registers of FBS Eskom Reports on provision of 50kW to qualifying households	R 13,000,000	Report on delivery of FBS Distribution registers of FBS Eskom Reports on provision of 50kW to qualifying households	1

KEY PERFORMANCE AREA (KPA) 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To promote good governance and public participation.

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGET								TOTAL BUDGET	MEANS OF VERIFICATION	Weighting
				Quarter	Means of verification	Quarter	Means of verification	Quarter 3	Means of verification	Quarter	Means of verification			
				1		2		tar		4				
				tar		tar		tar		tar				
Ojective: To promote good governance and public participation														
Review of institutional quarterly performance by June 2026	PMS Policy adopted by Council and reports submitted quarterly	5.1.1. Number of institutional quarterly reports adopted by Council by June 2026	4	1	Attendance register and minutes	1	Attendance register and minutes	1	Attendance register and minutes	1	Attendance register and minutes	R0.00	Attendance register and signed minutes	1.5
Statutory financial and performance management documents adopted by Council for 2025/2026 FY by June 2026	Adopted Process Plan for 2025/2026 FY	5.2.1 Number of the 2025/26 statutory financial and performance management documents adopted by Council by June 2026	5	1	Proof of Submission to COGTA	1	Council Resolution and IDP,PMS, and Budget Process Plan	3	Council resolution of Annual Report, proof of submission for c88 to Cogta and Signed Report of Assesment by COGTA	1	Proof of Submission to COGTA	R5 020 000.00	Council Resolution and IDP,PMS, and Budget Process Plan	1.5

Implementation of the Internal Audit Plan by June 2026	Approved Internal audit plan in 2024/2025	5.3.1.1. Percentage Implementation of Internal Audit Plan by June 2026	100%	25%	Internal Audit Activity Report/Progress on Implementation of Plan	50%	Internal Audit Activity Report/Progress on Implementation of Plan	75%	Internal Audit Activity Report/Progress on Implementation of Plan	100%	Internal Audit Activity Report/Progress on Implementation of Plan	R549,995.80	Internal Audit Activity Report/Progress on Implementation of Plan	1.5
Internal Audit Findings Addressed by June 2026	Audit Action plan for 2023/204 FY	5.3.1.2. Percentage of Internal Audit Findings Addressed by June 2026	100%	25%	Internal Audit Activity Report/Progress on Implementation of Plan/Internal Audit Tracking Tool	50%	Internal Audit Activity Report/Progress on Implementation of Plan/Internal Audit Tracking Tool	75%	Internal Audit Activity Report/Progress on Implementation of Plan/Internal Audit Tracking Tool	100%	Internal Audit Activity Report/Progress on Implementation of Plan/Internal Audit Tracking Tool		Internal Audit Activity Report/Progress on Implementation of Plan/Internal Audit Tracking Tool	1.5
Improvement of the 2024-25 audit opinion by June 2026	Audit Action plan for 2023/204 FY	5.3.1.3. Percentage of External Audit Findings Addressed by June 2026	100%		Internal Audit Activity Report/Progress on Implementation of Plan/Audit Action Plan		Internal Audit Activity Report/Progress on Implementation of Plan/Audit Action Plan	50%	Internal Audit Activity Report/Progress on Implementation of Plan/Audit Action Plan	100%	Internal Audit Activity Report/Progress on Implementation of Plan/Audit Action Plan		Internal Audit Activity Report/Progress on Implementation of Plan/Audit Action Plan	1.5
Implementation of Risk Management Plan by June 2026	Approved Risk management plan by the Council for 2024/2025 FY	5.3.2.1. Percentage Implementation of Risk Management Plan by June 2026	100%	25%	Quarterly Risk Management Report	50%	Quarterly Risk Management Report	75%	Quarterly Risk Management Report	100%	Quarterly Risk Management Report	R420,000.00	Quarterly Risk Management Report	1.5

Implementation of the Strategic Risk Register by June 2026	Approved Strategic register by Council in May 2025	5.3.2.2. Percentage implementation of Strategic Risk Management Action Plans by June 2026	100%	25%	Quarterly Risk Management Report/Strategic Risk Register	50%	Quarterly Risk Management Report/Strategic Risk Register	75%	Quarterly Risk Management Report/Strategic Risk Register	100%	Quarterly Risk Management Report/Strategic Risk Register		Quarterly Risk Management Report/Strategic Risk Register	1.5
Implementation of the Anti-fraud and Anti-corruption Strategy by June 2026	New Indicator	5.3.2.3. Percentage of Fraud Hotline matters attended by June 2026	100%	100%	System Generated Report	R840,000.00	System Generated Report	1.5						
Implementation of litigation management strategy by June 2026	The municipality has 26 cases as at end of previous FY. Litigation Management strategy for 2023/2024	5.4.1. % implementation of litigation management strategy by June 2026	100%	100%	Attendance register, instruction letters and litigation registers	100%	Attendance register, instruction letters and litigation registers	100%	Attendance register, instruction letters and litigation registers	100%	Attendance register, instruction letters and litigation registers	R5 500 000.00	Attendance register, instruction letters and litigation registers	1.5

Implementa tion of Council and Council Committee resolution by June 2026	Council Callender adopted by the council in July 2025	5.5.3. % implementat ion of the Council and Council Committee resolutions by June 2026	90%	90%	Report on Implement ation of Council resolution and its committee s	90%	Report on Implement ation of Council resolution and its committee s	90%	Report on Implement ation of Council resolution and its committee s	90%	Report on Implement ation of Council resolution and its committee s	R2 001 000.00	Report on implement ation of Council resolution and its committee s	1.5
Implement ation of Communic ation Strategy by June 2026	Communic ation strategy in place and the communic ation policy	5.6.2. % implementat ion of the Communica tion Strategy by June 2026	100%	100%	Signed Report on implement ation of Communica tion strategy	100 %	Copy of branding manual and council resolution	100 %	Copy of reviewed Communica tion Strategy and signed council resolution	100 %	Signed Report on implement ation of Communica tion strategy	R300 000.00	Copy of branding manual and reviewed communica tion strategy, council resolution and Signed Report	1.5
Implement ation of Public Participati on Policy by June 2026	Public Participati on Policy	5.7.3.% implementat ion of public participation policy by June 2026	100%	100%	Attendance Register and Reports	100 %	Attendance Register and Reports	100 %	Attendance Register and Report	100 %	Attendance Register and Report	R9 222 500.00	Attendance Register and signed Reports	1.5

Unqualified Audit Opinion with matters of emphasis by December 2025	Approved Audit Action Plan for 2023/2024 fy	5.7.8. Achievement of Unqualified Audit Opinion with matter of emphasis by December 2025	1	0	N/A	1	Auditor General Management letter and AGSA report	0	N/A	1	N/A	R0.00	Auditor General Management letter and AGSA report	2
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KEY PERFORMANCE AREA (KPA) 6: SOCIAL SERVICES

Strategic Objectives: To provide effective, efficient, and sustainable community support services.

KEY PERFORMANCE AREA	PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGETS								TOTAL BUDGET	Weighting
					Quarter	Means of Verification	Quarter	Means of Verification	Quarter 3	Means of Verification	Quarter	Means of Verification		
					1	n	2	n		n	4	n		
					tar		tar		tar		tar			
OBJECTIVE: To provide an effective, efficient and sustainable community support service														
Basic Service Delivery	Installation of Trafman System at DLTC by March 2026	The National Road Traffic Act 93 of 1996 requires that law transgressors should be fined accordingly	6.1.1 Number of Trafman Systems to be installed by June 2026	1	N/A	N/A	N/A	N/A	1	Delivery note and installation report	N/A	N/A	R600,000.00	0.5

Institution al Development and Transformation	Development of standard operating Procedures for Traffic Management and administration by June 2026	Security policy in place	6.1.1 Number of developed standard operating Procedures for Traffic Management and administration by June 2026	1	N/A	N/A	1	Developed standard operating Procedures for Traffic Management and administration	N/A	N/A	N/A	Developed standard operating Procedures for Traffic Management and administration	R0.00	0.5
Financial Viability	Increase for revenue collection from traffic fines , VTS, Registering Authority and DTLC by June 2026	The municipality collected R4 248 411 as per Audited Financial statements for 2023/2024 as per 19% of the collections from department of transport	6.2.1. Percentage Increase of revenue from traffic fines , VTS, Registering Authority and DTLC by June 2026	85%	85%	Revenue report	85%	Revenue report	85%	Revenue report	85%	Revenue report	R4,800 00.00	1

Basic Service Delivery	Registration of the DLTC for grading of the centre by department of transport by December 2025	Existence of the Driving Licence testing yard.	6.3.1. Number of registration of the DTLC for grading of the centre by department of transport by December 2025	1	1	Registration certificate from Department of Transport	N/A	N/A	N/A	N/A	N/A	N/A	R0.00	0.5
Basic Service Delivery	Conduct Crime Prevention Summits by December 2025	High crime rate in the municipality. No synergy on the implementation of crime prevention initiatives by stakeholders	6.4.1. Number of Crime Prevention summit conducted at by December 2025	1	N/A	N/A	1	Attendance register and minutes	N/A	N/A	N/A	N/A	R40,000.00	0.5

Institutional Development and Transformation	Development security management plan by September 2025	High crime rate in the municipality. No synergy on the implementation of crime prevention initiatives by stakeholders	6.4.1. Number of security management plan developed by September 2025	1	1	Developed Security Plan	N/A	N/A	N/A	N/A	N/A	N/A		1
Institutional Development and Transformation	Pound Management Report by June 2026	Pound Policy in place; Pound rangers	6.4.2. Number of pound management reports tabled to management by June 2026	4	1	Signed report and duty roster, Service Level Agreement signed with Department of Agriculture (for pounds) December 2025	1	Signed report and duty roster	1	Signed report and duty roster	1	Signed report and duty roster	R0.00	0.5

Institutional Development and Transformation	Safe guarding of municipal assets on theft and vandalism by June 2026	Security policy in place	6.3.4. % decrease of theft and vandalism of the Municipal assets by June 2026	90%	90%	Signed report including incident and duty roster	90%	Signed report including incident and duty roster	90%	Signed report including incident and duty roster	90%	Signed report including incident and duty roster	R0.00	0.5
Basic Service Delivery	Fencing of the 2451.6m2 pound in Flagstaff ward 06 by March 2026	Two pounds exists in both Lusikisiki and Flagstaff towns	6.5.2. Number of pounds to be fenced in Flagstaff ward 06 by March 2026	1	N/A	N/A	N/A	N/A	1	Appointment Letter Completion certificate and Signed report	N/A	N/A	R1,350,000.00	0.5
Basic Service Delivery	Development of Disaster management response plan by December 2025	IHLM is prone to Natural and man made Disasters	6.5.3. Number of times Disaster management plan is developed December 2025	1	N/A	N/A	N/A	N/A	1	N/A	N/A	N/A	R50,000.00	0.5
Basic Service Delivery	Sitting of social cluster by June 2026	Poor coordination between department rendering social services	6.6.1. Number of Social Cluster meetings by June 2026	4	1	Attendance register and draft minutes	1	Attendance register and draft minutes	1	Attendance register and draft minutes	1	Attendance register and draft minutes	R80,000.00	1

Basic Service Delivery	Integrated Waste Management Plan Implementation for 2024/2025 fy in terms of waste collection and waste disposal and clearance of illegal dumping sites by June 2025	IWMP (Integrated Waste Management Plan) in place.	6.6.1. % implementation of the IWMP for 2024/2025 fy in terms of waste collection and waste disposal and clearance of illegal dumping sites by June 2026	100%	100%	Signed Report on Implementation of IWMP	100%	Signed Report on Implementation of IWMP	100%	Signed Report on Implementation of IWMP	100%	Signed Report on Implementation of IWMP	R0.00	1
Basic Service Delivery	Review of Cemetery Management by-law.	Cemetery policy in place.	6.7.1. Number of Cemetery By-Laws to be reviewed	1	N/A	N/A	N/A	N/A	N/A	N/A	1	Reviewed cemetery bylaw	R0.00	0.5
Institutional Development and Transformation	Development of business plan of Library grant	High illiteracy rate in the municipality	6.8.1. Number of business plans developed for libraries	1	1	Signed Business plan by the Municipal Manager	N/A		N/A	N/A	1	Attendance register and report	R 50,000.00	0.5
Basic Service Delivery	Reporting waste generated in the municipality to	There is one operating landfill site, and there is a	6.10.1. Number of times waste generated is reported to	4	1	SAWIS submission screen	1	SAWIS submission screen	1	SAWIS submission screen	1	SAWIS submission screen	R0.00	0.5

	SAWIS by June 2026	waste management unit	SAWIS by June 2026											
Institutional Development and Transformation	Provision of container for Port grovener beach by September 2026	4 beaches existing	6.11.1. Number of container provided for Port grovener beache by September 2026	1	N/A	N/A	1	Delivery note and report	N/A	N/A	N/A	N/A	R1,000,000.00	0.5

16. CORE COMPETENCIES REQUIREMENTS (CCRs) | SELECTED CORE COMPETENCIES REQUIREMENTS

The CCRs will make up the other 20% of the employee's assessment score. CCR's that are deemed to be most critical for Employee's specific job should be selected from the below as agreed to between the Employer and Employee.

CORE COMPETENCY REQUIREMENTS (CCR FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCY (CMC)	✓	WEIGHT
Strategic Capability and Leadership	✓	10
People Management	✓	10
Program and Project Management	✓	10
Financial Management	✓	10
Change leadership	✓	10
Governance Leadership	✓	10
CORE OCCUPATIONAL COMPETENCIES (COC)		
Moral competency	✓	05
Planning and Organization	✓	10
Analysis and Innovation	✓	10
Knowledge and Information Management	✓	10
Communication	✓	05
Total	✓	100%

ANNEXURE “B”

PERSONAL DEVELOPMENT PLAN

NAME : VELILE CASTRO MAKEDAMA
JOB TITLE : MUNICIPAL MANAGER
EMPLOYER : INGQUZA HILL LOCAL MUNICIPALITY
FINANCIAL YEAR : 2025/ 2026

Competency area to be addressed	Proposed actions	Responsibility	Timeframe	Expected outcome
Knowledge and competency	Obtaining master's in public administration	Municipal Manager	30/06/2026	Masters

APPENDIX 1

Commitment of Senior Management Team reporting directly to the Municipal Manager

Buhlebenkosi S. Fikeni

Chief Financial Officer

I, Buhlebenkosi Fikeni (Chief Financial Officer) hereby make this commitment to support the Municipal Manager: Velile Castro Makedama, to achieve targets as set in this performance contract between him and the employer. As a support senior manager, I understand that his targets are impossible to achieve without my full support and co-operation. I, therefore, accept both my individual and collective responsibilities towards the attainment of the set targets.

Signed By

B. S Fikeni

Chief Financial Officer



Commitment of Senior Management Team reporting directly to the Municipal Manager

Zamangwane Masumpa

SENIOR MANAGER: COMMUNITY SERVICES

I, Zamangwane Masumpa (Senior Manager: Community Services) hereby make this commitment to support the Municipal Manager, Velile Castro Makedama, to achieve targets as set in this performance contract between him and the employer. As a support senior manager, I understand that his targets are impossible to achieve without my full support and co-operation. I, therefore, accept both my individual and collective responsibilities towards the attainment of the set targets.

Signed By

Z Masumpa

Senior Manager: Community Services



Commitment of Senior Management Team reporting directly to the Municipal Manager

Miranda Boholo Matubatuba

SENIOR MANAGER: CORPORATE SERVICES

I, Miranda Matubatuba (Senior Manager: Corporate Services) hereby make this commitment to support the Municipal Manager, Vellie Castro Makedama, to achieve targets as set in this performance contract between him and the employer. As a support senior manager, I understand that his targets are impossible to achieve without my full support and co-operation. I, therefore, accept both my individual and collective responsibilities towards the attainment of the set targets.

Signed By



M.B Matubatuba

Senior Manager: Corporate Services

Commitment of Senior Management Team reporting directly to the Municipal Manager

Avela Mashaba

SENIOR MANAGER: PLANNING & DEVELOPMENT

I, Avela Mashaba (Senior Manager: Planning & Development) hereby make this commitment to support the Municipal Manager, Vellie Castro Makedama, to achieve targets as set in this performance contract between him and the employer. As a support senior manager, I understand that his targets are impossible to achieve without my full support and co-operation. I, therefore, accept both my individual and collective responsibilities towards the attainment of the set targets.

Signed By

A Mashaba



Senior Manager: Planning & Development

APPENDIX 2

OBLIGATIONS OF THE EMPLOYER (KEY ASSUMPTIONS)

1.1 Office Accommodation

During the full period of the performance agreement, the employer shall provide adequate office accommodation for the Municipal Manager. The occupational cost including the attendant ground rent obligations will be borne by the Employer.

1.2 Personnel

The employer shall be required to hire managers reporting directly to the Municipal Manager.

1.3 Facilities and Equipment

1.3.1 During the full period of the performance contract, the employer shall avail to the Municipal Manager all existing facilities and equipment which he will need in executing his duties.

1.4 Other Provisions

1.4.1 Approvals

The Employer shall make a decision/comment on items submitted for approval/comment within two (2) weeks of receipt of the items.

1.4.2 Tasks to the Employer

The employer undertakes to execute all crucial activities that fall under his responsibility as required by this contract in order not to derail the continuity of department operations. If there is a failure on the employer's part and the Municipal Manager feels that the attainment of the targets of this contract is at stake, the two parties will meet and agree on the way forward.

1.4.3 Substitution of the Municipal Manager

The employer reserves the right to take appropriate action to replace the Municipal Manager as per employment contract of the Municipal Manager.

2 OBLIGATIONS OF THE MUNICIPAL MANAGER

2.1 Conditions of service

- 2.1.1 The Municipal Manager shall be the Head of the Administration, subject to the conditions of service as stipulated by the employer. The conditions of service of the Municipal Manager shall include but not be restricted to:
- 2.1.1.1 Setting of specific targets for managers reporting to him.
 - 2.1.1.2 Advise Mayor on all matters including progress made in the implementation of the SDBIP.
 - 2.1.1.3 Setting and monitoring performance indicators for the municipality and execute corrective measures as and when necessary.
 - 2.1.1.4 Ensuring that organizational assets are in good working condition.
 - 2.1.1.5 Provision of high-quality service within all the departments in a cost-effective manner within agreed time frames.
 - 2.1.1.6 Completing and submitting performance reports for the municipality, to the Mayor or Executive Committee on a monthly and quarterly basis.
 - 2.1.1.7 Assessing performance reports for departmental staff where necessary.
 - 2.1.1.8 Preparation of the annual budget and once approved, adhering to it.
 - 2.1.1.9 Implementing strategies to improve the morale of staff.
 - 2.1.1.10 Attending meetings and other occasions on behalf of the organization.
- 2.1.2 The Municipal Manager shall ensure that his staff has access and is well informed about the disciplinary procedure of the municipality.
- 2.1.3 Determining the optimum staff level necessary for the accomplishment of targets and advising the employer on the reduction or increase

of staff in the department. Staff restructuring or reduction will utilize the existing municipal 'staff pool' as will be mutually agreed between the employer and the Municipal Manager in fulfillment of the current staff reduction policy. If such staff is to be laid off due to the staff reduction policy, the cost of severance and other terminal benefits shall be borne by the employer as required by the Labour Laws of RSA.

2.2 Standard of Service

2.2.1 The Municipal Manager shall exercise all his skills, reasonable care, responsibility and diligence in the discharge of his duties under this contract. The Municipal Manager shall do so with sound professional conduct in accordance with generally accepted standards.

2.2.2 Nothing in this Agreement diminishes the obligations, duties, or accountabilities of the Municipal Manager in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.

2.3 Supervision of Personnel in the Municipality

The Municipal Manager undertakes to ensure the supervision of personnel in the organization. If he is dissatisfied with the performance of any staff, provisions of the relevant internal policy and legislative framework of RSA shall apply.

2.4 Targets and Milestones

2.4.1 The Municipal Manager shall do all in his power to achieve the targets and milestones indicated in the municipal IDP and Performance Management System.

2.4.2 The Municipal Manager undertakes to achieve the organizational targets, which shall be directly related to the expected improvement in the level of services and therefore improvement in the quality of life within the municipality. The organizational targets are those defined as performance requirements in the Performance Plan of this contract.

2.5 Reporting

2.5.1 The Municipal Manager shall submit detailed quarterly reports on the operation of the municipality to the employer. The reports shall include details of the achievement of targets and milestones for that quarter for information purposes. The quarterly report should reach the employer within one month after the quarter in question has lapsed.

2.5.2 The Municipal Manager also undertakes to submit any other reports as required by the employer.

2.6 Expenditure

The Municipal Manager shall be responsible for the implementation of the approved operational and capital budget of the municipality.

2.7 Maintenance of Assets (fixed and movable) in the Municipality

The Municipal Manager shall assist the municipality in the maintenance of assets in the departments having authority to enter into service contracts with service providers to carry out such maintenance.

2.8 Purchases

2.8.1 The Municipal Manager undertakes to utilize the most recently approved Municipal Supply Chain Management Policy (SCM) to handle all procurement within the municipality, according to the provisions of this contract. No procurement shall be allowed to proceed outside of the approved SCM policy, and the Municipal Internal Auditor shall ensure that no payments are effected contrary to this arrangement.

2.9 Books and Records

The Municipal Manager shall keep accurate books and records of all finance operations and shall permit the employer to inspect them and make copies where necessary.

2.10 Financial Procedures

2.10.1 Financial year shall commence on 01 July 2023 and end on the 30th June 2024, such period defined as the financial year shall be used for purposes of budgets, expenditures, cash flows and other operational requirements.

2.10.2 The employer reserves the right to ensure that finances are operated in accordance with the government's financial regulations and can utilize the services of an auditor in this regard.

2.10.3 The Municipal Manager must ensure strict adherence of all approved municipal financial policies, including issues of cost effectiveness, cost efficiency and over expenditure.

2.11 Budget

2.11.1 During the budget process the Municipal Manager shall make the necessary submissions to financial services reflecting the projected financial needs of the municipality for the following financial year.

2.11.2 The approval of the municipal budget shall constitute the authority to the Municipal Manager to incur expenditure accordingly and in line with the performance targets indicated in this performance contract.

2.12 Liability

The Municipal Manager shall be responsible towards the municipality for the performance of services in accordance with the provisions of this contract, subject to the following limitation.

2.12.1 The Municipal Manager shall not be liable for any damage or injury caused by or arising out of the act, neglect, default, or omission, of any personnel in the organization in the course of duty or anybody subcontracted by the municipality.

3. OTHER PROVISIONS

3.1. Unforeseen conditions

There may be some unforeseen conditions necessary for the success of this performance contract. If either party discovers such circumstances, during the course of operation of this performance contract, the matter shall be brought to the attention of the other, in writing. A meeting, whose timing shall be mutually agreed upon, shall then be convened to discuss the outstanding issues. The minutes of such a meeting shall form an addendum to this contract.