

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

Velile Castro Makedama

("The Municipal Manager")

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

FINANCIAL YEAR: 2026/2027 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 **Velile Castro Makhedama**, the Municipal Manager, and **Ingquza 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 2026, and the 2026/2027 FY Service Delivery and Budget Implementation Plan. The two aforementioned documents have been adopted as the working documents of Ingquza 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 (CCRs) 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. RULING 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 2026 and will expire on the 30th of June 2027. The parties will conclude a new performance agreement that replaces this Agreement by not later than 31 July 2027. 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 Ficksburg on this 30 day of July 2026.

MUNICIPAL MANAGER:

Signature: [Signature]

Print name: V.C. MAKEDAMA

WITNESSES:

1. Signature: [Signature] Print name: A. Hloma

2. Signature: [Signature] Print name: N. MBHUNGALEWA

FOR AND ON BEHALF OF INGQUZA HILL LOCAL MUNICIPALITY

MAYOR:

Signature: _____

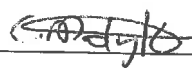


Print name: _____

PRUDENCE N. PEPPING

WITNESSES:

1. Signature: _____

 Print name: Cawechazi Mphahlele

2. Signature: _____

 Print name: Anita Siw

ANNEXURE "A"

PERFORMANCE PLAN

15. KEY PERFORMANCE AREAS (KPs) 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%

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KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE 30%

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 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 2027	Designs in Place	1.81.19. % Completion of construction of 19km of access roads 5km Chwechwela Access road in ward 22, 4km Ngibe Access road in ward 21, 5km New Rest to Khonjwayo Access road in ward 19 and 5km Mkhabela to Makolonini Access road	100%	Stage 3 (40%) Installation of pipes by 30 September 2026	Signed Monthly Reports	Stage 4(60%) tipping of gravel, processing of gravel by 31 December 2026	Signed Monthly Reports	Stage 5(80%) Construction of headwalls and installation of road signs by 31 March 2027	Signed Monthly Reports	Stage 6 (100%) Completion of works by 30 June 2027	Signed Monthly Reports Practical Completion Certificate	R19,259 ,817.02	1.5									

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		21 by 30 June 2027		% 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 September 2026	Phase 1 complete d in Flagstaff and Phase 1 and Phase 2 complete d in Lusikisiki	1.03.3 % completion of construction of 10km Surfacing of internal streets.4km Flagstaff Internal Streets- Phase 2 in Ward 06 Flagstaff Town and 6km Lusikisiki Internal Streets- Phase 3 in ward 15 by 30 September 2026	100%	Stage 6 (100%) Completion of works by 30 September 2026	Signed Monthly reports Practic al Comple tion Certifi cate	Not Target	-				N/A	Monthly reports Practical Completion Certificate	R17,300 ,000.00	1.5
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% Construction of 2,4km of Lusikisiki by-pass in ward 19 by 30 June 2027	New Project	1.34.71 % Completion of Construction of 2,4km of Lusikisiki by-pass in ward 19 by 30 June 2027	100%	Stage 1 (10%) - Appointment of contractor and Site Establishment by 30 September 2026	Signed Monthly Reports with Photos	Stage 3 - (40%) Installation of pipe culverts complete by 31 December 2026	Signed Monthly Reports with Photos	Stage 5 - (80%) Kerbing, Asphalt and Protection works complete by 31 March 2027	Signed Monthly Reports with Photos	Stage 7 - 100% - Project on Practical Completion by 30 June 2027	Appointment Letter Signed Monthly Reports with Photos and completion certificate	R29,253,000.00	2
% Construction of 24km of access roads: 4km Bantini to Mangweni Access Road in Ward 14, 5km Njombela via Ntlavukazi Access Road in Ward 24,	Registered in MIG-MIS System	1.81.20. % Construction of 24km of access roads: 4km Bantini to Mangweni Access Road in Ward 14, 5km Njombela via Ntlavukazi Access Road in Ward 24,	10%	No Target	N/A	N/A	N/A	NO Target	N/A	Stage 1 (10%) - Appointment of contractor and Site Establishment by 30 June 2027	Signed Monthly Report and appointment Letter	R1,000,000.00	1.5

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5km Mxhopho Access Road in Ward 29, 5km Khathazweni to Lujecweni Access Road in Ward 30, 5 km Mavaleleni Access Road in Ward 32 by 30 June 2027	5km Mxhopho Access Road in Ward 29, 5km Khathazweni to Lujecweni Access Road in Ward 30, 5 km Mavaleleni Access Road in Ward 32 by 30 June 2027	10%	No Target	N/A	No Target	N/A	No Target	N/A	No Target	N/A	Stage 1 (10%) - Appoint ment of contract or and Site Establis hment by 30 June 2027	Signed Monthly Reports and appointment Letter	R200,00 0.00	1.5
% Construction s of 2 bridges(8m long) at Bantini to Mangweni in ward 14 by 30 June 2027	Register ed in MIG-MIS System	1.81.3 % Construction s of 2 bridges(8m long) at Bantini to Mangweni in ward 14 by 30 June 2027	No Target	N/A	No Target	N/A	No Target	N/A	No Target	N/A	Stage 1 (10%) - Appoint ment of contract or and Site Establis hment by 30 June 2027	Signed Monthly Reports and appointment Letter	R200,00 0.00	1.5

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% Construction of 2 bridges (12m long) Mavaleleni in ward 32 by 30 June 2027	Register ed in MIG-MIS System	1.81.4 % Construction of 2 bridges (12m long) Mavaleleni in ward 32 by 30 June 2027	10%	No Target	N/A	NO Target	N/A	No Target	N/A	Stage 1 (10%) - Appointment of contract or and Site Establishment by 30 June 2027	Signed Monthly Reports and appointment Letter	R200,000.00	1.5
% Construction of 2400m2 Khathazweni Sports Field in ward 30 and 2400m2 Kwadiki Sports Field in ward 17 by 30 June 2027	Register ed in MIG-MIS System	1.06.19.% Completion of 2400m2 Khathazweni Sports Field in ward 30 and 2400m2 Kwadiki Sports Field in ward 17 by 30 June 2027	10%	No Target	N/A	NO Target	N/A	No Target	N/A	Stage 1 (10%) - Appointment of contract or and Site Establishment by 30 June 2027	Signed Monthly Reports and appointment Letter	R400,000.00	1.5

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% Construction of Landfill Site in Flagstaff in ward 6 by end 30 June 2027	New project	1.75.64 % Completion of Construction of Landfill Site in Flagstaff by end 30 June 2027	10%	No target	N/A	No target	N/A	No Target	N/A	Stage 1 (10%) - Appointment of contract or and Site Establishment by 30 June 2027	Signed Monthly Reports	R7,000,000.00	1.5
Rehabilitation of 4000m ² Surfaced Roads (Pothole patching) in ward 6, 15 and 19 in Lusikisiki and Flagstaff Town by 30 June 2027	53 141m ² rehabilitated	1.35.45% completion of 4000m ² surfaced road (pothole patching) in Ward 06, 15 and 19 in Lusikisiki and Flagstaff Town by 30 June 2027	100%	Project at (25%) 750m ² rehabilitated by 30 September 2026	Appointment Letter Signed Monthly Reports	Project at (50%) Rehabilitation of 2000m ² by 31 December 2026	Signed Monthly Reports	Project at (75%) Rehabilitation of 3000m ² by 31 March 2027	Signed Monthly Reports	Project at (100%) Rehabilitation of 4000m ² by 30 June 2027	Signed Monthly Reports and Completion Certificate	R6,000,000.00	2

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Rehabilitation of Mbhayi 10m long Bridge in ward 4 and Rehabilitation of Nzaka 15m long Bridge in ward 11 by 30 June 2026	Project at 90%	1.1.5.3 % Completion of Rehabilitation of 10m long Mbhayi Bridge in ward 4 15m long Nzaka Bridge in ward 11 by 30 September 2026	100%	Stage 6 (100%) wing walls, protection works and road signs complete and project complete by 30 September 2026	Signed Monthly Reports and Completion Certificate	No Target	N/A	No target	N/A	No Target	N/A	R2,837,688.94	1.5
Construction of 0,23ha of Ward 2 Multipurpose Sports Field - Phase 2 in Mavaleleni Village in Ward 2 by 31 March 2027	Project is 80% complete	1.96.12% completion of 0,23ha of Ward 2 Multipurpose sports field - Phase 2 at Mavaleleni by 31 March 2027	100%	No Target	N/A	No Target	N/A	Project at 100% Landscaping and Project completed by 31 March 2027	Monthly progress reports and Practical completion Certificates	No target	N/A	R8,300,000.00	1.5

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Construction of Zone 5 0,11ha Sports Field at Malangeni village in Ward 16 by 31 December 2026	Project at 30%	1.06.19 % Completion Zone 5 0,11ha Sports Field at Malangeni village in Ward 16 by 30 June 2026	100%	Project at (80%)) Installation of artificial turf and line markings by complete 30 September 2026	Signed Monthly Report	Project at (100%) Change rooms, guard house, ground, soccer pitch goal posts and project complete 31 December 2026	Signed Monthly report and Completion certificate.	No Target	N/A	No Target	N/A	R5,591,000.00	2
Construction of Information Centre in Lusikisiki (Ward 15) by 30 June 2027	New project	6.53.15% Completion of Lusikisiki Information Centre (220m2) in Ward 15 by 30 June 2027	100%	Stage 1 (10%) - Appointment of contractor and Site Establishment by 30 September 2026	Signed Monthly Reports and appointment Letter	Project at 40% (Stage 2) Eathworks, Foundations by December 2026	Signed Monthly Reports	Project at (80%) - Stage 5 Superstructure, Plumbing, Electricality by 31 March 2027	Signed Monthly Reports	Project at 100% (Stage 6) - Finishes, Landscaping 30 June 2027	Signed Monthly progress reports and Practical Completion Certificates	R4,000,000.00	2

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Construction of 7440 m2 of Lusikisiki Municipal Offices in Ward 19 by 30 June 2027	Procurement Stage	1.13.49 % Completion of Lusikisiki Offices in Ward 19 by 30 June 2027	40%	No Target	N/A	No Target	N/A	Stage 1 (10%) - Appointment of contractor and Site Establishment by 31 March 2027	signed Monthly Reports and appointment letter	Stage 2 (40%) - Site layout and earthworks completed by 30 June 2027	Signed Monthly Reports and appointment of Contractor	R25,000,000.00	1.5
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Installation of 10 high mastlights at ward 7, 8, 19, 21, 22, 23, 24, 26, 28 and 29 by 30 June 2027	96 High Mast Light Installed	1.17.24 Completion for Installation of 10 high mastlights at ward 7, 8, 19, 21, 22, 23, 24, 26, 28 and 29 by 30 June 2027	100%	Stage 1 (10%) - Appointment of contractor and Site Establishment by 30 September 2026	Signed Monthly progress report and appointment letter	Project at 50%- Installation of 5 high mastlights by 31 December 2026	Signed Monthly report	Project at 90%- Installation of 9 high mastlights by 31 March 2027	Signed Monthly report	Projects at 100% - All High Mast lights installed by 30 June 2027	Signed Monthly Reports and Completion certificate	R10,000,000.00	2
Construction of 6km Nkunzimbi/ Ntlavukazi link line Ward16 and 24 by 31 March 2027	59 211 household Energized	1.93.08 % Completion of Construction of 6km Nkunzimbi/ Ntlavukazi link line, Ward16 and 24 by 31 March 2027	100%	Stage 1 (10%) - Appointment of contractor and Site Establishment by 30 September 2026	Signed Monthly progress report and appointment letter	Project at 40% - Stringing and tensioning completed by 31 December 2026	Signed Monthly progress reports	Project at 100% - labeling and inspection completed by 31 March 2027	Signed Monthly Progress Report and Practical Completion Certificate	No target	N/A	R2,700,000.00	1.5

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Construction of the 3 km Hombe link line, Ward 20, by 31 March 2027	59 211 household Energized	1.93.08% Completion of Construction of 3km Hombe link line Ward 20 by 31 March 2027	100%	Stage 1 (10%) - Appointment of contractor and Site Establishment by 30 September 2026	Signed Monthly progress report and appointment letter	Project at 40% - Stringing and tensioning completed by 31 December 2026	Signed Monthly progress reports	Project at 100% - labeling and inspection completed by 31 March 2027	Signed Monthly Progress Reports and Practical Completion Certificate	No Target	N/A	R1,350,000.00	1.5
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KEY PERFORMANCE AREA (KPA) 2: INSTITUTIONAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT 10%

Strategic Objectives: To promote Institutional Transformation and Organizational Development

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGET								TOTAL BUDGET	MEANS OF VERIFICATION	Weighting
				Means of verification		Means of verification		Means of verification		Means of verification				
				Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4			
ICT projects completed within deadlines (Licenses, Laptops, Network Support, Cloud base backup, Server Room maintenance Desktop & Printer for schools and EDRMS.	Approved ICT Strategy	2.53.46 Number of ICT projects completed within deadlines (Licenses, Laptops for officers and councillors, school laptops, Network Support, Cloud base backup, Server Room maintenance Desktop&Printer for schools and EDRMS.	8	2	Delivery Note Munsoft license report, Internet Fellover Report and delivery note.	2	Report for network support or delivery note, Server room maintenance and delivery note for laptops.	2	Report for Cloud Base backup report, ICT center report.	2	Microsoft screen short, EDRMS progress report.	R11 246 400.00	Delivery Note Munsoft license report, Internet Fellover Report and delivery note, Report for network support or delivery note, Server room maintenance and delivery note for laptops, Report for Cloud Base backup report, ICT center	1

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ICT Steering Committee by 30 June 2027	ICT Steering committee in place	2.53.47 Number of ICT Steering Committee meetings held by 30 June 2027	4	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	report, Microsoft screen short, ED RMS progress report. Progress report and screenshots and delivery notes
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Establishment of ICT Centres in best performing school based on 2026 matric results by March 2027	Approved ICT Strategy	2.53.48 Number of ICT centres established in best performing school based on 2026 matric results by 31 March 2027	2	N/A	N/A	N/A	2	Signed report, Delivery Note and distribution register	N/A	R1 000 000.00	Signed report, Delivery Note and distribution register	1
Leave Management Administration by 30 June 2027	Employee Self Service in place, Leave policy adopted	2.14.04 Number of monthly leave administration reports to be submitted by 30 June 2027	4	1	Signed Leave Management Report	1	1	Signed Leave Management Report	Signed Leave Management Report	R0	Signed Leave Management Report	1
Review and development of policies adopted by the council by 30 June 2027	Policies adopted by council by 29 May 2026	2.23.44 Number of times policies are developed /reviewed, and adopted by the Council by 30 June 2027	1	N/A	N/A	N/A	N/A	N/A	Signed Council Resolution, on, Signed report and signed policies	R70 000.00	Signed Council Resolution, Signed report and signed policies	1

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Review and adoption of Organogram by 30 June 2027	Organogram Review adopted by Council by 29 May 2026	2.01.02 Number of times the Organogram is reviewed and adopted by the Council by 30 June 2027	1	N/A	N/A	N/A	N/A	N/A	N/A	1	Signed Council Resolution and Signed Organogram	R0	Signed Council Resolution and Signed Organogram	1
Reduction of municipal vacancy rate on funded posts by 30 June 2027	Recruitment is done as per the Recruitment Policy and approved organizational structure	2.35.43 Percentage reduction of municipal vacancy rate on funded posts by 30 June 2027	17%	2%	Issued Vacancy Bulletin and signed reports	6%	Issued Vacancy Bulletin and signed reports	10%	Issued Vacancy Bulletin and signed reports	17%	Issued Vacancy Bulletin and signed reports	R0.00	Signed Reports and Attendance Register	1
Submission of quarterly Employment Equity Reports to the EE Committee by 30 June 2027	Approved EE Plan in place, EE committee fully functional, Acknowledged by Department of Labour and	2.17.01 Number of quarterly reports on the implementation of the Employment Equity Plan submitted to EE Committee	4	1	Signed Reports and Attendance Register	1	Signed Report and Attendance Register	1	Signed Report and Attendance Register	1	Signed Report and Attendance Register	R0	Signed Report and Attendance Register	1

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Implement ation of Training interventio ns for Councilors and employees as per the Workplace Place Skills by 30 June 2027	Employment ent	by 30 June 2027	16	4	Signed Report and Attendan ce Register	4	Signed Report and Attendan ce Register	4	Signed Report and Attendan ce Register	R9,105,00 0	Signed Report and Attendance Register	1
Signing of performanc e agreement s by Senior and middle managers by 31 July 2026	PMS policy in place. Signed performan ce agreement ts in 2025/202 6 FY	2.17.02 Number of senior and middle managers with signed performance agreements 31 July 2026	19	19	Signed Performa nce agreeme nts	N/A	N/A	N/A	N/A	R0	Signed Performanc e agreements	1

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Sitting of formal performance assessments for senior and middle managers by 31 March 2027	PMS policy in place. Signed performance agreement in 2025/2026 FY	2.17.03 Number of formal performance assessments conducted for senior and middle managers 31 March 2027	2	N/A	N/A	1	Attendance register and Signed Report	N/A	R0	1	Attendance register and Signed Report
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KEY PERFORMANCE AREA (KPA) 3: PLANNING AND LOCAL ECONOMIC DEVELOPMENT 20%

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				
				target	budget	Means of verification	target	Means of verification	target	Means of verification	target			
Objective: To address past spatial imbalances, promoting orderly development and preserving the environment and Local Economic Development														
Provision of support for ploughing mechanisation to identified crop producers (1, 2, 3, 4, 6, 7, 8, 9, 14, 17, 18, 19, 20, 23, 28, 29, 30, 31, and 32)	Led Strategy and the identified wards are those that have been already supported with either Agric inputs or fencing.	Number of identified crop producers supported with ploughing mechanisation in ward (1, 2, 3, 4, 6, 7, 8, 9, 12, 14, 17, 18, 19, 20, 23, 28, 29, 30, 31, and 32) by 31	20	N/A	R-	N/A	20	Signed Reports and happy letter by beneficiary	N/A	N/A	N/A	R700,000.00	Signed Reports and happy letter by beneficiary	0.5

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Provision of fencing support to IHLM Agricultural projects have been supported in the last financial year.	LED Strategy and 4	3.50.45 Number of farmers supported with fencing in both Lusikisiki and flagstaff wards by 31 March 2027.	4	N/A	R-	N/A	2	Signed report and completion certificate	2	Signed report and completion certificate	R1,500,000.00	Signed report and completion certificate	0.5
Provide support to IHLM farmers with boreholes and irrigation systems in ward 2, 26 and 28 by 30 June 2027	LED Strategy, one borehole has been installed at ward 20 and water source investigation has been conducted in the mentioned	3.49.38 Number of IHLM farmers supported with boreholes and irrigation systems in ward 2, 26 and 28 by end June 2027	3	1	R300 000.00	Signed report and completion certificate	N/A	N/A	2	Signed report and completion certificate	R1,000,000.00	Signed report and completion certificate	0.5

Provision of support to forestry growers for harvesting equipment within Ingquzwa hill municipality wards by 31 December 2026	LED Strategy and 2 Forestry Cooperatives have been supported with Harvesting Equipment.	3.52.01 Number of forestry growers supported with harvesting equipment within Ingquzwa Hill municipal wards by 31 December 2026	4	N/A	4	Signed Reports, Delivery Notes and Distribution register	N/A	N/A	N/A	N/A	R500 000.00	Signed Reports, Delivery Notes and Distribution register	1
Provision of support of fire-fighting equipment for IHLM forestry cooperatives within the	LED Strategy and 2 forestry Co-operatives have been supported with fire fighting equipment.	3.52.02 Number of IHLM forestry cooperatives supported with firefighting equipment within the municipal wards by 31	5	N/A	5	Signed Reports, Delivery Notes and Distribution register	N/A	N/A	N/A	N/A	R500 000.00	Signed Reports and Delivery Notes and Distribution register	0.5

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Provision of support for tools of trade to IHLM informal business trading in ward 6 and ward 15 by 31 December 2026	LED Strategy and 10 enterprises were supported in previous years	3.34.47 Number of enterprises supported with tools of trade within the municipal wards by 31 December 2026	12	N/A	12	Delivery notes, close out report and confirmation on letters from councillors	N/A	N/A	N/A	R2,000,000.00	Delivery notes, close out report and confirmation letters from councillors	0.5
Provision of support for tools of trade to IHLM informal business trading in ward 6 and ward 15 by 30 September 2026	LED Strategy and the hawkers stalls and tables which were provided before.	3.14.37 Number of Informal traders supported with tools of trade in ward 6 and ward 15 by 30 September 2026	50	50	R500,000.00	Delivery notes, confirmation letters from beneficiaries	N/A	N/A	N/A	R500,000.00	Delivery notes, confirmation letters from beneficiaries	0.5

Conduct Environmental Impact Assessment for 3 Townships (New Town, Extension 20 Lusikisiki and Extension 4, Flagstaff) by 30 June 2027	Environmental Management Plan	3.56.62.1 % completion of Environmental Impact Assessment for 3 Townships (New Town, Extension 20 Lusikisiki and Extension 4, Flagstaff) by 30 June 2027	100%	25 %	R650,000.00	Signed Terms of reference and inception report	50 %	Draft Scoping/basic assessment Report	75 %	Public engagement Report and attendance register	100 %	Final EIA Scoping report/ Basic assessment and EMPr Report	R2,600,000.00	Signed terms of reference, draft scoping, basic assessment report, public engagement report and attendance register, Final EIA Scoping report/ Basic assessment and EMPr Report and Environmental Authorisation	1
To conduct Environmental Impact Assessment for Coastal Infrastructure project for Mbotyi and Mkhambathi by 30 June 2027	Environmental Management Plan	3.56.62.2 % completion of Environmental Impact Assessment for Coastal Infrastructure project in Mbotyi and Mkhambathi by 30 June 2027	100%	25 %	R300,000.00	Signed Terms of reference and inception report	45 %	Draft Scoping/basic assessment Report	75 %	Public engagement Report and attendance register	100 %	Final EIA Scoping report/ Basic assessment and EMPr Report	R1,200,000.00	Signed Terms of reference and inception report, Draft Scoping/Basic assessment Report, Public engagement Report and attendance register, Final EIA Scoping report/ Basic assessment	1

Development of Ingquza Hill Local Municipality Housing Sector Plan by 30 June 2027	Human Settlements Plan	3.02.09 % completion of the Housing Sector Plan by 30 June 2027	100%	25 %	R75 000 00	Inception Report and attendance Register	50 %	Situational Analysis Report and attendance Register	75 %	Draft Housing Sector Plan	100 %	Final Housing Sector Plan	R300,000.00	Inception Report and attendance Register, Situational Analysis Report and attendance Register, Draft Housing Sector, Final Housing Sector Plan IHLM Approved Housing Sector Plan	1
Development of Lambasi Precinct Plan by 30 June 2027	IHLM Spatial Development Framework	3.55.01 % completion of the Lambasi Precinct Plan by 30 June 2027	100%	25 %	R80,000.00	Inception Report and attendance Register	50 %	Situational Analysis Report	75 %	Draft Proposals Report	100 %	Final Report of the Lambasi Precinct Plan	R400,000.00	Inception Report and attendance Register, Situational Analysis Report, Draft Proposals Report, Final Report of the Flagstaff Precinct Plan and Approved Lambasi Precinct	1

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Development of Lusikisiki Town Precinct Plan by 30 June 2027	IHLM Spatial Development Framework	3.55.02 % completion of the Lusikisiki Precinct Plan by 30 June 2027	100%	25 %	R80,000.00	Inception Report and attendance Register	50 %	R100,000.00	75 %	Draft Proposals Report	100 %	Final Report of the Lusikisiki Precinct Plan	R400,000.00	Final Report of the Lusikisiki Precinct Plan	1
Development of Flagstaff Town Precinct Plan by 30 June 2027	IHLM Spatial Development Framework	3.55.03 % completion of the Flagstaff Precinct Plan by 30 June 2027	100%	25 %	R80,000.00	Inception Report and attendance Register	50 %	Situational Analysis Report	75 %	Draft Proposals Report	100 %	Final Report of the Flagstaff Precinct Plan	R400,000.00	Inception Report and attendance Register, Situational Analysis Report, Draft Proposals Report, Final Report of the Flagstaff Precinct Plan and Approved Flagstaff Precinct	1
Planning and Survey of Malizole, Unity Park and Zwellitsha	IHLM Land Audit Report 2019	3.16.01 % completion of Planning and Survey of Malizole, Unity Park and Zwellitsha Township in	100%	25 %	R450,000.00	Signed Terms of Reference and Public Participation Report	50 %	Inceptions and Attendance Register	75 %	Topo Survey and Draft Layout Plan	100 %	Pegging of sites and Final Layout Plan	R2 400 000.00	Signed Terms of Reference and Public Participation Report, Inceptions and Attendance Register, Topo Survey and	1

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Township in Lusikisi by 30 June 2027		Lusikisiki by 30 June 2027																Draft Layout Plan, Pegging of sites and Final inal Layout Plan Approved Layout Plan					
Review of IHLM Integrated Land Use Scheme by 30 June 2027	IHLM Spatial Developm ent Framework k	3.15.07 % completion of IHLM Integrated Land Use Scheme by 30 June 2027	100%	25 %	R150,000.00	Signed Terms of Referen ce and Inceptio n Report	50 %	Status Quo Analysis Report	75 %	Draft IHLM Integrate d Land Use Scheme Report	100 %	Final IHLM Integrat ed Land Use Scheme	R600,000.00	Signed Terms of Reference and Inception Report, Status Quo Analysis Report, Draft IHLM Integrated Land Use Scheme Report, Final IHLM Integrated Land Use Scheme Approved IHLM Integrated Land Use Scheme	1								

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Registration and Transfer for 300 low income properties in 100 Thabo Mbeki, 100 Nkululekweni in Flagstaff, and 100 Slovo Park in Lusikisiki by 30 June 2027	IHLM Land Audit Report 2019	3.15.08 % completion of registration and transfers for 300 low income properties in Thabo Mbeki, 100 Nkululekweni in Flagstaff, and Slovo Park in Lusikisiki by 30 June 2027	100%	25 %	R625,000.00	Signed Terms of Reference	50 %	50 Deed of Sales signed in Thabo Mbeki, 50 Deed of Sales signed in Nkululekweni and 50 Deed of Sales signed in Slovo Park in Lusikisiki	75 %	50 Deed of Sales signed in Thabo Mbeki, 50 Deed of Sales signed in Nkululekweni and 50 Deed of Sales signed in Slovo Park in Lusikisiki	100 %	Proof of lodgement of 300 properties at the Deeds registry	R2,500,000.00	Signed Terms of Reference, 300 title deeds registered and transferred to property owners in Thabo Mbeki, Nkululekweni and Slovo Park and Proof of lodgement of 300 properties at the Deeds registry	1
Review of lease agreements for Municipal properties that are generating revenue in Lusikisiki and	IHLM Land Audit Report 2019	3.19.01 Number of reports reviewed on municipal property leases that are generating revenue in Lusikisiki and	4	1	R317,322.00	Signed Report and updated Lease register	1	Signed Report and updated Lease register	1	Signed Report and updated Lease register	1	Signed Report and updated Lease register	R1 269 288.00	Signed Report and updated Lease register	1

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KEY PERFORMANCE AREA (KPA) 4: FINANCIAL MANAGEMENT AND VIABILITY 10%

Strategic Objectives: To promote and enhance financial viability.

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	MEANS OF VERIFICATION		Quar ter 2		MEANS OF VERIFICATION	Quar ter 3		MEANS OF VERIFICATION	Quar ter 4		TOTAL BUDGET	MEANS OF VERIFICATION (POE)	Weight ing
				Quar ter 1	Targ et	Targ et	Targ et		Targ et	Targ et		Targ et	Targ et			
Key Performance Area: Financial Viability Management																
Preparation and submission of funded annual budget in compliance with budget circular by 30 June 2027	Annual and adjustment budgets for 2025-26 adopted by council	4.01.01 Number of prepared and adopted funded budgets in compliance with circulars for 2026/2027 FY by 30 June 2027	2	N/A	N/A	N/A	1	Adjusted Budget Summary and 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	0.5			
Preparation and submission of section 71 financial monthly reports to the Treasury within 10 working	The municipality complies with section 71 of the MFMA. 12 Monthly reports	4.06.01 Number of S71 financial monthly reports submitted to the mayor and Treasury within 10 working	12	3	Signed Quality Certificate and proof of submission	3	Signed Quality Certificate and proof of submission	Signed Quality Certificate and proof of submission	3	Signed Quality Certificate and proof of submission	R0.00	Signed Quality Certificate and proof of submission	0.5			

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Preparation and submission of section 72 (mid-term) report submitted to Mayor and Treasury by 25 January 2027	The municipality complies with section 72 of the MFMA. 1 mid-term report submitted annually	4.47.03 Number of S72 (mid-term) reports submitted to Mayor and Provincial and National Treasury by 25 January 2027	1	N/A	N/A	N/A	N/A	Signed Quality Certificate and proof of submission	0.5
The municipality complies with section 72 of the MFMA. 1 mid-term report submitted annually	The municipality complies with section 72 of the MFMA. 1 mid-term report submitted annually		1	N/A	N/A	N/A	N/A	Signed Quality Certificate and proof of submission	

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Preparation of Valid invoices submitted by 30 June 2026	All invoices received and confirmed within 30 days after receipt and confirmed within 30 days of invoices monthly by 30 June 2027	100%	100 %	Creditors Age Analysis	100 %	N/A	N/A	N/A	R1,000,000.00	Acknowledgment letter from AG	0.5
AFS for 2025/26 were submitted	4.47.01 Number AFS Auditor General, National Treasury and Provincial Treasury by 31 August 2026	1	1	Acknowledgment letter from AG	N/A	N/A	N/A	N/A	N/A		
Payment of Valid invoices within 30 days after receipt and confirmation of invoices monthly by 30 June 2027	4.03.01 Percentage of valid invoices paid within 30 days after receipt and confirmation of invoices by 30 June 2027	100%	100 %	Creditors Age Analysis	100 %	Creditors Age Analysis	100 %	Creditors Age Analysis	R0.00	Creditors Age Analysis	1.5

Collection of Debt from all billed municipal consumers by June 2027	Report on Revenue collection for 2025/2026 FY, 86% was collected for 2024/2025 fy	4.22.72 % Collection of debtors from all billed consumers by 30 June 2027	85%	Revenue Collection report	85%	Revenue Collection report	R0.00	Revenue Collection report	1.5
Review of Budget and Treasury-related Policies by 31 May 2027	Budget and Treasury Policies were reviewed in 2025/2026	2.23.44 Number of times Budget and Treasury related policies reviewed and adopted by the council on 31 May 2027	1	N/A	N/A	N/A	1	Sined Council Resolution	0.5

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Confirmation of insurance for all Municipal Assets by 30 June 2027	All Municipal assets were insured by 2025/26 financial year. Assets are insured as they are procured	4.16.02 Number of confirmations of Insurance for Municipal Assets by 30 June 2027	4	1	Confirmation of insurance for all Municipal Assets	1	Confirmation of insurance for all Municipal Assets	1	Confirmation of insurance for all Municipal Assets	R5 500 000.00	Confirmation of insurance for all Municipal Assets	2
Implementation of activities in the procurement plan based on timely submission by department by 30 June 2027	Procurement plan was implemented on a monthly basis in 2025/26 financial year	4.87.01 % Implementation of activities in the procurement plan based on timely submission by department by 30 June 2027	85%	25%	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

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Provision of Free Basic Services to deserving and qualifying households by 30 June 2027	Free Basic Services provided to households in the IHLM	4.23.01 Percentage distribution of FBS to deserving and qualifying households by 30 June 2027	100%	100 %	Report on delivery of FBS	Distribution registers of FBS	Eskom Reports on provision of 50kW to qualifying households	100 %	Report on delivery of FBS	Distribution registers of FBS	Eskom Reports on provision of 50kW to qualifying households	100 %	Report on delivery of FBS	Distribution registers of FBS	Eskom Reports on provision of 50kW to qualifying households	R10.000.000.00	Report on delivery of FBS	Distribution registers of FBS	Eskom Reports on provision of 50kW to qualifying households	0.5
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KEY PERFORMANCE AREA (KPA) 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION 20%

Strategic Objectives: To promote good governance and public participation.

PROJECT	BASELINE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY TARGET								TOTAL BUDGET	MEANS OF VERIFICATION	Weighting
				Means of verification 1		Means of verification 2		Means of verification 3		Means of verification 4				
				Quarter	tar	Quarter	tar	Quarter	tar	Quarter	tar			
				Quarter	tar	Quarter	tar	Quarter	tar	Quarter	tar			
Objective: To promote good governance and public participation														
Review of institutional quarterly performance by June 2027	PMS Policy adopted by Council and reports submitted quarterly	5.02.01 Number of institutional quarterly reports adopted by Council by 30 June 2027	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	R0.00	Attendance register and draft minutes	3

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Statutory financial and performance management documents adopted by Council for 2026/2027 FY by 30 June 2027	Adopted Process Plan for 2026/2027 FY	5.02.02 Number of 2026/27 statutory financial and performance management documents adopted by Council by 30 June 2027	13	3	Council Resolutions, attendance register and draft minutes	1	Council Resolutions, attendance register and draft minutes	6	Council Resolutions, attendance register and draft minutes	3	Council Resolutions, attendance register and draft minutes	R0	Council Resolutions, attendance register and draft minutes	2
Implementation of the internal Audit plan for 2026/27 Financial year by 30 June 2027	Approved Annual Internal Audit Plan for 2025/26	5.49.51 Number of Internal Audit projects conducted as per approved internal Audit plan for the 2026/27 financial year by	8	2	Internal Audit Activity Report	2	Internal Audit Report	2	Internal Audit Report	2	Internal Audit Report	R900,000.00	Internal Audit Report	3

Implementation of litigation management strategy by 30 June 2027	The municipality has 32 cases as at end of previous FY. Litigation Management strategy for 2025/2026	5.29.01 % implementation of litigation management strategy by 30 June 2027	100 %	100 %	100 %	100 %	100 %	100 %	100 %	Attendance register, instruction letters and litigation registers	Attendance register, instruction letters and litigation registers	Attendance register, instruction letters and litigation registers	3
Implementation of Council Calendar for activities for 2026/27 financial year by 30 June 2027	Council Calendar, Standing Rules and Orders of Council	5.09.01 Number of council calendar activities for 2026/27 by 30 June 2027	60	15	15	15	15	15	15	Signed report	Signed report	Signed report	2
Implementation of Public Participation Policy by 30 June 2027	Public Participation Policy	5.23.01 Number of Public Participation Activities held by	60	15	15	15	15	15	15	Report and attendance registers	Report and attendance registers	Report and attendance registers	2
										R7 400 000.00		R7 400 000.00	

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KEY PERFORMANCE AREA (KPA) 6: SOCIAL SERVICES 10%

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

KEY PERFOR MANCE AREA	PROJE CT	BASELI NE	KEY PERFOR MANCE INDICAT OR	ANN UAL TAR GET	QUARTERLY TARGETS								TOTAL BUDGE T	Weig hting
					Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Quality	Means of Verification	Quality	Means of Verification	Quality	Means of Verification	Quality	Means of Verification		
					1	2	3	4						
OBJECTIVE: To provide an effective, efficient and sustainable community support service														
Basic Service Delivery	Increase for revenue collection from traffic fines , VTS, Registering Authority and DTLC by 30 June 2027	The municipality collected R4 248 411 as per Audited Financial statements for 2024/2025 as per 19% of the collections from department	4.37.16 Percentage Increase of revenue from VTS, Registering Authority and DTLC by 30 June 2027	85%	85%	Signed Revenue Report	85%	Signed Revenue Report	85%	Signed Revenue Report	85%	Signed Revenue Report	R6,617,604.00	0.5

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Basic Service Delivery	Pound Management Report by 30 June 2027	Pound Policy in place; Pound rangers	6.56.13 Number of pound management reports tabled to management by 30 June 2027	4	1	Duty rosters and Signed report	1	Duty rosters and Signed report	1	Duty rosters and Signed report	R0.00	0.5
		on initiatives by stakeholders										

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Basic Service Delivery	Safe guarding of municipal assets plan by 30 June 2027	Security policy in place	6.40.01 Number of reports on safe guarding of municipal assets by 30 June 2027	4	1	Duty rosters and Signed report	1	Duty rosters and Signed report	1	Duty rosters and Signed report	R0	0.5
Institutional Development and Transformation	Development of Disaster management response plan by 30 June 2027	IHLM is prone to Natural and man made Disasters	6.07.72 Number of times Disaster meetings conducted by 30 June 2027	4	1	Attendance register and draft minutes	1	Attendance register and draft minutes	1	Attendance register and draft minutes	R0	1
Institutional Development and Transformation	Sitting of social cluster by 30 June 2027	Poor coordination between department rendering social services	6.27.63 Number of Social Cluster meetings by 30 June 2027	4	1	Attendance register and draft minutes	1	Attendance register and draft minutes	1	Attendance register and draft minutes	R0.00	0.5

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Institutional Development and Transformation	IWMP quarterly report Implementation for 2026/2027 fy in terms of waste collection and disposal and clearance of illegal dumping sites by 30 June 2027	IWMP (Integrated Waste Management Plan) in place.	6.27.62 Number of quarterly report for IWMP Implementation for 2026/27 fy in terms of waste collection and disposal and clearance of illegal dumping sites by 30 June 2027	4	1	Signed IWMP report	1	Signed IWMP report	1	Signed IWMP report	R0.00	0.5
Basic Service Delivery	IWMP quarterly report Implementation for 2025/2026 fy in terms of waste collection	IWMP (Integrated Waste Management Plan) in place.	6.27.63 Number of times IWMP to be reviewed by 30 June 2027	1	N/A	N/A	N/A	N/A	N/A	Reviewed IWMP and Council Resolution	R500,000.00	0.5

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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 : INGUZA HILL LOCAL MUNICIPALITY
FINANCIAL YEAR : 2026/2027

Competency area to be addressed	Proposed actions	Responsibility	Timeframe	Expected outcome
Knowledge and competency	Obtaining master's in public administration	Municipal Manager	30/06/2027	Masters

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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

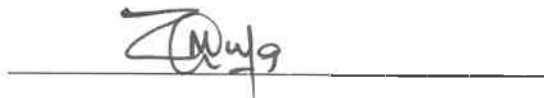
SENIOR MANAGER: COMMUNITY SERVICES

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, 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



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, 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



A Mashaba

Senior Manager: Planning & Development

Commitment of Senior Management Team reporting directly to the Municipal Manager

B Tshitshi

Senior Manager: Infrastructure Development & Municipal Services

I, Bavuyise Tshitshi (Senior Manager: Infrastructure Development & Municipal 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

B Tshitshi

Senior Manager: Infrastructure Development & Municipal Services

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 report/s 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 2026 and end on the 30th June 2027, 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.

V.C.

NPN

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.

V.C.

NAS.