

# PERFORMANCE AGREEMENT

Made And Entered Into By And Between:

**THE ENTITY, SOUTH COAST TOURISM AND INVESTMENT ENTERPRISE (RF) SOC**



As Represented by the Chairman of the Board (in the absence of a CEO)

**MR. SANDILE DLOMO**

And

**DEBORAH LEE LUDICK**

(Manager: Finance, Corporate Services and Administration)

For the period

**01 July 2024 – 30 June 2025**

# PERFORMANCE AGREEMENT

## ENTERED INTO AND BETWEEN:

The Municipal Entity of Ugu District Municipality, South Coast Tourism and Investment Enterprise (RF) SOC herein represent by Mr Sandile Dlomo in his capacity as Chairman of the Board – in the absence of a CEO, hereinafter referred to as the Employer or Reporting Officer

And

Deborah Lee Ludick, Employee of the Municipal entity of South Coast Tourism and Investment Enterprise (RF) SOC (hereinafter referred to as the Employee).

## WHEREBY IT IS AGREED AS FOLLOWS:

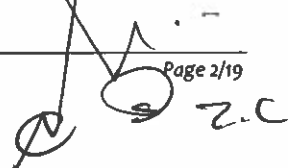
### 1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Employee in terms of either section 57(1) (a) of the Local Government: Municipal Systems Acts 32 of 2000 ("the System Act") or by virtue of being employed as a Manager. The Employer and the Employee are hereinafter referred to as "the Parties".
- 1.2 By virtue of having entering into a Contract of Employment between the parties, they are bound by the Individual and Organisational Performance Management System Framework of the South Coast Tourism and Investment Enterprise (RF) SOC. The Individual Performance Management Framework requires that an annual performance Agreement/Workplan be entered into.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

### 2. PURPOSE OF THIS AGREEMENT

The Purpose of this Agreement is to -

- 2.1 Comply with the provisions of Section 57(1)(b),4(A),(4B) and (5)of the Systems Acts, and IPMS Framework as well as the Contract of Employment entered into between the parties;
- 2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3 Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the Performance Agreement and Performance Plan as the basis for assessing whether the Employee has met the performance expectations applicable to his/her job;
- 2.6 Appropriately reward the Employee in accordance with the South Coast Tourism and Investment Enterprise (RF) SOC's performance management policy framework in the event of outstanding performance; and

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- 2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

### **3. COMMENCEMENT AND DURATION**

- 3.1 This Agreement will commence on the 1 July 2024 and will remain in force until 30 June 2025 whereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### **4. PERFORMANCE OBJECTIVES**

- 4.1 The Performance Plan (Annexure A1) sets out-
- 4.1.1 The performance objectives and targets that must be met by the Employee; and
- 4.1.2 The time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Entity's Strategy, Budget and Service Delivery and Budget Implementation Plan of the Employer, and shall include key objectives; key performance indicators; target dates and weighting
- 4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.
- 4.4 The Employee's performance will, in addition, be measured in Terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

### **5 PERFORMANCE MANAGEMENT SYSTEM**

- 5.1 The Employee agrees to participate in the Performance Management System that the Employer adopts or introduces for the Employer, management, and municipal staff of the Employer.
- 5.2 The Employee accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Employer, management, and municipal staff to perform to the standards required.
- 5.3 The Employer will consult the Employee about the specific performance standard that will be included in the Performance Management System as applicable to the Employee.

**6 The Employee agrees to participate in the Performance Management and Development System that the Employer adopts.**

6.1 The Employee undertakes to actively focus towards the promotion and implementation of KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

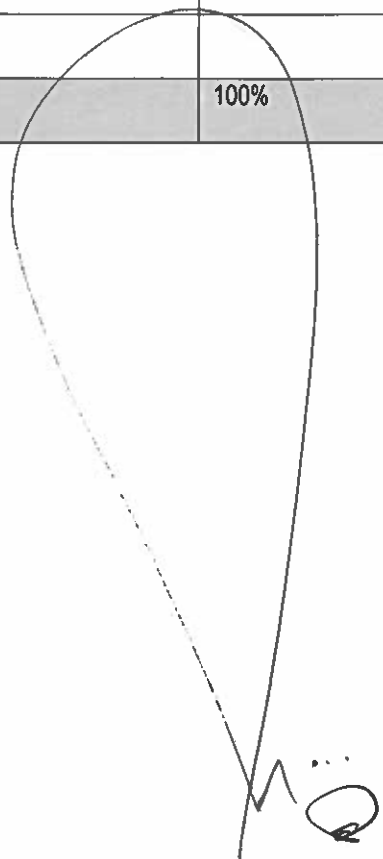
6.2.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Managerial Competencies (CMC's) respectively.

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

6.2.3 KPA's covering the main areas of work will account for 80% and CMC's will account 20% of the final assessment.

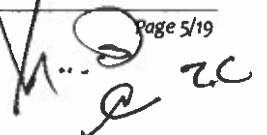
6.3 The Employee's assessment will be based on his/her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure A1), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

KEY PERFORMANCE AREAS (KPA'S)	WEIGHTING
Basic Service Delivery	
Municipal Institute Development and Transformation	15
Local Economic Development (LED)	
Municipal Financial Viability and Management	45
Good Governance and Public Participation	40
Community & Social Development Services	
Total	100%

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6.4 The CMCs will make the other 20% of the Employee's assessment score. CMC's that are deemed to be most critical for the Employee's specific job should be selected from the list below as agreed to between the Employer and Employee:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
CORE MANAGEMENT CRITERIA (CMC)	√	WEIGHT %
1. Strategic Capability & Leadership		10%
2. Programme & Project Management		
3. <b>Financial Management (Compulsory)</b>		30%
4. Change Management		
5. Knowledge Management		
6. Service Delivery Innovation		
7. Problem Solving & Analysis		
8. <b>People Management &amp; Empowerment (Compulsory)</b>		15%
9. <b>Client Orientation &amp; Customer Focus (Compulsory)</b>		15%
10. Communication		10%
11. Honesty & Integrity		20%
		100%
CORE OCCUPATIONAL COMPETENCY (COC)	√	WEIGHT %
1. Competence in Self-Management		35%
2. Interpretation of and implementation within the legislation and national policy framework		10%
3. Knowledge of developmental local government		
4. Knowledge of Performance Management & Reporting		25%
5. Knowledge of global & South African specific political, social and economic contexts		
6. Competency on policy conceptualisation, analysis and implementation		10%
7. Knowledge of more than one functional municipal fields/discipline		
8. Skills in mediation		
9. Skills in governance		15%
10. Competence as required by other national line sector departments		
11. Exceptional and dynamic creativity to improve the functioning of the municipality		5%
<b>TOTAL</b>		<b>100%</b>

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## 7. EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A1) to this Agreement sets out-

7.1.1 The standards and procedures for evaluating Employee's performance;  
and

7.1.2 The intervals for the evaluation of the Employee's performance.

7.2 Despite the establishment of intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Annual Plan.

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

(a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

(b) An indicative rating on the five-point scale should be provided for each KPA.

7.5.2 Assessment of the CMC's

(a) Each CMC should be assessed according to the extent to which the specified standards have been met.

(b) An indicative rating on the five-point scale should be provided for each CMC.

(c) The applicable assessment rating calculator (refer to Paragraph 7.5.3) must then be used to add the scores and calculate a final CMC score.

7.5.3 Overall Rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcomes of the performance appraisal.

7.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's, CMC's and COC's:

LEVEL	TERMINOLOGY	DESCRIPTION	RATING
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicate that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.	>150%
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.	130 - 149%
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	100 -129%

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LEVEL	TERMINOLOGY	DESCRIPTION	RATING
		indicators as specified in the Performance Agreement and Performance Plan.	
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review / assessment indicate that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.	80 – 99%
1	Unacceptable Performance	Performance does not meet the standard expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement 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.	>79%

7.7 For purpose of evaluating the performance of the Manager: Finance, HR and Administration, an evaluation panel will be appointed by the Board of Directors

## 8. SCHEDULE FOR PERFORMANCE REVIEWS

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

First quarter : July – September (year)  
 Second quarter : October – December (year)  
 Third quarter : January – March (year)  
 Fourth quarter : April – June (year)

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

8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

8.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure 'A1' from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

8.5 The Employer may amend the provisions of Annexure A1 whenever the Performance Management System is adopted, implemented, and /or amended as the case may be. In that case the Employee will be fully consulted before any such change is made.

## 9. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing development gaps is attached as Annexure A2.

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## 10. OBLIGATIONS OF THE EMPLOYER

The Employer shall:

- 10.1 Create an enabling environment to facilitate effective performance by the Employee;
- 10.2 Provide access to skills development and capacity building opportunities;
- 10.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 10.4 On the request of the Employee delegates such powers reasonably required by the Employee to enable him/ her to meet the performance objectives and targets established in term of this Agreement; and
- 10.5 Make available to the Employee such resources as the Employee may reasonably require from time to time to assist him/her to meet the performance objectives and targets established in terms of this Agreement.

## 11. CONSULTATION

- 11.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others-

- 11.1.1 A direct effect on the performance of any of the Employee's functions;
- 11.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
- 11.1.3 A substantial financial effect on the Employer.

- 11.2 The employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## 12 MANAGEMENT OF EVALUATION OUTCOMES

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

- 12.2 A performance bonus of 5% to 14% of inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance.

- 12.3 The Employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of least twelve months (12) service at current remuneration package 30 June (end of financial year) subject to a fully effective assessment.

- 12.4 In the case of unacceptable performance, the Employer shall-

- 12.4.1 Provide systematic remedial of development support to assist the Employee to improve his or her performance; and

- 12.4.2 After appropriate performance and counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

## 13. GENERAL

- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A1 may be available to the public by the Employer.

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13.2 Nothing in this agreement diminishes the obligations, duties, or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.

Thus, done and signed at Port Stephens on this the 30<sup>th</sup> day of July (Month) 2024 (Year)

**AS WITNESSES:**

1. [Signature]

2. \_\_\_\_\_

[Signature]  
EMPLOYEE

[Signature]  
EMPLOYER

**AS WITNESSES:**

1. [Signature]

2. \_\_\_\_\_

[Handwritten initials]


**1. ANNUAL PERFORMANCE PLAN, PERSONAL DEVELOPMENT PLAN & REVIEW FOR MANAGERS**

The following annual management review on **Key Performance Areas (KPA)**, **Core Management Criteria (CMC)** and **Core Occupational Competencies (COC)** agreed to in each manager performance agreement has to be completed.

The annual performance appraisal involves the assessment of the achievement of results of the KRA's, CMC's and COC's in accordance with the five-point scale of (1-5).

RATING	DEFINITION OF SCORE
5	Outstanding performance
4	Performance significantly above expectation
3	Fully effective
2	Performance not fully satisfactory
1	Unacceptable performance

Period Under Review	
Surname	
Name	
Municipality	
Department	
Race	
Gender	
Employee Number	
Date Of Appointment	
Salary Package	

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**2. MANAGERS PERFORMANCE PLAN AND REPORT FOR THE YEAR UNDER REVIEW**

**KPA 2: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT : WEIGHTING 15%**

**KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT : WEIGHTING 45%**

**KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION : WEIGHTING 40%**



**MANAGER'S SIGNATURE**

**DATE:** 30/07/2024

**REPORTING OFFICER'S SIGNATURE**

**DATE:**



### 3. EVALUATION ON THE CORE MANAGEMENT CRITERIA (CMC)

CMC's are based on the eleven core competencies - every Manager should be assessed against all those CMC's that are applicable to her/his job. Compulsory CMC's for Managers are highlighted below: (NOTE: Weight should be taken from the signed performance agreement for the year under review)

CORE MANAGEMENT CRITERIA (CMC)	WEIGHT %	MILESTONES/COMMENTS	OWN RATING (BY MANAGER) (1-5)	RATING BY PANEL MEMBER (1-5)
1. Strategic Capability & Leadership	10			
2. Programme & Project Management				
<b>3. Financial Management (Compulsory)</b>	30			
4. Change Management				
5. Knowledge Management				
6. Service Delivery Innovation				
7. Problem Solving & Analysis				
<b>8. People Management &amp; Empowerment (Compulsory)</b>	15			
<b>9. Client Orientation &amp; Customer Focus (Compulsory)</b>	15			
10. Communication	10			
11. Honesty & Integrity	20			
<b>TOTAL</b>	<b>100%</b>			

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**4. EVALUATION ON THE CORE OCCUPATIONAL COMPETENCY (COC)**

CORE OCCUPATIONAL COMPETENCY	WEIGHT %	MILESTONES COMMENTS	OWN RATING (BY MANAGER) (1-5)	RATING BY PANEL MEMBER (1-5)
1. Competence in Self-Management	35			
2. Interpretation of and implementation within the legislation and national policy framework	10			
3. Knowledge of developmental local government				
4. Knowledge of Performance Management & Reporting	25			
5. Knowledge of global & South African specific political, social and economic contexts				
6. Competency on policy conceptualisation, analysis and implementation	10			
7. Knowledge of more than one functional municipal fields/discipline				
8. Skills in mediation				
9. Skills in governance	15			
10. Competence as required by other national line sector departments				
11. Exceptional and dynamic creativity to improve the functioning of the municipality	5			
<b>TOTAL</b>	<b>100%</b>			

**5. ANNEXURE A1  
Annual Performance Plan**

2020  


6. ANNEXURE A 2 PERSONAL DEVELOPMENT PLAN

AREA TO BE DEVELOPED	TYPE OF INTERVENTION	TARGET DATE	PERFORMANCE REVIEW FOR PDP		
			PROGRESS	BARRIERS	ACTIONS TO OVERCOME BARRIERS
Formal Qualification - Diploma Degree		30.06.2026			

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**7. ANNEXURE A3: PERFORMANCE ASSESSMENT RATING**

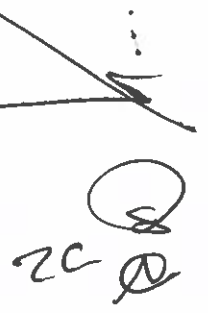
The assessment rating calculator will be used to add the scores and calculate a final KRA score (80%) and a final CMC & COC's score (20%)

The tables below should be completed by the summarized total of each panel member (NOTE: Weight should be taken from the signed performance agreement for the year under review)

KPA	Weight	Rating	Score
1. Basic Service Delivery	%		
2. Municipal Institutional development and transformation	15 %		
3. Local economic development	%		
4. Municipal financial viability and management	45 %		
5. Good Governance and Public Participation	40 %		
1. Community & Social Development Services	%		
Total	%		
x 80%			%

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Core Management Competencies		Weight	Rating	Score
1. Strategic Capability & Leadership		10 %		
2. Programme & Project Management				
3. <b>Financial Management (Compulsory)</b>		30 %		
4. Change Management				
5. Knowledge Management				
6. Service Delivery Innovation				
7. Problem Solving & Analysis				
8. <b>People Management &amp; Empowerment (Compulsory)</b>		15 %		
9. <b>Client Orientation &amp; Customer Focus (Compulsory)</b>		15 %		
10. Communication		10 %		
11. Honesty & Integrity		20 %		
<b>Total</b>		<b>100 %</b>		
<b>x 20%</b>				

2022  




Core Occupational Competencies	Weight	Rating	Score
1. Competence in Self Management	35 %		
2. Interpretation of and implementation within the legislation and national policy framework	10 %		
3. Knowledge of developmental local government			
4. Knowledge of Performance Management & Reporting	25 %		
5. Knowledge of global & South African specific political, social and economic contexts	%		
6. Competency on policy conceptualisation, analysis and implementation	10 %		
7. Knowledge of more than one functional municipal fields/discipline	%		
8. Skills in mediation	%		
9. Skills in governance	15 %		
10. Competence as required by other national line sector departments	%		
11. Exceptional and dynamic creativity to improve the functioning of the municipality	5 %		
<b>Total</b>	<b>100%</b>		
<b>x 20%</b>			

2022



KPA	(A) SUB-TOTAL	(B) % OF ASSESSMENT	(A X B) TOTAL SCORE
KRA (Key Result Area)		80%	
CC (Conduct Criteria)		20%	
(C) FINAL SCORE			
FINAL SCORE IN PERCENTAGE (C / 5 X 100)			%

**SIGNATURES OF MEMBERS OF THE EVALUATION PANEL**

Chairperson : \_\_\_\_\_

Member : \_\_\_\_\_

Member : \_\_\_\_\_

Member : \_\_\_\_\_


Member : \_\_\_\_\_

Signed in \_\_\_\_\_ on \_\_\_\_\_ of \_\_\_\_\_ 20\_\_\_\_

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**AGREEMENT TO PERFORMANCE AND DEVELOPMENT PLAN:**


I agree with the objectives as set out in the above Performance and Development Plan and undertake to achieve the objectives as agreed on.

SIGNATURE: 

Name of Manager: DEBORAH LUDICK

Date: 30/7/2014

I undertake to support Deborah Ludick with the achievement of the above Performance and Development Plan

SIGNATURE: 

Name of Reporting Officer: CHAIRMAN OF THE BOARD

Date: \_\_\_\_\_

**FEEDBACK ON INFORMAL QUARTERLY REVIEW:**

FEEDBACK	FROM	REPORTING	OFFICER
.....	.....	.....	.....
.....	.....	.....	.....
Signature of Reporting Officer		Signature of Manager	
Date:		Date:	