

Performance Agreement 2025 - 2026

MUNICIPAL MANAGER


PERFORMANCE AGREEMENT
MADE AND ENTERED INTO BY AND BETWEEN
GEORGE MUNICIPALITY HEREBY REPRESENTED BY:

THE EXECUTIVE MAYOR
ALDERMAN JACQUIQUE VON BRANDIS
(Herein and after referred to as the **Employer**)


AND

THE MUNICIPAL MANAGER
MR GODFREY WINSTON LOUW
(Herein and after referred to as the **Employee**)

FOR THE FINANCIAL YEAR: 1 JULY 2025 - 30 JUNE 2026

Executive Mayor:  _____

Witnesses:

Municipal Manager:  _____

1. INTRODUCTION

- 1.1 The Employer, duly represented by **Ald. J von Brandis**, in her capacity as the **Executive Mayor**, has entered into a contract of employment with the Employee, **Mr G W Louw**, in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred to as "the parties";
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement;
- 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 promote local government policy goals;
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4B) and 57(5) of the Systems Act;
- 1.5 In this agreement, the followings terms will have the meaning ascribed thereto:
- 1.5.1 "this Agreement" – means the performance agreement between the Employer and the Employee and the Annexures thereto;
- 1.5.2 "the **Municipal Manager**" – means the Municipal Manager of the Municipality appointed in terms of Section 54 (A) of the Systems Act
- 1.5.3 "the Employee" means the **Municipal Manager** appointed in terms of Section 54(A) of the Systems Act;
- 1.5.4 "the Employer" means **George Municipality**; and
- 1.5.5 "the Parties" means the Employer and the Employee.

Executive Mayor:



Witnesses:

Municipal Manager:








2. PURPOSE OF THIS AGREEMENT

- 2.1 To comply with the provisions of Section 57(1)(b), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 To specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance targets and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set targeted outputs and outcomes;
- 2.5 To establish a transparent and accountable working relationship;
- 2.6 To appropriately reward the employee in accordance with section 11 of this agreement; and
- 2.7 To give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This agreement will commence on **1 July 2025** and will remain in force until **30 June 2026**, whereafter a new Performance Agreement will be concluded between the parties for the next financial year or any portion thereof;
- 3.2 The parties will conclude a new Performance Agreement that replaces this agreement at least once a year by not later than 31 July of the succeeding financial year;
- 3.3 This agreement will terminate upon the termination of the Employee's contract of employment for any reason; and
- 3.4 The content of this agreement may be revised at any time during the abovementioned period to determine the current applicability of the matters previously agreed upon.

Executive Mayor: 

Witnesses:

Municipal Manager: 







4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan (Annexure A) sets out:


- 4.1.1 The performance objectives and targets that must be met by the Employee;
- 4.1.2 The timeframes within which those performance objectives and targets must be met; and
- 4.1.3 The core competency requirements (Annexure B: Competency Framework) as the management skills regarded as critical to the position held by the Employee.

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 Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and will include:

- 4.2.1 Key objectives that describe the main tasks that need to be done;
- 4.2.2 Key performance indicators (KPIs) that provide the details of the evidence that must be provided to show that a key objective has been achieved;
- 4.2.3 Target dates that describe the timeframe in which the targets must be achieved; and
- 4.2.4 Weightings showing the relative importance of the key objectives to each other.

4.3 The Personal Development Plan (Annexure C) sets out the Employee's personal development requirements in line with the objectives and targets of the Employer; and

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 IDP.

Executive Mayor: 

Witnesses:

Municipal Manager: 








5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopted for the employees 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 employees and service providers to perform to the standards required;
- 5.3 The Employer will consult the Employee about the specific performance standards and targets that will be included in the performance management system applicable to the Employee;
- 5.4 The Employee undertakes to actively focus on the promotion and implementation of the Strategic Objectives (SOs) (including special projects relevant to the employee's responsibilities) within the local government framework;
- 5.5 The criteria upon which the performance of the Employee will be assessed will consist of two components, KPAs and Competency Framework requirements as per the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, both of which will be contained in the Performance Agreement;
- 5.6 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (KPIs) identified as per attached Performance Plan (Annexure A), which are linked to the KPAs applicable to the Employee and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

Strategic Objective
SO1: Develop and Grow George
SO2: Safe, Clean and Green
SO3: Affordable Quality Services
SO4: Participative Partnerships
SO5: Good Governance and Human Capital

- 5.7 The competency requirements for senior managers as per Regulation 9 of Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers will make up the other 20% of the Employee's

Executive Mayor: 


Witnesses:

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assessment score. The competencies will be assessed every six (6) months (January and July). The competencies requirements are set out below:

Leading and Core Competencies	
Strategic Direction and Leadership	Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate
People Management	Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives
Programme and Project Management	Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives
Financial Management	Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognised financial practices. Further to ensure that all financial transactions are managed in an ethical manner
Communication	Able to share information, knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome
Change leadership	Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community
Governance leadership	Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualisation of relevant policies and enhance cooperative governance relationships
Moral competence	Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behaviour that reflects moral competence
Planning and organising	Able to plan, prioritise and organise information and resources effectively to ensure the quality-of-service delivery and build efficient contingency plans to manage risk
Analysis and innovation	Able to critically analyse information, challenges, and trends
Knowledge and information management	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government
Results and quality focus	Able to maintain high quality standards, focus and achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards. Further, to actively monitor and measure results and quality against identified objectives

Executive Mayor: 

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6. PERFORMANCE ASSESSMENT

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out:
- 6.1.1 The standards and procedures for evaluating the Employee's performance; and
 - 6.1.2 The intervals for the evaluation of the Employee's performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force;
- 6.3 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 timeframes;
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP as described in 6.6 – 6.12 below;
- 6.5 The Employee must upload all relevant portfolio of evidence onto the Ignite System at least one (1) week prior to the quarterly evaluations;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
- 6.6.1 Each KPI or group of KPIs will be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to *ad hoc* tasks that had to be performed under the KPI;
 - 6.6.2 A rating on the five-point scale will be provided for each KPI or group of KPIs, which will then be multiplied by the weighting to calculate the final score;
 - 6.6.3 The Employee will submit his/her self-evaluation to the Employer prior to the formal assessment;
 - 6.6.4 In the instance where the Employee could not perform due to reasons outside the control of the Employer and Employee, the KPI will not be considered during the evaluation. The Employee should provide sufficient evidence in such instances; and

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6.6.5 An overall score will be calculated based on the total of the scores calculated above.

6.7 Assessment of the Competencies:

6.7.1 Each Competency will be assessed in terms of the description provided in Annexure B;

6.7.2 A rating will be provided for each Competency, which will then be multiplied by the weighting to calculate the final score; and

6.7.3 An overall score will be calculated based on the total of the scores calculated above.

6.8 Overall Rating:


6.8.1 An overall rating is calculated by adding the overall scores as calculated in 6.6.5 and 6.7.3 above; and

6.8.2 Such overall rating represents the outcome of the performance appraisal.


6.9 The assessment of the performance of the Employee will be based on the following rating scales for KPAs and Competencies respectively:

6.9.1 Rating scale for KPAs as mentioned in paragraph 5.6:

Level	Terminology	Description
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.

Executive Mayor: 

Witnesses:

Municipal Manager: 





Level	Terminology	Description
4	Performance Significantly Above Expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully Effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	Not Fully Effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable Performance	Performance does not meet the standard expected for the job. The review/assessment indicates that they employee has achieved below fully effective results against almost all 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.

Executive Mayor: _____

Witnesses: _____


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6.9.2 Rating scale for Competencies as mentioned in paragraph 5.7:

Level	Achievement Levels	Description
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops, and applies comprehensive concepts and methods
4	Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses
3	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
1	Sub-Standard	Applies little to no basic concepts, methods, and understanding of local government operations.

6.10 For purposes of evaluating the performance of the Employee for the mid-year and year-end reviews, an evaluation panel constituted of the following persons will be established:

- 6.10.1 The Executive Mayor as Chairperson of the panel;
- 6.10.2 An Executive Mayor or Municipal Manager from another municipality;
- 6.10.3 A Member of the Mayoral Committee.
- 6.10.4 Chairperson of the Audit Committee/Performance Audit Committee; and
- 6.10.5 A member of a Ward Committee, as nominated by the Executive Mayor.

Executive Mayor: 

Witnesses:

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- 6.11 The Executive Mayor will evaluate the performance of the Employee as at the end of the 1st and 3rd quarters; and
- 6.12 The Executive Mayor will evaluate core competencies at mid-year and year-end.

7. SCHEDULE FOR PERFORMANCE REVIEWS

- 7.1 The performance of the Employee in relation to his/her performance agreement will be reviewed on the following dates:

Quarter	Review Period	Review to be completed by
1	July – September	October 2025
2 (Mid-Year)	October – December	February 2026
3	January – March	April 2026
4 (Year-End)	April – June	October 2026

The Annual Performance Evaluation of the Employee will take place during October 2025.

- 7.2 The Employer will keep a record of the Mid-Year and Year-End Performance Evaluations;
- 7.3 Performance feedback will be based on the Employer's assessment of the Employee's performance;
- 7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time-to-time for operational reasons. The Employee will be fully consulted before any such change is made; and
- 7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented, and/or amended. In that case, the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure C. Such a Plan may be implemented and/or amended after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

Executive Mayor: 

Witnesses:

Municipal Manager: 






9. OBLIGATIONS OF THE EMPLOYER

The Employer will:


- 9.1 Create an enabling environment to facilitate effective performance by the Employee;
- 9.2 Provide access to skills development and capacity building opportunities;
- 9.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 9.4 On the request of the Employee, delegate such powers reasonably required by the Employee to enable him/her to meet the performance objectives and targets established in terms of this agreement; and
- 9.5 Make available to the Employee such resources as the Employee may reasonably require from time-to-time, assisting him/her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Employer agrees to consult the Employee timeously where the exercising of its powers will have amongst others:
 - 10.1.1 A direct effect on the performance of any of the Employee's functions;
 - 10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
 - 10.1.3 A substantial financial effect on the Employer.
- 10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 12.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

Executive Mayor: 

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11. REWARD


- 11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance;
- 11.2 The payment of the performance bonus is determined by the overall performance score obtained during the Year-End Performance Evaluation;
- 11.3 A performance bonus will be awarded pro-rata according to the period of this agreement based on the following bonus structure indicated in the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (GN R805):

% Achieved	Bonus
130% - 149%	5 - 9%
150% +	10 - 14%


The bonus is therefore calculated as provided in the table below:

% Achieved	R805 %	Bonus
65%	130%	5%
66%	132%	5%
67%	134%	6%
68%	136%	6%
69%	138%	7%
70%	140%	7%
71%	142%	8%
72%	144%	8%
73%	146%	9%
74%	148%	9%
75%	150%	10%
76%	152%	10%
77%	154%	11%
78%	156%	11%
79%	158%	12%
80%	160%	12%
81%	162%	13%
82%	164%	13%
83%	166%	14%

- 11.4 In the event of the Employee terminating his/her services during the validity period of this Agreement, the Employee's performance will be evaluated for the portion during which he/she was employed, and he/she will be entitled to

Executive Mayor: 

Witnesses:

Municipal Manager: 





a pro-rata performance bonus based on his/her evaluated performance for the period of actual service; and


- 11.5 The Employer will submit the total score of the annual assessment and of the Employee to Council, for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 Where the Employer is, any time during the Employee's employment, not satisfied with the Employee's performance with respect to any matter dealt with in this agreement, the Employer will give notice to the Employee to attend a meeting;
- 12.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;
- 12.3 Where there is a dispute or difference as to the performance of the Employee under this agreement, the parties will confer with a view to resolving the dispute or difference;
- 12.4 In the case of unacceptable performance, the Employer will:
- 12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his/her performance; and
- 12.4.2 After appropriate performance 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. DISPUTE RESOLUTION

- 13.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this agreement, the Employee may within 3 (three) business days, meet with the Employer with a view to resolving the issue. The Employer will record the outcome of the meeting in writing;

Executive Mayor: 

Witnesses:

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13.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, will be appointed to resolve the matter within 30 (thirty) business days; and

13.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment will apply.

14. GENERAL

14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer; and

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

Duly done and signed at GEORGE on the 11th day of July 2025.



EXECUTIVE MAYOR

AS WITNESSES:

1. 

2. 

Duly done and signed at GEORGE on the 11th day of July 2025.



MUNICIPAL MANAGER

AS WITNESSES:

1. 

2. 