

Council Policy

Council Policy Name: Chief Executive Officer Performance Review

Responsible Directorate: Finance and Corporate Services

Version: ADOPTED

1. PURPOSE

- 1.1. The CEO Standards require the City and the Chief Executive Officer (CEO) to agree and set out in a written document the process by which the CEO's performance will be reviewed.
- 1.2. The purpose of this Policy is to set out the CEO performance review process in a transparent manner, and to provide overall guidance for process.

2. SCOPE

- 2.1. This Policy is applicable to the review of the CEO's performance in accordance with section 5.38 of the Act and the CEO Standards.

3. DEFINITIONS

Term	Meaning
Act	<i>Local Government Act 1995</i>
Interest	an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association
Policy	this City of Busselton Council policy titled "Chief Executive Officer Performance Review"
CEO Standards	City of Busselton CEO Recruitment, Performance Review and Termination

4. STRATEGIC CONTEXT

- 4.1. This Policy links to Strategic Theme 4. – LEADERSHIP – A Council that connects with the community and is accountable in its decision making, of the City's Strategic Community Plan June 2021, and specifically Strategic Priority 4.2: Deliver governance systems that facilitate open, ethical and transparent decision making.

5. POLICY STATEMENT

- 5.1. Council has established a CEO Performance Review Committee (the Committee) for the purpose of undertaking the performance review of the CEO and reporting findings and recommendations to Council.
- 5.2. The Committee's functions and responsibilities are set out in the Committee Terms of Reference. This Policy further outlines the process to be followed by the Committee in relation to the CEO Performance Review.

- 5.3. Administrative support for the CEO performance review process will be provided by the Manager responsible for the human resources function.

Independent Facilitator

- 5.4. If the Committee does not have the resources and / or expertise to undertake the performance review process to the expected standard, or considers it may otherwise be beneficial, the Committee may, using the administrative support provided, engage an independent facilitator to assist.
- 5.5. An independent facilitator may be required to assist in:
- a. development and review of performance criteria;
 - b. preparation of a performance agreement;
 - c. collection of performance evidence;
 - d. preparation of the performance appraisal report;
 - e. facilitating meetings between the Committee and the CEO;
 - f. the provision of feedback to the CEO;
 - g. preparation of plans to support improvement (if required); and
 - h. the provision of an objective view regarding any performance management related matters.
- 5.6. A facilitator must not have an Interest which would impact on their ability to carry out their functions in a fair and impartial manner.

Performance Criteria

- 5.7. Performance criteria, additional to criteria contained within the CEO's employment contract, may be included in a separate performance agreement, agreed to by the CEO and the Council.
- 5.8. Performance criteria should be specific, measurable, achievable, relevant (or reasonable) and timely.
- 5.9. Adjustments to the performance agreement may be initiated by either the CEO or the Council.

Performance Review Process

- 5.10. Performance of the CEO is to be measured in an objective manner against the performance criteria and the CEO's achievement of duties under their employment contract and section 5.41 of the Act.
- 5.11. The performance review process will generally commence around March each year.
- 5.12. The Committee will give the CEO notice of commencement of the performance review process, and, within 21 days, the CEO will prepare and submit to the Committee a report assessing their own performance against the performance criteria, and their duties under the employment contract and the Act.
- 5.13. Evidence of performance may also include demonstration of:
- a. progress towards implementing the Council's strategic vision;
 - b. achievement of key business outcomes;
 - c. meeting of statutory requirements and Audit Committee reports;
 - d. organisational KPI results;
 - e. organisational engagement metrics;
 - f. interactions with the Council and Councillors which support a functional local government; and
 - g. relationships with relevant organisations, stakeholder groups and professional networks.
- 5.14. Councillors who are not members of the Committee will have the opportunity to provide feedback on the CEO's performance to the Committee's Presiding Member or independent facilitator.

- 5.15. The Committee will assess and rate each of the performance criteria and determine an overall rating using the following rating scale as a guide:

3	Exceeds Expectations - Performance exceeds requirements at times, consistently high quality of work and outcomes
2	Meets Expectations - Performance meets expected requirements
1	Some Improvement Required - Major requirements have been met, but expectations are not consistently delivered
0	Unsatisfactory- Important requirements have not been met, major shortcomings
N/A	Not applicable- e.g., if the milestone is not yet due and progress cannot be reported on

- 5.16. An assessment of "Some improvement required" or "Unsatisfactory" requires an additional comment identifying areas for improvement. Similarly, "Exceeds expectations" requires substantiation with examples of where the performance has exceeded requirements.
- 5.17. The Committee will meet with the CEO to discuss the ratings and feedback and prepare a record of the review, which will become the official record of the performance review.
- 5.18. Consideration should be given to:
- a. how the CEO has achieved the performance criteria and outcomes and whether their methods are acceptable and sustainable;
 - b. the extent to which performance is contingent upon current circumstances;
 - c. the manner in which the CEO has adapted to and managed changing external circumstances;
 - d. the attention the CEO has given to equal employment opportunity and work health and safety.
- 5.19. It is important that contextual factors, external or otherwise, are given appropriate weight. Failure to meet performance criteria does not necessarily mean the CEO has performed poorly; both performance effort and outcomes should be considered.
- 5.20. The performance review process is recognised as a two way communication process. As such, the CEO will be provided with an opportunity during the process to provide feedback in relation to the Council's performance, and to raise any matters which may be impacting on the performance of their duties.
- 5.21. The CEO may nominate a representative to assist them in performance review meetings.

Performance Review Outcomes

- 5.22. Within one month of the conclusion of the performance review process, the performance review findings and recommendations will be presented as a confidential report to Council in accordance with section 5.23 of the Act.
- 5.23. Any areas that require attention or improvement must be identified, discussed with the CEO, and a plan agreed to address the issues. The plan should outline the actions to be taken, who is responsible for the actions and timeframes.
- 5.24. Regular discussion and ongoing feedback on the identified performance issues should be scheduled to ensure improvements are being made.

6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. *Local Government Act 1995*
- 6.2. *Local Government (Administration) Regulations 2021*

6.3. City of Busselton CEO Standards for Recruitment, Performance Review and Termination

7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE	25 January 2023	Resolution #	C2301/010
Previous Adoption	DATE	11 August 2021	Resolution #	C2108/168