

<b>POLICY:-</b>	
Policy Title:	Performance Management Policy – Chief Executive Officer
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<b>PROCEDURES/GUIDELINES:-</b>	
Date procedure/guideline was developed:	N/A
Procedure/guideline reference number:	N/A

<b>RESPONSIBILITY:-</b>	
Draft Policy developed by:	Mayor
Committee/s (if any) consulted in the development of this Policy:	N/A
Responsibility for implementation:	Mayor
Responsibility for review of Policy:	Director of Finance and Administration and Mayor

## **1. PURPOSE**

This policy outlines Council's intention in preparing and reviewing the Performance Agreement for the Chief Executive Officer of the organisation.

The guiding principle for developing this policy is to provide a consistent approach to preparing and reviewing the Performance Agreement that forms the basis of Contract of Employment between Council and the Chief Executive Officer.

## **2. BACKGROUND**

Council delegates to the Mayor the role of day-to-day oversight of, and liaison with, the Chief Executive Officer.

This policy has been developed to provide clarity for Councillors and the Chief Executive Officer in describing the process whereby expectations and evaluation of the performance of the Chief Executive Officer is agreed.

The Office of Local Government - Guidelines for the Appointment and Oversight of General Managers 2022 were issued under Section 23A of the Local Government Act 1993, to assist Councillors to be aware of their obligations under the Local Government Act 1993, the Local Government (General) Regulation 2021 and the Standard Contract of Employment for General Managers when recruiting, appointing, reappointing and managing the performance of General Managers/ Chief Executive Officer.

## **3. SCOPE**

This policy will apply to elected Councillors and the Chief Executive Officer.

## **4. DEFINITIONS**

<b>CEO</b>	Chief Executive Officer
<b>Council</b>	Elected body of the Upper Lachlan Shire Council
<b>OLG</b>	Office of Local Government
<b>LGNSW</b>	Local Government NSW
<b>LGPA</b>	Local Government Professionals Australia

## **5. COUNCIL POLICY**

### 5.1 Roles and responsibilities

The Council has responsibility for the Chief Executive Officer's performance management. It is a requirement of the Chief Executive Officer's Employment Contract that the Chief Executive Officer has an annual performance review.

The Chief Executive Officer has responsibility for the performance management policies, procedures and systems of the organisation as they apply to staff. Performance Management is an essential part of good management practice as it provides a means to monitor organisational performance by linking and aligning

individual and organisational objectives and results and will therefore be undertaken at least annually.

Performance management is the means by which a Council and Chief Executive Officer can reach a mutual understanding of expectations. It is a process through which an assessment can be made as to whether the expectations have been met, exceeded, or remain unmet.

As one of the Chief Executive Officer's key responsibilities is to oversee the implementation of Council's strategic direction, it is important to align the Chief Executive Officer's performance criteria to the goals contained in the Council's Community Strategic Plan, Resourcing Strategy, Delivery Program and Operational Plan. The Chief Executive Officer has overall accountability for the leadership and effective management of the Council's human, non-financial and financial resources.

In addition, the Chief Executive Officer should ensure as far as possible, the highest levels of probity and corporate governance are adhered to across the organisation. The Mayor is accountable for two aspects inherent in their responsibilities, firstly, overall performance of the organisation and secondly, the individual performance of the Chief Executive Officer.

## 5.2 Principles of Performance Management:

- Allows a Council to monitor and respond as to how a Chief Executive Officer delivers against the goals and the outcomes required by the Council.
- Engenders a mutual understanding of what is expected of a Chief Executive Officer by the Council.
- Links a Chief Executive Officer's personal performance objectives with the Council's organisational goals as identified in Council's strategic and management plans.
- Should reflect organisational values as well as measurable outcomes.
- Should be a constructive and collaborative process between the parties.
- Promotes communication and provides feedback on performance between the Chief Executive Officer and the Council.
- Addresses the leadership qualities of the Chief Executive Officer that are set out in the agreement.

## 5.3 Establishing the framework for performance management

The Council must establish, by resolution, a Performance Review Panel and delegate the task of performance reviews of the Chief Executive Officer to this panel. The whole process of performance management is delegated to the Performance Review Panel, including discussions about performance, any actions that should be taken and the determination of any new performance agreement.

The Performance Review Panel comprises the Mayor, the Deputy Mayor, a Councillor nominated by Council and a Councillor nominated by the Chief Executive Officer. The Performance Review Panel members must be trained in the performance management of Chief Executive Officers.

The role of the Performance Review Panel includes:-

1. Conducting performance reviews;
2. Reporting the findings and recommendations of reviews to the Council;
3. Development of the performance agreement.

In undertaking any performance review, care must be taken to ensure that the review is conducted fairly and in accordance with the principles of natural justice and that the laws and principles of anti-discrimination are complied with. The appointment by Council, in agreement with the Chief Executive Officer, of an External Facilitator to advise on the process should assist Council in complying with these laws and principles.

The Council and the Chief Executive Officer may agree on the involvement of an External Facilitator to assist with the process of performance appraisal and the development of a Performance Agreement. A facilitator may be selected by the Performance Review Panel. The LGNSW and the LGPA can be contacted for assistance to identify suitable independent facilitators to assist in the performance management process.

All Councillors not on the Performance Review Panel can contribute to the process by providing feedback to the Mayor on the Chief Executive Officer's performance. All Councillors should be notified by the Mayor of relevant dates in the performance review cycle and be kept advised of the Performance Review Panel's findings and recommendations.

The performance management report of the Chief Executive Officer will not be released to the public and will be retained on the appropriate confidential Council employment personnel file. Release of such personal information to other than the Performance Review Panel, the Chief Executive Officer and the Councillors in confidence will be a breach of privacy legislation.

#### 5.4 Performance Management Timelines (Appendix 1 of the Guidelines for the Appointment and Oversight of General Managers 2022 – Office of Local Government.

<b>Timeline</b>	<b>Activity</b>	<b>Responsibility</b>
At commencement of each new Council	Provide induction training on performance management of the Chief Executive Officer	Council
Within 3 months of the commencement date of the contract	A performance agreement setting out agreed performance criteria must be signed between the Chief Executive Officer and the Council	Council Panel and Chief Executive Officer
Within 2 months of the signing of the performance agreement	The Chief Executive Officer must prepare and submit to Council an action plan which sets out how the performance criteria are to be met	Chief Executive Officer
21 days notice (before annual review)	The Chief Executive Officer gives the Council written notice that an annual	Chief Executive Officer

	performance review is due	
At least 10 days notice	The Council must give the Chief Executive Officer written notice that any performance review is to be conducted	Council Panel
After 6 months	The Council may decide, with the agreement of the Chief Executive Officer, to provide interim feedback to the Chief Executive Officer midway through the annual review period	Council Panel and Chief Executive Officer
Prior to the annual review	Ensure all Councillors on the Review Panel have been trained in Performance Management of Chief Executive Officers	Council
Prior to the annual performance review	The Chief Executive Officer may submit to Council a self-assessment of their performance	Chief Executive Officer
Annually	The Chief Executive Officer's performance must be reviewed having regard to the performance criteria in the agreement	Council Panel and Chief Executive Officer
Annually	The performance agreement must be reviewed and varied by agreement	Council Panel and Chief Executive Officer
Within 6 weeks of the conclusion of the performance review	Council will prepare and send to the Chief Executive Officer a written statement with Council's conclusions on the Chief Executive Officer's performance during the performance review period	Council
As soon as possible after receipt of the statement	The Chief Executive Officer and the Council Panel will agree on any variation to the performance agreement for the next period of review	Council Panel and Chief Executive Officer
As soon as practicable following the performance review.	The Performance Review Panel and Mayor will report back to Council in a closed session the findings of the performance review	Council Panel and Chief Executive Officer

### 5.5 Function of the Performance Review Panel - Chief Executive Officer

The functions of the Performance Review Panel - Chief Executive Officer are as follows:-

- To assess the performance of the Chief Executive Officer against agreed objectives and performance criteria.
- Ensure Council is in compliance with the Office of Local Government Guidelines directing that the whole process of performance management be delegated to a Performance Review Panel, including decisions about

performance, any actions that should be taken, and the determination of the new Performance Agreement.

- Undertake the performance management of the Chief Executive Officer, as delegated, to the Performance Review Panel.
- Note that it is Council practice to enable Councillors not on the Performance Review Panel to provide feedback to the Mayor in the week prior to each performance review.
- The Performance Review Panel provides a superior forum for constructive discussion and feedback.
- The result of the Performance Review will be reported to a Closed Meeting of Council.
- In accordance with the Office of Local Government Guidelines, the performance review report is provided in the Closed Meeting of Council and is not to be an opportunity to debate the results or re-enact the performance management of the Chief Executive Officer. The Chief Executive Officer should not be present when the matter is considered.

## **6. RELATED LEGISLATION AND POLICY**

The panel is to utilise the following as the basis of structuring the process of establishing and reviewing the Performance Management Plan of the Chief Executive Officer:-

- Local Government Act 1993;
- Local Government (General) Regulation 2021;
- Privacy and Personal Information Protection Act 1998;
- Government Information (Public Access) Act 2009;
- Public Interest Disclosures Act 1994;
- Independent Commission against Corruption Act 1988;
- Ombudsman Act 1974;
- Crimes Act 1900;
- State Records Act 1998;
- Code of Conduct for Local Councils in NSW;
- Procedures for Administration of Code of Conduct;
- Government Information (Public Access) Policy;
- Privacy Policy;
- Privacy Management Plan;
- Complaints Management Policy;
- Harassment Policy;
- Records Management Policy;
- Digital Information Security Policy;
- Guidelines for the Appointment and Oversight of General Managers 2022 - Office of Local Government.

## **7. VARIATION**

Council reserves the right to vary or revoke this policy.