



Chief Executive Officer Performance Review Policy

Status Council

Responsible Division Office of the Chief Executive Officer

Objective

To ensure compliance with s.5.38(1) of the Local Government Act 1995 a local government must review the performance of the CEO if the CEO is employed for a term of more than one year. The Standards for CEO Recruitment, Performance and Termination for review of performance of CEO's are contained within the Local Government (Administration) Amendment Regulations 2021 and detail the statutory requirements for undertaking a CEO Performance Appraisals. Division 3- Standards for review of performance of CEO's sets out the minimum regulatory standards for undertaking the review. This policy facilitates Division 3 s.16(3) which requires the process to be set out in a written document.

Context

This policy links to the City's strategic values: Great Governance and Civic Leadership. We value our Council's quality decision-making, effective and innovative leadership, transparency, accountability, equity, integrity and wise stewardship of the community's assets and resources. We have an involved community and collaborate with others, valuing respectful debate and deliberation.

Statement

1. This policy is applicable to all CEOs employed within the City of Nedlands
2. Policy Purpose.

It is important that each performance process has the same objective, to:

- Be transparent and impartial;
- Be planned and structured;
- Be objective, based on facts and evidence;
- Ensure feedback is within the review period;
- Ensure assessment is conducted in a fair and reasonable manner, based on agreed performance criteria;
- Be open and accountable;
- Provide a written record;
- Gain input from all elected members;
- Support and facilitate CEO development; and
- Recognise achievement and support performance improvement



3. Facilitator/ Independent Consultant

If the Committee does not have the resources and/or expertise to undertake the performance review process to the expected standard, the Committee may, through the administrative support provided, engage an external consultant facilitator to assist.

A consultant must not have an interest which would impact on their ability to carry out their functions in a fair and impartial manner.

The role of a facilitator/consultant in the review process should include the following:

- To guide and navigate CEO performance expectations, both past and future;
- Guide objective versus subjective comments;
- Develop an opportunity to build relationships;
- Create an environment of procedural fairness and trust;
- Listen, acknowledge, respect and guide;
- Prepare the performance agreement and assessment plan;
- Set performance goals;
- Collect, collate and report performance evidence;
- Survey and interview Elected Members;
- Assist with provision of feedback to the CEO, providing an objective view regarding any performance management related issues;
- Formulate plans to support improvement (if necessary); and
- Facilitate Council and CEO in determination of Key Performance Indicators (KPIs) and deliverables.

4. Performance Measurement

Setting performance measurement criteria is an essential step in performance management.

One of the key responsibilities of the CEO is to oversee the implementation of the Council's strategic direction. Best practice dictates that aligning the CEO's performance criteria to the goals contained in the City's Council Plan is an important requisite. Alignment to the Council Plan will ensure the CEO is appropriately resourced to deliver on expectations.

Goals are to be specific, measurable, achievable and time-based, defining clear deliverables. It is important that goals are flexible to allow regular adjustment. Council needs to have realistic expectations of the CEO in achievement of the performance criteria.

Council and the CEO will set KPIs to target priorities for the CEO.



KPIs will be measured yearly with defined deliverables but progress towards being reported every six months during the twelve months.

In addition to the achievement of the KPI's by the CEO, Council will consider:

- That the CEO's methods of achieving outcomes are acceptable and sustainable;
- That the CEO has demonstrated change management and risk management skills when circumstances change and impact on performance outcomes;
- That council, staff and community have been inspired to maintain trust in local government.

5. Contract

The CEO and Council should mutually agree on the planned criteria and structured review process.

The City's agreed CEO review procedure shall be contained within the CEO contract (as per Part 5, Division 4, Section 5.39(3)(b), *Local Government Act 1995*). The review procedure contained within the CEO contract can be varied by agreement between the Council and the CEO under an amendment clause between reviews.

6. Review Periods

It is a statutory requirement that the CEO's performance is reviewed annually (Part 5, Division 4, Section 5.38, *Local Government Act 1995*).

The review period is to be aligned with the City's strategic planning processes which run across each financial year (July to June). For planning purposes, the entire review process should be completed by the end of August each year.

In the event that Council has concerns about the performance of the CEO, the Mayor will, at the request of Council, undertake an interim performance review. The Mayor must write to the CEO if Council has requested an interim performance review, outlining the areas of concern to allow the CEO the opportunity to prepare. The Mayor must allow the CEO a minimum of one week's notice prior to the commencement of an interim performance review.

7. The CEO Performance Review Committee

All CEO Performance Review Committee Members and Deputies are encouraged to undertake the CEO Performance Review Training Course provided by WALGA within six months of appointment to the Committee.

8. Procedure for the Review

The Performance Review Committee will conduct the following:



A CEO performance review conducted in an objective manner against the performance criteria and the CEO's achievement of duties under their employment contract and in accordance with section 5.41 of the Local Government Act 1995.

- A schedule of critical CEO performance review dates will be developed. Generally, the performance review process will commence as early as practicable in each financial year (this will be influenced by the commencement date of the CEO's employment commencement) and will give the CEO notice of commencement of the process.
- Within 21 days of giving notice of commencement of the process, the CEO will prepare and submit to the Committee a report assessing their own performance against the performance criteria and their duties under their contract.
- Evidence of the performance may include demonstration of key business outcomes, organisational KPI results, interactions with Council which support a functional local government and relationships with relevant organisations, stakeholder groups and professional networks.
- Consideration should be given to how the CEO has achieved the performance criteria and outcomes and whether their methods are acceptable and sustainable, the extent performance is contingent upon current circumstances, the manner in which the CEO has adapted to and managed changing external
- Contextual factors, external or otherwise, must be 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.
- The performance review process is a two-way communication between the Council and the CEO. As such, the CEO will be provided the 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. As such, the CEO may nominate a representative to assist them in performance review meetings.

An Independent Facilitator/Consultant may be engaged to do the following:

- Assist the Committee and Council with the development and application of relevant KPIs including timeframe measures
- Meet with the Performance Review Committee and confirm expectations for the performance appraisal
- Gather feedback from all Elected Members via written and/or face to face and electronic communications including a survey if required
- Assist with the CEO's performance self-assessment
- Assist the Committee to provide performance feedback to the CEO
- Compile a feedback report drawing on information that has been derived from discussions and a report from the CEO as well as information derived



from discussions and feedback from the Elected Members, collated in that report.

9. Outcomes of the Review

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 *Local Government Act 1995*.

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 and the responsibility of the actions and timeframes.

Regular discussions and ongoing feedback on the identified performance issues should be scheduled to ensure improvements are being made.

Related documentation

City of Nedlands Standards for CEO Recruitment, Performance and Termination

Related local law and legislation

Local Government Act 1995

Local Government (Administration) Regulations 2021

Related delegation

Nil.

Review History

Reviewed by Council – Ordinary Council Meeting 23 July 2024 (CEO20.06.24)

Adopted by Council – Special Council Meeting 27 June 2022 (CPRC01.05.22)



City of Nedlands Council Policy

CEO PERFORMANCE REVIEW POLICY

Indicative Timeline of Activity

Activity																				
Council			☑						☑						☑					
CEO PR Committee	🕒	🕒	🕒					🕒	🕒				🕒	🕒	🕒				🕒	
Consultant		🕒	🕒											🕒	🕒					
CEO	🕒	🕒	🕒			🕒			🕒	🕒				🕒	🕒	🕒		🕒	🕒	
Review Process																				
Budget Process																				
	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
Output																				
Qly Report	🕒			🕒			🕒			🕒			🕒			🕒			🕒	
Performance Report	🕒				🕒				🕒				🕒				🕒			
Milestones																				
Budget	🕒												🕒							
Mid Budget								🕒											🕒	
Salary Review			🕒												🕒					

This indicative timeline demonstrates the planning required to schedule the CEO Performance Review Process.

The Activity, Output and Milestones are generalised to show the inter-dependency with the Annual and Mid-year Budgets processes.

Although the process is defined in the Policy, there needs to be an awareness for Council to trigger and conduct the review in an effective timeframe.