

REPORT TO: CHIEF OFFICERS EMPLOYMENT COMMITTEE

DATE: 8 JUNE 2016

HEADING: CHIEF EXECUTIVE APPRAISAL

REPORT BY: CHIEF EXECUTIVE

KEY DECISION: NO

SUBJECT TO CALL IN: No

1. PURPOSE OF THE REPORT

To advise the Committee on the requirements for the Chief Executive's appraisal and to obtain recommendations for the process to be adopted in respect of the 2016 Appraisal and thereafter.

2. RECOMMENDATIONS

2.1 That the Leader is the responsible person for leading and overseeing the CEO appraisal (PDR) process in consultation with the CEO.

2.2 To adopt a Panel approach to the Chief Executive appraisal process. The recommended panel to comprise of, the Chief Executive, the Leader, the Deputy Leader, a member of the Cabinet and two opposition members, drawn from the Chief Officer Employment Committee. (Where there are two opposition parties there will be a representative from each party).

2.3 That an appropriate external facilitator to the panel is appointed by the Leader in conjunction with the CEO. For the 2016 appraisal process this will be Sam Maher of East Midlands Councils.

2.4 That the process and framework for the assessment set out in this report is approved.

2.5 That a six month review will be undertaken with the Leader and Deputy Leader. This review will be facilitated by an appropriate external adviser.

2.6 That following the adoption of the Council's Competency Framework, the 2017 appraisal process will also require assessment against the framework

2.7 That the panel can recommend to the Leader, pay progression, through the salary grade depending on the CEO achieving a level of satisfactory performance

3. REASONS FOR RECOMMENDATION(S)

As set out in the body of the report.

4. ALTERNATIVE OPTIONS CONSIDERED (with reasons why not adopted)

There are numerous options that could be considered as to who is involved in the appraisal process, any or all of which could be applied; Leader and Deputy Leader; a cross party panel of members including the Leader, Deputy Leader, Group Leaders, Leader of the largest opposition party, a Councillor with the appropriate experience such as the Cabinet Member with responsibility for HR, the Chief Officers Employment Committee or a specially selected appraisal sub-committee. No option is discounted but in order to make the process efficient, transparent and meaningful the recommended option is proposed.

5. BACKGROUND

5.1

It is good practice for all employees to have a regular appraisal of their performance as it allows two way feedback between employee and their manager and targets to be set linked to organisational objectives which provide an objective assessment of individual performance over time.

The risks associated with poor or inappropriate performance or behaviour by the Chief Executive are significant, often high profile and can damage the reputation of the Council. Conditions of service for Chief Executives are set out in the JNC Handbook and state that the Chief Executive should be subject to an annual performance appraisal linked to his/her responsibilities and accountabilities.

An effective appraisal will:

- secure continuous improvement in both the individual and corporate performance of the Chief Executive, recognising good performance and addressing poor performance. It will also identify any support or training if required.
- establish overall objectives for the Chief Executive in particular with regard to organisational strategies and plans. Furthermore, the appraisal should clarify key objectives, priorities and targets for the next 12 months and a retrospective examination of the targets set in the preceding 12 months.
- contributes to any performance related pay progression which establishes the remuneration of the Chief Executive.

5.2

Involvement in the Process

It is for the Authority to decide who should be involved in the appraisal of the Chief Executive. It is usual for the Leader to invite senior members to be involved in the process including opposition members either formally as part of the overall process or by providing some input into the evaluation. External independent support is also identified as good practice in order to facilitate the appraisal and provide impartial advice to both parties. It is proposed that an Adviser from East Midlands Councils supports the process at the Council for the 2016 appraisal.

There are numerous options that could be considered for who is involved in the appraisal, any or all of which could be applied some examples include:

- Chief Executive and Leader
- Chief Executive, Leader and Deputy Leader
- Chief Executive, Leader and Deputy Leader and Opposition Members/Leaders
- Chief Executive, Leader and Deputy Leader, Opposition members and selected stakeholders/partners/senior officers of the Council.

The important considerations are that the process should ensure a proper appraisal takes place and the principles and process are agreed with the Chief Executive.

5.3

Proposed CEO PDR Framework

To adopt a Panel approach to the Chief Executive appraisal process. The recommended panel to comprise of, the Chief Executive, the Leader, the Deputy Leader, a member of the Cabinet and two opposition members, drawn from the Chief Officer Employment Committee.

That the Leader is the responsible person for leading and overseeing the CEO appraisal (PDR) process in consultation with the CEO.

That an external facilitator is used to assist the process but members are responsible for conducting the process.

There is a clear and consistent framework to review the performance of the Chief Executive which is linked to his/her agreed responsibilities. It is proposed to include the following :

- Job description and personal specification
- A shared understanding of the authority's plans and objectives and targets and challenges.
- A non-political approach to the process.
- Two way process where the Chief Executive has the opportunity to speak with members about what they would like from them.

- A clear and transparent process for preparation, conducting the appraisals and reporting and recording outcomes.
- The process being part of an on-going relationship between the parties involved which includes expectations and feedback on performance. The appraisal is the formal element of an on-going dialogue
- The Council's Competency Framework to be included from 2017 onwards

5.4

The Methodology

It is recommended that the Leader takes responsibility for appointing an external facilitator in conjunction with the CEO.

It is recommended that undertaking the appraisal as a facilitated and structured group discussion with the Chief Executive. The Leader and Chief Executive will agree final outcomes and future targets.

Preparation by all parties is critical. The Chief Executive who will undertake a self-assessment based on a current and appropriate role description and any previously agreed targets. This self-appraisal can form the basis of discussions with members.

The Chief Executive then meets with the appraisal panel to report on progress against targets for the previous period and outline his/her plans and objectives for the forthcoming period including specific challenges. This is a two way conversation and includes feedback on performance from the panel as well as joint agreement of plans, personal and organisational objectives and the personal support and development requirements of the Chief Executive.

The facilitator will then prepare a report of the actions emerging from the meeting, including the Chief Executive's personal development plan. This should be signed by both Chief Executive and Leader and kept in the Chief Executive's personnel file. This report will be used as the basis for the next appraisal.

The Panel will also be required to recommend to the Leader whether the performance is satisfactory and whether a pay increment will be awarded or withheld.

5.5

Future development of the assessment framework

In 2017 it is recommended the CEO self- assessment will also involve 360 degree feedback against the Council's agreed competency framework which includes the following skills or behaviours:

STRATEGIC: Setting Direction	PEOPLE: Engaging People	PERFORMANCE: Delivering Results
Seeing the big picture	Leading and Communicating	Achieving Commercial Outcomes
Changing and Improving	Collaborating and Partnering	Delivering Value for Money
Making Effective Decisions	Building Capacity for All	Managing a Quality Service
		Delivering at Pace

The Chief Executive would nominate senior officers and managers and stakeholders to contribute to the 360.

The results of the 360 are fed back to the Chief Executive by the Leader who also discusses the Chief Executive's self-assessment with them providing appropriate questions and challenges. The external adviser may support this process.

The Chief Executive then prepares a report reflecting on the results of the 360 and self-assessment exercise as part of the overall assessment framework.

6 IMPLICATIONS

Corporate Plan:

Legal:

In accordance with Part 3 of the Constitution which sets out the Terms of Reference for committees of the Council, the Chief Officers Employment Committee is responsible for all employment issues concerning the Head of Paid Service which would include determining the appraisal process for the Chief Executive.

Financial:

"The charge for an external facilitator would be £500 plus expenses, with the possibility of an additional £250 plus expenses if a mid year review is required. This expenditure will be funded from the Council's General Fund Revenue Budget."

Health and Well-Being/ Environmental and Sustainability:

None arising.

Human Resources:

Human resources implications are contained within the report.

Diversity and Equality:

None arising

Community Safety:

None arising

Other Implications – Employees/ Trade Unions

BACKGROUND PAPERS

Nil

REPORT AUTHOR AND CONTACT OFFICER

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