



Bayside Council

Serving Our Community

General Manager's Performance Agreement Policy

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General Manager's Performance Review Policy
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1 Introduction

1.1 Background

This policy outlines Council's adopted process for the development of the General Manager's performance agreement, and its review.

With regard to the review, it provides the framework for who will conduct the review, when the review is conducted and recommending the General Manager's remuneration increase in accordance with the General Manager's Contract and the NSW Local Government Act 1993. It incorporates good practice requirements recommended by the Office of Local Government and the Independent Commission Against Corruption (ICAC).

It ensures there is a performance monitoring process in place so that the General Manager has appropriate guidance and feedback from Council on performance expectations.

1.2 Definitions and Abbreviations

Office of Local Government (OLG)

means the NSW Office of Local Government, Department of Premier and Cabinet and its successors.

the Act

the Local Government Act 1993 (NSW).

the Regulation

the Local Government (General) Regulation 2005 (NSW).

TRP

Total Remuneration Package (TRP).

Standard Contract

as referred in the Office of Local Government's (OLG) Guidelines for the Appointment and Oversight of General Managers (July 2011).

SOORT - *Statutory and Other Officers Remuneration Tribunal (SOORT).*

1.3 Policy statement

The purpose of this policy is to articulate the framework, delegation and responsibilities for the review of the General Manager's performance by the Council appointed Review Panel.

1.4 Scope of policy

The policy applies to the General Manager, Mayor, nominated Councillors and Manager People & Organisational Culture.

2 Performance Management Framework – (Part A)

2.1 Delegation to the Performance Review Panel

By adopting this policy, Bayside Council delegates to the Review Panel the authority to undertake performance assessments of the General Manager in accordance with this policy.

This delegation is to be exercised in accordance with the requirements of:

- The Local Government Act 1993
- The Local Government (General) Regulation 2005
- Any other relevant act, law or regulation
- Any relevant resolution or policy of Council.

This delegation is effective from the date of the Council resolution adopting this policy.

2.2 Review Panel Members

The Review Panel comprises the following Council officials:

- The Mayor
- The Deputy Mayor
- A councillor appointed by the Council
- A councillor selected by the General Manager

To ensure that the appointed councillor by the Council is not the same as the selected councillor by the General Manager, the General Manager nominates the councillor after The Council has appointed a councillor to the panel.

2.3 Training

Review Panel members may receive training to conduct a performance review of the General Manager prior to being required to conduct a Performance Review.

2.4 Appointment of Facilitator and Mediator

Manager People & Organisational Culture will facilitate the development of the agreement and of its review.

On agreement of the Review Panel and General Manager, the Manager People & Organisational Development may appoint an independent mediator to resolve any matters arising from the Performance Review that cannot be resolved by the Panel and the General Manager.

2.5 Timelines

The timeframes mentioned in this policy are consistent with the timeframes reflected in the standard contract.

3 Performance Agreement – (Part B)

3.1 Development of the Performance Agreement

The Performance Agreement is developed at the commencement of the Annual Performance Review Period in consultation with the Review Panel and the General Manager.

The Performance Agreement include clearly defined and measurable performance indicators, against which the General Manager’s performance will be measured. The Performance Agreement includes key indicators that measure how well the General Manager has met the Council’s expectations with respect to:

- The five Key Performance Areas (KPA’s) of Leadership, Collaboration, Advocacy, Compliance and Delivery.
- The Specific Strategic and Operational Objectives to be achieved during the review period.

The Performance Agreement is considered by Council in a closed meeting together with the outcomes of the previous Performance Review Period. It may be varied from time to time during the term of the Performance Agreement by agreement between the General Manager and the Review Panel, with such agreement not being to being unreasonably withheld.

Any Performance Agreement in place prior to the commencement of this Policy will continue to operate.

3.2 Link to Director’s Performance Agreements

The General Manager will ensure that the Performance and Development Plans of the Directors:

- Align with the Performance Agreement;
- Support the achievement of the Council’s expectations of the General Manager; and
- Include the relevant General Manager’s Key Performance Areas and specific strategic and operational objectives expectations of the Directors are clearly articulated and reviewed.

3.3 Annual Performance Review

a Notification by General Manager.

At least 21 days prior to the Annual Performance Review due date, the General Manager will:

- Submit a self-assessment to the Facilitator; and
- Notify the elected Council that the Annual Performance Review is due.

b Assessment by elected Council

- The General Manager’s self-assessment and a questionnaire relating to performance against the Performance Agreement is distributed to the Panel members by the Facilitator.

- Panel members, individually and independently, rate the performance of the General Manager against the Performance Agreement using the assessment scale outlined in it.
 - Any extreme scores are discussed with the relevant Panel member and the Facilitator prior to inclusion in the Performance Review meeting.
 - The Facilitator receives and collate the assessments of the Panel members in preparation for the formal Performance Review meeting.
- c Review Panel will meet to:**
- Review a summary of the responses received from the Panel; and
 - Agree on development actions for the General Manager.
- d Review Panel meeting with General Manager**
- Council provides the General Manager at least 10 days' notice that a Performance Review meeting is to be conducted.
 - A meeting between the General Manager and the Review Panel will be held to discuss the Panel's rating and opportunities for future development of the General Manager. The meeting will:
 - Facilitate constructive dialogue about the General Manager's performance against all sections of the agreed performance agreement;
 - Identify any areas of concern and agreed actions to address those concerns; and
 - Ensure fairness, natural justice and the laws and principles of anti-discrimination are complied with.

3.4 Reporting

To General Manager

Within six weeks from the conclusion of the Performance Review, the Mayor prepares and sends to the General Manager a written statement that sets out:

- Council's conclusions about the General Manager's performance during the performance review period;
- Any proposal by Council to vary the performance criteria as a consequence of a performance review, and
- Any directions or recommendations made by Council to the General Manager in relation to the General Manager's future performance of the duties of the position.

To Council

The Review Panel reports the findings and recommendations of the Performance Review to a closed meeting of the elected Council as soon as practicable following the Performance Review. The submission of this report is not an opportunity to debate the results or re-enact the review.

4 Reward and Remuneration – (Part C)

4.1 Statutory and Other Officers Remuneration Tribunal Increases

An annual increase in the Total Remuneration Package (TRP) equivalent to the latest percentage increases in remuneration for senior executive officer holders as determined by the Statutory and Other Officers Remuneration Tribunal (SOORT) is available to the General Manager on each anniversary of the employment contract.

4.2 Discretionary Remuneration Increases

The Review Panel determines by consensus any changes to the General Manager's employment conditions, including remuneration adjustments (exclusive of SOORT increases).

The discretionary increases are detailed in the Rating Scale. The following three points, which supplement the criteria, provide a description of what performance would be demonstrated if it were being achieved:

- Five percentage increase. The General Manager 'exceeds performance expectations'. He / she exhibit high overall performance, substantially surpass all of his / hers key performance expectations and goals and will have exceeded expectations on the Key Performance Areas.
- Three percentage increase. Performance expectations of the General Manager 'exceeds requirements at times', consistently high quality of work and outcomes.
- One percentage increase: The General Manager 'meets performance expectations'.

Discretionary increases to the General Manager's TRP are:

- Conditional on performance being assessed by the Review Panel as being of better than satisfactory standard;
- Modest and in line with community expectations;
- Endorsed by resolution of the elected Council together with the reasons for the increase. The increase should be reported in percentage terms to a confidential meeting of Council; and
- In line with the Standard Contract.

5 Timeline for Review – (Part D)

The timeframes below are intended to be consistent with the timeframes reflected in the standard contract]

| Month | Activity | Responsible |
|-------|---|-----------------|
| July | Notification to Council by General Manager. | General Manager |
| July | General Manager submits self-assessment to Facilitator. | General Manager |

| | | |
|---------|---|---------------------|
| August | GM Self-Assessment and Performance Questionnaire is sent to Councillors and Mayor for independent rating. | Facilitator |
| August | Extreme scores discussed with individual Councillors. | Facilitator |
| August | Collate reviews. | Facilitator |
| August | Review Panel Meeting. | Facilitator / Panel |
| August | Schedule Performance Review with the GM and provide notice. | Facilitator |
| August | Conduct formal Performance Review Meeting with General Manager. | Facilitator / Panel |
| October | Report back to Council. | Mayor |
| October | Provide written report to GM. | Mayor |

6 Roles and Responsibilities – (Part E)

6.1 Review Panel

The Review Panel is responsible for:

- Developing a Performance Agreement in consultation with the General Manager.
- Undertaking a performance assessment of the General Manager each year.
- The Manager People & Organisational Culture, be tasked with appointing a suitably qualified Facilitator in consultation with the General Manager.
- Determining the following in relation to the Performance Agreement:
 - A final list of projects to be included in the Performance Agreement; and
 - Any managerial or behavioural actions that they would like the General Manager to address during the review year.
- Recommending any discretionary increase to the General Manager's total remuneration package.

6.2 General Manager

The General Manager is responsible for:

- submitting a list of projects to the Review Panel (maximum of six) that she / he considers are of sufficient importance to warrant her / his personal attention in that year.
- preparing a Self-Assessment of her / his performance and providing it to the Facilitator at least 21 days prior to the annual Review Panel meetings.

6.3 Mayor

The Mayor is responsible for:

- Being a member of the Review Panel.
- Preparing and presenting a Report on progress of the Performance Agreement to Council following the annual review.
- Formally advising the General Manager, Facilitator and Review Panel of any decisions of Council

The Mayor may be assisted by the Manager People & Organisational Culture in administrative tasks.

6.4 The Elected Council

The elected Council is responsible for:

- Holding an election at the beginning of each term to elect one Councillor to participate in the Review Panel. If there is more than two nominees, Council elects the position from the nominees by open voting (show of hands) in accordance with clause 251 of the Local Government (General) Regulation 2005.

6.5 Manager People & Organisational Culture

As Facilitator, the Manager People & Organisational Culture is responsible for:

- Ensuring that the public interest is best served throughout the Performance Review Process, including ensuring reviews are conducted fairly and in accordance with principles of natural justice.
- Preparing and distributing a questionnaire relating to performance against the Performance Agreement for all Councillors and the General Manager four weeks prior to the Performance Review Due Date.
- Receiving the confidential completed questionnaires and compiling a summary report including the average rating for each performance area for the annual Review Panel meeting.
- Coordinating the annual Review Panel meeting.
- Updating the Performance Agreement to reflect any changes agreed at the annual review meeting including obtaining required signatures, assisting in drafting the report and formally providing any feedback to the General Manager.
- Coordinating the Performance Review Process including scheduling of all required meetings, sourcing appropriate options for appointment of a Facilitator, formal recording of all documentation and implementation of any changes required to the General Manager's Total Remuneration Package.
- Ensuring the Review Panel members receive appropriate Performance Management training including:
 - The provision of written information regarding performance management;
 - An outline of the Performance Review Process; and
 - Guidelines for both Review Panel members and the General Manager on how to manage the Performance Review Process from their perspectives.

- Assisting the Mayor and/or Panel prepare any reports and other documentation.

7 Assessment Scale – (Part F)

7.1 The Rating Scale

The following rating scale will be used to assess the General Manager’s performance:

| Score | Rating |
|-------|---|
| 5 | Exceeds Expectations – Performance exceeds requirements at times, consistently high quality of work and outcomes. Significant Strength An outstanding display that brings credit to the General Manager and the organisation. Best practice – a model for others. Significantly exceeds expectations. |
| 4 | Area of Strength - Has a reputation for achieving in that area. Displays a consistent approach to performance. Recognised as an expert in that area. |
| 3 | Meets Expectations – Performance meets expected requirements. Area of Ability - Standards are constantly met and at times exceeded throughout the year. A valued, commendable achievement. Delivers what is expected of the General Manager on a consistent basis. |
| 2 | Some Improvement Required – Major requirements have been met, but expectations are not consistently delivered |
| 1 | Unsatisfactory – Important requirements have not been met, major shortcomings |

For the purpose of calculation and increase in TRP (exclusive of SOORT) the General Manager’s Performance Assessment from the Review Panel must be 3 and or greater than 3 on the rating scale as follows:

- Average rating of 3 - 1% increase in TRP
- Average rating of 4 - 3% increase in TRP
- Average rating of 5 - 5% increase in TRP.

8 Policy implementation

8.1 Policy responsibilities

The Manager People & Organisational Culture is responsible for this policy. The functions the Manager People & Organisational Culture will perform in relation to this policy are:

- Provide a point of contact about the meaning and application of the policy
- Update the policy when necessary to ensure it is current
- Implement communications, education and monitoring strategies
- Ensure policy is included on Council’s policy register and record management system; and

- Investigate breaches and enforcing compliance.

The Manager People & Organisational Culture is responsible for the implementation, application and review of the policy across the organisation.

9 Document control

9.1 Review

This policy will be reviewed within 12 months of the new term of Council or more frequently in the event of any material changes in circumstances and/or legislation including regulations or the standard contract.

The Manager People & Organisational Culture may approve non-significant and/or minor editorial amendments that do not change the policy substance.

The Manager People & Organisational Culture will monitor the application of this policy in accordance with Council's four year delivery program and annual operational plans.

9.2 Approval

This policy is approved by Council.

9.3 Relevant Legislation and Guidelines

Local Government Act 1993 (NSW).

Local Government (General) Regulation 2005 (NSW).

Office of Local Government Guidelines for the Appointment and Oversight of General Managers.

9.4 Other Related documents

Nil.

9.5 Record Keeping, Confidentiality and Privacy

All documents created in relation to this policy will be kept in accordance with NSW State Records Act, Bayside Council's record management practice, Corporate Records Policy and NSW State Records Act 1998.

Members of the public can access Council's documents in accordance with Government Information Public Access (GIPA) Act 2009 (effective from 1 July 2010) and Privacy and Personal Information Protection Act (PPIPA) 1998.

9.6 Version history

Include the details of the original adoption / approval and subsequent changes.
Version 1.0 is the initial adopted/approved version.

| Version | Release Date | Author | Reason for Change |
|----------------|--------------------------------------|---------------------------|--------------------------|
| 1.0 | 14/11/2018 (Council via R&A Ctte) | Coordinator Governance | New document |