

ANNEX 4

Proposed approach to the appraisal of the CEO and excerpt from the JNC handbook

Guidance Note to support the Chief Executive Appraisal Process

1. Background

This guidance note provides advice on the appraisal of the Chief Executive and reflects that of The Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities, the national body for the pay and conditions of service of Chief Executives. This is commonly referred to as The Chief Executive Handbook.

The Chief Executive Handbook provides advice for both senior elected members and the Chief Executive on how the appraisal process should be conducted. The extract from the handbook is provided at Appendices 1 and 2 for completeness.

2. Scope of Guidance

This guidance and process applies to the Chief Executive only.

This guidance is intended for use by senior elected members and the Chief Executive when agreeing a process for appraising the performance of the Chief Executive.

3. Introduction

The Chief Executive, as head of paid service serves the whole council: not just the leading group. The responsibility for appraising the Chief Executive sits with senior elected members. Appraisal is a contractual obligation on the part of both the Chief Executive and the Council.

The Council can decide who should be involved in the appraisal of the Chief Executive. The Leader may choose to invite the opposition groups to be involved formally as part of the overall process or by providing some input into the evaluation aspects of the appraisal.

Appraisals form the basis of an objective assessment of individual performance over time. The process provides a link to management objectives and council strategy, providing time to reflect and reset.

The focus of the appraisal process should be free from complexity. At all times, the appraisal should focus on what the Chief Executive's job is; what has been done well; what could have been done better, the major issues over the next year; and what developmental needs the process identifies. The process of setting objectives should be by agreement and the result should be to identify objectives which are relevant and challenging, but achievable.

4. The Appraisal Cycle

Appraisals should take place not less than annually, with many organisations choosing to hold the appraisal meeting in March/April each year based on agreed corporate priorities, followed by a 6-month review in early Autumn/October.

The appraisal cycle should be supported by regular monitoring meetings taking place at which objectives can be reviewed and considered for continuing relevance, and progress and performance can be considered and monitored. A formal system of appraisal should not prevent the continuous review of progress and performance and the basis of any robust and successful appraisal process must always be one of 'no surprises'.

5. The role of an independent facilitator

The engagement of an independent facilitator is highly recommended and good practice to help facilitate the appraisal process, providing impartial advice to both parties.

The Local Government Association, Regional Employers (South East Employers), SOLACE and ALACE can suggest and provide suitable independent facilitators to support the appraisal process. The commercial sector is also likely to be able to provide suitable facilitators also.

The role of the facilitator involves meeting with the appraisal panel to agree the key areas to be discussed at the appraisal meeting and who is to be involved. The facilitator will share and explore key areas with the Chief Executive taking a critical friend approach.

The facilitator will provide support at the appraisal meeting and will prepare a draft summary of the appraisal discussion including action points and review dates.

The independent facilitator can also help both parties to arrange 360 feedback from internal and external stakeholders. The LGA has a well-established 360 framework and an example report is attached at Appendix 2 for information purposes only.

6. Preparation for the Appraisal process

To conduct the appraisal process effectively, good preparation is essential, and it is expected that the appraisal meeting will be set well in advance to allow all parties to prepare effectively. Both parties should be well informed and prepared for the appraisal meeting.

Documentation from previous appraisals should be reviewed and any information supporting the achievement of objectives should be gathered. Both parties should consider:

Looking Back

- What has been done well?
- What might have been done better?
- Evidence and rationale?

Looking Forward

- What might objectives for next year be?
- Has the Chief Executive got the skills to achieve these?
- What can/needs to be developed and how?

7. The Appraisal Meeting

- The appraisal meeting should build on the interim discussions that have already taken place
- Papers for use at the meeting will be circulated in advance
- An agenda will be set for the meeting and allow sufficient time for the meeting
- The venue and the meeting should be free of interruptions or departures
- The Leader will chair the meeting and encourage participation from those present
- The meeting should be a two-way discussion
- Avoid surprises
- The parties should concentrate as far as possible on established facts rather than unsubstantiated opinions
- The Chief Executive should be given a reasonable opportunity to correct any shortfalls in performance.
- Objectives and targets should be set which are specific, measurable, achievable, realistic and timebound (SMART) with timescales for achievement over the next 12 months
- Any agreed developmental plans should be implemented within the agreed timescale
- A date for the next review should be agreed

8. Record Keeping and Reporting

The detailed content of appraisal meetings should normally be treated as confidential to the participants, unless both parties agree that it would be helpful for the targets agreed for the ensuing period to be shared more widely. However, it may be useful to report to Remuneration Committee that an appraisal interview has taken place.

9. Newly Appointed Chief Executives

In the case of a newly appointed Chief Executive, there may not be any targets or reports on progress available from a preceding appraisal cycle. In this situation, it is helpful to review the recruitment process particularly any specific objectives that may have been incorporated into the selection process.

It may be helpful to consider a mid-term review at three to six months following the commencement in post. This will allow the Leader to provide some initial formal feedback and provide time for the new Chief Executive to have assessed the organisation and considered their approach to the role. Any developmental needs can also be considered and planned. Initial objectives can also be established during this period to cover the initial few months after appointment until the first appraisal cycle commences.

Excerpt from the JNC (joint negotiating committee) Conditions of Service Handbook for local authority Chief Executives. This sets out the conditions of service of employees engaged on terms as laid down by the Joint Negotiating Committee for Chief Executives of Local Authorities. The excerpt below sets out the appraisal process.

Appendix 1

JOINT GUIDANCE ON APPRAISAL OF THE CHIEF EXECUTIVE

1.1 This guidance is intended for use by senior elected members and the chief executive when agreeing a process for appraising the performance of the chief executive. The focus of this process should be on clarifying what the chief executive is expected to achieve and on identifying any continuing developmental needs which, if met, would maintain a high level of performance. The process of setting objectives should be by agreement and the result should be to identify objectives which are relevant and challenging but achievable.

Appendix 2

JOINT GUIDANCE ON APPRAISAL OF THE CHIEF EXECUTIVE

1. INTRODUCTION

1.2 The process should not become complex. At all times it needs to focus clearly on a few basic issues: what the chief executive's job is; what has been done well; what could have been done better; the major issues over the next year; and what developmental needs the process clearly identifies.

2. RESPONSIBILITY FOR APPRAISAL

2.1 The responsibility for appraising the chief executive lies with senior elected members. It is a contractual obligation on the part of both the chief executive and the employing council to engage in a regular process of appraisal.

2.2 It will be for local decision in the light of local circumstances whether the appraisal should be carried out by a small committee representing all political groups or by a senior representative or representatives of the controlling group. Whichever approach is adopted, those conducting the appraisal need to bear in mind at all times that the chief executive is employed by the council as a whole, not by the controlling group, and is therefore required to serve all of the council.

3. AIMS OF APPRAISAL

- To identify and clarify the key objectives, priorities and targets of the council and appropriate timescales for their achievement over the next (e.g. twelve) months
- Agree what the chief executive should personally achieve over the next (e.g. twelve) months and identify required standards of performance, in order to deliver the council's key objectives, priorities and targets. Wherever possible standards of performance should be expressed in ways which can be monitored objectively

- Discuss positive achievements over the past (e.g. twelve) months and identify reasons for good performance

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- Discuss instances over the past (e.g. twelve) months where targets have not been met, identifying the factors preventing the achievements of agreed goals

- Discuss developmental requirements. The chief executive will have strengths and weaknesses and the parties should identify the professional development necessary to equip the chief executive with the requisite skills to meet the council's objectives. The parties should be proactive and anticipate future developmental needs in the context of the council's changing priorities. This discussion could lead to the design of a formal programme of continuous professional development (CPD). Equally this discussion may lead to agreement on changes to the working relationship between leading members and the chief executive. It should not be assumed that it is only the chief executive who may need to adjust his / her approach to the working relationship

3.1 Appraisal should be set in the context of the council's objectives, priorities and targets, generally expressed in corporate plans. Appraisal targets when taken as a whole should be related to agreed targets for the council as a whole.

4. THE APPRAISAL CYCLE

4.1 Appraisal should take place on a predetermined date, **at least annually**, backed up by regular monitoring meetings at which targets can be reviewed for continuing relevance. A formal system of appraisal should not prevent the continuous review of progress and performance.

5. KEY ELEMENTS OF THE APPRAISAL PROCESS

- Continuous two-way monitoring of performance against objectives
- Preparation for an appraisal interview
- An appraisal interview where recent and current performance, future objectives and development needs are discussed
- Agreement on action required from either party to ensure required performance is achievable
- A continuing process of informal discussion regarding performance

6. The appraisal interview and afterwards

- Both parties should be well informed and prepared for the interview
- The process should be two-way
- The interview should be free from interruptions, and notes should be taken when necessary

- The parties should concentrate as far as possible on established facts rather than unsubstantiated opinions
- Targets which are realistic and capable of being monitored should be agreed
- Any agreed personal development plans should be implemented within the agreed timescale
- The chief executive should be given a reasonable opportunity to correct any shortfalls in performance
- A date for the next review should be agreed

7. EXTERNAL ASSISTANCE

7.1 External assistance in facilitating the appraisal process can be helpful in providing an independent perspective.

7.2 Within the local government 'family', it may be sought from the Local Government Association or by contacting the Employers' Secretary or from the appropriate Regional Employers' Organisation or ALACE or SOLACE. Alternatively, such assistance may be available from commercial sources, such as consultancy firms.

7.3 Such assistance from the aforementioned organisations may take the form of them either directly participating in the process for which a fee may be requested to cover staff time or the recommendation of, for example, a suitably experienced recently retired senior officer or other independent individual.

Note: If external assistance is sought, it must have the agreement of both sides.

8. OTHER MATTERS

8.1 The detailed content of appraisal interviews should normally be treated as confidential to the participants, unless both parties agree that it would be helpful for the targets agreed for the ensuing period to be shared more widely. However, it may be useful to report to an appropriate committee meeting that an appraisal interview has taken place.

8.2 This may be useful in acting as a reminder that the chief executive and members need to ensure that chief officers are in their turn appraised.

8.3 It should, however, not be assumed that the process for appraising the chief executive should be followed in precise detail for other staff. There is a fundamental difference between elected members appraising the chief executive and managers appraising subordinates. The principles, nevertheless, are the same.