

Report to Appointments and Conditions of Service Committee

Subject: Proposal for a Pay and Performance Policy to be applied to the post of Chief Executive

Date: 24 July 2018

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1. Purpose of the Report

- 1.1 To invite Member comment and, subject to agreed amendments made by the committee, to recommend implementation of a Pay and Performance Policy that will be applied to the post of Chief Executive.

2. Background

- 2.1 At the meeting of this committee in May, Members identified a requirement to apply a mechanism to the post of Chief Executive that allows for Member feedback on performance and the association of performance to pay.

General principles of a scheme were discussed and the committee asked that a policy draft be brought back to committee for consideration.

This committee is responsible for setting the pay of the post of Chief Executive which stands alone in the organisation in terms of pay arrangements. As such, delegated authority lies with Members to determine and agree a policy that governs how pay within a defined scale should be applied. Although further consultation with trade unions could be conducted if this is what the committee wished, the powers of the committee in setting the pay arrangements for this unique post at a time when the post is, in effect, vacant leads to an officer view that further consultation should not be necessary and consequently this is not a recommendation of this report.

3. Proposals

- 3.1 The basis of a draft Pay and Performance Policy is shown at Appendix 1.

In summary the draft:

3.1.1 Confirms that authority lies with the ACSC to appoint anywhere within the scale set for the post.

3.1.2 Defines how annual pay progression and limitation will be applied

and the ACSC role in determining this

3.1.3 Sets out how the whole committee might contribute to summary review of performance and how this might be fed back to the Chief Executive in a structured review meeting.

3.1.4 Includes in process, a discussion about development needs that may be identified by either the committee or by the post holder.

4. **Recommendation**

It is recommended that the Committee:

- 4.1 Reviews the proposed policy and identifies amendments to be made.
- 4.2 Authorises the implementation of the amended Pay and Performance Policy for application to the new Chief Executive as part of the standard terms and conditions of the post.

5. **Appendices**

- 5.1 Appendix 1: Draft document- Pay and Performance Policy for the post of Chief Executive.

Pay and Performance Policy

A local pay policy and performance assessment for the post of Chief Executive

1. General principles

Appointment to the post of Chief Executive will be within the local pay scale determined by the Appointments and Conditions of Service Committee (ACSC). The pay scale of the Chief Executive stands alone and is not linked to pay rates of other posts within the Council.

The ACSC will determine to which point within the scale the appointment will be made taking into account appropriate experience and skill set.

2. Progression and payment within scale

A formal performance and pay review will be conducted annually prior to the anniversary of appointment.

The performance and pay review will be conducted by the ACSC.

Should the ACSC determine that performance meets or exceeds the expected standards then annual progression of pay will be applied until the top pay point of the scale is reached. Once the top pay point is reached pay will remain at this level whilst performance continues to meet or exceed expected standards.

Should the ACSC determine that performance is unsatisfactory then pay will be applied as follows:

- if the post holder is at the bottom or middle point of the pay scale at the time of the review then there will be no progression to the next pay point until a future review by the ACSC confirms satisfactory performance. This review will normally take place a year later although the ACSC may choose to conduct an interim review at an earlier date if this is appropriate.

- if the post holder is at the top point of the pay scale at the time of the review then from the anniversary of the appointment date pay will be reduced to the middle point of the pay scale and held at that point until satisfactory performance is confirmed through a future review which will be undertaken as described above.

3. Assessment of performance and feedback

3.1 Assessment by ACSC

The annual performance assessment will be undertaken each year by the ACSC. There will be no officer input in the assessment discussion.

The assessment will be made by the committee against a number of criteria and the Chief Executive's performance against each criterion will be assessed as being below expectation/ meeting expectation/ exceeding expectation.

As a majority committee view, if performance against each criterion is assessed as meeting or exceeding expectation then pay progression (or maintenance of the top pay point in the scale) will be applied from the anniversary date of appointment for another year. If performance against any of the criteria is assessed by the ACSC as being below expectation then pay will be frozen at the current pay point or reduced from the top pay point and frozen at the middle pay point as described above.

If the ACSC determines that performance is below that which is expected then other improvement measures may be applied including formal capability procedures that would mirror in appropriate ways, the general process applied to NJC staff and as described in the Employee Handbook. Before applying such process the ACSC will take appropriate advice from the Monitoring Officer (or Deputy) and the service manager responsible for HR.

The ACSC will consider the Chief Executive's performance against this list of criteria:

- The leadership and management of the Council to achieve high standards of service and performance.
- To provide the necessary support to enable Elected Members to effectively carry out their role.
- To ensure effective and timely communication and advice is offered to Group Leaders on key matters.
- To effectively manage the interface between Elected Members and Senior Officers.
- The development and maintenance of effective partnerships for the benefit of borough residents.
- To guide and bring forward policy development to ensure the delivery of the Council's vision and priorities.
- To support Elected Members to engender an appropriate workplace culture that is reflected across the organisation.
- The provision of sound electoral process and practice.
- How effectively the Council's services have been delivered within budget and as described within the Gedling Plan.

These criteria will be assessed by the ACSC as a whole and a majority view reached. In addition to the assessment of these criteria, the committee will also identify expectations for the delivery of key objectives or tasks during the following year to which it wishes to draw particular attention, together with any development needs that are perceived for the Chief Executive. A simple form (appendix A) will be used to summarise the committee's majority view. This will be used as the basis on which feedback will be given and the form will be stored on the Chief Executive's personal file. The assessment criteria are drawn from the post's job description; these criteria may be altered by the ACSC to reflect changes to the job requirements of the post should they change over time.

3.2 Feedback to the Chief Executive

The views of the ACSC will be fed back in person to the Chief Executive by the Leader, Deputy Leader and the Opposition Leader.

This feedback will confirm:

- The criteria against which performance is meeting or exceeding expectation with examples given of observed behaviours, actions or outcomes where possible and appropriate.
- The criteria against which performance is below that which is expected. The “performance gap” will be specified and detail of future expectations will be made clear. If more of a formal capability procedure is to be applied, this will be made clear following appropriate officer advice.
- The pay point to be applied from the anniversary of appointment for the following year (or until an interim review if this is to be sooner).
- Expectations for delivery by the Chief Executive of key objectives or tasks over the coming year to which the ACSC wishes to draw particular attention; these may be existing or newly identified.
- Through discussion with the Chief Executive what, if any, development needs exist and how might these be effectively addressed. Further personal or professional development may be identified by Elected Members or by the Chief Executive even if performance is already high. As appropriate, a development plan will be agreed in principle.

4. General principles

The meeting at which feedback is given will be discursive in nature with opportunity for the Chief Executive to identify their own examples of good performance and achievement and to fully explore areas for improvement suggested by the ACSC to ensure that there is full understanding of expectations.

The meeting of the ACSC to discuss performance, and the feedback meeting with the Chief Executive will both be treated as confidential.

There is no further right of internal appeal by the Chief Executive against any decision taken by the ACSC in respect to the Chief Executive’s performance or pay.

Performance and Pay Assessment of Chief Executive
Appointments and Conditions of Service Committee Summary Assessment
Date:

| Criteria | Assessed as (tick one): | | | Additional and supporting comments |
|--|-------------------------|---------------------|-----------------------|------------------------------------|
| | Below expectation | Meeting expectation | Exceeding expectation | |
| The leadership and management of the Council to achieve high standards of service and performance. | | | | |
| To provide the necessary support to enable Elected Members to effectively carry out their role. | | | | |
| To ensure effective and timely communication and advice is offered to Group Leaders on key matters. | | | | |
| To effectively manage the interface between Elected Members and Senior Officers. | | | | |
| The development and maintenance of effective partnerships for the benefit of borough residents. | | | | |
| To guide and bring forward policy development to ensure the delivery of the Council's vision and priorities. | | | | |
| To support Elected Members to engender an appropriate workplace culture that is reflected across the organisation. | | | | |

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|--|--|--|--|--|
| The provision of sound electoral process and practice. | | | | |
| How effectively the Council's services have been delivered within budget and as described within the Gedling Plan. | | | | |
| Expectations for delivery of key objectives or tasks to be delivered during the coming year to which the ACSC wishes to draw particular attention. | | | | |
| Potential personal development needs identified by the ACSC for discussion with the Chief Executive | | | | |

Chief Executive's Pay:

In accordance with the approved local pay and performance policy for the Chief Executive, the Appointment and Conditions of Service Committee authorises the Chief Executive's pay to be either:

Moved to the next point within the pay scale or maintained at the top pay point

Or

Frozen at the current pay point (or reduced from the top pay point to the middle point)

This decision will be reviewed either in:

One year

Or

At an earlier date which is: _____

Signed by the Chair of the Appointments and Condition of Service Committee: _____

This record will be retained on the Chief Executive's personal file.