

Delegation of Authority and Rules of Operation

General Manager's Performance Review Special Committee



"Not for ourselves alone"



Document Management

Document Code: GL-CBS-SG-106
Document Approver: Council
Document Controller: Director Corporate and Commercial Services

	Date	Council Resolution Item Number	Version
Adopted	20 March 2001	CS 208	1.0
Amended	20 April 2004	CS 206	2.0
Amended	20 November 2009	CS 767	3.0
Amended	24 November 2011	AO327-11	4.0
Amended	16 April 2019	AO102-19	5.0
Amended	22 February 2022	AO025-22	6.0

Contents

Schedule 1	4
1. Name of Special Committee.....	4
Schedule 2	4
1. Objectives of the Committee	4
2. Committee Structure.....	4
3. Selection and Appointment of Committee Members.....	4
4. Terms of the Committee Appointments	4
5. Roles and Responsibilities of Members	5
6. Functions of the Committee	5
7. Meetings of the Committee	5
8. Restrictions on Committee Powers.....	6
9. Remuneration.....	7
10. Reporting Requirements	7
11. Financial Requirements.....	7
12. Insurance	7
13. Safety and Risk Management.....	7
14. Secretariat and Support	7
15. Alteration to Delegation of Authority and Rules of Operation, and Policy	7
16. Definitions	8
Schedule 3	9
General Manager Performance Evaluation Policy	9
1. Introduction.....	9
2. The GM evaluation cycle	11

Pursuant to Section 24 of the *Local Government Act 1993* (as amended) the Burnie City Council hereby establishes a Special Committee as detailed in Schedule 1 and 2 below.

Schedule 1

1. Name of Special Committee

The name of the Special Committee shall be the:

General Manager's Performance Review Special Committee

Schedule 2

1. Objectives of the Committee

1.1. The objectives of the Committee are to:

- Undertake the annual performance review of the General Manager in accordance with the employment contract and the General Manager Performance Evaluation Policy,
- Negotiate the appointment of an independent facilitator (management consultant) to assist the Special Committee and Council in complying with the terms and conditions of the General Manager's employment contract and the General Manager Performance Evaluation Policy as necessary,
- Complete the review of the General Manager in a timely and professional manner, and
- Provide advice to the Council on the General Manager's Contract of Employment.

2. Committee Structure

2.1. The Committee shall consist of all nine Councillors at any one time.

2.2. Only Councillors will be eligible for appointment to the Special Committee.

2.3. The Mayor or his or her delegate shall be the Chairperson of the Special Committee.

3. Selection and Appointment of Committee Members

3.1. Not applicable.

4. Terms of the Committee Appointments

4.1. The Councillor positions on the Committee will become vacant directly following the ordinary Council election, and a subsequent appointment shall be made by the incoming Council for four years or the term of that Council.

5. Roles and Responsibilities of Members

- 5.1. To maintain confidentiality on matters of a sensitive nature or involving personal information;
- 5.2. To conduct the General Manager performance evaluation lawfully and in accordance with the General Manager Performance Evaluation Policy;
- 5.3. When applicable, to declare an interest in any matter being considered by the Committee, in accordance with Part 5 of the *Local Government Act 1993*.

6. Functions of the Committee

- 6.1. To facilitate the annual performance review of the General Manager in a timely manner in accordance with the terms and conditions of the employment contract and the General Manager Performance Evaluation Policy, including review of the position description.
- 6.2. To appoint in consultation with the General Manager an independent facilitator (management consultant) to assist in undertaking the review, as necessary.
- 6.3. To ensure that the independent facilitator, when engaged, obtains input and comments from all Councillors interested in participating in the review process.
- 6.4. To finalise negotiations with the General Manager on the salary package and benefits to be paid in the following year at the completion of the review process.
- 6.5. To appoint in consultation with the General Manager an independent facilitator to provide professional advice on the General Manager's contract, including renewal of contract options and revision for the consideration of the Committee and the Council.

7. Meetings of the Committee

7.1. Meeting Procedures

- 7.1.1. Meetings will generally be conducted in accordance with the provisions of the *Local Government Meeting Procedures Regulations 2015* (or successive Regulations).

7.2. Quorum

- 7.2.1. A quorum will consist of the majority of total members, being one half plus one.
- 7.2.2. All members shall have voting rights with decisions based on the principle of simple majority.

7.3. Meeting Frequency

- 7.3.1. Meetings of the Committee must be held at a frequency determined appropriate by the Chairperson.
- 7.3.2. The Chairperson is able to call additional meetings and is required to, if asked to do so by at least three other members of the Committee.

7.4. Notice of Meetings

- 7.4.1. Notice of each meeting, including special meetings, shall be given to each Committee member at least seven days in advance unless impractical to do so by reason of an urgent matter requiring a meeting to be held promptly.

7.5. Attendance at Meetings

- 7.5.1. All Councillors will be entitled to one vote at a meeting of the Committee.

7.6. Appointment of Acting Chairperson

- 7.6.1. If the appointed Chairperson is not available for a meeting, the Deputy Mayor shall be the Acting Chairperson.

7.7. Records to be kept

- 7.7.1. The Chairperson shall ensure minutes are kept of each meeting, detailing
- The time, date and place of each meeting;
 - Those present;
 - An accurate record of any motion, including an indication of the mover and seconder and indicating the word 'Carried' or 'Lost' after each motion.
- 7.7.2. Where recommendations are made by the Committee, the Chairperson shall provide a report explaining any specific recommendation for Council consideration at the next ordinary meeting of Council in closed session.
- 7.7.3. The minutes of each meeting shall be confirmed at the subsequent meeting of that Committee.

8. Restrictions on Committee Powers

- 8.1. The Committee does not have the power to:
- (a) Impose fees, taxes, rates or charges
 - (b) Rebate rates or charges
 - (c) Apply for grants
 - (d) Make grants
 - (e) Borrow money
 - (f) Make a rate
 - (g) Make a By-law
 - (h) Execute a Deed
 - (i) Sign a contract

- (j) Institute a legal proceeding
- (k) Call for tenders
- (l) Provide direction to staff
- (m) Advertise for and/or appoint an employee or servant (except honorary office-bearers)
- (n) Sell land
- (o) Operate a bank account
- (p) Undertake lobbying unless expressly authorised by Council
- (q) Issue correspondence or media releases from the Special Committee without the co-signature of the Mayor
- (r) Conduct business and activities otherwise than in accordance with Council's Risk Management and Workplace Health and Safety policies and practices.

9. Remuneration

9.1. Not applicable.

10. Reporting Requirements

10.1. Not applicable.

11. Financial Requirements

11.1. Not applicable.

12. Insurance

12.1. Committee Members are covered under the terms and conditions of Council's Public Liability and Personal Accident policies provided they are acting within the scope of their functions as a member of the Special Committee as listed in Clause 5 Roles and Responsibilities of Members and Clause 6 Functions of the Committee, and within the requirements of Clause 13 Safety and Risk Management.

13. Safety and Risk Management

13.1. Not applicable.

14. Secretariat and Support

14.1. The Council will provide the Committee with the necessary secretariat support to allow the Committee to function effectively.

14.2. The Director Corporate and Commercial Services will be available to provide support for the Committee.

15. Alteration to Delegation of Authority and Rules of Operation, and Policy

15.1. This Delegation of Authority and Rules of Operation, including the Schedule 3 Policy may be amended at any time by Council resolution.

16. Definitions

- 16.1. 'Committee' means the General Manager’s Performance Review Special Committee as stipulated in Schedule 1 of this document.
- 16.2. 'Council' means the Burnie City Council.
- 16.3. ‘Councillor’ means an elected member of Burnie City Council.
- 16.4. ‘Committee Member’ means a member of the committee.
- 16.5. ‘Director Corporate and Commercial Services’ means the Burnie City Council employee appointed to this position or a similar position if amended from time to time.
- 16.6. 'General Manager' means the General Manager of the Burnie City Council as appointed from time to time.
- 16.7. ‘Mayor’ means the Mayor of the day at Burnie City Council.
- 16.8. General Manager Performance Evaluation Policy refers to Schedule 3 of this document.

Timeframes

Responsibility	Frequency	Scheduled Date
Appointment of Councillors (clause 4.1)	The term of each Council (coinciding with ordinary Council elections every four years)	December 2022 December 2026
Recommendations to Council (clause 7.7.2)	On an as required basis	As applicable

Schedule 3

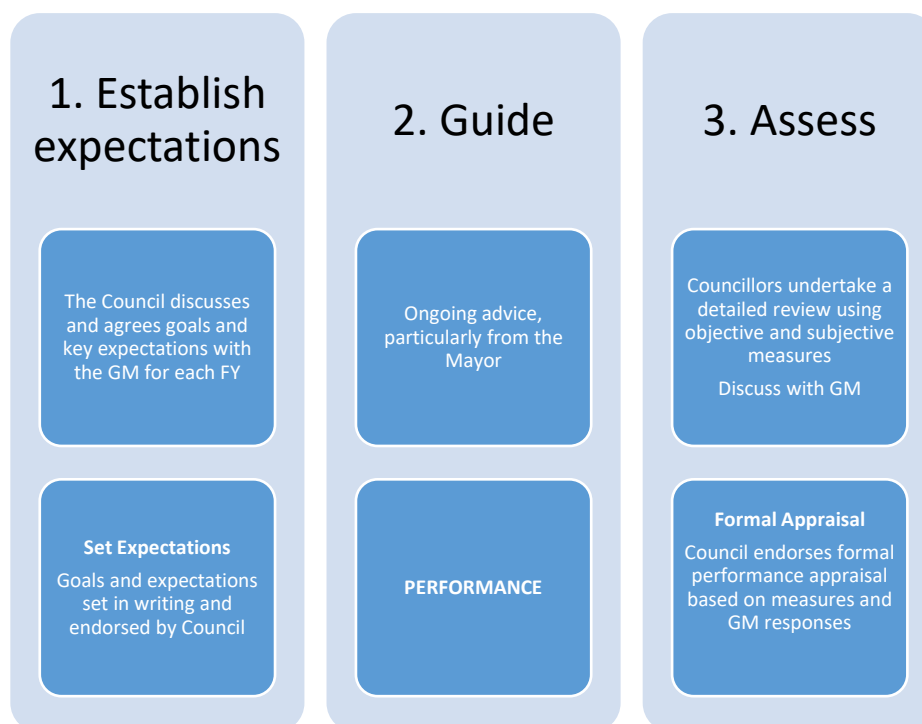
General Manager Performance Evaluation Policy

1. Introduction

- 1.1. Council has solid business reasons for undertaking General Manager (GM) evaluations. Apart from helping councillors to meet their statutory and fiduciary responsibilities, GM evaluations can bring benefits that include:
 - (a) Aligning the strategic direction set by the Council with the GM's capabilities;
 - (b) Promoting better Council and GM relations to ensure an appropriate and productive collaboration;
 - (c) Allowing Council to have greater objectivity about GM remuneration;
 - (d) Setting an example of accountability for the organisation as a whole – signalling that performance management is a core culture of the organisation;
 - (e) Encouraging the GM's personal development;
 - (f) Providing an early warning system for possible problems.
- 1.2. It is the Council's responsibility to ensure that a GM performance review happens annually, since the Council has the ultimate responsibility for the strategy and performance of an organisation. The Council exercises this responsibility through its only employee, the GM, who is entrusted with the organisation's day-to-day management, within the guidelines and direction set by the Council. As such, a unique relationship exists between the GM and the Council, and the evaluation of GM performance can strengthen or jeopardise this relationship.
- 1.3. This Policy is built around a number of leading practice principles. These principles are that any GM evaluation must:
 - (a) Align GM performance with the objectives of the organisation;
 - (b) Be based on clear expectations developed and agreed in advance with the GM;
 - (c) Have a clear, transparent and agreed link between performance outcomes and remuneration;
 - (d) Encourage the GM to set developmental goals and plans and provide specific direction as necessary from the outcomes of the evaluation process;
 - (e) Be conducted in a manner conducive to ongoing good governance;
 - (f) Be tailored to the specific needs of the organisation; and

- (g) Comply with relevant standards for accountability and communication of the results for the organisation.
- 1.4. Adopting a more formalised, structured approach to the GM evaluation, gives Council a greater likelihood of not only optimising their relationship with the GM, but also improving the overall performance of the organisation.
 - 1.5. Too often, GM performance evaluation is limited to judgments regarding an organisation's financial achievements or disappointments of the previous year. While this is important, it is only part of the story. Such a limited view tends to dwell too much on the past, where little can be done to change things. In reality, the most significant effects produced by assessing the GM should relate to both the organisation's and the GM's future. Measuring a GM's abilities to establish strategic direction, build a management team and lead effectively are also critical measures of performance.
 - 1.6. It is important to emphasise that it is both the process and output of GM evaluations that are important. Any such process needs to be part of an ongoing discussion with the GM about his or her performance that uses continual feedback to shape behaviour, with the formal evaluation just one part of a continual process. Similarly, if the Council is to harness the advantages of an early warning system provided by the evaluation process, then it needs to be monitoring the performance of the GM on an ongoing basis. Thus, as illustrated in Figure 1, GM evaluation is part of a continuous cycle of:
 - (a) Establishing performance expectations;
 - (b) Guiding performance; and
 - (c) Assessing performance.

2. The GM evaluation cycle



2.1. *The role of the General Manager in initiating the setting of performance expectations and self-assessing performance*

- 2.1.1. The General Manager should support the GM evaluation process by providing draft expectations (often called key performance areas – KPAs, key results areas – KRAs or critical performance areas – CPAs) annually, for consideration by the Special Committee, noting that many councillors will not have prior experience in setting expectations for senior executives.
- 2.1.2. The General Manager should ensure that any on-going advice from the Special Committee and/or Mayor on performance is informed by relevant data and information to support or supplement subjective feedback. This should be provided in writing to all members of the Special Committee on a regular basis and as required and also be discussed as required with the Mayor and/or the Special Committee, or more informally with all councillors in a workshop setting.
- 2.1.3. The General Manager should provide a written self-assessment against the set expectations at least annually and more frequently if required by the Special Committee to inform the formal appraisal process.
- 2.1.4. Having the General Manager provide initial input to the Special Committee on setting, monitoring and appraising performance reflects best practice for senior executives in self-initiating performance

objectives and self-assessment of performance to support the role of the assessor. This does not supplant the role of the Special Committee, which ultimately is responsible to Council for ensuring that its statutory responsibilities for managing the General Manager are satisfactorily discharged.

2.2. Setting performance expectations

2.2.1. Clear expectations form the basis for all good performance relationships. While Council should feel free to develop their own categorisation of expectations, a holistic evaluation of the GM's performance will generally include some targets or expectations with respect to the following:

- (a) Leadership and management;
- (b) Strategy;
- (c) Working with the Council;
- (d) Financial performance;
- (e) Human resource management; and
- (f) Communication and Personal qualities.

2.2.2. Categorisation provides the Special Committee with the opportunity to assess the balance of its measures. Are there enough lead indicators to ensure the Council will be able to see problems as they emerge rather than after they happen? Do the targets balance organisational and personal outcomes for the GM? And very importantly, do they match the Council's objectives for the evaluation process and for the organisation's strategic direction?

2.2.3. A key problem that emerges throughout the discussion of goals is setting an appropriate number of objectives for the GM. Too few and you risk concentrating on financial goals or one element of the business; too many and you risk the GM and management team losing focus. Evidence suggests that between 5 and 10 key objectives is an appropriate balance.

2.2.4. These key objectives should include both financial and non-financial indicators, since financial indicators tell only part of the GM's performance 'story' and are often lagging indicators of performance.

2.3. Guiding and assessing performance

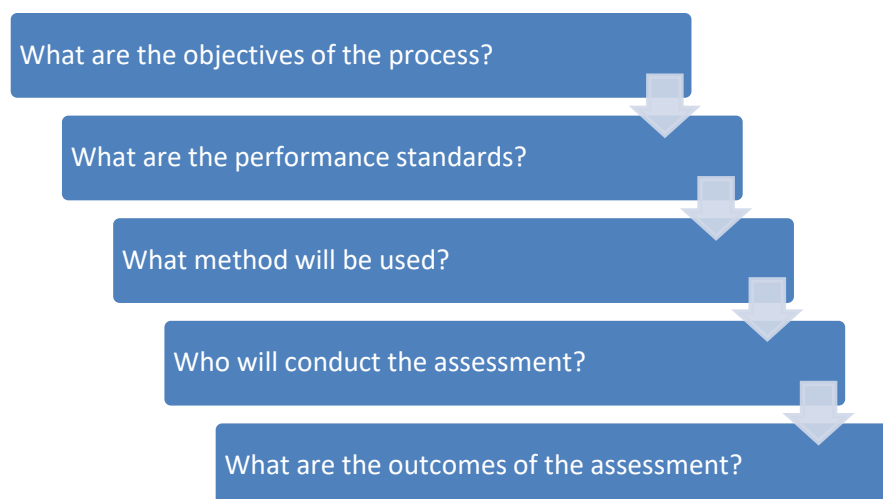
2.3.1. Once the Special Committee and GM have discussed and set the Council's expectations for the GM's performance including interaction with the Council, ongoing communication is critical. At regular intervals, data can be collected to inform the Council on the GM's progress against these objectives. If the Council, preferably through the Mayor, is able to furnish input to the GM on their performance on an ongoing basis, the

GM will be able to correct any performance issue mid-course. For example, the Council may suggest coaching or mentoring for a new GM, if aspects of their leadership are found wanting. Also critical are touch points for formal milestones. Formal, annual goal setting and feedback sessions, for example, should be supported by additional formal, semi-annual feedback.

2.4. GM evaluation process

- 2.4.1. An effective GM evaluation process is one where performance expectations for the GM are aligned with the strategy of the organisation. This is more likely to occur if the GM evaluation process is integrated with the Council's strategic planning cycle. It is easier to establish meaningful goals for the GM's performance when they are considered in the context of goals set for overall corporate performance.
- 2.4.2. One way of ensuring that strategic planning and the GM evaluation process are in alignment is to develop Council processes that reinforce the relationship. For example, the Council calendar is a useful tool for ensuring the two planning processes are aligned. As soon as the annual plan is agreed, work begins on the development of the GM evaluation plan. The calendar is also useful for ensuring that the Council provides regular feedback to the GM on their performance so that, by the time the official performance evaluation arrives, there will be no surprises.
- 2.4.3. A leading practice GM evaluation process must be tailored to an organisation. There are a number of major decisions required for the GM evaluation process. In establishing the GM evaluation process Council should consider the questions asked in the below evaluation framework.

2.5. GM evaluation framework



- 2.5.1. A successful GM evaluation process will have a number of key traits; it should:
- (a) Be critical, but not adversarial;
 - (b) Have both a past and future focus;
 - (c) Provide sufficient mechanisms to bring councillor's instincts to the surface;
 - (d) Provide for multiple sources of input;
 - (e) Allow for (re)setting of future GM goals; and
 - (f) Emphasise the GM's personal development.

2.6. *What are the objectives?*

- 2.6.1. The process adopted for a GM assessment is influenced by what the assessment needs to achieve. It is imperative that the objectives of the assessment are clearly documented to provide a foundation for a shared understanding between the Council and GM of the process itself. The major factors to consider when defining the objectives are:
- (a) How the evaluation will impact on GM remuneration;
 - (b) The balance between GM individual development targets and overall organisation goals;
 - (c) The fit between the GM's capabilities and the organisation's future needs; and
 - (d) The required focus on strengthening the Council-GM relationship.

2.7. *What are the performance standards?*

- 2.7.1. Once Council has determined the focus of the evaluation, it is in a position to agree or review the Council's performance expectations (or objectives or targets), if it has not already done so. As discussed above, it is not possible to objectively measure GM performance until a framework against which to evaluate performance has been agreed – GM expectations.
- 2.7.2. There are a number of ways in which GM performance can be measured. A key question for the Council is the weighting between organisational and individual objectives (commonly 50/50). In considering the objectives to be evaluated, both outcome measures (result-based) and strategic measures (behaviour-focused) need to be considered.

2.8. *What method will be used?*

- 2.8.1. For each objective, it is necessary to determine whether it will be measured objectively or subjectively and whether quantitative and/or

qualitative data will be used. Subjective measures are subject to the perceptions of those doing the reviewing, whereas objective measures are not subject to those perceptions. Quantitative data uses numbers to measure KPIs, while qualitative data may measure achieving the implementation of an agreed strategy or the views of councillors on an aspect of management such as leadership, which might be measured by employee surveys and 360-degree feedback questionnaires completed by the senior management team.

- 2.8.2. There should be agreement in advance on how the differences of views between the councillors on both quantitative and qualitative goals/targets are to be moderated. The key is to ensure the results accurately reflect the Council's (collective) view. Consensus should be the aim and other mechanisms, such as calculating averages or means, should be used only as a last resort.
- 2.8.3. In addition, as another objective of the GM assessment process should be to supply feedback for the GM to assist in their personal growth and development, the rationale for giving a particular rating should be provided through the gathering of qualitative data.

2.9. *Who will conduct the assessment?*

- 2.9.1. In determining who will conduct the GM's assessment, key considerations include:
 - (a) The smaller the group the greater the potential for bias; it is safer to err on the side of more rather than less board involvement.
 - (b) The GM reports to the whole Council, not to an individual councillor – the whole Council should have an opportunity to comment at some point.
 - (c) Permitting the assessors to meet both independently of the GM and with the GM.
- 2.9.2. Since the GM reports to the board as a whole, all councillors should be involved, at least in agreeing the total process and a full Council discussion of the evaluation prior to communicating the results to the GM.

2.10. *What are the outcomes?*

- 2.10.1. There is substantial variation in GM evaluation processes and approaches: Open-ended questions, rating scales, self-evaluations, interviews, etc.
- 2.10.2. The outcomes of the GM evaluation process can be to:

- (a) determine overall performance for the previous 12 months;
 - (b) assist in determining remuneration levels for the next 12 months;
and
 - (c) enhance the GM's performance through personal development.
- 2.10.3. Determining overall performance forms the foundation for the other outcomes of the evaluation. It is critical the Council reach a consensus on the overall performance of the GM. This is obviously best done in a closed forum without the GM (or other managers) present and may be a separate meeting either prior to, or following, a formal Council meeting or a 'councillors' only' section of a regular Council work shop.
- 2.10.4. Apart from the evaluation of the GM's performance over a 12-month period, an annual GM remuneration review may also take into consideration:
- (a) movements in the consumer price index (CPI); and
 - (b) current market rates of pay for GM's in similar jobs.
- 2.10.5. In deciding on any changes to the GM's pay, Councils can seek guidance from external advisers – chiefly specialist remuneration consultants, but also legal or taxation advisers. In reviewing the GM's remuneration, these consultants will compare the GM's pay with positions of similar scope and responsibility (generally meaning businesses in the same or a similar industry), of similar size and complexity.
- 2.10.6. The true value of a GM evaluation is not in the individual's ratings or scores, but in the opportunity it provides for the GM to enhance their performance through ongoing personal development. In general, the GM's personal development plan (PDP) should:
- (a) reflect the individual's personal aspirations;
 - (b) be based on development objectives for the next 12 months;
 - (c) have the commitment of the Council; and
 - (d) be properly resourced.
- 2.10.7. The GM's personal development plan should highlight the particular learning needs of the individual as the top manager in the organisation. The plan could include, for example:
- (a) counselling/coaching;
 - (b) emotional intelligence program;
 - (c) mentoring; or
 - (d) further education/management development program.

2.11. Debriefing the GM

2.11.1. The GM feedback process belongs to the entire Council and all should be involved; it is not the Mayor's or a committee's responsibility. However, an initial briefing from the Mayor and another councillor or external advisor will give the GM time to formulate a response to the full Council on the evaluation findings.

2.11.2. One of the primary inhibitors of candid feedback on performance is the emotional element of these processes. One way to overcome this hurdle is to design a system that allows for a less formal and more considered approach to providing the feedback. Again, a process or procedure is no substitute for a good working relationship between the Council and the GM. However, there are some guidelines for delivering the feedback that may make the task easier. A two-step approach may be used:

- (a) The first stage involves two councillors discussing the feedback with the GM in private. This allows him or her to absorb and respond to the review in a less threatening and high-pressured environment. The presence of a second councillor is useful for two reasons: it ensures that the feedback is communicated clearly and limits the possibility of any one councillor's personality clouding the process.
- (b) The second stage in the process involves a repeat and elaboration of the feedback in a full Council meeting. This provides a forum for the GM to respond to all councillors as well as to ensure that the information communicated in stage 1 was accurate.

2.12. Dispute settlement

2.12.1. In the event that there is a dispute about the accuracy or validity of the assessment and feedback provided to the GM, Council will engage an independent facilitator to mediate that dispute and for the performance review in the following year.