



Northumberland County Council

STAFF & APPOINTMENTS COMMITTEE

9th September 2022

Appraisal Process for the Chief Executive and Chief Officers

Report of the Interim Director of HR/OD

Purpose of the Report

The purpose of this report is to seek approval to implement an appraisal process for the Chief Executive and Chief Officers in line with the guidance laid out within the JNC Handbooks for both Chief Executives and Chief Officers. (Appendix 2 & 1 respectively)

The report will offer a practical application for the Committee to consider and agree.

Recommendations

To agree the following recommendations:

1. Agree the appraisal process laid out within the JNC handbooks for both Chief Executives and Chief Officers. Appendix 1 & 2
2. In the case of the Chief Executive, agree to the cyclical use of the 360 Chief Executive 360 Framework. A sample report is available in appendix 3 at a cost of £1,200 per exercise.
3. In the case of other Executive Directors agree to further investigation into the cyclical use of a cost effective 360 feedback tool within the appraisal process to be reported back at a future date for agreement.
4. Agree to the annual publication of the objectives of the Chief Executive (example in appendix 4) and request appropriate documentation to be drawn up for consideration at a future meeting of this committee. These objectives should be challenging and measurable and aligned to the Council's Corporate Plan.
5. Agree who will take responsibility for the appraisal for the Chief Executive as per 2.2 of the 'JOINT GUIDANCE ON APPRAISAL OF THE CHIEF EXECUTIVE' (appendix 2).
6. In the case of Chief Officers Agree that the responsibility for the appraisal sits with the Line Manager of each officer and agree whether elected member input is desired, and if so, to confirm by which method.
7. To request documentation to support the appraisal process for both the Chief Executive and senior officers be drawn up for future agreement by this committee.

Links to the Corporate Plan

This report is relevant to all areas of the Corporate Plan as it relates to ensuring that the Council has a robust mechanism for measuring the performance of the councils most senior officers and ensuring best value, while giving senior elected members the opportunity to provide input in a timely and transparent manner to shape the objectives of these officers.

This report ensures that the Council is managed and governed in line with legislation and the structure of accountability is clearly set out transparently.

Background

Below are the relevant sections of both handbooks which provide the context against which appraisals for Local Authority Chief Executives and Chief Officers should be appraised.

- Section 4 of the JNC Handbook for Chief Executives states,

“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 development 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.”

The associated guidance is appended to this paper at appendix 2.

- Section 1.2 of the ‘JOINT GUIDANCE ON APPRAISAL OF THE CHIEF EXECUTIVE’ (appendix 2) states;

“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.”

- Section 8 of the JNC Handbook for Chief Officers states,

“8.1 Chief officers’ responsibilities and accountabilities should be set out in writing at the appointment stage. Where this has not been done at the appointment stage it should be agreed with the individual officer concerned prior to the implementation of the performance appraisal scheme. Subsequently, there should be an annual process of performance appraisal linked to those responsibilities and accountabilities.

8.2 The performance appraisal process is separate from any scheme relating to either pay or performance related pay.

8.3 The performance appraisal process should involve the setting of both general and specific objectives for the year ahead and the review of performance in achieving previously set objectives. The focus of the process should be on clarifying what the chief officer will be expected to achieve and on identifying any continuing personal development needs to maintain a high level of performance.

- 8.4 *The authority will provide training for all parties involved in the process, including elected members if involved.*
- 8.5 *The setting of objectives should be by consensus between the chief officer and his/her line manager, and/or the chief executive, and if desired an appropriate elected member. The result of the performance appraisal process will be to identify agreed objectives that are relevant and challenging but achievable and realistic in the light of available resources and time. (Joint Secretaries guidance on appraisal of chief officers is set out in full at Annex 1)"*

Issues for Consideration

- Section 2.2 of the 'JOINT GUIDANCE ON APPRAISAL OF THE CHIEF EXECUTIVE' (appendix 2) states;

"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."

Section 2.1 & 2.2 of the "JOINT GUIDANCE ON APPRAISAL OF THE CHIEF OFFICER" states;

"2.1 The responsibility for appraising a chief officer lies primarily with their line manager and/or chief executive. It is a contractual obligation on the part of both the chief officer and the employing local authority 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 include any input from elected members 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 officer is employed by the local authority as a whole, not by the controlling group, and is therefore required to serve all of the local authority."

This Committee are asked to determine which of the approaches they wish to adopt on behalf of the Council for both the Chief Executive and Chief Officers.

- The LGA have developed a 360 tool specifically designed for chief executives, which links to the appraisal process to support personal development. The tool collects online information from feedback from individually determined groups that may include members, partners and staff.

With supported feedback the LGA are able to the work with chief executives and others to assess the impact and development opportunities when aligned to the appraisal process.

The tool can also be used for other senior managers who are future or aspiring chief executives. The cost of this exercise is circa £1200.

Data is collected and managed by CEB (SHL Talent Management) with whom the LGA have worked closely in developing the tool using aspects of the **21 Century Public Servant**.

A sample report is appended at appendix 3 and endorsement can be found on the LGA website:

<https://www.local.gov.uk/our-support/lga-consultancy/lga-consultancy-workforce/leadership-development/chief-executives-360>

It is proposed that this should be discussed with the incoming Chief Executive as the inclusion of a 360 tool in their future development plan clearly aligned to Local Authority leadership requirements such as this will add rigour to the future development and appraisal process for the Chief Executive. This will give a wider view of the leadership capabilities of the Chief Executive from various perspectives, giving a much more holistic view of leadership behaviours. Those asked to provide feedback on the performance of the chief executive should be agreed in advance by those taking responsibility for conducting the appraisal.

This tool also states that it can be used for other senior officers however, other tools should be explored for wider use with other Executive Directors to minimise costs.

- If this committee agrees with the proposed approach, it is suggested that a general format of documentation is drawn up for future consideration by this committee and publication of the agreed objectives of the Chief Executive as per the example provided in appendix 4 should be considered.

Implications:

Policy	Oversight of HR Policies and Procedure
Finance and value for money	The cost of the Chief Executive’s 360 appraisal toolkit is £1,200 and can be met from existing budgets.
Legal	<p>The Local Government and Housing Act 1989 section 4 requires that the Council designate one of its officers as Head of the Paid Service.</p> <p>Section 5 of the Local Government and Housing Act 1989 requires every local authority “to designate one of their officers (to be known as “the monitoring officer”) as the officer responsible for performing the duties imposed by this section”</p> <p>Included in its terms of reference adopted by Council on the 4th May 2022, it is the role of the Staff and Appointments Committee to:</p> <ol style="list-style-type: none"> a. Discharge the Council’s functions as employer in relation to Chief/Deputy Chief Officers b. Consider, approve, make recommendations to Full Council in relation to the overall structure of the workforce and the number/designation of Chief/Deputy Chief Officers

	<p>c. Determine the terms and conditions of employees of the Council including Chief/Deputy Chief Officers</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council</p>
Procurement	N/A
Human Resources	The annual cycle of appraisal is in line with best practice in this area and the main implications have been set out in the body of this report.
Property	N/A
Equalities (Impact Assessment attached)	The process is in line with best practice in relation to promoting equality and diversity within the Council's appraisal processes.
Yes <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	
Risk Assessment	Consistent with Independent Corporate Governance Review (Caller Report)
Crime & Disorder	N/A
Customer Consideration	N/A
Carbon reduction	N/A
Health and Wellbeing	The recommendations will support the health and wellbeing of Council Employees at varying levels within the organisation
Wards	The recommendations not related to any particular ward but cover the whole of Northumberland.

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

	Full Name of Officer
Monitoring Officer / Interim Director of Governance	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Interim Chief Executive	Rick O'Farrell in conjunction with the Interim Service Director for HR/OD
Portfolio Holder(s)	Staff & Appeals Committee

Authors and Contact Detail

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