

Decision released from confidential session			
Recommendation from (agenda report)	Date of meeting	Recommendation to (decision-making meeting)	Date of meeting
Extraordinary Chief Executive Employment Committee	21 December 2022	Council	09 February 2023
Report Title and number			
Interim Chief Executive Officer Performance Agreement and Key Results Areas for 2023 - R27394			
Documents released			
Decision (CL/2023/017) and attachment (1982984479-5428)			
Decision			
Resolved			
<ol style="list-style-type: none"> 1. <u>Approves</u> the amended Interim Chief Executive Officer Performance Agreement and Key Result Areas for 2023 (1982984479-5428); and 2. <u>Agrees</u> that the decision and attachment (1982984479-5428) be released. 			

Item 1: Interim Chief Executive Officer Performance Agreement and Key Result Areas for 2023: Attachment 1

Performance Agreement for Nelson City Council Interim Chief Executive Officer

1) Purpose

The purpose of this document is to enable Nelson City Council (Council) and its Interim Chief Executive Officer (CEO) to meet their obligations under the Local Government Act 2002 (LGA2002) to enter into a performance agreement. This agreement also enables the Council and CEO to fulfil their other employment obligations under the LGA 2002, the Employment Relations Act 2000 and the CEO's employment agreement.

2) Principles

This agreement reflects the interim nature of the role. It nevertheless relies on -

- performance management being a shared responsibility;
- the Council and CEO fulfilling their roles in a fair, transparent and timely way;
- the key result areas (KRAs) being relatively few in number, being strategically aligned and covering period of employment;
- core professional and personal competencies being as they are prescribed in law for local government CEOs;
- competent performance being the level of performance expected of a skilled and experienced practitioner in a role of this size;
- performance assessment and feedback being "ongoing" also known as an "as and when" basis;
- employment relationship problems relating to this agreement or unsatisfactory performance being resolved according to the CEO's employment agreement and the relevant law;

3) Process Overview

Key result areas will be agreed on appointment and may be changed or reprioritised by agreement during the term of the Interim appointment to meet the needs of the organisation.

Once the KRAs are agreed direction, advice and support will be given to assist achieve them. Informal dialogue should be frequent and ongoing. More formal reporting to the Mayor and feedback should occur monthly against any interim targets or milestones and to the Chief Executive Employment and Committee at the end of the term of employment.

Item 1: Interim Chief Executive Officer Performance Agreement and Key Result Areas for 2023: Attachment 1

4) Roles and Responsibilities

Committee - The functions of the Chief Executive Employment Committee are set out in its terms of reference. At an operational level, the Committee has a direct relationship with the CEO primarily through its Chair. In relations this interim role the Committee is responsible for -

- agreeing the CEO's KRA's and the rationale for them;
- obtaining any Councillor feedback on performance and on changed priorities;
- evaluating the CEO's performance based on their own knowledge, others' inputs and feedback;
- conducting any review meetings in an open, frank and friendly manner;
- accurately record the outcomes;
- reporting on the outcome of the assessment to Council.

Councillors - The Committee will facilitate any Councillor input on the performance of the CEO.

Chief Executive - The CEO's primary responsibility is to use their best endeavours to achieve the KPIs that have been agreed and to demonstrate the core professional and personal competencies including those that are 'constants' in local government. The CEO is also responsible for -

- enabling the administration and resourcing of the Committee;
- assisting the Committee to identify and agree KPIs and the rationale for them;
- raising issues with the Mayor or Committee that may affect achieving KPIs in a timely way;
- meeting the agreed reporting timelines and formats;
- actively participating in any review meetings;

5) Core Competencies

Core personal and professional competencies are those attributes, behaviours and skills that chief executives, especially those in local government, should have and should demonstrate.

Managing Self - This includes matters such as standards of integrity and conduct; adaptability; resilience; learning and development; self-awareness; problem solving and decision making; interpersonal skills; role modelling; emotional intelligence.

Leading People - This includes matters such as responsible manager and good employer actions; service to communities motivation; equal employment opportunities; diversity and inclusion; conflict management; developing others; performance management; workforce planning; change management; wellbeing; health and safety.

Item 1: Interim Chief Executive Officer Performance Agreement and Key Result Areas for 2023: Attachment 1

Leading Delivery - This includes matters such as efficient and effective programme and project delivery; financial management; team commitment, spirit and pride; needs anticipated and met; accountability for deliverables; quality of customer service; decisiveness; influencing and negotiating; risk; technology used; procurement; contracting;

Leading the Organisation - This includes matters such as strategy; shared vision as catalyst for change; culture; translation of plans into action; innovation; position for future success; takes opportunities; Council as sector leader; awareness of environmental impact of and on the organisation; awareness of local, national and international policies and trends.

Relationships and Communications - This includes matters such as quality and timeliness of advice; partnering, networks and alliances; oral and written communications style; political savvy; consultation; engagement; authenticity; influencing;

6) KRA Setting

The approach to setting KPIs is one of negotiation and agreement rather than decree.

Any changes to KRAs 'out of cycle' will be negotiated, agreed and documented when the need for them occurs.

A Performance Management Worksheet for recording KRAs is attached to this agreement (Appendix One). The approach to performance management in this agreement is that -

1. the worksheet it is **not the place for business as usual** or core competencies;
2. the **Agreed Results** column should list an outcome not a task;
3. rather than write SMART objectives and/or incorporated metrics into each KPI or agreed result, (noting that time will sometimes be 'of the essence') a pick list is provided in the **How Measured** column from which the relevant measures can be chosen at assessment time;
4. the **Assumptions** column records the basis on which the **Agreed Results** are agreed and what needs to occur to support achievement and what could disrupt;
5. the **KPIs should be the CEO's** i.e. deal with the contribution they are to make or role that they will play in achieving the outcome – it's up to the CEO to cascade down accountability for delivery relevant to the executive and managers in their roles;
6. this is the place to **record any project leadership roles** that the CEO holds personally.

Item 1: Interim Chief Executive Officer Performance Agreement and Key Result Areas for 2023: Attachment 1

7) The Assessment

The CEO's performance is to be assessed using the following rating system. Given the interim nature of the role an overall assessment is to be made against the KPIs and also against the personal and professional competencies.

The assessment is to be written, narrative (as opposed to numerical), objective, and use only relevant organisational data and feedback.

Rating	General Description
Above Competent Performance	Outcomes achieved consistently above the level of competence that would be acceptable in the role; consistently exceeds reasonable expectations. Excellent role model for others - what others should aspire to. Projects and programmes completed as required but with significant additional/better outcomes (e.g. major cost saving, award winning or significant positive community recognition).
Competent Performance With Highlights	Competent performance with some outcomes or components above competent (e.g. communicates competently but did an outstanding job facilitating the community engagement programme). Projects and programmes completed as required with some value-add (e.g. on time but under budget).
Competent Performance	Delivers what is expected of a person competently performing duties and undertaking responsibilities at the chief executive level. Outcomes meet objectives at the standard envisaged. Projects and programmes completed as required / expected.
Competent Performance With Some Exceptions	Outcomes generally achieved at competent level, but with some below competent outcomes (e.g. personnel management generally competent but performance reviews not completed). Projects and programme delivery generally acceptable with some minor exceptions (e.g. delivered slightly over time or slightly over budget).
Under Competence Performance	Outcomes consistently below competent performance requiring significant remedial action. Potential negative impact on Council's reputation. Projects and programmes not completed as required with no valid justification.
Not Assessed	Did not proceed as originally envisaged for reasons beyond the CEO's control.

8) Rewards and Recognition

The CEO's remuneration is set for the term of employment and will not be reviewed.

Appendix One

Performance Management Worksheet

For: Lindsay McKenzie

Period Covered: appointment until termination

Role: Interim CEO

Next Review: not applicable

Priority	Key Result Area	Objective	Agreed Results	How Measured	Assumptions
1	Employer Duties	<p>Fulfil the obligations and duties of a local government chief executive in law and under the Council's policies, in accordance with the delegations for the role, with an emphasis on employee health, safety and wellbeing expectations.</p> <p>Provide an effective link between governance and the staff members of the organisation during the transition between chief executives;</p>	<p>Staff talent is not lost during the transition due to an executive leadership void.</p> <p>The CEO is a good employer within the meaning of the law.</p> <p>The Council is a good employer within the meaning of the law.</p>	<p>Unless otherwise set out, performance against each objective shall be assessed against –</p> <ul style="list-style-type: none"> • Feedback • Delegations exercised • Legal and Policy compliance • Reporting • Confidentiality • Deadlines and timelines • Quality of relationships • Accuracy • Quality of advice given • Presentation • Availability • Budgets met • Service levels 	<p>Level of trust</p> <p>Elected member conduct</p> <p>Financial challenges</p> <p>Talent retention</p> <p>Community expectations</p> <p>Covid and other disrupters</p> <p>Law reform</p> <p>Functional changes</p>
2	Governance Support	<p>Advise the Mayor on his governance reset proposals and support their implementation;</p> <p>Support Councillors in their roles;</p>	<p>The organisation's governance arrangements achieve their planned outcomes and the organisation is supported and resourced to enable their smooth functioning a delivery.</p>	<p>As above</p>	

Item 1: Interim Chief Executive Officer Performance Agreement and Key Result Areas for 2023: Attachment 1

Priority	Key Result Area	Objective	Agreed Results	How Measured	Assumptions
3	CEO Recruitment	Assist the Mayor and the Chief Executive Employment Committee in undertaking a successful chief executive recruitment and appointment process;	Participate in meetings and interviews as requested. Provide a CE's perspective on fit when measured against agreed attributes and organisation's needs.	As above	
4	Operational Delivery	Enable the Executive and operational staff to deliver their work programmes with a focus on disaster recovery;	Work programmes are delivered on time, within budget and to specification. Exceptions are reported up early and transparently.	As above	
5	CEO Handover	Provide a status report to the incoming CEO on organisational capability and capacity.	Report drafted for CEEC review and provided to incoming CEO on commencement.	As above	
6	New Issues and Changed Priorities	Carry out such other relevant tasks as the Mayor or Council determines from time to time.	To be agreed at the time priorities are changed.	As above	

Mayor

Date

Chief Executive

Date