

LOCAL GOVERNMENT CEO PERFORMANCE & REMUNERATION REVIEWS

Communities expect their Councils to function effectively and a key player in delivering these expectations is the CEO, who provides leadership and direction to achieve Council directions. Aside from a need to comply with the Act, Councils therefore have solid business reasons for undertaking CEO performance reviews.

These reviews can bring great benefits that include:

- Aligning the strategic direction set by the Council with the CEO's;
- Responsibilities and Key Performance Indicators (KPIs);
- Encouraging the CEO's personal development;
- Promoting better Council and CEO working relations;
- Providing an early warning system for possible problems; and
- Improving the overall performance and governance.

Local Government CEOs typically manage large workforces and are responsible for day-to-day legislative and fiscal governance, and accordingly it is appropriate to undertake a rigorous evaluation process.

Price Consulting Group works with individual Councils to design a performance review process that meets the needs of the Council and the CEO. Whether simply reviewing performance criteria or undertaking a leadership 360 degree appraisal, our Consultants will manage the entire process including facilitating meetings and presenting to Council, if required.

LOCAL GOVERNMENT LANDSCAPE

The *Local Government Act 1995* (the Act) requires Councils to undertake a review of the CEO's performance at least once each year.

In addition, the employment contract for most Local Government CEOs provide for an annual review of the CEO's remuneration package.



REMUNERATION REVIEWS

Price Consulting Group undertakes a market review of CEO remuneration to allow Councils to have greater objectivity about CEO remuneration decisions.

Without significant research, it can be difficult for Councils to ensure that they are "comparing apples with apples."

Remuneration reviews need to take into account:

- CEO remuneration from similarly-sized Councils (metro or regional);
- The Salaries and Allowances Tribunal's determination;
- The CEO's performance; and
- Other environmental data, including economic indicators and major local issues.

Price Consulting Group has worked closely with a number of Local Government Authorities and provided an objective view of performance and the current remuneration market for CEOs from comparatively-sized Councils. We work with the Mayor, Councillors, the CEO and, if requested, senior leaders and key external stakeholders, in order to provide timely, confidential and contemporary reports that inform Council decision-making.

PROCESS & OUTCOMES

Our Consultants focus on delivering the following key outcomes:

ESTABLISH EXPECTATIONS

Council agrees expectations & performance criteria for the CEO.

Negotiated with CEO.

GUIDE PERFORMANCE

Ongoing advice & monitoring, particularly from the Mayor.

ASSESS PERFORMANCE

The Mayor or Committee undertakes a detailed review using objective & subjective measures.

Formal appraisal meeting with CEO.

Performance assessment process formally reviewed at Council meeting.

REVIEW REMUNERATION

Typically undertaken in conjunction with performance review.

Report presented to Mayor/Committee.

Formal negotiation with CEO.

Formally endorsed at Council meeting.

CEO OUTCOMES:

- Minimal impact on CEO's schedule;
- Objective review of leadership performance;
- An opportunity to discuss issues, seek alignment and support;
- Identification of development opportunities; and
- Discussion of career aspirations and succession planning.

COUNCIL OUTCOMES:

- A well-run process designed to deliver to Council's needs and calendar;
- Endorse the CEO's performance for the review period;
- Determine appropriate Key Performance Indicators (KPIs) for the next 12 months; and
- Determine the CEO's remuneration for the next 12 months, if required; the extension or renewal of the CEO's contract.

OUR SERVICES

- Improving productivity & performance
- Strategic & business planning
- Change management
- HR & workforce planning & policy
- Organisational review & development
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- Business & performance reviews
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- Applicant journey from process to feedback
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- Employee relations

Get in touch to discuss your needs and for a comprehensive quote

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