

Chief Executive Officer Employment and Remuneration

Council Policy Number	175
Date adopted	26 May 2022
Scheduled for review	May 2026



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Purpose

To provide a fair, transparent and consistent framework for management of the employment cycle of the Chief Executive Officer (CEO) including aspects such as recruitment, performance and contract related processes.

To provide Terms of Reference for a CEO Employment and Remuneration Advisory Committee.

Policy Statement

This policy has been developed to support the requirements of the *Local Government Act 2020* that Council must develop, adopt and keep in force a CEO Employment and Remuneration Policy.

The Campaspe Shire Council ('Council') is responsible for managing processes that may occur throughout the employment cycle.

- the recruitment, appointment and cessation of employment of the CEO;
- formulating the CEO's Performance Plan in consultation with the CEO, and assessing their performance against that plan; and
- determining the CEO's contractual conditions including remuneration.

Council will carry out its functions relating to recruitment, performance review and remuneration of the CEO in accordance with the following principles:

Decision-making principles that are fair, transparent and applied consistently;

Decision-making criteria that are relevant, objective and available to the person subject to the decision;
Decisions and actions that are conducive to ongoing good governance;

Documentation that is clear and comprehensive to render decisions capable of effective review;

Employment decisions that are based on the proper assessment of an individual's work-related competencies and potential against the genuine requirements of the role; and

Decisions to appoint an employee are based on merit.

The responsibility for assisting Council with its obligations regarding CEO employment, performance and remuneration will be delivered through the CEO Employment and Remuneration Advisory Committee. However the Council will approve all key recommendations provided by the Committee, as indicated in this policy.

The Council must comply with any requirements prescribed by the regulations in relation to the employment of a CEO.

1. Establishment of the CEO Employment and Remuneration Advisory Committee

1.1 Purpose

Council shall maintain a CEO Employment and Remuneration Advisory Committee (the Committee).

The Committee's role is to assist and advise the Council on matters relating to the employment, performance and remuneration of the CEO, including:

- Recruitment of the CEO or a person to act as the CEO, while awaiting the appointment of the CEO;
- Appointment of a recruitment consultant to advise the Committee throughout any recruitment and appointment process for a new CEO;
- CEO contract finalisation;
- An on boarding program for the new CEO.
- CEO remuneration and other provisions included in the contract of employment; Setting a Performance Plan including annual measures, with and for the CEO; and
- Monitoring the CEO's performance against the requirements of the position, and the performance plan, at six (6) monthly intervals;
- Completing an annual Performance Review; and
- Appointment of an independent professional for provision of advice where required, to advise the Committee in relation to any matters dealt with in this Policy.

Membership

Membership of the Committee (Members) will comprise the following:

- The Mayor, who will be the Chairperson
- Three (3) Councillors.
- An independent member (Independent Member) who may be the alternative Chairperson if elected by the Committee.

1.2 Recruitment, Duties, Term and Remuneration of the Independent Member

The independent member will be appointed by Council following a public process seeking Expressions of Interest from suitably qualified and experienced candidates (Appointment Process).

The Appointment Process will be managed by the Mayor with Committee Support as noted by section 1.5. A recommendation for a preferred candidate will be made by the Committee and the Council will make the final decision. The preferred candidate will have been able to demonstrate attributes and/or experience from the following:

- A clear understanding of the objectives, roles, duties and obligations of the CEO and Council under the *Local Government Act 2020*;
- Demonstrated understanding of leadership principles;
- Demonstrated human resource management skills, senior business experience or relevant qualifications;
- Experience in senior management recruitment and development;
- An understanding of performance management processes and procedural fairness; and
- Senior Level experience, preferably within the Local Government sector and sound knowledge of governance and legal obligations; and
- Previous experience working effectively with Councillors, Executive Governance bodies or Board Members in advisory and/or facilitation roles.

Duties of the Independent Member are to provide independent professional advice, actively participate on the Committee and support its Purpose in accordance with section 1.1 herein. The Independent Member may share secretariat support duties with other members of the Committee such as documenting the Performance Review process and assisting with the preparation of draft Council Reports.

The Independent member will be appointed for a term of up to three years and must sign a non-disclosure agreement with the Council.

At the conclusion of the three-year term, the incumbent will be eligible to apply for reappointment, at the discretion of Council for a second three-year term.

A maximum of two consecutive 3 year terms may be served.

Duties of the independent member include actively participating in the Committee's six monthly review of the CEO's performance against the agreed annual performance plan.

Independent member remuneration will be based on a sitting fee per meeting, in line with Victorian Government guidelines for like committees and will be paid within 30 days of attendance at the meeting. Travel costs will be reimbursed in accordance with ATO allowances.

The sitting fee of the Independent Member will be reviewed at the conclusion of each term.

1.3 Meetings

The committee will meet as frequently as necessary to effectively perform its functions, but at least twice per year.

A quorum will consist of the Independent Member plus two other Committee Members.

A quorum must be reached in order to transact business.

1.4 Committee support

The CEO will ensure support is provided to the Committee where appropriate and subject to confidentiality provisions. Such support may include:

- Scheduling meetings of the Committee
- Preparing relevant documentation including contractual documents; Filing of reports and minutes of Council Meeting agenda items; Payment of the Independent Member;
- Assisting to coordinate the advertising, recruitment and appointment process of the CEO or the Independent Member; and
- Development of a CEO on-boarding program.

2. Recruitment of the CEO

Independent Professional Advice and Support

2.1 Council will engage an independent and suitably qualified recruitment consultant (the Consultant) to manage the end-to-end recruitment process.

2.2 The key criteria for appointment of the Consultant should consider track record of successful CEO appointments, price, availability, qualifications and experience in the local government sector.

Recruitment and appointment process

2.3 In conjunction with the consultant, the Committee will develop and agree upon a Recruitment Plan, which will include the following:

- The key factors that the Consultant should consider when preparing a list of candidates to be recommended for the Committee to interview.
- Development of the Position Description, Performance Criteria and any other attributes required for the role.
- Remuneration and other employment conditions, in accordance with the requirements set out at section 5 below.
- Selection criteria based on the Position Description and Performance Criteria.
- A search and selection process and timeframe for Committee consideration which may include:
 - Candidate information package comprising a Position Description, a model contract, information about the area, the Council Plan and an annual report.
 - A candidate identification strategy including advertisements in at least one leading recruitment website and/or platform, the Council website, social media and relevant newspapers for an appropriate period of time.
 - Methods of applicant evaluation.
 - An effective psychological profiling tool recommended for the purposes of executive recruitment.

2.4 The Committee will seek Council approval of the Recruitment Plan once completed.

- 2.5** Once the Recruitment Plan has been approved, the Committee will:
- Oversee the development of the candidate pool by the consultant, providing feedback on the quality of candidates being identified.
 - Review the Consultant's report on the candidate pool and short-list candidates to be carried forward to a first round interview to be conducted by the Committee.
 - Work with the Consultant to develop questions and obtain relevant support and guidance from the Consultant for the interviews with the leading five to eight candidates identified by the Consultant.
 - In consultation with the Consultant, select/refer a short list of preferably three (3) candidates for a second interview with the full Council.
- 2.6** Once the preferred candidate is determined by the Council the Committee will, with the support and guidance of the Consultant:
- Negotiate the terms of employment within the general framework and policies of the Council and subject to section 5.
 - Ensure, through the Consultant, that all candidates are updated on the outcome of the process.
 - In consultation with the Manager Human Resources develop and recommend to the Council an on boarding program for the new CEO.
 - Liaise with the Council's Communications team regarding the internal and public announcements of the appointment of the new CEO.

3. CEO Performance Review and Planning Process

- 3.1.** A Performance Review will be conducted annually in accordance with the following process:
- Prior to the Performance Review, the CEO will submit a progress report to the Council Committee setting out their progress and achievements against the Performance Criteria and any specific deliverables and measures of success documented within the annual Performance Plan.
 - On a confidential basis, the Independent Member will invite and collate feedback from all Councillors regarding the CEO's performance. This process could also be delegated to a third-party HR specialist.
 - The Committee will:
 - Consider the feedback provided by all Councillors;
 - Request further information where applicable or available to support their evaluation;
 - Meet with the CEO to provide an opportunity to discuss the content of the CEO progress report and the CEO's achievements for the period in review; and
 - Prepare a draft report.
 - The Committee will make recommendations to Council on matters including:
 - the extent to which the CEO has achieved the Performance Criteria;
 - the CEO's remuneration (having regard to the requirements of section 4 of this Policy); and
 - Whether any variation to the terms of the Contract needs to be considered for presentation and agreement with the CEO.
 - Within three months of commencement of the CEO's employment, and then again annually following completion of the Performance Review, the Council and the CEO will establish a Performance Plan for the following 12 months.
 - The Committee will seek independent professional advice on the development of the Performance Plan, if required.
- 3.2.** The Committee will conduct a mid-year performance review with the CEO within 6 months of the Performance Review. This mid-year review will provide the opportunity for the Committee to provide the CEO with feedback and adjust the Performance Plan if necessary.

4. Remuneration of the CEO

- 4.1. When determining or reviewing the Total Remuneration Package (TRP) of the CEO, the Council will have regard to:
- industry benchmarks including any published data available by Council Category;
 - any current statement of wages policy issued by the Government of Victoria;
 - any Determination that is in effect under Section 21 of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*.
- 4.2. The TRP will be inclusive of salary, superannuation and other employment benefits, including associated Fringe Benefits Tax.
- 4.3. The Council will review the TRP annually within one month following the Performance Review, in accordance with the terms of the CEO's contract of employment (the Contract) and this Policy.
- 4.4. No performance bonus arrangements will apply.

5. Contractual Requirements

- 5.1. The Committee will seek independent professional (legal) advice regarding the terms of the Contract.
- 5.2. The CEO will be appointed on a contract of employment that does not exceed five years.
- 5.3. The Contract will include, as a minimum, provisions relating to:
- The duties and responsibilities of the position (Position Description);
 - Leave and other terms and conditions of employment;
 - The Total Remuneration Package (TRP) and its inclusions;
 - Provisions for early termination by either party, with the required minimum written notice in accordance with guidance provided by the Government of Victoria; and
 - Any other requirements prescribed by the regulations in relation to the employment of the CEO.

6. Termination or Expiry of Contract

- 6.1. The Committee may seek independent professional advice, if required, to ensure that It is meeting its obligations relating to termination or expiry provisions of the Contract.
- 6.2. The Committee will be responsible for advising the Council on its options when various end of contract clauses come into effect. Such advice will include but is not limited to, recommendations to Council six months prior to the expiry of the Contract as to whether the Council should either:
- Reappoint the CEO under a new contract of employment (for five or less years); or
 - Cease the employment of the CEO due to the expiry of the Contract.
- 6.3. Any decision to reappoint or cease the employment of the new CEO under paragraph 6.2 will be made by the Council

7. Acting or Interim CEO Appointment

- 7.1. In accordance with Section 11 (3) of the Local Government Act 2020 a Council may delegate to the CEO the power to appoint an Acting CEO for a period not exceeding 28 days.
- 7.2. If there is a vacancy in the office of CEO or the CEO is unable to perform the duties of the office of CEO, the Council must appoint a person to be the Acting CEO. This may occur in the event the CEO:
- takes a period of leave for more than 28 days,
 - or resigns; or
 - ceases to be employed by the Council;
- 7.3. The Committee will make a recommendation to Council (after consulting with the CEO where appropriate) regarding any acting/interim arrangements.
- 7.4. The Council will make the final decision regarding the acting/interim arrangements.

8. Dispute Resolution

- 8.1.** Should a dispute arise in relation to any matter under this policy or the Contract, the CEO and Council will use their best endeavours to resolve their issue or dispute in a courteous and respectful manner between themselves.
- 8.2.** If informal attempts to resolve the dispute are not successful, either the CEO or Mayor will:
- Send a written request to the Independent Member that a meeting be convened to discuss the dispute; and
 - Within 14 days of receiving a written request specified in clause 8.2 above, the Independent Member will convene a meeting between the Mayor (or a nominated representative(s) of Council) and the CEO (along with any nominated representative of the CEO) in an attempt to resolve the dispute.
- 8.3.** Should the CEO and Council be unable to resolve the dispute at this meeting, the CEO and Council will:
- Refer the dispute to an independent mediator as agreed by the parties, or otherwise as nominated by the Executive Director of Local Government Victoria; and
 - Agree to participate in any mediation process in good faith.
- 8.4.** The cost of the mediation service will be met by Council.
- 8.5.** The CEO and Council will each be responsible for paying costs of any advisor or nominated representative used by them.

Exclusions

Nil

Human Rights

This policy has considered and complies with the Human Rights and Responsibilities contained in the Victorian Charter of *Human Rights and Responsibilities Act 2006*.

Definitions

The Act	<i>Local Government Act 2020</i>
CEO	Chief Executive Officer
Committee	CEO Employment and Remuneration Advisory Committee
Contract	Chief Executive Officer Employment Contract
Council	Campaspe Shire Council
Councillor	Mayor or Councillor as defined by the Act
Independent member	Suitably qualified and experienced professional who is not a Councillor or Officer of the Council and is a voting member of the Committee
Position Description	An organised, factual statement of the duties and responsibilities to be executed by a specific role. This may include title, location, position summary, nature and objectives of the role, tasks and duties to be performed, working conditions and equipment to be used or provided.
Performance Criteria	The objectives by which the CEO's performance is evaluated during the Performance Review.
Performance Plan	A document setting out the specific deliverables and measures of success, as established by the CEO and Council, that will be used during the Performance Review to evaluate the CEO's level of achievement of the Performance Criteria. The Performance Plan will be prepared within 3 months of commencement in the role, and then annually following completion and formal ratification of the annual Performance Review.

Performance Review	A formal appraisal of the CEO's performance in achieving the Performance Criteria, conducted during any Probationary Period and annually by the Committee.
Recruitment Consultant	Nationally recognised consultant with specialist expertise in sourcing and evaluating candidates for senior executive roles
Remuneration	Salary and salary equivalents

Related Legislation

Local Government Act 2020

Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019.

Related Policies, Procedures and Strategies

Council Policy 126 - Procurement

Attachments

Nil

Review Period

Four years

Responsible officer

Human Resources Manager

Administrative Updates

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter the policy, such a change may be made administratively. Examples include a change to the name of a Council department, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be by resolution of Council.

Approval History

Adopted	19 May 2020	Minute Book Reference No 2062 (Item 9.5)
Revised	22 February 2021	Administrative update to apply consistent reference to Campaspe Shire Council ('Council') and abbreviations
Revised	26 May 2022	Minute Book Reference No 3 (Item 3.1)

Chief Executive Officer



Date6 July 2022.....

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Council Policy

Council Policy