

Meeting of:	Corporate Performance and Resources Scrutiny Committee
Date of Meeting:	Wednesday, 15 February 2023
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Chief Officer Appraisal Scheme - Proposed Modifications
Purpose of Report:	To seek approval for an update to the Chief Officer Appraisal system to reflect the Council's approach to performance management and professional competency.
Report Owner:	Tom Bowring, Director of Corporate Resources
Responsible Officer:	Tom Bowring, Director of Corporate Resources
Elected Member and Officer Consultation:	Strategic Leadership Team and Heads of Service
Policy Framework:	This is a matter for Executive decision by Cabinet before final consideration by Full Council
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The report seeks Corporate Performance and Resources Scrutiny Committee's endorsement of proposals to refine the Chief Officer Appraisal system. • The current Chief Officer Appraisal Process has been in place since 2012, with only minor adjustments. • The proposed changes to the Chief Officer Appraisal Scheme were considered initially by the Senior Leadership Team on 15th November, 2022, the Trade Unions and Diversity Networks were briefed in November 2022. Heads of Service were initially briefed on the proposed changes in January 2023. • The proposal supports the principles of Performance Management best practice and the current Appraisal process, but seeks to enhance the process through: • Robust SMART¹ objectives and targets, both behavioural and technical should be agreed for all participants both fairly and consistently. 	

¹ Specific, Measurable, Achievable, Results Focused, Timebound

- Behavioural competency reflects the expectations contained within the Senior Leaders Competency Framework.
- Increase frequency from an annual review to quarterly reviews – this supports best practice performance management of moving away from a single looking back appraisal, to multiple touch points looking forward.
- Move towards coaching conversations focusing on a strengths-based improvement, based on robust data and evidence linked to clear objectives.
- Encourage a rounded view of performance through peer review and 360 feedback.
- Use of suitable rating scale that supports both technical (what) and behavioural (how) assessment and provides a reliable assessment using the full breadth of scale.
- In a digital format via a bespoke appraisal on the iDev Learning Management System.

Recommendations

1. It is recommended that Corporate Performance and Resources Scrutiny Committee consider the contents of this report.
2. It is recommended that Corporate Performance and Resources Scrutiny Committee refer the proposals for Chief Officer appraisal to the Cabinet meeting taking place on 27th February 2023 for their endorsement prior to final consideration and approval by Council on 6th March, 2023 to introduce the new scheme from 1st April, 2023.

Reasons for Recommendations

1. To apprise Members of the proposals in relation to Chief Officer Appraisal.
2. To seek enable Scrutiny Committee members to consider the proposal, seek endorsement from Cabinet for the proposed changes to the appraisal system. and enable all Council members to consider the proposals in line with the Council's Constitution to enable the new scheme to operate from 1st April, 2023.

1. Background

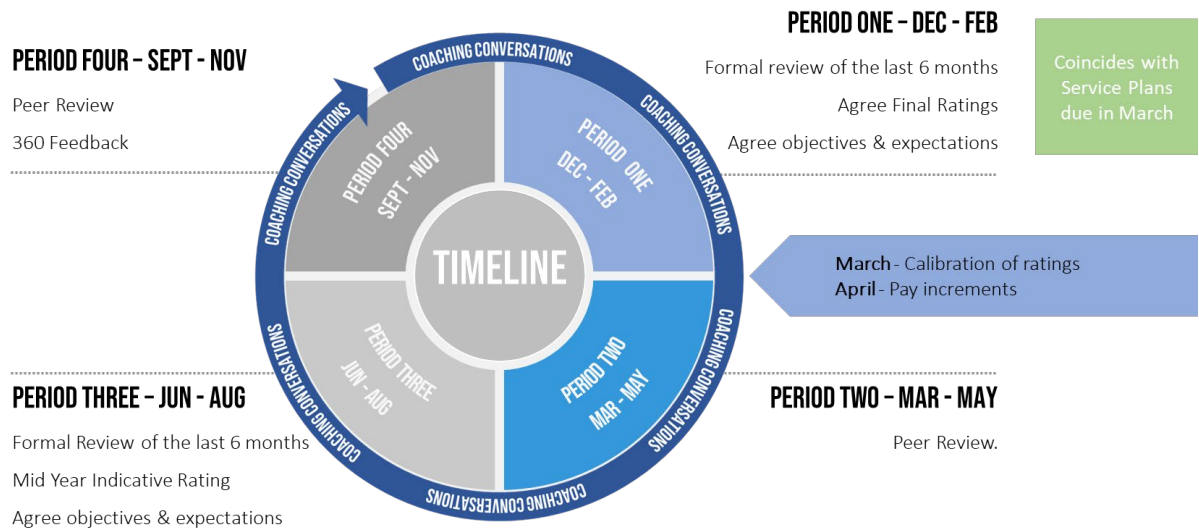
- 1.1 The Council operates a performance management system which monitors progress towards delivering the actions contained in the Annual Delivery Plan and Service Plans. An integral part of this process is the link between individual colleagues' performance and overall performance of the Council.
- 1.2 Council staff who are not Chief Officers have an annual appraisal (#itsaboutme). The #itsaboutme appraisal is not linked to pay but focuses on personal professional development and the contribution to the Council's Corporate Plan.
- 1.3 A separate scheme operates for Chief Officers. The current Chief Officer Appraisal Scheme has been in existence since 2012 and has had no major changes since introduction.
- 1.4 The current system is based on a limited assessment of performance based around technical delivery, the rating process is restrictive and therefore fails to identify future opportunities for development. The '#itsaboutme' process involves a conversation which assesses behavioural competencies of staff, and it is considered that it would now be appropriate to introduce a competency-based performance management system for Chief Officers, that focuses on attainment, behaviours, future opportunities and development.
- 1.5 In developing these proposals, the Senior Leadership Team and Trade Unions were consulted in November 2022, and further consultation meetings are arranged with Heads of Service and Insight Board in January 2023.
- 1.6 If approved, it is proposed to implement the changes from 1st April, 2023 through a transition year with a full cycle taking place from April 2024.

2. Key Issues for Consideration

- 2.1** The proposal seeks to update the current Chief Officer Appraisal process in order to:
- 2.1.1 support the delivery of the Corporate Plan and Annual Delivery Plan.
 - 2.1.2 offer opportunities for regular coaching conversation that are forward looking.
 - 2.1.3 Focus on behaviour that aligns to the values of the Council.
- 2.2** The proposed changes focus on three key Stages of the Performance Management Cycle:
- 2.2.1 Defining Performance Expectations
 - 2.2.2 Reviewing Performance Regularly
 - 2.2.3 Rating Performance
- 2.3 Stage One - Defining Performance Expectations**
- 2.4** The new approach would make use of Senior Leaders Behavioural Competencies (see Appendix A), which aligns to the new more detailed Management Behavioural Framework that was launched in January 2018. It is worth noting that the Senior Leadership Behavioural framework had a soft launch to all Chief Officers in March 2019 but has not yet been weaved into the performance process.
- 2.5** The Behavioural framework details the behavioural expectations of Chief Officers, and it is suggested it forms the foundations of the process in defining behavioural expectations for objectives.
- 2.6** To support the focus and achievement of objectives, good practice suggests the number of objectives should be limited and that those objectives should be clear and robust by following the SMART methodology, with particular focus on measurable objectives.
- 2.7** It is suggested that a “Balanced Score Card” approach should be used to provide consistency of approach across this population. This would remove the need to replicate any elements already detailed within other plans, e.g., Corporate Plan, ADP, Service Plans, but would allow us to capture key objectives around finance, service user, process and people. This approach would support the concept that the focus of the Chief Officer Performance discussions is around delivering towards those key organisational priorities and the development and behaviours needed to successfully deliver to these plans and support the development of an open and inclusive working environment in line with our People Strategy.
- 2.8 Stage Two – Reviewing Performance Regularly:**
- 2.9** It is suggested that the scheme moves from formal annual review to quarterly touchpoints, combining a change of focus in the structure and approach of the discussions – a move towards forward looking, coaching conversations focusing on strengths and providing feedback to improve performance regularly.
- 2.10** It is proposed that:

- 2.10.1 There are two 'formal' review elements in period 1 and 3. These would encompass a review of last 6 months progress, agree focus for the next 6 months and a discussion rating performance.
- 2.10.2 There are two 'informal' temperature checks and feedback opportunities. This would allow the time to gather and digest Peer Review and 360 Feedback that would then feed into the formal reviews.
- 2.11** Extend participation in the review process to include:
 - 2.11.1 Peer reviews from internal and external peers, twice a year, whilst allowing sufficient time to put actions into practice before the final review and rating period.
 - 2.11.2 360 feedback – mechanism to gather qualitative feedback from team members, colleagues, seniors, stakeholders and internal/external customers.
- 2.12** Making amendments to objectives and expectations as required throughout the year and gathering supporting evidence, moving towards an “in time” process, rather than an annual point in time.
- 2.13** To assess achievement of targets and objectives, it is suggested a wider rating scale is used to assess performance – this is further discussed in the following stage.
- 2.14 Stage Three – Rating Performance:**
- 2.15** Best practice around the rating performance for performance related pay suggests:
 - 2.15.1 Robust rating relies on the quality of objectives and expectation setting being fairly and consistently applied.
 - 2.15.2 Assessment of performance needs to be objective and fair.
 - 2.15.3 The reliability of ratings drops if there are 3 or less rating categories.
 - 2.15.4 Certain language used in rating description can have a detrimental effect.
 - 2.15.5 Calibration of objective setting and rating approach will assist with consistency.
- 2.16** It is suggested that a matrix rating system is used to arrive at an overall performance rating, after discussing and agreeing a rating for “Performance against Targets and Objectives – What” and “Performance against Behaviours – How.” (See Appendix B)
- 2.17** The final overall performance rating is derived from combining the two ratings in a matrix (see Appendix C)
- 2.18** With a move to quarterly touchpoints, it is suggested that we provide an indicative rating at midyear, in order to provide some indication of the progress that individuals are making towards their expectations and provide an opportunity for improvement.
- 2.19** Introduce use of calibration to ensure fairness and consistency, calibrating ratings at end of year to ensure the scale is applied consistently across all areas.
- 2.20 Suggested Timeline**
- 2.21** Below is a suggested timeline for the proposed approach.
- 2.22** Things to note:

- 2.22.1 Supports performance planning process, as objective setting meetings run parallel with Service Planning process.
- 2.22.2 Ensure that ratings are received and calibrated with time to process enhancements for April payroll.



2.23 Digitising the Process:

- 2.24 Use the functionality within iDev to digitise the process, removing all requirements for paper documentation, and automating significant part of the process.
- 2.25 Digitising would automate and simplify as much of the process as possible.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1 The Chief Officer appraisal scheme contributes to the way in which the Council manages and reports on performance and the achievement of the well-being objectives established in the Council's Annual Delivery Plan.
- 3.2 The scheme will identify the contribution individual Chief Officers will make in achieving the well-being objectives and actions and by nature will demonstrate the five ways of working in how the work of all services contributes to the achievement of the national well-being goals.

4. Climate Change and Nature Implications

- 4.1 The proposal will seek to utilise digital mechanisms already available and should reduce the need to create and print additional documentation.

5. Resources and Legal Considerations

Financial

- 5.1** This proposal does not affect the salaries of any chief officers and therefore has no financial implication.

Employment

- 5.2** The changes will however constitute a minor change to the terms and conditions of the relevant Chief Officers, as such Trade Unions have been consulted with, and consultation with affected officers is ongoing.

Legal (Including Equalities)

- 5.3** Senior Leadership Team, Trade Unions and Diversity Networks consultation has taken place.
- 5.4** Heads of Service consultation is ongoing.
- 5.5** An Equality Impact Assessment (EIA) has been undertaken and we are currently awaiting feedback.

6. Background Papers

None.

Senior Leadership Competency Framework

Managing Myself	Managing My Job	Managing My Team	Managing Relationships	Managing the Future
<ul style="list-style-type: none"> • Responds positively to feedback and acts upon it • Sets challenging and stretching targets and objectives for self. • Goes out of the way to put self into new situations in order to learn and enhance his/her own skills • Personal behaviour exemplifies the Council's values • Proactively takes ownership of problems affecting the Council. • Is a source of strength in times of uncertainty • Leads by example when communicating and is inspirational to colleagues and team members. • Behaves like a high-profile leader • Acts as a role model in managing change effectively • Makes difficult decisions which are in the best interest of the Council • Projects authority without aggression • Demonstrates awareness of how their decisions and actions impact the Council • Demonstrates broad and astute commercial business sense • Raises the reputation of the Council nationwide • Promotes and raises the Council's profile at every opportunity, acts as an ambassador at a regional/national level • Takes calculated risks in order to achieve significant business gains • Sees behind what is going on to identify the dynamics of a situation, process or problem 	<ul style="list-style-type: none"> • Demonstrates consistent leadership in driving forward activities through others during challenging and changing times • Develops and maintains an in-depth knowledge and understanding of the wider issues that affect the Council • Actively develops and raises the external reputation of the Council • Creates opportunities for the Council to maximise its ability to deliver services to its customers and the wider community. • Promotes and embeds risk management approaches across the Council, partners and stakeholder encouraging well managed risk taking • Develops a value for money culture, which balances demand for services with resource availability and cost-effectiveness • Demonstrates strong critical thinking and creativity in developing solutions to problems that have impacted service delivery • Creates flexible delivery plans that can respond to changes in the local/regional/national priorities • Assesses the strategic and political impact of actions and decisions both internally and externally • Makes commercial decisions within legal and political parameters, operating within the risk constraints • Checks underlying evidence, information and assumptions before drawing conclusions • Is able to take multiple pieces of complex information from multiple sources and make sense of them • Adheres to relevant policy, procedure, regulation and legislation. • Responds positively, with commitment and enthusiasm to setbacks and obstacles • Takes a lead role in transforming culture and service delivery • Provides clear direction and ensures that change is instigated, driven and implemented in line with the vision of the Council • Identify opportunities and threats to the Council, taking threats into account of the internal and external environment. 	<ul style="list-style-type: none"> • Encourages collaboration to resolve problems • Clearly communicates the contribution that individuals and teams make towards achieving the Council's vision • Makes sure that people understand that their personal contribution goes hand in hand with the success of the Council. • Champions the strategic importance of employees and facilitates a culture of continuous learning, development and knowledge sharing • Creates a culture where employees feel motivated and empowered to take personal ownership for their actions and responsibilities in a 'no blame' culture • Ensures managers and staff are clear about the #itsaboutme / performance management processes and their responsibilities within it • Creates a positive team attitude, instilling pride in service delivery • Establishes a culture of trust and collaboration, nurturing talent to retain valued employees • Develops robust long-term financial plans for managers and staff to work within • Builds teams with appropriate expertise to achieve results, and empowers teams to take action and resolve own issues • Creates a compelling picture of the Council's vision, consistent with its values, which inspires others to feel a personal stake in its future • Creates an expectation of a high performance culture and stretches others beyond what they thought was possible 	<ul style="list-style-type: none"> • Is seen to maintain personal contact with people at all levels in the Council and external partners/stakeholders • Is able to creatively tailor communication in terms of both message and delivery to the audience • Makes sure that there is a good two way flow of communication throughout the Council. • Positively influences others, gaining commitment and credibility whilst promoting the Council's interests and advancing its agenda • Contributes to the creation of an inclusive, respectful culture and demonstrates this through every interaction • Promotes collaboration and shares best practice across the Council • Challenges silo working • Develops partnership agreements to achieve the best outcome for customers. • Establishes a culture of working towards a common goal • Works collaboratively across Directorates and with partners to ensure the Council delivers its strategic objectives • Develops effective working relationships with a range of internal and external partners to transform service delivery • Commissions services through the development of strong commercial relationships with delivery partners and ensures value for money and cost efficiency in line with Procurement Policy • Develops leading edge ways of engaging internal and external customers to understand what matters to them and places them at the centre of service delivery • Makes sure that the Council is driven by the needs of its customers 	<ul style="list-style-type: none"> • Creates an ethos of challenge and drives for the Council's future success • Makes sure that all the possible implications are properly researched and taken into account when considering plans or actions • Constantly reviews and monitors progress of the Council against the Corporate Plan Goals and agreed targets • Encourages continuous improvement and quality across the Council. • Identifies and pursues new commercial opportunities to actively support the Council's future strategy • Looks at the bigger picture and plans for the long term • Provides strategic direction on Council priorities in line with the Corporate Plan • Proactively ensures the Council's resilience to address long term future requirements • Constantly takes into account the longer-term needs of the Council and identifies risks and opportunities which will arise • Anticipates trends (social, economic, political, technological, environmental and regulatory) that potentially impact the Council • Generates and promotes a clear vision for the future of the Council • Balances strategic vision against demands of immediate operational challenges • Accurately anticipates emerging trends in their area and associated customer expectations • Offers a broad view beyond the immediate problem and own area perspective of expertise, including short, medium and long-term perspectives. • Proposes alternative options and present creative solutions and innovations.

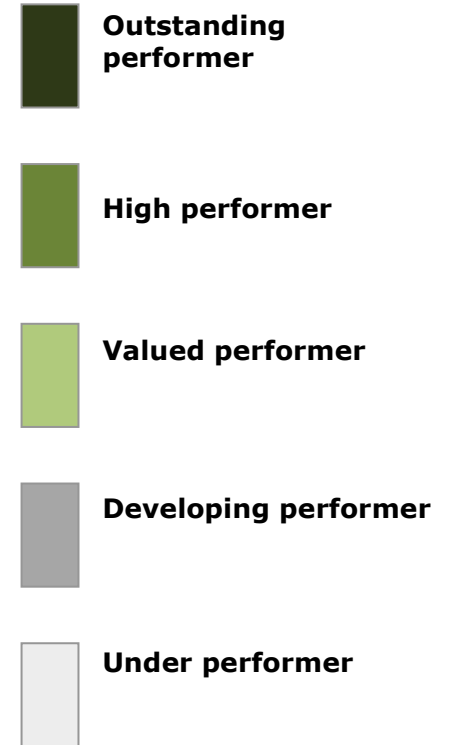
Appendix B – Proposed Rating System

What / How Performance Indicators

	Performance against targets/objectives (WHAT)	Performance against Leadership Indicators (HOW)
Always exceeds expectations	<ul style="list-style-type: none"> An outstanding performer who far exceeds expectations in all aspects of their role and objectives Plays a significant role in driving the team/Council success Achieves exceptional, sustained results 	<ul style="list-style-type: none"> Leadership Behaviours drive exceptional performance in role and relationships with others Inspires others through leading by example and is viewed by others as a role model in support of the values.
Often exceeds expectations	<ul style="list-style-type: none"> A high performer who always meets and often exceeds expectations. Frequently goes the extra mile to deliver more than expected Drives opportunities and ideas that add value to the Council. 	<ul style="list-style-type: none"> Demonstrates highly effective leadership behaviours in line with the Senior Leadership Competencies, has a positive impact on results delivery and relationships with others Is self-aware and adapts behaviour to suit different people and situations Is seen by others as exemplifying the values of the Council.
Fully meets expectations	<ul style="list-style-type: none"> A good, solid performer who fully meets expectations Consistently achieves objectives and targets Meets expected quality standards for all work and output 	<ul style="list-style-type: none"> Consistently demonstrates expected behaviours in line with the Senior Leadership Competencies and Values Willingly seeks and accepts feedback on behaviour in order to improve performance Seen by others as a role model and valued member of the team
Partially meets expectations	<ul style="list-style-type: none"> An individual who meets some expectations but requires improvement Shows some evidence of achievement against objectives Meets some of the expected quality standards 	<ul style="list-style-type: none"> Demonstrates some but not all of the expected behaviours or demonstrates the expected behaviours inconsistently Is receptive to feedback but may struggle to act on it in order to improve Has potential to meet the required standards of behaviour. May lack willingness or initiative to develop
Does not meet expectations	<ul style="list-style-type: none"> Performance fails to meet the standards expected Consistently fails to complete objectives Demonstrates poor quality and/or productivity Shows an unwillingness or inability to improve 	<ul style="list-style-type: none"> Rarely demonstrates expected behaviours Behaviour may negatively impact on performance Works to own agenda to the detriment of the team/Council Seen by others as not living the values Takes little or no initiative, even when prompted

Overall Performance Matrix






Performance Against Targets/Objectives - what	Always exceeds expectations	Under performer	Valued performer	High performer	Outstanding performer	Outstanding performer
	Often exceeds expectations	Under performer	Developing performer	Valued performer	High performer	Outstanding performer
	Fully meets expectations	Under performer	Developing performer	Valued performer	Valued performer	High performer
	Partially meets expectations	Under performer	Developing performer	Developing performer	Developing performer	Valued performer
	Does not meet expectations	Under performer	Under performer	Under performer	Under performer	Under performer
		Does not meet expectations	Partially meets expectations	Fully meets expectations	Often exceeds expectations	Always exceeds expectations
		Performance Against Leadership Indicators - How				



Appendix C – Proposed Rating Matrix

Overall Performance Matrix

Performance Against Targets/Objectives - what	Always exceeds expectations		Valued performer	High performer	Outstanding performer	Outstanding performer
	Often exceeds expectations		Developing performer	Valued performer	High performer	Outstanding performer
	Fully meets expectations		Developing performer	Valued performer	Valued performer	High performer
	Partially meets expectations		Developing performer	Developing performer	Developing performer	Valued performer
	Does not meet expectations					
		Does not meet expectations	Partially meets expectations	Fully meets expectations	Often exceeds expectations	Always exceeds expectations
	Performance Against Leadership Indicators - How					

-  **Outstanding performer**
-  **High performer**
-  **Valued performer**
-  **Developing performer**
-  **Under performer**

