Chief Executive Performance Agreement, Development Plan, and Performance Review Process

## Guidance Notes – Performance Agreement

### CE Performance Agreement Components

It is recommended that the CE’s performance agreement is comprised of the following three components. This will contribute to the “spine alignment” between the statement of strategic direction, strategic plan, and annual operating plan and budget.

These three components reflect the main accountabilities of the CE in delivering on strategy, and leading and managing the organisation:

1. The organisation’s achievement of its Strategic Outcomes
2. The delivery of the Annual Plan and Budget
3. Leading and managing the organisation – recommended key dimensions include:
4. Leadership
5. Policy and Governance
6. Culture and Values
7. Organisational sustainability

### CE Development Plan

It is recommended that the CE’s Development Plan is agreed at the time of the setting of their performance agreement with the CE and Board both signing up to accountability for delivering on this planned development.

### CE Performance Objectives Measurable

It is recommended that the CE’s performance objectives are as tangible and measurable as possible. The review of achievement of the objectives that a Board could use are detailed below.

### CE Performance Agreement and CE Development Plan Formalised and Signed off

It is recommended that this document is formally signed off by the CE at the outset of the period for which it is applicable, and by the appropriate member of the Board (usually the chair of the above committee) – upon approval by the Board.

## Guidance Notes - CE Performance Review Process

It is recommended that this process undertaken by an agreed Board committee, on behalf of the Board, with all Board input, typically the:

* People and Culture Committee; or
* CE Performance Review Committee

It is recommended that the Board Chair is not the Chair of this committee because of the close regular working relationship the CE and Chair have.

The review will likely include a combination of:

* Self-review by the CE
* All Board input
* External stakeholder feedback, as applicable
* 360-degree feedback from the management team

(It is important the review methodology is agreed with the CE before the review gets underway)

**Performance Ratings**

It is recommended that the CE’s performance review results in a summary rating for each of the three components of their Performance Agreement:

* Exceeding expectations 4
* Meeting expectations 3
* Developing 2
* Not meeting expectations 1

|  |  |  |
| --- | --- | --- |
| **Performance Assessment** | **Overall CE Performance Rating (1-4)** | **Comments** |
| Meeting Strategic Outcomes |  |  |
| Delivery of Annual Plan and Budget |  |  |
| Leading and Managing the Organisation |  |  |

# CHIEF EXECUTIVE PERFORMANCE AGREEMENT AND PEFORMANCE REVIEW TEMPLATE

**Chief Executive: For the Period:**

**CE Performance Review – Summary Ratings**

|  |  |  |
| --- | --- | --- |
| **Overall CE Performance Rating (1-4)** | **Comments – CE** | **Comments - Board** |
| **Meeting Strategic Outcomes** |  |  |
| **Delivery of Annual Plan and Budget** |  |  |
| **Leading and Managing the Organisation** |  |  |

**Confirmation and Sign Off**

|  |  |  |
| --- | --- | --- |
| **Sign Off** | **Performance Agreement and Development Plan Confirmed** | **Performance Review Outcomes Confirmed** |
| **Chief Executive** | *Signature: Date:* | *Signature: Date:* |
| **Chair / designate on behalf of the Board** | *Signature: Date:* | *Signature: Date:* |

## Achievement of Long -Term Strategic Outcomes

This should be customised to reflect the Board approved strategic outcomes, measures and targets for the organisation for the actual time period. The should align with the Statement of Strategic Direction and Annual Plan.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Target** | **Actual** | **CE Performance Rating (1-4)** |
| **Strategic Outcomes (statements, or descriptions of outcomes from Statement of Strategic Direction)** | | **Outcome Measures** | | **2024** | **2024** | **2024** |
| **1.** | xxxxx | 1 | xxxxx |  |  |  |
|  | 2 | xxxxx |  |  |  |
|  | 3 | xxxxx |  |  |  |
| **2.** | xxxxx | 1 | xxxxx |  |  |  |
|  | 2 | xxxxx |  |  |  |
|  | 3 | xxxxx |  |  |  |
|  | xxxx | 1 | xxxxx |  |  |  |
| **3.** | 2 | xxxxx |  |  |  |
|  | 3 | xxxxx |  |  |  |

## Annual Plan and Budget Deliverables – Shorter Term Actions and Impacts

The deliverables from the CEO should related to the deliverables in the Annual Plan and align with and contribute to the achievement of the strategic outcomes. They should be specific and measurable.

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategic Outcomes** | | **Deliverables from the CE – Relating To the Delivery of The Annual Plan** | **CE Performance Rating (1-4)** |
| **1.** |  |  |  |
| **2.** |  |  |  |
| **3.** |  |  |  |
| **4** |  |  |  |

## Leading and Managing The Organisation

These are the dimensions relating to the CE’s leadership and management of the organisation. These can be customised to specific objectives and indicators of success.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Key Dimensions** | | **CEO Objectives (examples)** | **CEO Success Indicators (examples)** | **CE Performance Rating (1-4)** |
| **1.** | **Leadership** | An aligned and engaged and effective staff  Aligned, engaged & supportive stakeholders | Employee engagement  Stakeholder surveys and feedback |  |
| **2.** | **Policy & Governance** | The organisation operates within the policy parameter settings approved by the Board  Effective working relationship, advice and information to the Board | Operates within policies  Organisation and CEO operates within delegated authorities and policies  Board rating of CEO/Board relationships  Quality of CE reporting to the Board |  |
| **3.** | **Culture & Values** | The organisation’s values and behaviours are observable across the organisation, with members and partners | Surveys/other feedback on the upholding of values and behaviours – by the CEO and organisation |  |
| **4.** | **Organisational Sustainability** | Financial sustainability  People sustainability | Annual Budget targets met  Staff turnover % compared to industry average  Staff engagement and wellbeing at work |  |

# CHIEF EXECUTIVE DEVELOPMENT PLAN

Summary of development needs:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Development Needs | | Development Actions | How/Who | Timing |
| **1.** |  |  |  |  |
| **2.** |  |  |  |  |
| **3.** |  |  |  |  |
| **4** |  |  |  |  |