

MINUTES

Chief Executive Officer -
Performance Review Committee

MINUTES OF THE CHIEF EXECUTIVE OFFICER - PERFORMANCE REVIEW COMMITTEE MEETING

HELD ON

TUESDAY 7 AUGUST 2007

MEETING DATE



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City of
Joondalup

CITY OF JOONDALUP

MINUTES OF THE CHIEF EXECUTIVE OFFICER - PERFORMANCE REVIEW COMMITTEE MEETING HELD IN CONFERENCE ROOM 3, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON TUESDAY 7 AUGUST 2007.

ATTENDANCE

Committee Members:

Cr Russ Fishwick	<i>Presiding Person</i>	South Ward	
Cr Geoff Amphlett	<i>Deputy Presiding Person</i>	Central Ward	
Mayor Troy Pickard			<i>from 1816 hrs</i>
Cr Steve Magyar		North-Central Ward	
Cr Brian Corr		South-East Ward	

Elected Members:

Cr Marie Macdonald	Central Ward
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Officers:

Director, Corporate Services:	M TIDY
Administrative Services Coordinator:	J HARRISON

DECLARATION OF OPENING

The Presiding Person declared the meeting open at 1805 hrs.

APOLOGIES/LEAVE OF ABSENCE

Apologies	Cr M John
	Cr T McLean

CONFIRMATION OF MINUTES

MINUTES OF THE CHIEF EXECUTIVE OFFICER – PERFORMANCE REVIEW COMMITTEE MEETING HELD ON 8 NOVEMBER 2006

MOVED Cr Amphlett, **SECONDED** Cr Magyar that the minutes of the meeting of the Chief Executive Officer – Performance Review Committee held on 8 November 2006 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (4/0)

In favour of the Motion: Crs Fishwick, Amphlett, Magyar and Corr

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil

DECLARATIONS OF INTEREST

Disclosure of Financial Interests

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees are able to continue to provide advice to the Council in the decision making process if they have disclosed their interest.

Name/Position	Mr Garry Hunt – Chief Executive Officer
Item No/Subject	Item 1 - Initiate Annual CEO Performance Review and Appointment of a Consultant
Nature of interest	Financial
Extent of Interest	Mr Hunt holds the position of CEO.

Disclosure of interest affecting impartiality

Elected Members and staff are required under the Code of Conduct, in addition to declaring any financial interest, to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

Name/Position	Mr Mike Tidy - Director Corporate Services
Item No/Subject	Item 1 - Initiate Annual CEO Performance Review and Appointment of a Consultant
Nature of interest	Interest that may affect impartiality
Extent of Interest	Due to the nature of his employment relationship with the CEO.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

Nil.

PETITIONS AND DEPUTATIONS

Nil.

ITEM 1 INITIATE ANNUAL CEO PERFORMANCE REVIEW AND APPOINTMENT OF A CONSULTANT - [74574]

WARD: All

RESPONSIBLE Mr Mike Tidy
DIRECTOR: Corporate Services

PURPOSE OF REPORT

The purpose of this report is for the CEO Performance Review Committee (the committee) to initiate the CEO's annual performance review and for the committee to consider the appointment of an independent consultant to assist in the review of the CEO's performance.

EXECUTIVE SUMMARY

Council has formed a committee, consisting of 7 (seven) elected members to review the performance of the CEO. As part of the performance review process the committee is required (clause 11.3(e)(i) of the CEO's contract) to appoint an external and independent HR expert, or similar, to consult with and seek guidance from and to facilitate the review of the CEO's performance.

Little has changed in terms of the market since the committee considered consultants last August to assist in the CEO performance review process. Last year the committee considered and interviewed several consultants before appointing Workplace Solutions (John Phillips). The outcome of that previous appointment appears to have been successful and it is therefore proposed that rather than going to the market as previously that the committee consider appointing Workplace Solutions to again assist with the CEO's performance review.

It is recommended that the CEO Performance Review Committee:

- 1 *Endorses the timetable for the performance review of the Chief Executive Officer and sets future meeting dates to commence at 4.30pm on each Tuesday as required until completion of the review.*
 - 2 *Requests Workplace Solutions (John Phillips) be appointed as the external and independent HR expert for the committee to consult with and seek guidance from and to facilitate the review of the CEO's performance.*
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BACKGROUND

The CEO commenced employment with the City of Joondalup on 31 January 2005. Clause 11 (copy of the full text of clause 11 is at attachment 1) of the contract sets out the requirements for performance development and review. A briefing paper has previously been provided to all elected members and sets out the process (a further copy for the benefit of committee members is at attachment 2).

The contract provides for an initial performance review after the conclusion of the first six months of the CEO's contract. This review was conducted and subsequently endorsed by Council at its meeting on 20 September 2005. Subsequent to this initial review the contract provides for an annual performance review (clause 11.3(a)) which is to occur *"on or before 31 August each year, or as soon as possible thereafter, commencing in 2006"*. The review in 2006 was the first annual review and the process for the annual review to 31 August 2007 now needs to commence.

DETAILS

Issues and options considered:

Consultant

In essence the performance review process requires the committee to conduct a formal interview with the CEO, clause 11.3(b). The committee is required to consult with other elected members and the CEO is required to submit a report on his performance all prior to the interview and within certain designated timeframes and periods of notice.

Critically clause 11.3(d) provides that *"neither the Council nor the Executive is entitled to attend the scheduled interview with a support person or representative (legal or otherwise)"*. At the same time clause 11.3(e)(i) provides that *"In conducting the review, the Performance Review Committee must appoint and consult with and seek guidance from an external and independent human resources expert, or similar, to facilitate the review of the Executive's performance"*.

When performing the initial performance review in 2005 the committee considered a selection of consultants from Hudson, Integral Leadership Centre and Workplace Solutions. Integral Leadership Centre were selected on that occasion to assist the committee, which comprised commissioners. In 2006 with elected members on the committee consultants were again considered. Little had changed in what is a fairly specialised field and it was the same group of consultants that were considered although on this occasion Workplace Solutions were appointed.

Again little has changed in the marketplace but on this occasion the committee membership is unchanged from the time of the last review. The outcome of the last review in terms of the assistance and support provided by the consultant appears to have been successful and well received by the committee. With these points in mind it was therefore felt that the committee might prefer to consider using the same consultant as last year.

On this basis John Phillips from Workplace Solutions was asked to submit a quotation for the committee's consideration (attachment 4). John Phillips was asked to base the quotation on the same framework and methodology as was applied last year. One issue that did arise last year was a request from elected members to consider the possibility of being able to meet with the consultant one on one in order to assist them in putting their comments together. If this were to occur the quote would need to be revised.

Timetable for Review

The process for conducting the CEO's performance review, as set out in Clause 11.3, provides not only for the various tasks and issues that need to be considered but also very specific timeframes.

The key element that drives all of the timeframes is the formal scheduled interview by the committee with the CEO. With this in mind the following are the critical timeframes:

- The CEO is to be given at least fifteen (15) working days notice of the scheduled interview
- The CEO is required to prepare a self-evaluation report and submit it to the committee not less than five (5) working days prior to the scheduled interview
- The committee is required to invite written comments from all individual councillors addressing their views on the CEO's performance at least fifteen (15) working days prior to the scheduled interview and the responses which must be dated and signed must be received back by the committee at least five (5) working days prior to the scheduled interview.
- The committee must prepare a report within thirty (30) days of the conclusion of the review
- As soon as the report is completed the committee must provide a copy to the CEO and give him up to five (5) working days to provide any written comments he may have on matters addressed in the report to the committee
- Following the five (5) working day response period for the CEO the committee is required to submit its report and any comments of the CEO to the next meeting of Council provided that next meeting is at least five (5) working days away.

With these timeframes in mind a timetable has been drawn up (attachment 3). The timetable is reasonably tight but that is not to say that it could not be varied provided all of the key timeframes and notice periods are complied with. For example notice of the scheduled interview could be greater than fifteen (15) working days but individual councillors written comments on the CEO's performance cannot be accepted if received less than five (5) working days prior to the scheduled interview.

It is important to be aware that the timetable is up to the completion of the CEO's performance review in regards to performance over the last twelve (12) months. There is also a requirement under the terms of clause 11.1 of the CEO's contract to review the key performance indicators. This may be done at or immediately after the CEO's annual performance review. The intention at this stage is that it be done immediately after but in either case this does not influence the timeframe requirements for completion of the annual performance review and it has not been factored into the timetable. A copy of the agreed 2006/07 CEO Key Performance Indicators is at attachment 5.

Link to Strategic Plan:

Objective 4.5 - To manage our workforce as a strategic business resource.

Legislation – Statutory Provisions:

Included in Clause 3 Executive Duties, of the CEO's Employment Contract are the following references to the Local Government Act 1995 and other regulatory requirements:

- "3.3 exercise such powers and carry out such duties and functions as are imposed in the Act, and all other relevant laws, regulations and Standing Orders
- 3.4 fulfil the functions of a CEO as prescribed in the Act
- 3.5 comply with the Council's policies and procedures and Code of Conduct, as varied from time to time by the Council"

Risk Management considerations:

The performance review process is designed to evaluate and assess the CEO's performance against Key Performance Indicators on a periodic basis and the Performance Review Committee is required to refer its concluded report to the Council for consideration and actioning.

Financial/Budget Implications:

In conducting the performance review under the CEO's Employment contract, the Performance Review Committee is required to appoint and consult with and seek guidance from an external and independent human resources expert, or similar, to facilitate the review of the CEO's performance (Clause 11.3(e)(i)).

Provision has been made in the 2007/08 consultancy budget for this cost and the quotation received is within expectations.

It should be noted that the committee does not have delegated power to appoint the consultant. The formal appointment of the consultant will be by the Director Corporate Services under delegated authority.

Policy implications:

Not Applicable

Regional Significance:

Not Applicable

Sustainability implications:

Not Applicable

Consultation:

As part of the review process under clause 11(3)(e)(ii) the Performance Review Committee is required to seek written comments in relation to the CEO's performance from all individual Councillors. During the 2006 review some elected members raised the possibility of being able to meet with the consultant one on one in order to assist them in putting their comments together. This does not conflict with the contract requirements provided the comments are committed to writing and signed off by the elected member. If the committee is happy for this to occur it would need to be included in the scope of work and may result in a revision of the quote.

COMMENTS

This is a critical step in the review process, as although the contract is quite prescriptive in some aspects of the CEO's performance development and review, the independent HR expert should be able to add value with a framework and methodology for objectively measuring and assessing achievement against the KPIs, as well as focussing on the development side of the review.

ATTACHMENTS

Attachment 1	Clause 11 of the CEO's Contract of Employment.
Attachment 2	Elected Members Briefing Notes – CEO Performance Review Process.
Attachment 3	CEO Performance Review - Timetable.
Attachment 4	Consultant Quotation Workplace Solutions - John Phillips.
Attachment 5	CEO KPIs for 2006/07.

VOTING REQUIREMENTS

Simple majority.

OFFICER'S RECOMMENDATION:

That the CEO Performance Review Committee:

- 1 ENDORSES the timetable for the performance review of the Chief Executive Officer and sets future meeting dates to commence at 4.30 pm on each Tuesday as required until completion of the review;
- 2 REQUESTS Workplace Solutions (John Phillips) be appointed as the external and independent HR expert for the committee to consult with and seek guidance from and to facilitate the review of the CEO's performance.

MOVED Cr Magyar SECONDED Cr Corr that the CEO Performance Review Committee:

- 1 **ENDORSES the timetable for the performance review of the Chief Executive Officer and sets future meeting dates to commence at 5.30 pm on each Tuesday as required until completion of the review;**

- 2 REQUESTS Workplace Solutions (John Phillips) be appointed as the external and independent HR expert for the committee to consult with and seek guidance from and to facilitate the review of the CEO's performance;**
- 3 REQUESTS the consultant to include in his programme the possibility that one or more Elected Members may wish to do an in-person interview to finalise their response on the CEO's performance, and that the consultant provide costings to undertake that work.**

Discussion ensued.

The Motion was Put and

CARRIED (4/0)

In favour of the Motion: Crs Fishwick, Amphlett, Magyar and Corr

Mayor Pickard entered the Room at 1816 hrs.

Queries were raised on the process that will be undertaken to review the CEO's key performance indicators.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Mayor Pickard requested a report outlining the process to be undertaken to review the CEO's key performance indicators.

CLOSURE

There being no further business, the Presiding Person declared the Meeting closed at 1822 hrs; the following Committee members being present at that time:

Cr Russ Fishwick
Cr Geoff Amphlett
Mayor Troy Pickard
Cr Steve Magyar
Cr Brian Corr