

MINUTES

Chief Executive Officer -
Performance Review Committee

MINUTES OF THE CHIEF EXECUTIVE OFFICER - PERFORMANCE REVIEW COMMITTEE MEETING

HELD ON

THURSDAY 16 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 THURSDAY 16 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		
Cr Tom McLean		North Ward
Cr Steve Magyar		North-Central Ward

Officers:

Director, Corporate Services:	M TIDY	<i>Absent from 1815 hrs to 1818 hrs and from 1820 hrs to 1827 hrs</i>
Administrative Services Coordinator:	J HARRISON	

In attendance:

Mr John Phillips, Workplace Solutions

DECLARATION OF OPENING

The Presiding Person declared the meeting open at 1731 hrs.

APOLOGIES/LEAVE OF ABSENCE

Apology Cr Michele John

Leave of Absence previously approved

Cr Brian Corr 10 August 2007–1 September 2007 inclusive

CONFIRMATION OF MINUTES

MINUTES OF THE CHIEF EXECUTIVE OFFICER – PERFORMANCE REVIEW COMMITTEE MEETING HELD ON 7 AUGUST 2007

MOVED Cr Amphlett, **SECONDED** Cr Magyar that the minutes of the meeting of the Chief Executive Officer – Performance Review Committee held on 7 August 2007 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs Fishwick, Amphlett, McLean and Magyar, Mayor Pickard

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 - Preliminary Discussions with Consultant, setting of formal interview date with CEO and revised timetable
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 - Preliminary Discussions with Consultant, setting of formal interview date with CEO and revised timetable
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 PRELIMINARY DISCUSSIONS WITH CONSULTANT, SETTING OF FORMAL INTERVIEW DATE WITH CEO AND REVISED TIMETABLE – [74574]

WARD: All

RESPONSIBLE Mr Mike Tidy
DIRECTOR: Corporate Services

PURPOSE

The purpose of this report is to enable the Committee to raise any issues with the appointed consultant prior to the commencement of the process, for the consultant to clarify any issues that he may have with the Committee, for the Committee to resolve the meeting date for the formal interview with the CEO and to adopt the revised review timetable.

EXECUTIVE SUMMARY

John Phillips from Workplace Solutions, who has been appointed to assist the Committee in the CEO's performance review process, has been invited to the Committee meeting to talk through the process for the conduct of the performance review. The Committee members will have an opportunity to raise any issues that they have in terms of the process and at the same time the consultant can clarify any requirements with the Committee.

The second requirement is for the Committee to resolve the date and time for the formal performance interview with CEO. The CEO has been consulted in relation to the proposed date and is available and agreeable to that time and date.

The final requirement is for the Committee to endorse a revised review timetable. The timetable adopted by the Committee at its meeting on 7 August 2007 did not take account of the CEO's absence in Jinan in September.

It is recommended that the CEO Performance Review Committee:

- 1 *NOTES the discussions with John Phillips from Workplace Solutions as the consultant appointed to assist the Committee with the CEO's Performance Review;*

- 2 *SETS Wednesday 19 September 2007 at 7pm as the date and time for the conduct of the formal performance interview with the CEO.*
- 3 *ENDORSES the revised timetable for the performance review of the CEO.*

BACKGROUND

At the last meeting of the Committee on Tuesday 7 August 2007, John Phillips from Workplace Solutions was appointed as the consultant to assist the Committee in the conduct of the Performance Review of the CEO. Prior to the commencement of the formal process it was felt appropriate to invite John to the Committee so that any issues committee members have can be clarified or considered as a part of the review process. It also offers the opportunity for John Phillips to clarify any issues that he may have in relation to the approach to the review process.

As Committee members would be aware the review process is set out in Clause 11 of the CEO's contract and is quite specific in terms of the steps required and also the timeframes in which the various steps must be completed. The trigger for this process is to determine the date on which the Committee would like to conduct the formal interview of the CEO in relation to his performance. Once this date has been determined then all of the other steps can be worked backwards from that date and the steps following the interview will also fall into place.

The steps to follow, once the interview date has been determined, will be to give formal notice to the CEO of the interview time and date, which then provides for a minimum of 15 working days for the CEO to prepare a report. At the same time an invitation will be issued to all individual Elected Members who will also have at least 15 working days to provide formal written comments in relation to the CEO's performance review.

The Director Corporate Services will issue the notices and the consultant will undertake the process of collating the written responses from Elected Members.

DETAILS

Issues and options considered:

The only issue that has arisen in relation to setting the formal interview date with the CEO is that he is travelling to Jinan, the City of Joondalup's sister City, and is unavailable between 31 August 2007 and 17 September 2007. It is proposed therefore that all the preliminaries required to be undertaken in terms of consulting with individual Elected Members and getting their written reports, as well as the CEO providing his written report, will be done prior to that period and that the formal interview will then be conducted upon his return.

In putting together the timetable that was adopted by the Committee at its meeting of 7 August 2007 the CEO's visit to Jinan was overlooked. As a consequence it has become necessary to revise the performance review timetable. All of the processes up to the formal interview remain largely unchanged. The original proposed interview date of 6 September 2007 has now been moved to 19 September 2007 and all the subsequent deadlines have been revised. Some leeway had already been included in the original timetable, which means that despite the delay in conducting the formal interview the previous deadline of

submitting the final report to the Council meeting of Tuesday 16 October 2007 can still be met.

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.

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. The Committee has determined that the consultant may provide assistance to any Elected Member who needs it in order to compile their written response provided that in accordance with the performance review requirements the response is in writing and is signed by the Elected Member.

COMMENT

The setting of the formal interview date is really pivotal to the whole review process as all the other required timeframes revolve around this. Once this date has been resolved all the other processes will fall into place. Despite the need to review the timetable due to the CEO's absence while in Jinan there was sufficient leeway in the original timetable to enable the target date of submitting the formal review to the Council meeting of Tuesday 16 October 2007 to still be achieved.

The attendance of the consultant, John Phillips, at the meeting will enable any Committee members to raise any issues that they have in relation to proceeding with the formal review process and also enable John Phillips to clarify any process issues that he may have.

ATTACHMENTS

Attachment 1 Revised CEO Performance Review Timetable

VOTING REQUIREMENTS

Simple majority.

OFFICER'S RECOMMENDATION

That the CEO Performance Review Committee:

- 1 NOTES the discussions with John Phillips from Workplace Solutions as the consultant appointed to assist the Committee with the CEO's Performance Review;
- 2 SETS Wednesday 19 September 2007 at 7pm as the date and time for the conduct of the formal performance interview with the CEO.
- 3 ENDORSES the revised timetable for the performance review of the CEO.

SUSPENSION OF STANDING ORDERS LOCAL LAW 2005

MOVED Cr Fishwick **SECONDED** Mayor Pickard that the CEO Performance Review Committee **SUSPENDS** the City's Standing Orders Local Law 2005 to enable discussion to occur with the consultant.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs Fishwick, Amphlett, McLean and Magyar, Mayor Pickard

A late item was tabled, being Item 2 – Process for Review of the CEO's Key Performance Indicators. Items 1 and 2 were dealt with jointly at this point.

The Director Corporate Services provided an overview of the reports and advised that the recommended date for the formal performance interview with the CEO required to be reconsidered.

Discussion ensued on the approach to be taken to this year's review process. Mr Phillips was requested to provide examples of CEO's key performance indicators used by similar sized local governments, ensuring that anonymity is retained.

Consideration was given to suitable alternative dates for the process, with the following alterations being agreed to:

- | | | |
|----|---|------------------------------|
| 9 | Committee meets to consider CEO Report and form consensus view on performance | 24 September 2007
5.30 pm |
| 10 | Interview CEO | 27 September 2007
5.00 pm |
| 11 | Committee meets to determine and conclude its review | 2 October 2007
5.30 pm |
| 13 | Committee meets to discuss and finalise consultant's report. | 4 October 2007
5.30 pm |

RESUMPTION OF STANDING ORDERS LOCAL LAW 2005

MOVED Cr Fishwick SECONDED Cr Magyar that the City's Standing Orders Local Law 2005 be RESUMED.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs Fishwick, Amphlett, McLean and Magyar, Mayor Pickard

MOVED Mayor Pickard SECONDED Cr McLean that the CEO Performance Review Committee:

- 1 NOTES the discussions with John Phillips from Workplace Solutions as the consultant appointed to assist the Committee with the CEO's Performance Review;**
- 2 SETS Thursday 27 September 2007 at 5 pm as the date and time for the conduct of the formal performance interview with the CEO;**

3 ENDORSES the revised timetable for the performance review of the CEO, with the following changes:

- | | | |
|----|---|---------------------------------------|
| 9 | Committee meets to consider CEO Report and form consensus view on performance | Monday 24 September 2007 at 5.30 pm |
| 10 | Interview CEO | Thursday 27 September 2007 at 5.00 pm |
| 11 | Committee meets to determine and conclude its review | Tuesday 2 October 2007 at 5.30 pm |
| 13 | Committee meets to discuss and finalise consultant's report. | Thursday 4 October 2007 at 5.30 pm |

4 ENDORSES the process of seeking input into the CEO's key performance indicators from Elected Members at the same time as feedback is provided in relation to the CEO's performance review and that input also be sought from the CEO with the new key performance indicators assessed and determined by the CEO Performance Review Committee prior to the interview with the CEO in relation to his annual performance.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs Fishwick, Amphlett, McLean and Magyar, Mayor Pickard

The following late item was presented to the CEO Performance Review Committee:

ITEM 2 PROCESS FOR REVIEW OF THE CEO'S KEY PERFORMANCE INDICATORS – [74574]

WARD: All

RESPONSIBLE Mr Mike Tidy
DIRECTOR: Corporate Services

PURPOSE

To report to the Committee on the process for the review of the CEO's Key Performance Indicators (KPIs).

EXECUTIVE SUMMARY

As for the requirements for the Annual Performance Review, the CEO's contract also includes a requirement for a review of the key performance indicators that have been set for the Chief Executive Officer. Unlike the performance review process however, where the contract is very prescriptive in terms of the process and the steps to be undertaken, in the case of the KPIs the contract provides no guidance as to how these should be reviewed. It

is therefore open to the CEO's Performance Review Committee to determine an appropriate process.

The contract does stipulate that the review of the KPIs is to be undertaken annually, either at or immediately after the CEO's annual performance review. Last year the review of the KPIs was undertaken at the same time as the CEO's annual performance review.

It is recommended that the CEO Performance Review Committee:

ENDORSES the process of seeking input into the CEO's KPIs from Elected Members at the same time as feedback is provided in relation to the CEO's performance review and that the review of the CEO's KPIs be undertaken at the conclusion of the interview with the CEO in relation to his annual performance.

BACKGROUND

At the meeting of the CEO's Performance Review Committee on 7 August 2007 the Mayor requested a report outlining the process to be undertaken to review the CEO's key performance indicators.

As previously reported to Committee members the process outlined in the CEO's contract in relation to the annual performance review is very prescriptive in terms of process, key steps and timeframes. In relation to the review of the CEO's KPIs however, the only requirement is that

"Clause 11.1 - Key Performance Indicators

The Key Performance Indicators to be met by the Executive will be reviewed annually at or immediately after the time of the Executive's annual performance review by the Council in consultation with the Executive."

There is no process that is articulated as to how that should be undertaken. It is therefore entirely up to the Chief Executive Officer's Performance Review Committee to determine any issues of process that may relate to the review of the key performance indicators of the CEO.

DETAILS

Issues and options considered:

As Clause 11.1 indicates the review is required to be done annually and can be done either at or immediately after the annual performance review. Last year the review of the CEO's KPIs was undertaken at the annual performance review. Feedback from Councillors in relation to annual performance included some feedback in relation to KPIs and during the process of the formal interview with the CEO the issues of setting KPIs for the next twelve months was discussed. The outcomes of this were then formulated into a draft set of KPIs, which were circulated for comment before final sign off.

This process appeared to work well at least for the first review by the current Council. One of the advantages in reviewing the key performance indicators at the same time as the annual performance review is that thinking about the annual performance over the last twelve months usually drives the thoughts about what should be included and set for the next twelve months.

An alternative to the process followed last year would be for the annual performance review to be concluded and then a completely separate process undertaken for the review of the CEO's KPIs. This would need to include a process for getting feedback from all Elected Members, input from the CEO either in the form of a report or a face to face discussion with the Committee, which then results in a final set of agreed key performance indicators.

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.

Policy implications:

Not applicable.

Regional Significance:

Not applicable.

Sustainability implications:

Not applicable.

Consultation:

Unlike the provisions in the CEO's contract in relation to the conduct of the annual performance review there are no specific provisions in relation to how the review of key performance indicators is to be conducted. It would be expected however that each Elected Member would have an opportunity to provide feedback and input into the setting of the key performance indicators for the CEO for the next twelve months.

COMMENT

It is suggested that an approach similar to that followed last year for the review and setting of key performance indicators whereby it was done as part of the annual performance review process, would be an appropriate and reasonable course of action. The key elements of that process have been set out in dot point form in Attachment 1.

Notwithstanding the above comment, within the terms of the CEO's contract there is no predetermined process and it is open for the Committee within its Terms of Reference to determine how it may wish to go about determining the review and the setting of new key performance indicators for the Chief Executive Officer.

ATTACHMENTS

Attachment 1 - Proposed CEO KPI Review Process

VOTING REQUIREMENTS

Simple majority.

OFFICER'S RECOMMENDATION

That the CEO Performance Review Committee ENDORSES the process of seeking input into the CEO's KPIs from Elected Members at the same time as feedback is provided in relation to the CEO's performance review and that the review of the CEO's KPIs be undertaken at the conclusion of the interview with the CEO in relation to his annual performance.

This item was considered earlier in the meeting in conjunction with Item 1.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Person declared the Meeting closed at 1840 hrs; the following Committee members being present at that time:

Cr Russ Fishwick
Cr Geoff Amphlett
Mayor Troy Pickard
Cr Steve Magyar
Cr Tom McLean