

MINUTES

Chief Executive Officer -
Performance Review Committee

MINUTES OF THE CHIEF EXECUTIVE OFFICER - PERFORMANCE REVIEW COMMITTEE MEETING

HELD ON

MEETING DATE



TUESDAY 10 JUNE 2008

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City of
Joondalup

CITY OF JOONDALUP

MINUTES OF THE CHIEF EXECUTIVE OFFICER – PERFORMANCE REVIEW COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON TUESDAY 10 JUNE 2008

ATTENDANCE

Committee Members:

Cr Russ Fishwick	<i>Presiding Person</i>	South Ward
Mayor Troy Pickard	<i>Deputy Presiding Person</i>	
Cr Albert Jacob		North-Central Ward
Cr Geoff Amphlett		Central Ward
Cr Mike Norman		South-West Ward

Officers:

Mr Mike Tidy	Director Corporate Services
Mrs Janet Foster	Administrative Services Coordinator

DECLARATION OF OPENING

The Presiding Person declared the meeting open at 1735 hrs.

APOLOGIES/LEAVE OF ABSENCE

Leave of Absence: Cr T McLean – 10 May 2008 to 12 June 2008

CONFIRMATION OF MINUTES

MINUTES OF THE CHIEF EXECUTIVE OFFICER – PERFORMANCE REVIEW COMMITTEE MEETING HELD ON 27 NOVEMBER 2007

MOVED Cr Jacob SECONDED Cr Amphlett that the minutes of the meeting of the Chief Executive Officer – Performance Review Committee held on 27 November 2007 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs Fishwick, Jacob, Amphlett, Norman, Mayor Pickard

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTEREST

Disclosure of Financial Interest

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.

REPORTS

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

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Michael 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

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.

For the last two (2) years the committee has used Workplace Solutions (John Phillips) from the Western Australian Local Government Association to assist the committee in its review process. The outcome of these previous appointments appears to have been successful and it is therefore proposed 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 *APPROVES the timetable for the performance review of the Chief Executive Officer and sets the date for the formal performance review interview as Tuesday 15 July 2008.*
- 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 *ACKNOWLEDGES that the formal CEO performance interview is intended to be conducted two and half months earlier than in 2007 with the result being a correspondingly shorter period over which the CEO's performance is able to be assessed and in which the CEO has had to achieve his KPIs.*
- 4 *In view of the proposed shortened timeframe SEEKS the CEO's agreement to the timeframe with the acknowledgement in 3 above.*

- 5 *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

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 and subsequent reviews on an annual basis (clause 11.3(a)) which are to occur *"on or before 31 August each year, or as soon as possible thereafter, commencing in 2006"*.

In contrast to the contract requirements for a performance review the only requirement in relation to the review of the CEO's KPIs 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 this 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:

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"*.

For the last two (2) reviews Workplace Solutions (John Phillips) has been used. The outcome of the last two (2) reviews in terms of the assistance and support provided by the consultant appears to have been successful and well received by the committee. With this in mind it is therefore felt that the committee might consider using the same consultant again.

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 in the previous years. One issue that did arise previously 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. Provision has been included for this.

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 Elected Members 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 designed to meet requests for a process that could be completed earlier than has been the previous practice. Previously the process started in August and concluded in October/November. This timetable provides for a final report to be considered by Council at its meeting on Tuesday 5 August 2008.

There is nothing in the CEO's contract that prevents the review being considered in this timeframe. One issue it does raise however is that the CEO will have had a reduced timeframe over which his performance will be assessed and a reduced timeframe to achieve agreed KPIs. It is suggested that the recommendation

acknowledge the shorted timeframe and that the CEO's support for this arrangement be sought.

Review and Setting of KPIs for 2008/09

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 recent experience has been that this has been done at the same time as the performance review. The intention for this review is to follow this recent experience. A copy of the agreed 2007/08 CEO Key Performance Indicators is at attachment 5.

Link to Strategic Plan:

1.1 Objective: To ensure that the processes of local governance are carried out in a manner that is ethical, transparent and accountable.

1.3 Objective: To lead and manage the City effectively.

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 2008/09 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 the 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 Elected Members.

COMMENTS

This review is the fourth in relation to the CEO's current contract and the third full annual review. The previous two appear to have been conducted successfully in terms of process and format. This report does not propose any significant change other than the timetable for commencement which is approximately two and a half (2.5) months earlier than previously. It is proposed that this aspect be recognised in the resolution.

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 2007/08.
Attachment 6	Proposed CEO KPI Review Process.

VOTING REQUIREMENTS

Simple majority.

MOVED Cr Jacob SECONDED Cr Norman that the CEO Performance Review Committee:

- 1 APPROVES the timetable for the performance review of the Chief Executive Officer and sets the date for the formal performance review interview as Tuesday 15 July 2008;**
- 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 **ACKNOWLEDGES** that the formal CEO performance interview is intended to be conducted two and half months earlier than in 2007 with the result being a correspondingly shorter period over which the CEO's performance is able to be assessed and in which the CEO has had to achieve his Key Performance Indicators (KPIs);
- 4 In view of the proposed shortened timeframe **SEEKS** the CEO's agreement to the timeframe with the acknowledgement in 3 above;
- 5 **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.

Discussion ensued. The Committee was advised that Mr John Phillips will be on annual leave for two weeks and his assistant, Mr Simon White, will commence the process in his absence. The Committee was in support of this proposal.

AMENDMENT MOVED Mayor Pickard SECONDED Cr Amphlett that an additional Point 6 be added to the Motion to read:

"6 in view of the proposed shortened timeframes, NOTES that the CEO's performance is to be assessed from October 2007 to July 2008."

The Amendment was Put and CARRIED (5/0)

In favour of the Amendment: Crs Fishwick, Jacob, Amphlett, Norman, Mayor Pickard

The Original Motion, as amended, being:

That the CEO Performance Review Committee:

- 1 **APPROVES** the timetable for the performance review of the Chief Executive Officer and sets the date for the formal performance review interview as Tuesday 15 July 2008;
- 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 **ACKNOWLEDGES** that the formal CEO performance interview is intended to be conducted two and half months earlier than in 2007 with the result being a correspondingly shorter period over which the CEO's performance is able to be assessed and in which the CEO has had to achieve his Key Performance Indicators (KPIs);
- 4 In view of the proposed shortened timeframe **SEEKS** the CEO's agreement to the timeframe with the acknowledgement in 3 above;
- 5 **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;

- 6 in view of the proposed shortened timeframes, NOTES that the CEO's performance is to be assessed from October 2007 to July 2008.**

Was Put and

CARRIED (5/0)

In favour of the Motion: Crs Fishwick, Jacob, Amphlett, Norman, Mayor Pickard

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 1754 hrs; the following Elected members being present at that time:

Cr Russ Fishwick
Mayor Troy Pickard
Cr Albert Jacob
Cr Geoff Amphlett
Cr Mike Norman