

**ADELAIDE HILLS COUNCIL SPECIAL MEETING
TUESDAY 8 JULY 2014
AGENDA BUSINESS ITEM**

Item: 4.4

Originating Officer: Megan Sutherland, Manager Organisational Development

Responsible Director: Andrew Aitken, Chief Executive Officer

Subject: Appointment of Independent Panel Member CEO Performance Review Panel and Sitting Fees

1. Appointment of Independent Panel Member CEO Performance Review Panel and Sitting Fees – Exclusion of the Public

Pursuant to Section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, with the exception of appropriate Council staff:

- CEO, Andrew Aitken
- A/Director Strategy & Development, Deryn Atkinson
- A/Director Corporate Services, Lachlan Miller
- Director Community & Customer Service, David Waters
- Manager Organisational Development, Megan Sutherland
- Minute Secretary, Leanne Llewellyn

be excluded from attendance at the meeting for Agenda Item 4.4 (Appointment of Independent Panel Member CEO Performance Review Panel and Sitting Fees).

The Council is satisfied that, pursuant to section 90(3)(a) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead), because it would disclose the personal details of candidates who have expressed an interest to be on the Advisory Group.

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because consideration of the item in a public forum would unreasonably disclose the personal details of candidates who have expressed an interest to be on the Advisory Group.

2. Appointment of Independent Panel Member CEO Performance Review Panel and Sitting Fees – Confidential Item

SUMMARY

In accordance with the CEO Performance Review Panel Terms of Reference, an independent non-voting member is to be appointed to the panel. The appointment of this person is by Council resolution.

The purpose of this report is to have the CEO Review Panel Independent Member appointed and the sitting fee established for the term of the role, being 2 years.

RECOMMENDATION

That Council resolves:

- 1. That the report be received and noted**
- 2. That Paula Davies be appointed as the Independent Member of the CEO Performance Review Panel for a period of two years from 8 July 2014.**
- 3. The sitting fee paid to the Independent Member of the CEO Performance Review Panel from 14 July 2014 until 31 July 2017 be \$365 (excl. GST) per meeting.**

3. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal 4 A Recognised Leading Performer

Key Issue 4.1 Leadership

Key Action 4.1.4 Meet legislative, regulatory and good governance responsibilities and obligations

The appointment of this position meets the requirements under the Terms of Reference for the CEO Performance Review Panel.

➤ **Legal Implications**

As this Panel is a Section 41 Committee under the *Local Government Act 1999*, the appointment of this person meets our legal responsibilities, as per the Terms of Reference.

➤ **Risk Management Implications**

Appoint an independent member to the CEO Performance Review Panel will assist in mitigating the risk that:

Deficient CEO performance review practices result in a lack of accountability and loss of stakeholder confidence.

➤ **Financial and Resource Implications**

The financial implications are the sitting fees to be paid to the Independent Member for each meeting attended.

➤ **Customer Service and Community/Cultural Implications**

Not applicable.

➤ **Environmental Implications**

Not applicable.

➤ **Community Engagement/Consultation**

The sourcing of the Independent Member was through public advertisement, where individuals registered their interest.

4. BACKGROUND

This item has arisen through a previous Council decision of 11 February 2014:

That Council resolves to:

- 1. amend the CEO Performance Review Panel Terms of Reference membership section by substituting the current wording of 'with appropriate skills to oversee the evaluation' for 'with appropriate skills and experience in executive performance review processes'.*
- 2. approve the advertising of the independent member vacancy consistent with the revised TOR.*
- 3. amend the TOR to have 4 Council Members, being the Mayor, Deputy and 2 Council members.*

5. ANALYSIS

Independent Member Appointment

The Selection Panel for the CEO Performance Review Panel comprised of Crs Jan Loveday, John Kemp and Ian Bailey.

Three expressions of interest were received for the Independent Member role. Interviews were conducted on Wednesday 2 July 2014. All three candidates were interviewed.

The Selection Panel unanimously decided to recommend Paula Davies for appointment as the Independent Member on the CEO Performance Review Panel. Paula is currently a Senior Solicitor with SAPOL and has considerable experience in private and public sector legal advisory roles. She has board experience on a range of professional association and community organisation boards.

The CEO review process has very tight timeframes in order to have the review completed and a report back to Council by 9 September 2014, before the Caretaker Period begins.

Appointment of the Independent Member is critical to enable the CEO Performance Review Panel to meet and implement the CEO review process for this year.

Sitting Fees

Recent information provided to Council at its 25 March 2014 ordinary meeting when the sitting fees for the Audit Committee were established showed the sitting fees for Audit Committee independent members as follows:

Council	Sitting Fees
	Independent Ordinary Member
Adelaide Hills Council	\$350
City of Burnside	\$400
City of Campbelltown	\$300
Holdfast Bay City Council	\$367
District Council of Mount Barker	\$330

Council resolved (14/50) that the sitting fees paid to Independent Members of the Audit Committee from 1 August 2014 be \$365 (exc GST) per meeting.

As the CEO Performance Review Panel is a Section 41 Committee, as is the Audit Committee, and given the recent comparison with other councils and decision on sitting fees for the Audit Committee, it was considered appropriate to align the fees with the Audit Committee.

6. OPTIONS

1. The Council can elect to support the recommendation for the Independent Member appointment and/or for the sitting fees to be set. This allows the CEO Review Panel to meet and begin the CEO performance review process for 2014.
2. The Council can elect not to support the recommendation for the Independent Member appointment and for the sitting fees to be set. This decision would require advertising again for an Independent Member and further interviews to be undertaken. The impact of this decision is that the review for the CEO would not be undertaken before the Caretaker Period begins on 16 September 2014.

7. Appointment of Independent Panel Member CEO Performance Review Panel & Sitting Fees – Period of Confidentiality

That having considered Agenda Item 4.4 (Appointment of Independent Panel Member CEO Performance Review Panel and Sitting Fees) in confidence under section 90(2) and 90 (3) (a) of the *Local Government Act 1999*, the Council, pursuant to section 91(7)(b) of that Act, orders that the documents and reports pertaining to this matter be retained in confidence until the appointment have been confirmed with the applicant, but not longer than 12 months.