



CEO PERFORMANCE REVIEW PANEL

NOTICE OF MEETING

To: **Members**

Cr Mark Osterstock, Presiding Member

Mayor Jan-Claire Wisdom

Cr Nathan Daniell

Cr Kirsty Parkin

Ms Paula Davies, Independent Member

Notice is given pursuant to the provisions under Section 87 of the *Local Government Act 1999* that the next meeting of the CEO Performance Review Panel will be held on:

**Thursday 11 July 2019
6.00pm
63 Mt Barker Road Stirling**

A copy of the Agenda for this meeting is supplied under Section 87 of the Act.

Committee meetings are open to the public and members of the community are welcome to attend. Public notice of the Agenda for this meeting is supplied under Section 88 of the Act.

**Andrew Aitken
Chief Executive Officer**



CEO PERFORMANCE REVIEW PANEL

AGENDA FOR MEETING
Thursday 11 July 2019
6.00pm
63 Mt Barker Road Stirling

ORDER OF BUSINESS

Council Vision

Nurturing our unique place and people

Council Mission

Delivering activities and services which build a resilient community, sustain our built and natural environment and promote a vibrant economy

1. COMMENCEMENT

2. APOLOGIES/LEAVE OF ABSENCE

- 2.1. Apology
Apologies were received from
- 2.2. Leave of Absence
- 2.3. Absent

3. MINUTES OF PREVIOUS MEETINGS

CEO Performance Review Panel – 20 June 2019

That the minutes of the CEO Performance Review Panel meeting held on 20 June 2019 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

4. PRESIDING MEMBER'S OPENING REMARKS

5. DELEGATION OF AUTHORITY

The CEO Performance Review panel operates in accordance with the relevant sections of the *Local Government Act 1999*, and its Terms of Reference.

6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF THE PANEL

7. OFFICER REPORTS – DECISION ITEMS

7.1. CEO Performance Target Update

- 1. That the report be received and noted.*
- 2. That the Panel recommends to Council that the CEO has achieved the outcomes of the 2018-2019 CEO Performance Targets per Attachment 1.*

7.2. Proposed 2019-2020 CEO Performance Targets

- 1. That the report be received and noted*
- 2. To recommend to Council to adopt the proposed 2019-2020 CEO Performance Targets per Appendix 1.*

8. MOTIONS WITHOUT NOTICE

9. QUESTIONS WITHOUT NOTICE

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

The next CEO Performance Review Panel meeting will be held on Thursday 8 August 2019, from 6.00pm at 63 Mt Barker Road, Stirling

12. CLOSE MEETING

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 20 JUNE 2019
63 MT BARKER ROAD STIRLING**

In Attendance

Presiding Member: Cr Mark Osterstock

Members:

Ms Paula Davies (by phone)	Independent Member
Mayor Jan-Claire Wisdom	
Cr Nathan Daniell	
Cr Kirsty Parkin	

In Attendance:

Andrew Aitken	Chief Executive Officer
Lachlan Miller	Executive Manager Governance & Performance
Megan Sutherland	Executive Manager Organisational Development

1. COMMENCEMENT

The meeting commenced at 6.04pm.

2. APOLOGIES/LEAVE OF ABSENCE

2.1 Apology

Nil

2.2 Leave of Absence

Nil

2.3 Absent

Nil

3. MINUTES OF PREVIOUS MEETINGS

3.1 CEO Performance Review Panel Meeting – 20 February 2019

Moved Mayor Jan-Claire Wisdom

S/- Paula Davies

PRP5/19

That the minutes of the CEO Performance Review Panel meeting held on 20 February 2019 as distributed, be confirmed as an accurate record of the proceedings of that meeting.

Carried

Presiding Member _____ 11 July 2019

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 20 JUNE 2019
63 MT BARKER ROAD STIRLING**

4. PRESIDING MEMBER'S OPENING COMMENTS

Nil

5. DELEGATION OF AUTHORITY

The CEO Performance Review Panel operates in accordance with the relevant sections of the *Local Government Act 1999*, and its Terms of Reference.

6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF THE COMMITTEE

Nil

7. OFFICER REPORTS – DECISION ITEMS

7.1 Update from CEO on Performance Targets

Moved Mayor Jan-Claire Wisdom
S/- Kirsty Parkin

PRP6/19

That the CEO Performance Review Panel resolves that the report be received and noted.

Carried

7.2 Proposed CEO Performance Targets 2019/2020

Moved Paula Davies
S/- Cr Kirsty Parkin

PRP7/19

That the CEO Performance Review Panel resolves that the report be received and noted.

Carried

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL COMMITTEE
MINUTES OF MEETING
THURSDAY 20 JUNE 2019
63 MT BARKER ROAD STIRLING**

7.3 CEO Performance Review Panel Meeting & Process Schedule 2019

**Moved Cr Nathan Daniell
S/- Paula Davies**

PRP8/19

The Panel resolves that:

- 1. the report be received and noted.**
- 2. the 2019 CEO Performance Review Panel Meeting and Process Schedule, as contained in Appendix 1, be adopted.**

Carried

8. MOTIONS WITHOUT NOTICE

Nil

9. QUESTIONS WITHOUT NOTICE

Cr Mark Osterstock – EDA

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

The next ordinary meeting of the CEO Performance Review Panel will be held on Thursday 11 July 2019 at 63 Mt Barker Road Stirling.

12. CLOSE MEETING

The meeting closed at 7.05pm.

ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
Thursday 11 July 2019
AGENDA BUSINESS ITEM

Item: 7.1

Originating Officer: Andrew Aitken, Chief Executive Officer

Subject: 2018-2019 CEO Performance Targets Update

For: Decision

SUMMARY

The role of the Chief Executive Officer (CEO) Performance Review Panel (the Panel) includes reviewing the performance of the CEO, in particular the performance against the Performance Targets and to undertake a review of the CEO's Performance Targets to ensure they remain relevant, achievable and aligned to Council's strategic objectives.

This report provides the final update on activities against the Performance Targets for 2018-2019.

RECOMMENDATION

1. That the report be received and noted.
 2. That the Panel recommends to Council that the CEO has achieved the outcomes of the 2018-2019 CEO Performance Targets per Attachment 1.
-

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal	Organisational Sustainability
Key Issue	Governance

We diligently adhere to legislative requirements to ensure public accountability and exceed these requirements where possible.

➤ **Legal Implications**

The CEO Performance Review Panel is a Section 41 Committee of Council under the *Local Government Act 1999*.

This report provides the final update against the established and agreed Performance Targets for 2018-2019, and forms part of the performance review process to ensure the CEO is provided with a fair and consistent performance review process that would stand up under scrutiny.

➤ **Risk Management Implications**

The CEO Performance Targets update is an important control in managing the risks of:

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

Inherent Risk	Residual Risk	Target Risk
Medium (3C)	Medium (3D)	Medium (3D)

Note: there are many other controls that also assist in managing this risk.

Non-achievement of CEO Performance Targets resulting in loss of community benefit and/or opportunities and/or stakeholder confidence.

Inherent Risk	Residual Risk	Target Risk
High (3B)	Medium (3D)	Medium (3C)

Note: there are many other controls that also assist in managing this risk.

➤ **Financial and Resource Implications**

There are no financial or resource implications in reporting on projects against the CEO Performance Targets.

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

There is a community expectation that the CEO will manage the organisation's human, financial and physical resources to ensure the best outcomes for the community.

There is a community expectation that the CEO is accountable for, and performs against, the agreed Performance Targets.

➤ **Environmental Implications**

Not applicable.

➤ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

Members of the Executive Leadership Team (detailed below) provided updates on progress of the performance targets (see Appendix 1).

Council Committees: Not applicable.

Council Workshops: Not applicable.

Advisory Groups: Not applicable.

Administration: Chief Executive Officer
Director Community Capacity
Director Corporate Services
Director Operations & Infrastructure
Executive Manager Organisational Development
Executive Manager Governance & Performance

Community: Not applicable

2. BACKGROUND

In readiness for the new financial year and in accordance with the CEO's Employment Agreement, Council adopted a new suite of CEO Performance Targets on 26 June 2018 covering the 2018-2019 financial year.

12.6. CEO Performance Targets

Moved Cr Kirrilee Boyd
S/- Cr Ron Nelson

141/18

Council resolves:

1. That the report be received and noted
2. To adopt the proposed 2018-2019 CEO Performance Targets recommended by the CEO Performance Review Panel in Appendix 1 of this report.

Carried Unanimously

The purpose of this report is to monitor the progress of the CEO's Performance Targets. This activity is defined in the Panel's Terms of Reference contained in the Specific Functions clauses and specifically Clause 3.1.2.

3. SPECIFIC FUNCTIONS

- 3.1 The function of the Panel is to provide advice to Council on the CEO's performance and development, including the following matters:
 - 3.1.1 Determining the Performance Targets for the forthcoming 12 month performance period;
 - 3.1.2 Monitoring the progress on the CEO's agreed Performance Targets for the current 12 month performance period;
 - 3.1.3 Reviewing the CEO's performance over the preceding 12 month performance period, in particular the performance against the agreed Performance Targets and position description requirements;
 - 3.1.4 Identifying development opportunities for the CEO; and
 - 3.1.5 Reviewing the remuneration and conditions of employment of the CEO.

3. ANALYSIS

This item provides the opportunity for the CEO to update the CEO Performance Review Panel on the final outcomes of the 2018-2019 Performance Targets. This enables the Panel to make a recommendation to Council, based on the information before them, on whether the CEO has achieved the CEO Performance Targets.

4. OPTIONS

The CEO Performance Review Panel has the following options:

1. That the Panel recommends to Council that the CEO has achieved the outcomes of the 2018-2019 CEO Performance Targets (*Recommended*).
2. That the Panel recommends to Council that the CEO has partially achieved the outcomes of the 2018-2019 CEO Performance Targets
3. That the Panel recommends to Council that the CEO has not achieved the outcomes of the 2018-2019 CEO Performance Targets.

5. APPENDIX

- (1) 2018-2019 CEO Performance Targets - Final

Appendix 1

2018-2019 CEO Performance Targets - Final

Target	Update
<p>1. CWMS Review Provide a recommendation to Council following the EOI process on the future management model for Adelaide Hills Council's Community Wastewater Management System (CWMS).</p>	<p>COMPLETE: Stage 2 of the CWMS Review Workshop was completed on 14 August. The Prudential Review Report has been completed and was provided to and noted by the Audit Committee 13 August.</p> <p>A CWMS review report was provided to Council at the 28 August meeting outlining the results of the EOI process undertaken with a recommendation to:</p> <ul style="list-style-type: none"> • Undertake a Request for Tender (RFT) process for potential divestment of CWMS assets • To continue to work collaboratively with other participant councils • To continue to undertake further analysis of maintaining CWMS ownership for RFT comparative purposes. <p>Council resolved as recommended.</p>
<p>2. Reconciliation Action Plan Establish a Reconciliation Action Plan (RAP) Working Group (comprising Aboriginal people, Council Members and local residents) to support the development of our RAP, with its membership and its draft Terms of Reference being subject to Council approval.</p>	<p>COMPLETE: The successful nominees for the working group have been selected and endorsed by Council along with the election of a Council representative being Cr Kirlee Boyd. Mount Barker District Council has now endorsed the nominees and selected a representative. AHC adopted the draft Terms of Reference at its meeting on 28 August 2018. The first meeting of the Adelaide Hills Reconciliation Working Group (AHRWG) was held on Wed 22 May at Fabrik. Key actions from this meeting include forming an <i>internal Reconciliation Working Group</i> of staff across key areas of Council business to develop the Reconciliation Action Plan for our Council in collaboration with the AHRWG. These staff would then champion the RAP across Council.</p>
<p>3. CRM Integration Enhance the use of the Customer Relationship Management system (CRM) by integrating CRM with the asset management software and the call centre software to enable more seamless management of customer enquiries and requests.</p>	<p>COMPLETE: The new Contact Centre software was implemented in September 2018 and included integration with the CRM system. This now enables calls to be more efficiently turned into customer cases and for customer details and history to be more readily available to customer service officers. Integration between the Asset Management System (Confirm) and the CRM system has been designed and developed. In 2018-19 the aim was to apply the integration to two asset classes - trees and playgrounds. The tree phase was completed in December 2018 and the playgrounds phase in June 2019. A presentation on both these integrations is planned for the 9 July Council Member Workshop.</p>

Target	Update
4. Recycling/Waste Strategy Develop a strategy, to Council's satisfaction, that considers approaches, including long term approaches, for the future collection and processing of recyclables with a view to maximising environmental outcomes, reduce contamination rates and provide a cost effective kerbside recycling service.	COMPLETE: The Resource Recovery and Recycling Strategy was adopted by Council Members at the 25 June 2019 Council meeting. The Strategy will now be implemented as per the priorities identified in the document.
5. Customer Experience Survey/Action Plan Undertake a customer experience survey and present an action plan of identified improvement opportunities to Council Members. <i>(As a separate exercise, staff to consider a general satisfaction survey of a random sample of residents.)</i>	COMPLETE: The Customer Experience Survey of 400 customers was conducted during September 2018. The results have been analysed by staff, with outcomes leading to a survey Action Plan and revisions to our Customer Experience Action Plan. The results of the survey and the action plan and improvement opportunities have been presented to ELT and subsequently to Council Members at a workshop on 14 May 2019.
6. Library Services Review Review our library services to better understand community preferences in the context of a modern and progressive library service and provide the outcomes of the review with recommendations to Council.	COMPLETE: The Library Services Review report was received and noted by Council at its 25 June 2019 meeting.
7. Arts and Heritage Hub Provide a status report to Council on the implementation of the Business Development Framework within 6 months of the appointment of the Hub's director.	COMPLETE: The Arts and Heritage Hub (Fabrik) Director commenced on 23 July 2018. A report, including an update on the implementation of the Business Development Framework, was presented to Council for noting at its meeting held on 22 January 2019.
8. Stormwater Assets Use the stormwater asset class as a model for refining service levels to ensure they inform and drive asset maintenance plans and report to Council.	COMPLETE: The Stormwater Service Levels report was received and noted by Council at its 25 June 2019 meeting.

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
Thursday 11 July 2019
AGENDA BUSINESS ITEM**

Item: 7.2

Originating Officer: Andrew Aitken, Chief Executive Officer

Subject: Proposed 2019-2020 CEO Performance Targets

For: Decision

SUMMARY

In the CEO's Employment Agreement (the Agreement) there is opportunity for annual performance targets to be identified and agreed.

These performance targets, along with the CEO's duties, position description provide the means by which the CEO Performance Review Panel (the Panel) monitors the performance of the CEO and provides recommendations back to the Council on matters relating to the CEO's performance.

The role of the Panel includes reviewing the performance of the CEO ensuring the performance targets remain relevant and aligned to Council's strategic goals.

This report is to finalise the Panel's recommendation to the Elected Council on the 2019-2020 CEO Performance Targets, following input from the 9 July Council Member Workshop.

RECOMMENDATION

The CEO Performance Review Panel resolves:

- 1. That the report be received and noted**
 - 2. To recommend to Council to adopt the proposed 2019-2020 CEO Performance Targets per Appendix 1.**
-

1. GOVERNANCE

➤ **Strategic Management Plan**

Goal	Organisational Sustainability
Key Issue	Governance

We diligently adhere to legislative requirements to ensure public accountability and exceed these requirements where possible.

➤ **Legal Implications**

The CEO Performance Review Panel is a Section 41 of Committee of Council under the *Local Government Act 1999*.

This process needs to be undertaken appropriately to ensure the CEO is provided with a fair and consistent approach to determine appropriate performance targets, as the performance targets are used in the annual performance review process that directly affects decisions made in relation to the CEO, his performance and remuneration discussions.

Section 96 (Council to have a chief executive officer) of the *Local Government Act 1999*

➤ **Risk Management Implications**

Undertaking regular review's of the CEO's performance is an important control mitigating the risk of:

Deficient CEO performance review practices resulting in a lack of accountability and loss of stakeholder confidence in the organisation.

Inherent Risk	Residual Risk	Target Risk
Medium (3C)	Medium (3D)	Medium (3D)

Note: there are many other controls that also assist in managing this risk.

Non-achievement of CEO KPIs result in loss of community benefit and/or opportunities and/or stakeholder confidence in the organisation.

Inherent Risk	Residual Risk	Target Risk
High (3B)	Medium (3D)	Medium (3D)

Note: there are many other controls that also assist in managing this risk.

➤ **Financial and Resource Implications**

Not applicable.

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

There is a community expectation that the CEO will manage the organisation's human, financial and physical resources to ensure they are utilised for the best outcomes for the community.

➤ **Environmental Implications**

Not applicable.

➤ **Engagement/Consultation conducted with Council Committee, Regional Subsidiary, Advisory Group, the Administration and Community**

Consultation on the proposed Performance Targets has been undertaken with those listed below.

Council Committees: Not Applicable

Council Workshops: An initial discussion was held with the Panel at its 12 April 2018 meeting. A working discussion of the proposed performance targets is to occur with Council Members on 9 July 2018.

Advisory Groups: Not Applicable

Administration: Chief Executive Officer
Director Community Capacity
Director Corporate Services
Director Infrastructure & Operations
Director Development & Regulatory Services
Executive Manager Governance and Performance
Executive Manager Organisational Development

Community: Not Applicable

2. BACKGROUND

CEO Performance Review Panel (the Panel)

The Panel Terms of Reference were adopted by Council on 25 July 2017 and state the Panel's specific functions as follows:

3. SPECIFIC FUNCTIONS

- 3.1 The function of the Panel is to provide advice to Council on the CEO's performance and development, including the following matters:
 - 3.1.1 Determining the Performance Targets for the forthcoming 12 month performance period;
 - 3.1.2 Monitoring the progress on the CEO's agreed Performance Targets for the current 12 month performance period;
 - 3.1.3 Reviewing the CEO's performance over the preceding 12 month performance period, in particular the performance against the agreed Performance Targets and position description requirements;
 - 3.1.4 Identifying development opportunities for the CEO; and
 - 3.1.5 Reviewing the remuneration and conditions of employment of the CEO.

CEO Employment Agreement

The CEO's new Employment Agreement commenced on 1 July 2017.

Clause 12 of the Agreement contains the provisions for a performance review process with the following key feature regarding performance indicators:

12.4 The performance review will review the CEO's Position Description and any key performance indicator(s).

CEO Performance Targets

The Performance Targets have been considered to ensure alignment with Council's Strategic and Annual Business Plans. Discussions have been undertaken with the Panel on the proposed 2019-2020 CEO Performance Targets and will take place with Council members on 9 July 2019. Feedback from the Panel has been incorporated into the proposed 2019-2020 CEO Performance Targets, attached at **Appendix 1**. A tracked change version following the Council Member Workshop discussion on 9 July 2019 will be provided to the Panel after this date.

Note: as the meeting with Council Members is the same week as the Panel meeting, an update to the attachment to this report will be provided after the 9 July 2019 meeting.

3. ANALYSIS

The suite of Performance Targets for the CEO are used, along with the Position Description, to review his annual performance.

In considering the 2019-2020 CEO's Performance Targets, the Panel may want to consider the degree to which the suite provides:

- an holistic indicator of CEO performance
- clarity in terms of what is to be measured (and what success looks like)
- how it will be measured.

It is also important to ensure the suite of Performance Targets are achievable over that coming year. It is recommended that the Panel, with the CEO, critically analyse the expectations on how many Performance Targets can realistically be achieved over the 12 month period to ensure the CEO and organisation are being set up for success.

4. OPTIONS

The Panel has the following options:

1. To recommend to Council to adopt the proposed 2019-2020 CEO Performance Targets per Appendix 1. (Recommended)
2. To recommend to Council not to adopt the proposed 2019-2020 CEO Performance Targets with amendments. (Not recommended)
3. To discuss an alternative suite of 2019-2020 CEO Performance Targets with Council, in consultation and agreement with the CEO. (Not recommended)

5. APPENDIX

1. Proposed 2019-2020 CEO Performance Targets

Appendix 1

Proposed 2018-2019 CEO Performance Targets
(an update will be provided after 9 July 2019)

PROPOSED 2019-2020 CEO PERFORMANCE TARGETS

Draft Changes as @ 2 July 2019

	Target
1.	<p>Strategic Plan</p> <p>Finalise an engagement led draft Adelaide Hills Council Strategic Plan for Council's consideration by February 2020.</p> <p>Organisational Sustainability</p>
2.	<p>Carbon Management Plan</p> <p>Finalise the draft Carbon Management Plan for Council's consideration by December 2019. Ensure the draft includes a target of 100% renewable energy (electricity) for the Adelaide Hills Council (as an organisation) by a defined date as well as a series of staged targets over the intervening period.</p> <p>Place</p>
3.	<p>Boundary Reform</p> <p>Establish a plan to review the current Adelaide Hills Council boundaries, including an approach to engaging with relevant councils and stakeholders to discuss with a view to possible boundary reform, for Council's consideration by October 2019.</p> <p>Explore</p>
4.	<p>Community Perception & Engagement Survey</p> <p>Undertake a community perception and engagement survey and present an action plan of identified improvement opportunities to Council Members by March 2019. The survey will seek input from a range of community members (including those who normally engage with us and those who don't) to identify how Council is perceived and how our community prefers to engage with us. It will also inform the development of wellbeing and engagement related performance measures. Incentives to encourage community members to participate will also be explored. Also consider opportunities to use the survey to educate people on how Council functions.</p> <p>Connect</p>
5.	<p>Planning Assessment System</p> <p>Ensure the Adelaide Hills Council has the systems, procedures, accreditations and delegations established and functional by 30 June 2020 in order to successfully transition into the new South Australian planning and assessment system as required by the new PDI Act implementation (which commences on 1 July 2020). Development Services staff will continue to work with staff from the Department of Planning, Transport & Infrastructure and consult with other AHC staff and Council Members as part of this process.</p> <p>Prosper</p>
6.	<p>Community & Recreation Facilities Framework</p> <p>Establish a framework for Council's consideration that applies to Council and community owned community and recreation facilities, based on an approach that has consistency, equity and shared responsibility.</p> <p>Prosper</p>