



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 8 August 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 8 August 2019
6.00pm
63 Mt Barker Road Stirling

ORDER OF BUSINESS

1. COMMENCEMENT

2. APOLOGIES/LEAVE OF ABSENCE

- 2.1. Apology
- 2.2. Leave of Absence
- 2.3. Absent

3. MINUTES OF PREVIOUS MEETINGS

CEO Performance Review Panel – 11 July 2019

That the minutes of the CEO Performance Review Panel meeting held on 11 July 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. 2019 – 2020 CEO Performance Targets Update
That the report be received and noted.

8. MOTIONS WITHOUT NOTICE

9. QUESTIONS WITHOUT NOTICE

10. CONFIDENTIAL ITEMS

- 10.1. CEO Performance Review 2019
10.2. CEO Remuneration Review

11. NEXT MEETING

The next CEO Performance Review Panel meeting will be held on Thursday 7 November 2019, from 6.00pm at 63 Mt Barker Road, Stirling

12. CLOSE MEETING

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
Thursday 8 August 2019
AGENDA BUSINESS ITEM**

Item: 7.1

Originating Officer: Andrew Aitken, Chief Executive Officer

Subject: 2019-2020 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.

RECOMMENDATION

1. That the report be received and noted.
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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 2019-2020, 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).

<i>Council Committees:</i>	Not applicable
<i>Council Workshops:</i>	Not applicable
<i>Advisory Groups:</i>	Not applicable
<i>Administration:</i>	Chief Executive Officer Director Community Capacity Director Corporate Services Director Operations & Infrastructure Director Development and Regulatory Services Executive Manager Organisational Development Executive Manager Governance & Performance
<i>Community:</i>	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 23 July 2019 covering the 2019-2020 financial year.

12.4 Proposed 2019-2020 CEO Performance Targets

Cr Malcolm Herrmann, Cr Linda Green and Cr Andrew Stratford declared a Perceived Conflict of Interest at Agenda Item 5 'Declaration of Interest by Members of the Council' in relation to Item 12.4.

Cr Malcolm Herrmann, Cr Linda Green and Cr Andrew Stratford remained in the Chamber and voted.

Moved Cr Mark Osterstock
S/- Cr Pauline Gill

190/19

Council resolves:

1. That the report be received and noted
2. To confirm that the CEO has achieved the outcomes of the 2018-2019 Performance Targets per *Attachment 1*.
3. To adopt the proposed 2019-2020 CEO Performance Targets recommended by the Panel as per *Appendix 2*.

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 progress against the Performance Targets to date and identify any issues for consideration. This enables the Panel to undertake an interim analysis of the CEO Performance Targets with a view to reviewing priorities and existing timeframes, if required.

4. OPTIONS

The CEO Performance Review Panel has the following options:

1. That the report be received and noted (*Recommended*).
2. That the Panel makes alternative/additional recommendations to Council relating to the current suite of Performance Targets.

5. APPENDIX

- (1) 2019-2020 CEO Performance Targets – Update

Appendix 1

2019-2020 CEO Performance Targets - Update

2019-2020 CEO PERFORMANCE TARGETS - UPDATE

	Target	Update
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>	<p>IN PROGRESS:</p> <p>Strategic Plan development schedule adopted on 26 March 2019 comprising 3 phases - Discover, Discuss and Decide.</p> <p>Phase 1 - Discover raised community awareness of the strategic planning process and opportunities for engagement. The Environmental Scan was a key deliverable along with the draft strategic goal areas, outcomes, and key result areas which were adopted for internal and external consultation (being Phase 2 - Discuss) on 4 June 2019.</p> <p>Internal consultation is currently underway.</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>	<p>IN PROGRESS:</p> <p>The draft Carbon Management Plan (CMP) is currently being completed. Two Council Member workshops have been held along with one workshop with the Sustainability Advisory Group (SAG). The draft Plan has been released for comment to Council Members, SAG and relevant council officers. The draft CMP will be presented to ELT on Wednesday 14 August and to Council on Tuesday 24 September 2019. The draft CMP includes a target of 100% renewable energy (electricity).</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>	<p>IN PROGRESS:</p> <p>Council resolved on 25 June 2019 to approve the engagement of a consultant to undertake a high level review of Council's boundaries to identify boundary reform options.</p> <p>Procurement activities are currently underway to engage the consultant(s)</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</p>	<p>IN PROGRESS:</p> <p>Staff have been scoping options for designing and delivering this survey, including an analysis of other similar surveys conducted by other councils using different methodologies in recent years.</p>

2019-2020 CEO PERFORMANCE TARGETS - UPDATE

	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. Connect	
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>	<p>IN PROGRESS:</p> <p>Staff have prepared a project plan which envisages the establishment of an internal working group with representation from a number of Departments to fulfil the scope of this project. The first meeting of the working group is to occur on 15 August 2019.</p>
6.	<p>Community & Recreation Facilities Framework</p> <p>Develop a draft Community & Recreation Facilities Framework (including financial implications) for consideration by Council based on an approach that has consistency, equity and shared responsibility.</p> <p>Prosper</p>	<p>IN PROGRESS:</p> <p>An internal working group of Council members and staff was established by Council on 23 June 2019 to focus on the development of this framework. The first meeting of this group is scheduled for Tuesday 6 August 2019.</p>

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
Thursday 8 August 2019
AGENDA BUSINESS ITEM**

Item: 10.1

Originating Officer: Megan Sutherland, Executive Manager Organisational Development

Responsible Director: Andrew Aitken, Chief Executive Officer

Subject: 2018 - 2019 CEO Performance Review

For: Decision

1. 2019 CEO Performance Review – Exclusion of the Public

Pursuant to section 90(2) of the *Local Government Act 1999* the CEO Performance Review Panel (the Panel) orders that all members of the public, except:

- Executive Manager Organisational Development, Megan Sutherland
- Executive Manager Governance and Performance, Lachlan Miller

be excluded from attendance at the meeting for Agenda Item 10.1: (CEO Remuneration Review 2019) in confidence.

The Panel is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified in (a) above, be excluded to enable the Panel to consider the report at the meeting on the following grounds:

Section 90(3)(a) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this 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), being the personal affairs of the Chief Executive Officer, in that details of his performance review will be discussed.

Accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

3. 2019 CEO Remuneration Review – Period of Confidentiality

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing the Panel's decision(s) in this matter in the performance of the duties and responsibilities of office, the Panel, having considered Agenda Item 10.1 in confidence under sections 90(2) and 90(3) (a) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* that the report, related attachments and the minutes of the Panel and the discussion and considerations of the subject matter be retained in confidence until the CEO has been advised in writing, but not longer than 1 month from the date of the decision of Council.

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Panel delegates the power to revoke the confidentiality order either partially or in full to the Executive Manager Governance and Performance.

**ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
Thursday 8 August 2019
CONFIDENTIAL AGENDA BUSINESS ITEM**

Item: 10.2

Originating Officer: Megan Sutherland, Executive Manager Organisational Development

Responsible Director: Andrew Aitken, Chief Executive Officer

Subject: 2019 CEO Remuneration Review

For: Decision

1. 2019 CEO Remuneration Review – Exclusion of the Public

Pursuant to section 90(2) of the *Local Government Act 1999* the Panel orders that all members of the public, except:

- CEO, Andrew Aitken
- Executive Manager Governance & Performance, Lachlan Miller
- Executive Manager Organisational Development, Megan Sutherland

be excluded from attendance at the meeting for Agenda Item 10.2: (2019 CEO Remuneration Review) in confidence.

The Panel is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified above, be excluded to enable the Panel to consider the report at the meeting on the following grounds:

Section 90(3)(a) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this 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), being the personal affairs of the Chief Executive Officer, in that details of his performance review will be discussed.

Accordingly, on this basis the principle that meetings of the Panel should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

3. 2019 CEO Remuneration Review – Period of Confidentiality

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing the Panel's decision(s) in this matter in the performance of the duties and responsibilities of office, the Panel, having considered Agenda Item 10.2 in confidence under sections 90(2) and 90(3) (a) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* that the report, related attachments and the minutes of the Panel and the discussion and considerations of the subject matter be retained in confidence until the CEO's TEC Package has been resolved and the CEO has been advised in writing.

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Panel delegates the power to revoke the confidentiality order either partially or in full to the Executive Manager Governance & Performance.