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CITY OF BUSSELTON

MINUTES OF THE CEO PERFORMANCE REVIEW COMMITTEE MEETING HELD ON
27 FEBRUARY 2023

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MINUTES

MINUTES OF CEO PERFORMANCE REVIEW COMMITTEE HELD IN THE COMMITTEE ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 27 FEBRUARY 2023 AT 3:30PM.

1. DECLARATION OF OPENING, ACKNOWLEDGEMENT OF COUNTRY AND ANNOUNCEMENT OF VISITORS

Ms Sarah Pierson, Acting Director Finance and Corporate Services, opened the meeting at 3:30pm.

Ms Pierson acknowledged the Wadandi and Bibbulmun people as the traditional custodians of this region and paid respects to Elders past and present.

Ms Pierson advised the meeting was being recorded.

2. ATTENDANCE

Presiding Member:

Cr Grant Henley *(from 3:33pm)*

Members:

Cr Paul Carter
Cr Anne Ryan

Officers:

Ms Sarah Pierson, Acting Director Finance and Corporate Services
Ms Jo Barrett-Lennard, Governance Officer

Observer:

Cr Phill Cronin

3. ELECTION OF PRESIDING MEMBER AND DEPUTY PRESIDING MEMBER

In accordance with Delegation s1 – 26 'Committee Elections, Ms Pierson called for nominations for the position of the Presiding Member of the CEO Performance Review Committee.

Cr Carter nominated Cr Henley. Cr Henley accepted the nomination.

With no other nominations received, Cr Henley was appointed Presiding Member of the CEO Performance Review Committee.

3:34pm: At this time, Cr Henley assumed the Chair.

The Presiding Member called for nominations for the position of Deputy Presiding Member of the CEO Performance Review Committee.

Cr Henley nominated Cr Carter for the position of Deputy Presiding Member. Cr Carter accepted the nomination.

With no other nominations received, Cr Carter was appointed Deputy Presiding Member of the CEO Performance Review Committee.

4. PUBLIC QUESTION TIME





Nil

5. DISCLOSURES OF INTEREST

Nil

6. REPORTS

6.1 ESTABLISHMENT OF CEO PERFORMANCE CRITERIA

STRATEGIC THEME	LEADERSHIP - A Council that connects with the community and is accountable in its decision making.
STRATEGIC PRIORITY	4.4 Govern a professional organisation that is healthy, capable and engaged.
SUBJECT INDEX	Governance
BUSINESS UNIT	Corporate Services
REPORTING OFFICER	Acting Director, Finance and Corporate Services - Sarah Pierson
AUTHORISING OFFICER	Acting Director, Finance and Corporate Services - Sarah Pierson
NATURE OF DECISION	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations
VOTING REQUIREMENT	Absolute Majority
ATTACHMENTS	Attachment A CEO Contractual Performance Criteria   Attachment B CEO Performance Agreement - Additional Performance Criteria  

COMMITTEE RECOMMENDATION

PR2302/015 Moved Councillor P Carter, seconded Councillor A Ryan

That the Council:

1. Agree to vary Schedule 2 of the CEO employment contract adopted on 23 November 2022 (C2211/270) to contain the contractual performance criteria as per Attachment A.

ABSOLUTE MAJORITY REQUIRED

2. Adopt the additional performance criteria to be met by the CEO as per the performance agreement contained at Attachment B.

CARRIED 3/0

BY ABSOLUTE MAJORITY

EXECUTIVE SUMMARY

This report seeks Council's endorsement of the performance criteria (the Criteria) to be met by the CEO, with the establishment of contractual performance criteria and the setting of additional performance criteria to be reviewed annually as part of the CEO performance review process.

BACKGROUND

The City appointed Mr Tony Nottle as its new CEO on 5 December 2022. Under the CEO employment contract the Council and the CEO are to negotiate and determine Performance Criteria (the Criteria), with the Criteria contained in Schedule 2 of the contract (currently blank). Under clause 3.3(g) of the contract, the Council may vary the Criteria in Schedule 2, in consultation with the CEO, and replace all or any of them with such other duties or performance criteria as may be determined from time to time.

Local governments are required to adopt (by absolute majority) standards in relation to the recruitment, review of the performance, and termination of employment of CEOs.

The City of Busselton CEO Standards for Recruitment, Performance and Termination (CEO Standards) were adopted on 28 April 2021 (C2104/083); they set out that the local government and the CEO must agree on

- a. the process by which the CEO's performance will be reviewed, and
- b. any performance criteria to be met by the CEO in addition to the contractual performance criteria.

At its Ordinary Council Meeting on 25 January 2023 the Council established a CEO Performance Review Committee, responsible for developing and recommending the performance criteria to Council. The Council also adopted an amended CEO Performance Review Policy (the Policy), which sets out process by which the CEO's performance will be reviewed, including the setting of performance criteria.

OFFICER COMMENT

This report recommends:

- a. adoption of a set of contractual performance criteria (Attachment A) by varying Schedule 2 of the CEO Employment contract (by absolute majority); and
- b. adoption of additional performance criteria as contained in the attached performance agreement (Attachment B).

The Criteria have been developed by members of the Committee in consultation with Councillors and with the CEO, with the CEO having agreed to the Criteria as recommended. It is intended that the contractual performance criteria (unless varied) will apply for the term of the contract, with the additional performance criteria reviewed annually as part of the performance review process.

In recognition of pending amendments to the Act with respect to publishing of CEO performance criteria (as contained in the *Local Government Amendment Bill 2023*), the Criteria are presented publicly for adoption.

Statutory Environment

Section 5.39B (2) of the Act requires that local governments adopt, within 3 months after the day on which the regulations prescribing the Model Standards come into operation, standards to be observed and which incorporate the Model Standards. The City adopted its Standards on 28 April 2021.

Relevant Plans and Policies

The CEO Standards set out that the local government and the CEO must agree on the process by which the CEO's performance will be reviewed. The Council adopted a CEO Performance Review Policy (the Policy) for that purpose which includes provisions in relation to the setting of Performance Criteria.

Financial Implications

There are no financial implications associated with the officer recommendation.

Stakeholder Consultation

No external stakeholder consultation was required or undertaken in relation to this matter.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

As an alternative to the proposed recommendation the Council could make amendments to the Criteria.

CONCLUSION

Establishment of performance criteria is required under the CEO employment contract and the CEO Standards and is important in setting a clear direction for the CEO and organisation.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The CEO employment contract will be varied and performance agreement provided to the CEO within one week.

SCHEDULE 2 – PERFORMANCE CRITERIA

1. Leadership
 - a. Demonstrates high levels of ethical behaviour, honesty, and a professional commitment to the community and the Council.
 - b. Fosters a positive culture focused on organisational values, quality community outcomes, and excellent customer service. You personally demonstrate effective modelling of the behaviours necessary to support and nurture that culture.
2. Collaboration
 - a. Provides a range of opportunities to enable Councillors to participate in strategy, policy and budget development.
 - b. Relationships and interactions between Councillors and senior staff are cordial, respectful and in accordance with Council guidelines.
3. Advocacy
 - a. You have professional dealings with government agencies necessary for the work of the Council. The City is well considered by senior government personnel and Governments in power. Relationships with local Members of Parliament are professional and the Council's issues are well understood.
 - b. You maintain a wide network of contacts and attend community and business events to facilitate productive outcomes for the Council, the community and the region. You bring new ideas to the table for consideration.
4. Compliance
 - a. All activities are compliant and without adverse findings (excluding historical findings prior to the recruitment of the CEO). Limited and minor statutory deadline extensions due to extenuating circumstances are met.
 - b. An unqualified audit report with some minor improvements suggested within the management letter.
5. Delivery
 - a. Stakeholder surveys identify general levels of satisfaction with both the range and levels of services offered. Resulting areas of potential improvement are identified and actioned.
 - b. A majority of Corporate Business Plan outcomes are delivered on time, within budget and achieve agreed outcomes and objectives.

CEO PERFORMANCE AGREEMENT 2023 - 2024

Performance Criteria	Outcome	Deliverable	Timeframe
1. Organisational Review	An organisational structure which best enables the delivery of organisational goals and objectives as outlined in the City's Strategic Community and Corporate Business Plan, recognising staff culture and morale as a key priority.	Complete a review of the organisation's structure and provide a report to Council outlining: <ul style="list-style-type: none"> a. the process undertaken, and b. recommendations for structural change (if any are made). 	By 30 June 2023
2. Council Resolution Reporting	The CEO presents through the Councillors Information Bulletin a monthly status report on all actionable resolutions of the Council.	<p>Monthly report to contain the following information in relation to each and every Council Resolution:</p> <ul style="list-style-type: none"> a. Date of Meeting; b. Resolution Number; c. Resolution Heading; d. Brief Description of Council decision; e. Directorate responsible; f. Action taken (brief statement); g. Completion date and priority status; <p>All information to appear on the Website for the public to access; and all resolutions to remain on the Status Report for six months after the date of completion.</p> <p>Reporting to include all resolutions since the Council election in 2019.</p>	By 30 June 2023

3. Local Procurement	An increase in level and breadth of local procurement, where cost efficient.	Undertake a review of local participation rates in the City's procurement of goods and services and provide a report to Council outlining: a. current levels of local procurement; and b. measures that can be implemented to increase the City's level and breadth of local procurement, where cost efficient.	By 31 December 2023
4. Financial Reserve /Asset Maintenance Planning review	Optimised use of reserves for asset management which addresses OAG commentary while ensuring future financial sustainability.	a. Undertake a review of the use of the City's financial reserves with the aim of appropriate reserve consolidation. b. Ensure the level of reserve funding is commensurate with asset management planning, providing a report to Council outlining clear recommendations for funding.	By 31 August 2023 By 28 February 2024
5. Customer Experience & Engagement	To have a best practice customer service and communications model in place across the City which increases community engagement and understanding of City processes and decisions.	Provide a report to council outlining measures undertaken to: a. implement a best practice customer service model following consultation with peer local governments; b. ensure the City's communication with its customers is understandable, uses simple language wherever possible, and clearly explains the impacts of decisions or potential decisions and why they have been made.	By 28 February 2024
6. Capital Works Plan	Development of a capital works plan to inform future LTFP	In conjunction with Council, review planned capital expenditure items and develop a 5 year capital works plan that prioritises and costs capital expenditure over the period.	By end of Dec 2023.

7. NEXT MEETING DATE

To be confirmed.

8. CLOSURE

The meeting closed at 3:38pm

THESE MINUTES CONSISTING OF PAGES 1 TO 11 WERE CONFIRMED AS A TRUE AND
CORRECT RECORD ON

DATE: 13.3.24

PRESIDING MEMBER: 