



Shire of
Serpentine
Jarrahdale

CEO Employment Committee Meeting

Agenda

Monday, 7 February 2022

5:30pm

Contact Us

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In Person

Shire of Serpentine Jarrahdale

6 Paterson Street, Mundijong WA 6123

Open Monday to Friday 8.30am-5pm (closed public holidays)



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Dear Committee Member

A CEO Employment Committee Meeting for the Shire of Serpentine Jarrahdale will be held on Monday, 7 February 2022 in the Council Chambers, Civic Centre, 6 Paterson Street, Mundijong – commencing at 5:30pm.

Helen Sarcich

Deputy CEO / Director Community and Organisational Development

01/02/2022

In accordance with Schedule 2.3 of the *Local Government Act 1995* the Deputy CEO / Director Community and Organisational Development shall preside at the commencement of this CEO Employment Committee Meeting to enable the election of the Presiding Member and the Deputy Presiding Member.

Agenda

1. Attendances and apologies (including leave of absence):

1.1 Election of Presiding Member

Nominations for the position of Presiding Member are to be called. Nominations can be made in writing prior to the meeting or can be made at the meeting.

If more than one nomination is received, a ballot will be undertaken with all Committee Members required to cast a secret vote.

At the conclusion of the vote counting, the Deputy CEO / Director Community and Organisational Development will declare the result and announce the Presiding Member.

The Presiding Member will then assume the Chair of the meeting.

1.2 Election of Deputy Presiding Member

Nominations for the position of Deputy Presiding Member are to be called. Nominations can be made in writing prior to the meeting or can be made during the meeting.

If more than one nomination is received, a ballot will be undertaken with all Committee Members required to cast a secret vote.

At the conclusion of the vote counting, the result will be declared.



2. Petitions and Deputations:

3. Declaration of Councillors and Officers interest:

4. Receipt of minutes or reports and consideration of adoption of recommendations from Committee meetings held since the previous Council meetings:

4.1 Minutes of previous CEO Employment Committee Meetings

4.1.1 CEO Employment Committee – 2 August 2021 [rescheduled 30 August 2021]

That the minutes of the CEO Employment Committee Meeting held on 2 August 2021 [rescheduled 30 August 2021] be confirmed (E21/10260).

4.1.2 Special CEO Employment Committee – 12 August 2021 [rescheduled 30 August 2021]

That the minutes of the Special CEO Employment Committee Meeting held on 12 August 2021 [rescheduled 30 August 2021] be confirmed (E21/10261).



5. Reports for consideration:

5.1 Reports:

5.1.1 – Reporting on CEO Key Performance Indicators (SJ2071)	
Responsible Officer:	Chief Executive Officer
Senior Officer:	Chief Executive Officer
Disclosure of Officer's Interest:	The CEO has declared an Impartiality Interest in this item.

Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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Report Purpose

The purpose of this report is to enable the Committee to consider means of supporting a discussion with the Council on developing a process to enable the CEO to regularly report on CEO KPIs and request the Council make amendments where there is mutual agreement on the need for a change.

Relevant Previous Decisions of Council

There are no previous Council decisions relating to this matter.

Background

At the last CEO annual review both the Council and the CEO agreed on the need to have a regular (e.g. 6 monthly) discussion between the parties and reporting on KPI progression however no details or arrangements were made or agreed.

Community / Stakeholder Consultation

Nil.

Statutory Environment

Regulation 16 of Schedule 2 of the *Local Government (Administration) Regulations 1996* provides that the Local Government and the CEO must agree on the process by which the CEO's performance will be reviewed and any performance criteria to be met by the CEO that are in addition to the contractual performance criteria.

Comment

There is not set approach used across the industry to regularly report on CEO KPIs. Some local governments do not do it, others do it in an adhoc manner and some do it regularly.

The organisation already reports on CEO KPIs indirectly through quarterly reporting on the Corporate Business Plan. However, this does not provide a forum for the Council and CEO



to discuss progress of KPIs to ensure alignment in expectations and to raise any issues being experienced by either party.

Any changes to KPIs must be mutually agreed upon between the parties.

The CEO is recommending that in the longer term a process be established and agreed between the parties and in the interim prior to this being established the CEO and Councillors conduct a workshop on this current years KPIs.

As part of the performance of its duties over the course of the financial year Council has made amendments to Shire activities that have or can have an impact on the delivery of CEO KPIs. In the short-term, a workshop with Council is considered to be the most effective and reasonable means to support a discussion between Council and the CEO as the employee on the impact of delivery of KPIs and any adjustments required. This type of arrangement is consistent with good performance measurement practice across organisations and is used similarly between Managers and Officers internally at the Shire.

Options and Implications

Option 1

That the CEO Employment Committee recommend Council REQUESTS the Chief Executive Officer to:

1. Develop a process for consideration by the CEO Employment Committee for the regular reporting and discussion on CEO KPIs between the CEO and all Councillors to come into effect in the 2022-23 Financial Year;
2. Hold a workshop with all Councillors to discuss the CEO KPIs related to the 2021-22 Financial Year; and
3. Refer any amendments which are mutually agreed to be made to KPIs directly to Council for consideration.

Option 2

That the CEO Employment Committee recommend Council resolves NOT TO ESTABLISH a process to regularly review CEO KPIs leaving it to an annual process.

Option 3

That the CEO Employment Committee recommend Council REQUESTS that a consultant be engaged to consult with both the Council and the CEO and prepare a draft process for regular reviewing and reporting upon CEO KPIs.

Option 1 is recommended.

Conclusion

Feedback received across the Local Government sector indicates a process of regular reporting and discussion between Council and the CEO on KPIs is beneficial to both parties. Hence it is recommended that a process be drafted for consideration.

Attachments (available under separate cover)

Nil.



Alignment with our Strategic Community Plan

Outcome 4.2	A strategically focused Council
Strategy 4.2.3	Provide clear strategic direction to the administration

Financial Implications

Officers do not foresee any financial implications associated with the matters raised in this report unless Council decides to proceed with Option 3. Option 3 would be expected to cost between \$5,000-\$10,000.

Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	There are no material risks associated with this option						
2	This approach could cause confusion at the time of reviewing performance and potential non-compliance with the Standards for review of performance of CEOs		Organisational Performance	Possible	Minor	LOW	
3	There are no material risks associated with this option beyond the expenditure identified in the report						



Voting Requirements: Simple Majority

Officer Recommendation

That the CEO Employment Committee recommend Council REQUESTS the Chief Executive Officer to:

- 1. Develop a process for consideration by the CEO Employment Committee for the regular reporting and discussion on CEO KPIs between the CEO and all Councillors to come into effect in the 2022-23 Financial Year;**
- 2. Hold a workshop with all Councillors to discuss the CEO KPIs related to the 2021-22 Financial Year; and**
- 3. Refer any amendments which are mutually agreed to be made to KPIs directly to Council for consideration.**

Please note that the CEO Employment Committee does not have delegated authority to make decisions. All recommendations of the CEO Employment Committee are presented to Council for ratification.



6. Motions of which notice has been given:

7. Urgent business:

8. Closure: