

12.11 APPOINTMENT OF A CEO PERFORMANCE REVIEW CONSULTANT

- Attachments:**
1. **Price Consulting Pty Ltd Quote - Confidential**
 2. **Mills Recruitment Quote - Confidential**
 3. **Summary of Consultant's Fees - Confidential**

RECOMMENDATION:

That Council APPOINTS Ms Natalie Lincolne of Price Consulting Pty Ltd to assist Council with the Chief Executive Officer's Performance Reviews for 2021/22 and 2022/23 in accordance with Policy No. 4.2.16 – CEO Annual Performance Review.

PURPOSE OF REPORT:

To consider appointing a Human Resources Consultant to assist Council in conducting the Chief Executive Officer's (CEO's) annual performance reviews for the 2021/22 and 2022/23 periods.

BACKGROUND:

At its Council Meeting on 14 November 2017, Council adopted *Policy No: 4.2.16 – CEO Annual Performance Review* (the Policy). The Policy sets out that a CEO Performance Review Panel ('the Panel') will be established to oversee the CEO Annual Review Process and that the Panel shall comprise up to four members, including the Mayor as Chairperson and at least two other Council Members.

A revised version was approved for advertising at the Council Meeting on 5 April 2022.

Mayor Emma Cole, Cr Gontaszewski, Cr Alex Castle and Cr Ross Ioppolo were appointed to the Panel at the Council Meeting held on 16 November 2021 for a term expiring on 21 October 2023.

Section 1 of the Policy states:

"1. Performance Review Panel

- 1.1 *The Council shall establish a CEO Performance Review Panel (the Panel) to have carriage and oversight of the Annual Review Process.*
- 1.2 *The Panel shall be appointed by resolution of Council for a two year term ending on the date of the next ordinary local government election.*
- 1.3 *The Panel shall comprise up to four members, including the Mayor as Chairperson and at least two other Council Members.*
- 1.4 *The primary functions of the Panel are to:*
 - (a) *Subject to clause 2.4, determine the scope of work to engage a consultant to assist with the conduct of the review process;*
 - (b) *Review quotations received from consultants to assist with the conduct of the review process;*
 - (c) *Provide a recommendation to Council on the appointment of a suitable consultant to assist with the conduct of the review process;*
 - (d) *Manage the consultant appointed by Council;*
 - (e) *Review the results of the performance review process and remuneration review and provide a recommendation to Council on the same; and*
 - (f) *Discuss possible KPIs and measurements with the CEO for reporting to Council arising from the performance review process."*

The Policy also states that, unless otherwise determined by Council, the selected consultant shall be appointed for a two year term to coincide with the membership term of the Panel.

DETAILS:

A formal request for quotations to conduct the CEO's 2021/22 and 2022/23 Annual Performance Reviews was sent to four (4) suitably qualified human resources consultants on 3 May 2022. Each consultant was provided

with identical information and was requested to describe their experience and recommended methodology for conducting the performance review in relation to the requirements under the Policy.

Two consultants declined to participate.

A total of two (2) quotations were received from Mills Recruitment and Price Consulting Pty Ltd. As part of the CEO Performance Review Panel assessment, the following was considered in making a determination:

1. Proposed methodology of the CEO review and level of engagement with Mayor, Councillors, CEO and staff;
2. Proposed services fit with the requirements of the Policy;
3. Relevant experience to undertake such a review;
4. Proposed cost.

The submission from Price Consulting Pty Ltd was well considered, thorough and provided an appropriate methodology for sound engagement with Council Members, CEO and members of staff to ensure an accurate review of the CEO's performance. The price submitted from Price Consulting Pty Ltd also reflects good value for money for the level of engagement proposed.

Price Consulting Pty Ltd also has extensive CEO review experience and has provided a positive experience in working with the Council and CEO in the past.

The CEO has been consulted and is supportive of the appointment of Price Consulting Pty Ltd.

A copy of each confidential quotation submissions is included as **Confidential Attachments 1 and 2** and the summary of consultant fees and is included as **Confidential Attachment 3**.

The CEO Performance Review Panel considered the two (2) quotations on Thursday 12 May 2022 and confirmed that Price Consulting Pty Ltd was its preferred submission.

CONSULTATION/ADVERTISING:

The CEO was consulted and is supportive of the recommendation to Council.

LEGAL/POLICY:

Annual performance reviews are mandated by section 5.38 of the *Local Government Act 1995*:

"5.38. Annual review of certain employees' performances

The performance of each employee who is employed for a term of more than one year, including the CEO and each senior employee, is to be reviewed at least once in relation to every year of the employment."

Also guiding the process of the CEO performance review are the *Model standards for CEO recruitment, performance and termination* adopted by Council at its meeting held 23 March 2021. The Model standards reflect the minimum requirements specified under regulation.

City of Vincent *Policy No: 4.2.16 – CEO Annual Performance Review* sets out that a CEO Performance Review Panel will be established to oversee the CEO Annual Review Process and outlines the primary functions of the Panel in carrying out the review.

RISK MANAGEMENT IMPLICATIONS:

Low: It is low risk to appoint a consultant to conduct the CEO Performance Review.

STRATEGIC IMPLICATIONS:

The review of the CEO's performance is an important opportunity for Council to evaluate the CEO and the City's performance against Council priorities in the City's Strategic Community Plan, the Corporate Business Plan and the agreed Key Performance Indicators for the review year. It is important to engage in constructive dialogue with the CEO about past performance and the future direction of the organisation as well as to define Council's future priorities, expectations and Key Performance Indicators for the position of CEO.

SUSTAINABILITY IMPLICATIONS:

Nil

PUBLIC HEALTH IMPLICATIONS:

This does not contribute to any public health outcomes in the *City's Public Health Plan 2020-2025*.

FINANCIAL/BUDGET IMPLICATIONS:

The financial value of the two quotations received to conduct the CEO's Performance Reviews is included in the Summary of Consultant's Fees at **Confidential Attachments 3**, given the commercial-in-confidence nature of the information.

There is budget provided to engage a consultant to conduct the CEO's annual performance review and the estimated cost of the recommended consultant is within budget.

COMMENTS:

An annual CEO performance review is a legal requirement under the *Local Government Act 1995* and is a critical organisational review process that will be used to inform future organisational direction, priorities and revised Key Performance Indicators for the CEO.

The CEO Performance Review Panel has reviewed the submissions and Ms Natalie Lincolne from Price Consulting Pty Ltd is considered to be the preferred and recommended consultant to carry out the CEO performance reviews over the two year term.