



## NOTICE OF MEETING

# PERFORMANCE REVIEW COMMITTEE

I hereby give notice that an Ordinary Meeting of the Performance Review Committee will be held on:-

**DATE:**        **Wednesday 11 September 2002**                    **TIME:**        **2.00 pm**

**VENUE:**        **Civic Centre, 6 Waipareira Avenue, Lincoln, Waitakere City**

to consider any business within the scope and delegations of the Committee and to take any necessary action connected therewith.

11 July 2003

Darryl Griffin  
**MANAGER DEMOCRACY AND SUPPORT  
SERVICES**

Telephone (09) 836 8000 extn 8712

### **MEMBERSHIP:**

Mayor	RA	Harvey, QSO, JP (Chairperson)
Councillors	CA	Stone (Deputy Chairperson)
	JM	Clews, QSO, JP
	PA	Hulse
	GB	Presland

(Quorum 2 members)

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(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR AN ORDINARY MEETING OF THE PERFORMANCE REVIEW COMMITTEE  
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,  
WAITAKERE CITY, ON WEDNESDAY, 11 SEPTEMBER 2002,  
COMMENCING AT 2.00 PM.**

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**1 APOLOGIES**

Cr Clews.



**2 URGENT BUSINESS**

Section 46A(7) and (7A) of the Local Government Official Information Act and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the item is a minor matter; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting; and
- (iii) the Committee resolves to deal with the item.

No resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting for further discussion.

**NOTE:** Urgent Business need not be dealt with now and may be delayed until later in the meeting.



**3 CONFIRMATION OF MINUTES**

Special - Tuesday, 11 June 2002

**RECOMMENDATION**

That the minutes of the Special Meeting of the Performance Review Committee held on Tuesday, 11 June 2002, as circulated, be taken as read and now be confirmed.



**3 STAFFING AND PAYROLL INFORMATION - 2001/2002 FINANCIAL YEAR**

This report gives an outline of staffing and payroll issues across the Council. The report is a snapshot as at the last day of the month and there may well have been movements in staff numbers at the time of the reading of this report.

**MAY 2002**

**Redundancies**

There were no redundancies during the month of May 2002.

**Dismissals**

There were no dismissals during the month of May 2002

**Grievances**

Human Resources are dealing with 2 personal grievances.

**JUNE 2002**

**Redundancies**

There were no redundancies during the month of June 2002.

**Dismissals**

There were no dismissals during the month of June 2002.

**Grievances**

Human Resources are dealing with 2 personal grievances.

**JULY 2002**

**Redundancies**

There were no redundancies during the month of July 2002.

**Dismissals**

There was one dismissal during the month of July 2002.

**Grievances**

Human Resources are dealing with 4 personal grievances.

**STAFFING AND PAYROLL INFORMATION**

A1

Attached at page A1 is the statistical data on staffing and payroll for 2001/2002 including May, June and July 2002.

**RECOMMENDATION**

That the information be received.

Report prepared by: Keith Campbell, Human Resources Manager.



#### 4 **CHIEF EXECUTIVE'S REMUNERATION**

##### **PURPOSE OF THE REPORT**

The purpose of this report is to approve an adjustment to the Chief Executive's Remuneration from the correct date – Thursday, 28 March 2002.

##### **BACKGROUND**

The Performance Review Committee at its meeting on Tuesday, 18 June 2002 resolved to negotiate an increased remuneration package with the Chief Executive increasing it with effect from 1 July 2002.

##### **ISSUES**

The Chief executives contract states the Term of Agreement as being from 28 March 2001 expiring on 27 March 2004. Clause 5.3 states that the value of the annual remuneration package and the mix of salary and benefits, which comprise it, shall be reviewed by the Performance Review Committee on or about the anniversary of the date of this agreement.

The 1 July is not on or about 28 March and accordingly the Performance Review Committee is requested to review the date on which the revised remuneration schedule is to be effective from.

##### **RESOURCES**

Resources are provided in the Annual Plan for 2002/2003 for the payment of a revised remuneration package to the Chief Executive.

##### **CONCLUSION**

The 1 July is not on or about 28 March and accordingly the Performance Review Committee is requested to review the date on which the revised remuneration schedule is to be effective from.

##### **RECOMMENDATIONS**

1. That the information be received.
2. That the Chief Executives revised remuneration package be payable from 28 March 2002, the anniversary of the date of the employment agreement between the Council and the Chief Executive.

Report prepared by: Darryl Griffin, Manager Democracy and Support Services.



**5 MANAGING THE RELATIONSHIP BETWEEN THE COUNCIL AND ITS CHIEF EXECUTIVE**

**PURPOSE OF THE REPORT**

The purpose of the report is to introduce the July 2002 production from the Office of The Controller and Auditor-General entitled "Managing the Relationship Between a Local Authority's Elected Members and its Chief Executive".

**BACKGROUND**

In 1994 the Office of the Controller and Auditor-General produced a report examining local authority employment practises.

This report updates that 1994 examination and provides guidance for managing the relationship between Elected Members and their Chief Executive.

**ISSUES**

The report explains why the Auditor-General has addressed this subject, describes principles for the relationship, explains the roles of Chief Executive and Elected Members, offers advice on the recruitment process covering the vexed issue of the 5 year advertising requirement, discusses reviewing performance, advises how the Chief Executive manages staff and concludes with discussion on sharing responsibility for policy development and daily interaction between the Chief Executive and the Elected Members.

**CONCLUSION**

*A2 - A71*

The report by the Controller and Auditor-General offers sound advice on the relationship between the Council and its Chief Executive. It is copied at pages A2 to A71 for circulation to Councillors for information as acceptance as good practise guidance in managing the relationship between the Council and its Chief Executive.

**RECOMMENDATIONS**

1. That the information be received.
2. That the Council accept the report of the Controller and Auditor-General as good practise guidance in managing the relationship between the Council and its Chief Executive.

Report prepared by: Darryl Griffin, Manager Democracy and Support Services.



## 6 PERFORMANCE APPRAISAL

### **PURPOSE OF THE REPORT**

The purpose of this report is to seek agreement on the form and process for a formal review of the Chief Executive's performance.

### **BACKGROUND**

The Council has established that it wants to implement a robust performance appraisal process for its Chief Executive and seeks to agree on a process and documentation to support that process.

### **ISSUES**

Draft documentation to be used in negotiations is currently being prepared. The Council now needs to agree on the process to be used and to establish a programme for its implementation.

### **PERFORMANCE ASSESSMENT PROCESS**

*A72 - A73*

An overview of Performance Appraisals is attached at pages A72 to A73. The Performance Assessment Process is an ongoing continual series of events that is formalised at least twice yearly.

#### Half Yearly Review:

1. The Chief Executive writes a report to all Councillors and indicates an assessment of performance against each of the criteria established.
2. The Report is circulated to all Councillors.
3. The Performance Review Committee meets with the Chief Executive, with or without an independent facilitator (who can be requested by either party), and reviews performance against the agreed criteria using the Chief Executive's Report as the basis for discussion.
4. Where projects or key result areas are completed the Committee can reach formal agreement as to the appropriate score without waiting for the final review. Should this enable a portion of any 'at risk' remuneration to be decided the payment can be made at that time by agreement.
5. Generally this interim review should give the Chief Executive a good idea of how the performance is progressing towards reaching the expectations of the Council.

#### End of Year Review:

1. The Chief Executive writes a report to all Councillors and indicates an assessment of performance against each of the criteria established.
2. The Report is circulated to all Councillors.
3. The Council holds a Workshop at which the Performance Review Committee leads a discussion and requests comments from other Councillors on the report and seeks feedback on the Chief Executive's performance - both good and not so good. A record of this Workshop is noted for use at the meeting with the Chief Executive.
4. The Performance Review Committee meets with the Chief Executive, with or without an independent facilitator (who can be requested by either party), and reviews performance against the agreed criteria using the Chief Executive's Report and the Workshop record as the basis for discussion.

5. Each member of the Performance Review Committee scores the Chief Executive at each assessment point after discussing the issues, and the average of all Performance Review Committee Member's scores is entered in the spreadsheet template. Only whole or half points are permitted. A calculation is then automatically completed for each category.
6. At the end of the process the Performance Review Committee addresses any issues where the score is less than 3 and agrees with the Chief Executive an appropriate course of action where the Council's expectations are not being met.
7. The Main Performance criteria are assessed for the purpose of continued contract expectations of the parties. If an overall score of .50 or greater is scored then there is an expectation that the Council will offer contract renewal where that is possible under the Statute. If the position must be advertised, the Council will agree to take into account the performance assessment and give due credit to the incumbent for that performance when comparisons are made against any other applicant.
8. The Key Result Areas Performance criteria is scored in the same way as the Main Performance criteria and the scores are used to calculate the 'at risk' portion of remuneration which is then paid in addition to base remuneration.
9. The Committee and the Chief Executive then review and agree on all performance criteria for the next year. This includes new KRA's for 'at risk' remuneration.
10. Negotiations should then be concluded on remuneration for the ensuing year with effect from 1 July and the proportion of remuneration that is to be at risk.

## **RESOURCES**

The proposal provides for the engagement of an independent facilitator for the process and this is recommended. The cost of this engagement is covered in the Chief Executive's budget allocation for the engagement of consultants.

## **CONCLUSION**

That the process and timeframe for implementation be approved and a consultant be engaged to assist the Council and the Chief Executive through the Performance Appraisal process. It is proposed that the time frame for the completion of setting the targets for 2002/2003 be 31 October 2002.

## **RECOMMENDATIONS**

1. That the information be received.
2. That an independent facilitator be engaged to assist the Council and the Chief Executive to implement the Performance Appraisal.
3. That the process for the Appraisal be agreed to.
4. That the Mayor and Deputy Mayor enter into negotiations with the Chief Executive to agree on performance parameters for the year to 30 June 2003.

Report prepared by: Darryl Griffin, Manager Democracy and Support Services.



