

His Worship the Mayor
Councillors
CITY OF MARION



**NOTICE OF
PEOPLE AND CULTURE COMMITTEE MEETING**

Notice is hereby given pursuant to the provisions under Section 83 of the Local Government Act 1999 that a General Council meeting will be held

Tuesday 3 May 2016

Commencing at 6.30pm

In Committee Room 1

Council Administration Centre

245 Sturt Road, Sturt

A copy of the Agenda for this meeting is attached in accordance with Section 83 of the Act.

Meetings of the Council are open to the public and interested members of this community are welcome to attend. Access to Committee Room 1 is via the main entrance to the Administration building on Sturt Road, Sturt.

A handwritten signature in dark ink, appearing to read "Adrian Skull", is positioned above the printed name and title.

Adrian Skull
CHIEF EXECUTIVE OFFICER

28 April 2016

**CITY OF MARION
PEOPLE AND CULTURE COMMITTEE AGENDA
FOR THE MEETING TO BE HELD ON
TUESDAY 3 MAY 2016
COMMENCING AT 6.30 PM
COMMITTEE ROOM 1
245 STURT ROAD, STURT**



1. OPEN MEETING

2. KAURNA ACKNOWLEDGEMENT

We acknowledge the Kurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3. MEMBER'S DECLARATION OF INTEREST (if any)

4. CONFIRMATION OF MINUTES

Confirmation of the Minutes for the People and Culture Committee meeting held 1 March 2016 4

5. BUSINESS ARISING

5.1 Review of the Business Arising Statement from previous meetings of the People and Culture Committee 9

6. PRESENTATION

6.1 7.30pm – 5 Minute Presentation on Values from the City of Marion Young Citizen of the Year, Charlotte Rayner.

7. REPORTS

7.1 CEO Key Performance Indicators – Quarter 1 & 2, 2015-16
PCC030516R7.112

7.2 Chief Executive Officer Performance Review – Timeline and Approach
PCC030516R7.257

7.3 Development Assessment Panel Independent Member Recruitment
PCC030516R7.368

7.4 Update of Enterprise Agreement Negotiations – Administrative Staff
PCC030516R7.470

7.5 Organisational Culture and Values
PCC030516R7.573

7.6	Organisational Strategies – Internal Communications and Wellbeing PCC030516R7.6.....	76
7.7	Approach to Developing a Workforce Plan PCC030516R7.7.....	80
7.8	People and Culture Monitoring Report PCC030516R7.8.....	83
7.9	Committee Review and Feedback – Verbal Discussion (no report)	

8. CONFIDENTIAL ITEMS

Nil

9. ANY OTHER BUSINESS

10. MEETING CLOSURE

The People and Culture Committee meeting shall conclude on or before 9.30pm unless there is a specific motion adopted at the meeting to continue beyond that time.

11. NEXT MEETING

The next meeting of the People and Culture Committee is scheduled to be held on:

Time: 6.30pm
Date: Tuesday 5 July 2016
Venue: Committee Room 1

**MINUTES OF THE PEOPLE & CULTURE COMMITTEE MEETING
HELD AT ADMINISTRATION CENTRE
245 STURT ROAD, STURT
ON TUESDAY 1 MARCH 2016**



PRESENT

Elected Members

Councillor Raelene Telfer (Presiding Member), Councillor Hutchinson & Councillor Hull
His Worship the Mayor Kris Hanna (from 8.09 pm)

Independent Member

Dr David Panter

In Attendance

Adrian Skull	Chief Executive Officer
Kate McKenzie	Manager Corporate Governance
Steph Roberts	Manager Human Resources
Vincent Mifsud	General Manager Corporate Services
Tania Baldock	CEO & Mayor Executive Assistant (Minute Secretary)

1. OPEN MEETING

The meeting commenced at 6.30pm.

2. KAURNA ACKNOWLEDGEMENT

We acknowledge the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3. MEMBERS DECLARATION OF INTEREST

The Chairman asked if any Member wished to disclose an interest in relation to any item being considered at the meeting.

Cr Hutchinson declared an interest through membership on the Development Assessment Panel but felt it would not be deemed a conflict.

4. CONFIRMATION OF MINUTES

Nil due to this being the inaugural meeting.

5. BUSINESS ARISING

Nil due to this being the inaugural meeting.

6. PRESENTATION

6.1 Overview of the City of Marion

The CEO presented to the Committee an overview of:

- Demographic, financial and asset data
- Council's approach to strategic planning, leadership and organisational structure
- Trends and issues affecting the City of Marion that inform strategic planning
- Major projects being undertaken by Council and State Government that affect the City of Marion and region.

7. REPORTS

Subject: Terms of Reference

Report Reference: PCC01031 R7.1

Moved Councillor Hutchinson, Seconded Dr Panter that the People and Culture Committee:

- Notes the Terms of Reference identified at Appendix 1 to the report.

Carried Unanimously

The Presiding Member invited the Committee Members to introduce themselves and give a summary of their skills and experience. The Committee noted the considerable skills and experience brought by different members that will assist the Committee to enhance organisation performance and change through its people and culture.

Subject: Work Plan 2016

Reference No: PC010316 R7.2

Moved Councillor Hull, Seconded Councillor Hutchinson that the People and Culture Committee:

- Notes the proposed work program for 2016 identified at Appendix 1 to the report subject to the following amendments:
 - Note that the document is an organic document and may alter with each meeting with different outcomes.
 - 3 May 2016 meeting – Alter to Workforce Planning to “Workforce Planning Strategies”
 - Clarify the timing of the CEO Performance and Remuneration Review. Suggest that the timing should be the July 2016 meeting which is after the conclusion of the

financial year. This meeting would discuss the process & assessment criteria for CEO performance and remuneration review to be recommended for Council consideration and adoption. If this is the case, the outcome of the CEO Performance & Remuneration Review would be considered at the Committee meeting on 6 September 2016.

- The Wellbeing Strategies for the May meeting be altered to the “Wellbeing and Communication Strategies”
- A review of the ‘How We Work Together’ Policy be added to the 5 July 2016 meeting.

Carried Unanimously

Subject: Development Assessment Panel – Vacancy for Independent Members
Reference No: PC010316R7.3

The Committee noted that two of the independent members on the Development Assessment Panel (the DAP) term are due to expire in May 2016 and a recruitment process is required to fill these vacancies. The Committee noted that the Development Act requires the DAP to have at least one female. The Committee reviewed a time line for appointment of Independent DAP Members for 2016. New members would commence in June 2016 once the recruitment process was completed.

Moved Councillor Hutchinson, Seconded Councillor Hull that the People and Culture Committee:

- Acknowledge the excellent contribution of Wendy Bell and Phil Smith and invite them to reapply for the independent DAP positions in accordance with Council’s adopted practices for the appointment of Independent DAP Members.
- That the People and Culture Committee notes that administration will shortly commence the recruitment process, commencing with an advertisement being placed in the Adelaide Advertiser seeking potential candidates.
- That following the closure of the advertising period seeking expressions of interest, the Elected Members of the People and Culture Committee together with the Chief Executive Officer or delegate, shortlist candidates, and then interview candidates and make recommendations to Council on preferred candidates.

Carried Unanimously

Subject: Enterprise Agreement (EA) Negotiations Administrative Staff
Report Reference: PCC010316R7.4

The Committee noted the following discussion points:

- Staff have arranged a number of meetings over the next few weeks in relation to the negotiations of the Enterprise Agreement.
- The Vacancy Management Policy is being reviewed.

- The structure of the organisation needs to be fit for purpose.

ACTION: That the Committee be provided with an organisational chart and current register of salaries.

Moved Dr Panter, Seconded Councillor Hull that the People and Culture Committee:

- Notes the update provided regarding the Enterprise Agreement Negotiations with Administrative Staff.
- A further progress report will be presented to the People and Culture Committee at its meeting of 3 May 2016.

Carried Unanimously

Subject: Organisational Culture and Values
Report Reference: PCC010316R7.5

The CEO provided a presentation to the Committee seeking their views on the following:

- What is the destination statement for the Council regarding its people? The current challenge is defining its destination, determining how to get there and then measuring progress and outcomes.

The Committee provided the following comments:

- A trusting relationship between Council and Administration is vital for achievement and outcomes.
- The skills and experience of staff across the organisation is good.
- The Elected Body is working well together to achieve outcomes for the community.
- Public value and community benefit needs to be embedded further within the organisation
- Communication through the organisation and how issues are managed could be improved.
- The organisation has an opportunity to grow from mistakes and improve the customers experience. As a service organisation ensuring the culture supports positive and respectful experience will create further accountability. This culture needs to be led by the Elected Members down through the organisation.

8.09 pm Mayor Hanna entered the meeting

The Committee noted that the values are yet to be articulated by Council. The Human Resources Team is commencing a consultation process with the organisation regarding values and seeking input from all staff.

The Committee suggested that the Elected Members thought it was important they also had ownership of the values and would like to sign off on the agreed values before implementing.

Subject: People and Culture Monitoring Report
Report Reference: PCC010316R7.6

The Committee noted the report and suggested some further work, to make the data more meaningful.

The Committee suggested the following improvements to the report:

- The full time equivalent be tracked with both internal and external (contractor) staff
- The total employee costs and labour budgets be monitored through this report
- The leave accruals to have comparison data including trend data
- The Lost Time Injury Frequency Rate include trend and benchmarking data to provide more context regarding how the organisation is performing.
- The injury data to be provided by division to help the Committee understand what parts of the organisation are doing well.
- Provide details regarding when the data has been collected (i.e. monthly, quarterly, etc.)

Subject: Committee Review and Feedback – Discussion
Report Reference: PCC010316R7.7

The Committee provided general feedback and suggested that some items will require more formality than others, including moving into confidence for items such as interviewing expert members for positions and the Chief Executive Officer Performance and Remuneration Review.

8. CONFIDENTIAL ITEMS

Nil

9. ANY OTHER BUSINESS

Nil

10. MEETING CLOSURE

The meeting was declared closed at 8.56 pm

11. NEXT MEETING

The next meeting of the People and Culture Committee is scheduled to be held on:

Time: 6:30 pm
Date: 3 May 2016
Venue: To be Advised

CONFIRMED

.....

CHAIRPERSON

/ /

CITY OF MARION

BUSINESS ARISING FROM PEOPLE AND CULTURE COMMITTEE MEETINGS

AS AT 28 April 2016



	Date of Meeting	Item	Responsible	Due Date	Status	Completed / Revised Due Date
1.	1 March 2016	Enterprise Agreement (EA) Negotiations Administrative Staff Report That the Committee be provided with an organisational chart and current register of salaries.	Steph Roberts	April 2016	Information has been sent to the Committee via email 20 April 2016.	Completed
2.						

CITY OF MARION**People and Culture Committee**

SCHEDULE OF MEETINGS 2016			
Day	Date	Time	Venue
Tuesday	1 March 2016	6.30 – 9.30 pm	Administration Building
Tuesday	3 May 2016	6.30 – 9.30 pm	Administration Building
Tuesday	5 July 2016	6.30 – 9.30 pm	Administration Building
Tuesday	6 September 2016	6.30 – 9.30 pm	Administration Building
Tuesday	1 November 2016	6.30 – 9.30 pm	Administration Building

INDICATIVE PEOPLE AND CULTURE WORK PROGRAM - 2016**TUESDAY, 1 March 2016**

Topic	Action
Committees Terms of Reference and overview of skills	Noting and Feedback
Work Plan 2016	Noting and Feedback
Development Assessment Panel Expert Member recruitment	Noting and Feedback
Update of EA Negotiations	Noting and Feedback
Organisational Culture and Values (development, implementation and monitoring)	Noting and Feedback
People and Culture Monitoring Report (key strategies, policies, budget)	Noting and Feedback
Committee Review and Feedback	

TUESDAY, 3 May 2016

Topic	Action
Update of EA Negotiations (including issues, market salary gaps, expectations, etc)	Noting and Feedback
DAP Independent Member Recruitment	Recommendation to Council
Workforce Planning	Noting and Feedback
Organisation Values Update	Noting and Feedback
Organisation Wellbeing and Internal Communication Strategies	Noting and Feedback
CEO Key Performance Indicators	Noting and Feedback
Setting of timeline and process for CEO Annual Performance and Remuneration Review	Recommendation to Council
People and Culture Monitoring Report (key strategies, policies, budget)	Noting and Feedback
Committee Review and Feedback	

TUESDAY, 5 July 2016

Topic	Action
Succession planning for key Staff	Noting and Feedback
Elected Member Professional Development Policy, Plans	Recommendation to Council
Council effectiveness and performance Review	Recommendation to Council
Staff working with the Community (i.e. sporting clubs) to achieve community outcomes.	Noting and Feedback
People and Culture Monitoring Report (key strategies, policies, budget)	Noting and Feedback
Committee Review and Feedback	

TUESDAY, 6 September 2016

Topic	Action
Leadership Development Program	Noting and Feedback
Volunteer Management – performance and improvement	Noting and Feedback
Review appointment of expert member to Audit Committee	Recommendation to Council
People and Culture Monitoring Report (key strategies, policies, budget)	Noting and Feedback
Committee Review and Feedback	
Executive Performance and Remuneration Review	Noting and Feedback
Workforce Plan	Noting and Feedback

Tuesday, 1 November 2016

Topic	Action
Annual CEO Performance and Remuneration Review	Recommendation to Council
Review appointment of expert members to section 41 Committees.	Recommendation to Council
Indicative Work Program for People and Culture Committee for 2017	Noting and feedback
Annual Report to Council on Outcomes from People and Culture Committee	Report to Council
People and Culture Monitoring Report (key strategies, policies, budget)	Noting and Feedback
Committee Review and Feedback	

**CITY OF MARION
PEOPLE AND CULTURE COMMITTEE MEETING
3 MAY 2016**

Originating Officer: Catrin Johnson, Strategy Partner / Michelle Stewart,
Corporate Performance Officer

Corporate Manager: Kate McKenzie, Manager Corporate Governance

General Manager: Vincent Mifsud, General Manager Corporate Services

Subject: CEO Key Performance Indicators for 2015-16

Report Reference: PCC030516R7.1

REPORT OBJECTIVES:

This report provides the People and Culture Committee with the 2015-16 CEO Key Performance Indicators (KPIs) agreed as part of the CEO's employment contract (Appendix 1).

EXECUTIVE SUMMARY:

Appendix 1 provides an updated version of the CEO Key Performance Indicators Report. This report was tabled at the meeting of 3 May 2015 and an updated version of the agenda has been placed on the website. This report supersedes the original report presented in Appendix 2.

The year to date performance shows there is nine out of 13 KPIs where the targets are in the acceptable or exceptional range.

RECOMMENDATIONS (1)

DUE DATES

That the People and Culture Committee:

- 1. Notes the CEO's Key Performance Indicators for the year to date**

3 May 2016

CEO Key Performance Indicators Year to Date Report 2015-16:



This Performance Report provides both an overall dashboard view and a progress update for each of the measures.

Dashboard Status icons

	Target rating = Exceptional
	Target rating = Acceptable
	Target rating = Target not met
	No target set




The following KPIs are based on no substantial cuts to existing services provided to the community (unless by Council resolution) and applying level of rate increase as set by Council.

Measure		Target	Quarter 1 July to Sept 2015	Quarter 2 Oct to Dec 2015	Quarter 3 / YTD (Jan to Mar 2016)	Quarter 3 / YTD Results
FINANCIAL						
1	Actual operating surplus ratio for 2015-16 (adjusted for extraordinary items)	0 – 6%	9.1%	8.5%	-	
2	Asset sustainability ratio (5 year average)	> 80%	107.0%	103.1%	-	
3	Net financial liabilities ratio	0 – 50%	12.0%	9.1%	-	
HUMAN RESOURCES						
4	Change in the Senior Leadership Team or Unit Manager staff (FTE)	Reduce by 1 – 10%	-	-	10% (YTD)	
5	Total employee costs (staff plus agency)	Decrease by 1 - 10%, in dollar terms, over the previous year's adopted budget	-1.7%	-1.5%	-	
6	Lost employee time due to injury	Reduction of 1% or equal to average of last 5 years	0.0	9.1	22.2 (Quarter 3 cumulative result)	
7	Employee retention	88 – 100%	97.7%	97.0%	98.1% (Quarter 3)	
CAPITAL WORKS						
8	Major Capital Works (>\$4m each project)	Completed substantially or strictly on time and on budget (or better)	Substantially on time and on budget	Substantially on time and on budget	Substantially on time and on budget (YTD)	
9	Number of specific Major Capital Works proposals ready for approval by Council	1 - 2	0	0	1 (YTD)	
10	Council's cash contribution in respect of each Major Capital Work	< 50%	N/A	N/A	< 50% (YTD)	
11	Completion of priority list of budgeted projects (13)	11 or more projects completed	N/A – Reporting not commenced	< 11 projects completed	< 11 projects completed (Quarter 3)	
ELECTED MEMBERS ASSESSMENT						
12	Rating by Elected Members	Met or exceeded expectations	-	-	80.0% (Annual performance)	
13	Alignment throughout administration to Strategic and Business Plans (as developed by Elected Members)	Moderate to high level of alignment	Low level of alignment	Low level of alignment	Low level of alignment (YTD)	

KEY PERFORMANCE INDICATOR 1:

Actual operating surplus ratio for 2015-16 (adjusted for extraordinary items)

TARGET:

	Exceptional	0 – 3%
	Acceptable	> 3 but > 6%
	Target not met	< 0 or > 6%

QUARTER 1 PERFORMANCE:  **9.1%** Target not met

QUARTER 2 PERFORMANCE:  **8.5%** Target not met

QUARTER 3 PERFORMANCE: **Not yet available (3rd budget review is scheduled to go to Council for consideration at the 24th May 2016 General Council Meeting)**

Background

This ratio expresses the operating surplus / (deficit) as a percentage of general and other rates, net of rebates and is calculated as a full year equivalent figure.

Performance




The operating surplus ratio is forecast to exceed the currently adopted 5-year average target. This is primarily as a result of substantial gross operational savings of \$3.2m being achieved in 2015-16 which has had a significant impact on the operating surplus ratio, bringing the second quarter figure to 8.5%. Any future operating savings identified will further increase the operating surplus ratio. Council's operating profit result provides the basis to fund normal day to day community services for both (1) provision of community services, and (2) capital renewal of existing infrastructure.

It should be noted that a quarterly result may not be representative as it assumes that all sources of revenue and expense are evenly divided across the four quarters. Quarterly analysis of this ratio may not indicate a trend that would predict the annual result.

KEY PERFORMANCE INDICATOR 2:

Asset sustainability ratio (5 year average)

TARGET:

	Exceptional	> 90%
	Acceptable	> 80 – 90%
	Target not met	< 80%

QUARTER 1 PERFORMANCE:  **107.0%** Exceptional

QUARTER 2 PERFORMANCE:  **103.1%** Exceptional

QUARTER 3 PERFORMANCE: **Not yet available**

Background

This ratio indicates whether the Council is renewing or replacing existing assets at the rate of consumption. A long term average ratio of 95 – 100% would indicate that Council is investing adequately in maintaining its asset base. The ratio is calculated as a full year equivalent figure.




Performance

While the first and second quarter indicates an exceptional result, a level of caution should be applied as capital expenditure on renewal does not occur in a linear fashion throughout the year. It should be noted that without the renewal component of the City Services redevelopment the asset sustainability ratio would be below 100%.

KEY PERFORMANCE INDICATOR 3:

Net financial liabilities ratio

TARGET:

	Exceptional	20 – 40%
	Acceptable	0 – 20% or 40 – 50%
	Target not met	> 50%

QUARTER 1 PERFORMANCE:  **12.0%** Acceptable

QUARTER 2 PERFORMANCE:  **9.1%** Acceptable

QUARTER 3 PERFORMANCE: Not yet available

Background

The net financial liabilities ratio is calculated by subtracting non-equity financial assets from total liabilities and is calculated as a full year equivalent figure.




This is a variation of the LGA's ratio which uses total operating income as the denominator. Total income will include tied grant income for specific projects or programs which will not be available for repayment of debt. It is therefore not appropriate to use total income as the denominator in this instance.

When considering non-equity financial assets we also exclude any cash holding allocated to carryover projects, unexpected grants or retimed works as this is committed and again unavailable to reduce debt.

KEY PERFORMANCE INDICATOR 4:

Change in the Senior Leadership Team or Unit Manager staff (FTE)

TARGET RANGE:

	Exceptional	Reduce by 5 – 10%
	Acceptable	Reduce by 1 – 5%
	Target not met	No reduction

YEAR TO DATE PERFORMANCE:  **10%** Exceptional

At the end of September 2015 there were a total of 51 Senior Leadership position (4th level and above - Senior Leadership Team or Unit Manager staff).

As at 2 May 2016 this had reduced to 46 positions, representing a decline of 10 %. Three senior leadership positions were made redundant during the second quarter of 2015-16 as a result of the restructure and one position has been vacated.




This equates to a budget savings of \$175,000 this financial year with approximately \$447,000 in savings for the full 2016-17 financial year.

LEADERSHIP LEVEL	30 September 2015	2 May 2016
Executive Leadership Team	4	4
Senior Leadership Team	18	12
4 th Level Management	29	30
TOTAL	51	46

KEY PERFORMANCE INDICATOR 5:

Total employee costs (staff plus agency)

TARGET:

	Exceptional	Reduce by 5 – 10%
	Acceptable	Reduce by 1 – 5%
	Target not met	No reduction

QUARTER 1 PERFORMANCE:

-1.7%

Acceptable

QUARTER 2 PERFORMANCE:

-1.5%

Acceptable

QUARTER 3 PERFORMANCE:

Not yet available

Background

Employee and agency costs include salaries and wages paid through the City of Marion's payroll system for direct employees and employees hired through a third party employment agencies.

Performance




The second quarter Budget Review reports a decrease in employee costs of 1.5% against the prior year adopted budget to date. This reduction is after allowing for an increase in employee costs of \$0.154m due to additional grant funded program positions which will be fully offset by an increase in operating grant revenue.

This result is not comparative of a full year result as the prior year budget does not account for the timing of actual pay periods in the current year.

KEY PERFORMANCE INDICATOR 6:

Lost employee time due to injury (frequency rate)

TARGET:

	Exceptional	Reduce by 1% (using average of last 5 years of 22.1)
	Acceptable	Equal to or < 1% reduction (using average of last 5 years of 22.1)
	Target not met	Any increase when compared to the average of last 5 years (of 22.1)

QUARTER 1 PERFORMANCE:  **0.0** Exceptional (cumulative result)

QUARTER 2 PERFORMANCE:  **9.1** Exceptional (cumulative result)

QUARTER 3 PERFORMANCE:  **22.2** Target not met (cumulative result)

Background

Lost employee time due to injury is tracked by a widely used lag performance indicator called Lost Time Injury Frequency Rate (LTIFR). This measurement is calculated as per the Australian Standard 1885.1: 'Total number of Lost Time Injuries/Total Hours Worked)*1,000,000'.

Performance

The graph below tracks Council's LTIFR performance for the past seven years as reported by the Local Government Association Worker's Compensation Scheme (LGAWCS).



Data Analysis

The result for the 3rd quarter of 2015-16 is 22.2 LTIFR and is based on a total of eleven LTIs being accepted and recorded in the LGAWCS statistical data. The due diligence processes associated with claim acceptance and payment occurring, results in a lag in statistics appearing in the month the incident occurred which is adjusted accordingly within the next quarterly report.

Analysis of the incidents so far in 2015-16 shows the three primary mechanisms of injuries are:




1. Manual handling (muscular stress while lifting or carrying)
2. Falls from the same and differing levels (slips, trips and falls)
3. Repetitive movement (low muscle loading)

In order to improve our safety outcomes, a number of Hazard Prevention and LTI Reduction Strategies are currently being implemented by the Risk Unit and Human Resources, in conjunction with the Leadership Team. The organisation's hazard register is being reviewed to ensure all hazards are appropriately identified and that all hazardous tasks identified has a documented Safe Work Method Statement, Safe Work Procedure or Safe Operating Procedure. Incident Management Training is being rolled out to all People Managers during April 2016 and Manual Handling Training is being schedule for May 2016 to address manual handling injuries. Additional strategies are also being explored including specifying preferred medical practices who specialise in worker injury as well as accompanying workers to their initial consultation with the medical practitioner. This should provide an increased focus on the provision of suitable duties immediately following an injury and should subsequently reduce the number of LTI's.

KEY PERFORMANCE INDICATOR 7:

Employee retention

TARGET:

	Exceptional	88 – 92%
	Acceptable	> 92%
	Target not met	< 88%

QUARTER 1 PERFORMANCE:**97.7%**

Acceptable

QUARTER 2 PERFORMANCE:**97.0%**

Acceptable

QUARTER 3 PERFORMANCE:**98.1%**

Acceptable

Background

The employee retention rate is calculated as the number of staff that left the organisation at a specific point in time, divided by the total number of employees, and displayed in terms of the percentage of staff retained by the organisation.

Performance

Quarter 1 2015-16	Jul 2015	Aug 2015	Sep 2015	TOTAL
Turnover Rate	0.6%	0.6%	1.1%	2.3%
Retention Rate	99.4%	99.4%	98.9%	97.7%

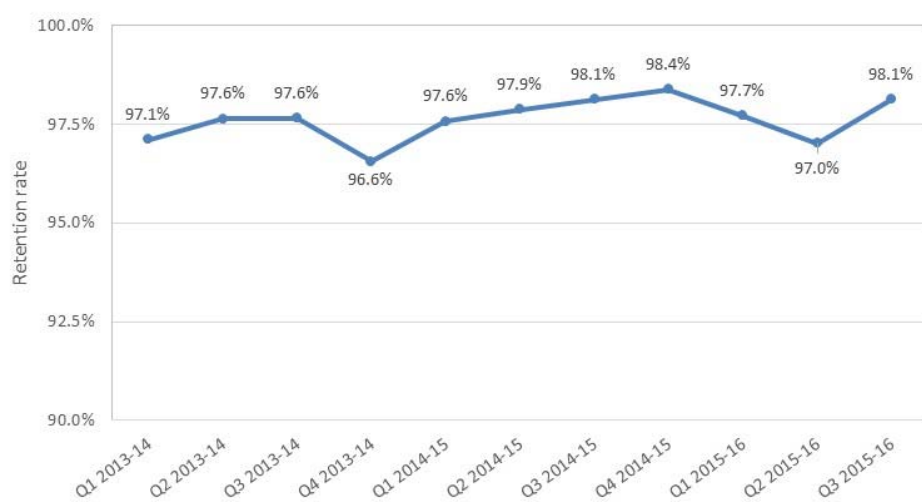
There were eight people that left the organisation during the first quarter of 2015-16. Of these, four resigned, three retired and one contract ended.

Quarter 2 2015-16	Oct 2015	Nov 2015	Dec 2015	TOTAL
Turnover Rate	1.1%	1.1%	0.8%	3.0%
Retention Rate	98.9%	98.9%	99.2%	97.0%

There were eleven people that left the organisation during the second quarter of 2015-16. Of these, five resigned, three were made redundant and three retired.

Quarter 3 2015-16	Jan 2016	Feb 2016	Mar 2016	TOTAL
Turnover Rate	0.5%	0.8%	0.5%	1.9%
Retention Rate	99.5%	99.2%	99.5%	98.1%




There were seven people that left the organisation during the third quarter of 2015-16. Of these, three resigned, three retired and one contract ended.



KEY PERFORMANCE INDICATOR 8:

Major Capital Works (>\$4m each project)

TARGET:

	Exceptional	Strictly on time and on budget (or better)
	Acceptable	Substantially on time and on budget (within 4 months and 102% budget)
	Target not met	Any case of substantially over time / over budget (>4 months or 102% budget)

This measure represents a combined score of the progress towards delivering two key Council Major Capital Works that exceed \$4m:

1. Cove Civic Centre
2. City Services Redevelopment

All data in the composite is evenly weighted.

QUARTER 1 PERFORMANCE:

Substantially on time and on budget
Acceptable

QUARTER 2 PERFORMANCE:

Substantially on time and on budget
Acceptable

YEAR TO DATE PERFORMANCE:

Substantially on time and on budget
Acceptable

Background

The City of Marion undertakes or facilitates major projects which support the development of services and facilities for the community and enhance the environmental sustainability of the area. A project is formally considered a Major Capital Works based on the level of investment, scale and/or the dependency on the partnering support and commitment from key strategic partners, from both the public and private sectors.

Specifically Major Capital Works have the following characteristics:

- an investment by Council of over \$4 million
- more than 12 months to deliver the project
- generally involves a project partner(s)




Performance

1. Cove Civic Centre – Construction was completed on 18 June 2015 and then occupied and made ready for opening to the public on 27 July 2015. The project will be approximately \$600,000 under the original budget of \$13.4m, subject to the final cost reconciliation and audit. The 12 month defects and liability period currently being actively managed. Post occupancy changes are being implemented to ensure effective long term operations.
2. City Services Redevelopment – Construction was completed on 20 November 2015. The project will be approximately \$100,000 to \$150,000 under the original budget, subject to the final cost reconciliation and audit. The Council adopted budget for this project is \$14.322m. The 12 month defects and liability period currently being actively managed. Post occupancy changes are being implemented to ensure effective long term operations.

KEY PERFORMANCE INDICATOR 9:

Number of specific Major Capital Works proposals ready for approval by Council

TARGET:

	Exceptional	2 +
	Acceptable	1
	Target not met	0

This measure represents a combined score of the following Major Capital Works Proposals:

1. Edwardstown Oval Masterplan
2. BMX track
3. Soccer facility
4. Indoor Multipurpose Stadium and Mitchell Park Sports and Community Club

All data in the composite is evenly weighted.

QUARTER 1 PERFORMANCE:**0**

Target not met

QUARTER 2 PERFORMANCE:**0**

Target not met

YEAR TO DATE PERFORMANCE:**1**

Acceptable

Performance




1. Edwardstown Oval – Council approved Section 48 report and lodgment of application to National Stronger Regions Fund on 11 March 2016. Mayor and CEO lobbying to support funding application. This project has met the above target
2. BMX track – Consultant appointed for feasibility study. Study to conclude in April / May 2016. BMX SA, Office for Recreation and Sport, and BMX Clubs engaged in developing study. Majors Road site owned by the Department of Environment, Water and Natural Resources (DEWNR) looking very favourable. Feasibility study will be followed with securing an option for DEWNR land and funding.
3. Soccer facility – Business Plan developed with Football Federation South Australia (FFSA). Former TAFE site on Majors Road being investigated for potential co-location with BMX. Securing a site will enable the project to proceed to design and costing. Then subsequently pursuit of funding, subject to Council approval.

4. Indoor Multipurpose Stadium and Mitchell Park Sports and Community Club – Council approved funding of \$200,000 for a costed concept plan. Options have been developed and clubs / groups consulted. A Special Meeting of Council has been scheduled for 10 May 2016 to consider the costed concept plans and progression to a Section 48 Prudential Report. If Council resolves to progress to the Section 48 report, this will be considered by the Finance and Audit Committee in mid June 2016, followed by Council in late June 2016.

KEY PERFORMANCE INDICATOR 10:

Council's cash contribution in respect of each Major Capital Work

TARGET:

	Exceptional	< 35%
	Acceptable	< 50%
	Target not met	> 50%

QUARTER 1 PERFORMANCE: N/A

QUARTER 2 PERFORMANCE: N/A




YEAR TO DATE PERFORMANCE:  **< 50%** Acceptable

Edwardstown Oval – Council approved a contribution of up to \$4 million to the project at the Special Council Meeting on 8 March 2016. The project total cost is estimated at \$7,991,000.

KEY PERFORMANCE INDICATOR 11:

Completion of priority list of budgeted projects (13)

TARGET:

	Exceptional	All 13 projects completed
	Acceptable	11 or 12 completed
	Target not met	< 11 completed

QUARTER 1 PERFORMANCE: N/A
QUARTER 2 PERFORMANCE:  **< 11 completed** Target not met

QUARTER 3 PERFORMANCE:  **< 11 completed** Target not met

Performance: The performance of these projects are assessed from November 2015 to November 2016.

No.	Project name	Responsible GM	Progress Comments	Status
1	Glandore Laneways in public ownership	Abby Dickson	The laneways are now owned by Council. Work resulting in Council's declaration of Glandore Laneways as public road at the meeting on 23 Feb 2016 has been completed. The laneways became public roads upon the gazettal of this declaration in March 2016. Contracts with affected property owners to remove encroachments have been negotiated and are ready to sign. Contractor to undertake required building works has been appointed. It is anticipated all works associated with this project will be completed in early 2017.	On Track
2	Commencement of LED lighting in streets	Tony Lines	Met with SA Power Networks and other Councils on the 26 April 2016 to discuss proposed tariffs. Letter to SA Power Networks currently being signed by Council CEO's. Requested Ironbark to provide quote to develop business case.	On Track
3	All facility leases up to date by end of May 2016 including Club Marion post-2016 lease	Abby Dickson	As of 3 May 2016 75% are up to date with 11 leases currently being negotiated or documentation being processed. Two are on hold - Edwardstown Soliders Memorial pending outcome of funding submission, Standley St Tennis Club pending netball/tennis club review	On Track




No.	Project name	Responsible GM	Progress Comments	Status
4	A study to come to council on rationalisation of the libraries to reduce costs	Tony Lines	A report is scheduled to be considered at the next Audit Committee meeting on 31 May 2016.	On Track
5	Commence implementation of an approved streetscaping plan for whole of the city	Tony Lines	The Streetscape working party met on the 19 April and discussed potential sites and proposed destinations.	On Track
6	Commence implementation of an approved marketing plan for all neighbourhood centres	Vincent Mifsud	A project plan has been developed, which includes provision for a customer survey and an analysis of centre users and local residents to determine their needs. Tactics are being developed to support the overall marketing objectives.	On Track
7	Result of Stakeholder Survey re Land and Property interaction of least 80% satisfactory	Abby Dickson	Survey undertaken in November 2015 has been followed up with Clubs to increase response rate. 49 Clubs have now responded. An updated report will be provided to elected members in early March. Unfortunately 71% did not provide a response to this question so unable to accurately report on satisfaction. This will be followed up to achieve a statistically valid customer sample.	Under review
8	Development of a plan for protection of remnant (precolonial) vegetation in our reserves	Tony Lines	Mapping has commenced and a project outline has been developed.	On Track
9	Strenuous effort to obtain commitment from University of Adelaide or State Government that Glenithorne will be opened up for community benefit	Abby Dickson	The Mayor, CEO and staff met with the Deputy CEO of DPTI who undertook to facilitate meetings between Adelaide University, Marion and DPTI re Glenithorne regarding public access and other matters. Deputy CEO of DPTI is liaising with the parties to set up the first meeting.	On Track
10	Disposal of assets within 6 months of a Council resolution to dispose of an asset	Abby Dickson	As at 29 February no Council decision made to dispose of a property. Council has agreed to the process for investigation to enable Council to make a decision to dispose of a property. Feb - report to Council on Toc H hall. March - report to Council on Park Holme Community Hall. Report to Council on Toc H Hall investigations and commencement of Community Land Revocation to be provided by June.	On Track
11	Replacement of Lotus Notes within 12 months	Vincent Mifsud	New ICT system called CoM Connect began in February 2016. Empired, one of the largest Microsoft partners in the Asia Pacific, has been selected to replace Lotus Notes with Microsoft technologies, including Outlook, SharePoint and Skype. Outlook is planned for implementation by mid-2016 (<i>approx August</i>).	On Track

No.	Project name	Responsible GM	Progress Comments	Status
12	Traffic treatment of George and Finniss Street completed	Tony Lines	<p>On 9 February 2016 Council resolved to seek costed traffic management solutions from three Consulting Engineers. Staff have developed a scope of works and have requested the Consulting Engineers to provide a response by 1 March 2016.</p> <p>On the 27 April 2016, the Consulting Engineers provided a report on the Dwyer and George Traffic and consider alternative treatments. The report is currently being reviewed.</p>	On Track
13	Reduction in legal fees by at least 10% compared to previous 12 months	Vincent Mifsud	<p>An internal legal advice policy and checklist was incorporated across the organisation in February 2016 setting out the organisations requirements prior to seeking legal advice (including General Manager authorisation).</p> <p>At the Council meeting on 9 February 2016 it was resolved that Council authorises the CEO to determine and implement the most practical cost effective means of receiving legal advice for the City of Marion in the future, including considering the option and viability of employing a part-time lawyer.</p>	On Track

KEY PERFORMANCE INDICATOR 12:

Rating by Elected Members

TARGET:

	Exceptional	Exceeded expectations
	Acceptable	Met expectations
	Target not met	Did not meet expectations

ANNUAL PERFORMANCE:**80.0%**

Met expectations

Background:

The Local Government Association Code of Conduct for Assessment of the Chief Executive Officer (CEO) and the CEO Agreement (part 9) stipulates that the CEO must complete one formal assessment per year.

An initial review of the CEO performance was conducted 3 months in the role using an online survey developed by Human Resources for completion by Elected Members during August and September 2015. This resulted in a report presented to Council on 19 January 2016.

Performance:

It was previously reported in the Council report dated 19 January 2016, that the survey was completed by eleven Elected Members, however, ten respondents were compared with a self-rated review by the CEO. This report was considered and noted by the Council and carried unanimously.

There were a number of comments that it was too early to have a firm view on some elements given the CEO's short time in the role.

Elected Members were asked if their expectations of the CEO have been met. 80% indicated that their expectations had been met, with 20% indicating that they didn't know.

The survey identified opportunities for building the relationship between staff and Elected Members, higher level planning for the organisation and focusing on the structure and budgets. Respondents felt the CEO should do less 'asking Members permission', particularly where it is not needed and the CEO could be more assertive with the Elected Body and have more obvious focus on financial matters. There was also feedback that the CEO should do 'less hands-on work' that could be done just as effectively by staff.




Identified achievements by the Elected Members of the CEO included starting on the path to changing the organisation's culture and lifting morale, as well as restructuring and commencing the Edwardstown Oval project.

The overall result of the survey was that the majority of Elected Members felt that the CEO is performing well in the role and with feedback being extremely positive.

KEY PERFORMANCE INDICATOR 13:

Alignment throughout administration to the Strategic Plan –Towards 2040 and the Business Plan (3 years)

TARGET:

	Exceptional	High level of alignment
	Acceptable	Moderate level of alignment
	Target not met	Low level of alignment

QUARTER 1 PERFORMANCE:

Low level of alignment
Target not met

QUARTER 2 PERFORMANCE:

Low level of alignment
Target not met

YEAR TO DATE PERFORMANCE:

Low level of alignment
Target not met

Background

The City of Marion's Strategic Management Framework (SMF) sets out the overarching framework for Council's strategic and business plans. The focus of the SMF is to ensure that the key elements of the strategic planning and management systems and processes are aligned and integrated to ensure that Council can effectively pursue the Community's aspirations over the next 25 years. The SMF is underpinned by a series of processes to support decision making, resource allocation, service delivery and performance monitoring.

Currently the City of Marion has a number of adopted plans that form its suite of strategic management plans:

- 25 Year Strategic Plan- Towards 2040 (adopted in 2013)
- 10 Year Strategic Plan 2010-2020 (adopted in 2010 and refined in 2011)
- 10 Year Long Term Financial Plan (reviewed and adopted annually)
- 10 Year Asset Management Plan (adopted in January 2016)
- Medium Term Strategic Directions Report (strategic urban development priorities) (adopted in 2013)

Short term business plans, policies and strategies have been developed to implement the suite of strategic plans.

Performance

A review of the Strategic Management Framework in 2011-12 recommended that a long term (30 year) Strategic Plan and a separate medium term (10 year) Business Plan be developed to provide further clarity and simplicity for the community and organisation. Based on this recommendation a Strategic Plan – Towards 2040 was adopted by Council in 2013. However, there is now misalignment between the six themes of the Strategic Plan – Towards 2040 and the four pillars of the 2010-2020 Strategic Plan. Consideration of a medium term (3 year) Business Plan, based on the six themes of the Strategic Plan – Towards 2040 will strengthen the alignment throughout administration to the Strategic Plan and Business Plan.

A draft 3 year (2016-2019) Business Plan has been prepared and considered by the Strategy Committee at two meetings. It is planned to present the draft Plan to Council in May 2016 for adoption to begin community consultation.

The recent adoption of the updated Asset Management Plan enables alignment between this Plan and the Long Term Financial Plan.

CEO Key Performance Indicators 1st & 2nd Quarter Report 2015-16: Jul 2015 - Dec 2015



This Performance Report provides both an overall dashboard view and a progress update for each of the measures.

Dashboard Status icons

	Target rating = Exceptional
	Target rating = Acceptable
	Target rating = Target not met
	No target set

The following KPIs are based on no substantial cuts to existing services provided to the community (unless by Council resolution) and applying level of rate increase as set by Council.

QUARTER 1 RESULTS

QUARTER 1 RESULTS

Measure		Target	Quarter 1 Results	
FINANCIAL				
1	Actual operating surplus ratio for 2015-16 (adjusted for extraordinary items)	0 – 5%	9.1%	<div><div></div><div></div><div></div></div>
2	Asset sustainability ratio (5 year average)	> 80%	107%	<div><div></div><div></div><div></div></div>
3	Net financial liabilities ratio	0 – 50%	12%	<div><div></div><div></div><div></div></div>
HUMAN RESOURCES				
4	Change in the Senior Leadership Team or Unit Manager staff (FTE)	Reduce by 1 – 10%	0.0%	<div><div></div><div></div><div></div></div>
5	Total employee costs (staff plus agency)	Decrease by 1 - 10%, in dollar terms, over the previous year's adopted budget	-1.7%	<div><div></div><div></div><div></div></div>
6	Lost employee time due to injury	Reduction of 1% or equal to average of last 5 years	0.0	<div><div></div><div></div><div></div></div>
7	Employee retention	88 – 100%	97.7%	<div><div></div><div></div><div></div></div>
CAPITAL WORKS				
8	Major Capital Works (>\$4m each project)	Completed substantially or strictly on time and on budget (or better)	Substantially on time and on budget	<div><div></div><div></div><div></div></div>
9	Number of specific Major Capital Works proposals ready for approval by Council	1 - 2	0	<div><div></div><div></div><div></div></div>
10	Council's cash contribution in respect of each Major Capital Work	< 50%	N/A	-
11	Completion of priority list of budgeted projects (13)	11 or more projects completed	N/A – Reporting not commenced	-
ELECTED MEMBERS ASSESSMENT				
12	Rating by Elected Members	Met or exceeded expectations	N/A – Assessment not conducted	-
13	Alignment throughout administration to Strategic and Business Plans (as developed by Elected Members)	Moderate to high level of alignment	Low level of alignment	<div><div></div><div></div><div></div></div>

QUARTER 2 RESULTS




QUARTER 2 RESULTS

Measure		Target	Quarter 2 Results	
FINANCIAL				
1	Actual operating surplus ratio for 2015-16 (adjusted for extraordinary items)	0 – 5%	8.5%	<div><div></div><div></div><div></div></div>
2	Asset sustainability ratio (5 year average)	> 80%	103.1%	<div><div></div><div></div><div></div></div>
3	Net financial liabilities ratio	0 – 50%	9.1%	<div><div></div><div></div><div></div></div>
HUMAN RESOURCES				
4	Change in the Senior Leadership Team or Unit Manager staff (FTE)	Reduce by 1 – 10%	-4.4%	<div><div></div><div></div><div></div></div>
5	Total employee costs (staff plus agency)	Decrease by 1 - 10%, in dollar terms, over the previous year's adopted budget	-1.5%	<div><div></div><div></div><div></div></div>
6	Lost employee time due to injury	Reduction of 1% or equal to average of last 5 years	9.1	<div><div></div><div></div><div></div></div>
7	Employee retention	88 – 100%	97.0%	<div><div></div><div></div><div></div></div>
CAPITAL WORKS				
8	Major Capital Works (>\$4m each project)	Completed substantially or strictly on time and on budget (or better)	Substantially on time and on budget	<div><div></div><div></div><div></div></div>
9	Number of specific Major Capital Works proposals ready for approval by Council	1 - 2	0	<div><div></div><div></div><div></div></div>
10	Council's cash contribution in respect of each Major Capital Work	< 50%	N/A	-
11	Completion of priority list of budgeted projects (14)	11 or more projects completed	< 11 projects completed	<div><div></div><div></div><div></div></div>
ELECTED MEMBERS ASSESSMENT				
12	Rating by Elected Members	Met or exceeded expectations	N/A – Assessment not conducted	-
13	Alignment throughout administration to Strategic and Business Plans (as developed by Elected Members)	Moderate to high level of alignment	Low level of alignment	<div><div></div><div></div><div></div></div>

KEY PERFORMANCE INDICATOR 1:

Actual operating surplus ratio for 2015-16 (adjusted for extraordinary items)

TARGET:

	Exceptional	0 – 3%
	Acceptable	> 3 but > 5%
	Target not met	< 0 or > 5%

QUARTER 1 PERFORMANCE:

9.1%

Target not met

QUARTER 2 PERFORMANCE:

8.5%

Target not met

Background

This ratio expresses the operating surplus / (deficit) as a percentage of general and other rates, net of rebates.

Performance

At the first quarter Budget Review for 2015-16 this result was 9.1%.

At the second quarter Budget Review for 2015-16 this result was 8.5%.




The operating surplus ratio is forecast to exceed the currently adopted 5 year average target. This is primarily as a result of substantial gross operational savings of \$3.2m being achieved in 2015-16 which has had a significant impact on the operating surplus ratio, bringing the second quarter figure to 8.5%. Any future operating savings identified will further increase the operating surplus ratio. Council's operating profit result provides the basis to fund normal day to day community services for both (1) provision of community services, and (2) capital renewal of existing infrastructure.

It should be noted that a quarterly result may not be representative as it assumes that all sources of revenue and expense are evenly divided across the four quarters. Quarterly analysis of this ratio may not indicate a trend that would predict the annual result.

KEY PERFORMANCE INDICATOR 2:

Asset sustainability ratio (5 year average)

TARGET:

	Exceptional	> 90%
	Acceptable	> 80 – 90%
	Target not met	< 80%

QUARTER 1 PERFORMANCE:**107%**

Exceptional

QUARTER 2 PERFORMANCE:**103%**

Exceptional

Background

This ratio indicates whether the Council is renewing or replacing existing assets at the rate of consumption. A long term average ratio of 95 – 100% would indicate that Council is investing adequately in maintaining its asset base.

Performance

At the first quarter Budget Review for 2015-16 this result was 107.0%.




At the second quarter Budget Review for 2015-16 this result was 103.1%.

While the first and second quarter indicates an exceptional result, a level of caution should be applied as this may not be reliable as capital expenditure on renewal does not occur in a linear fashion throughout the year. Without the renewal component of the City Services redevelopment the asset sustainability ratio would be below 100%.

KEY PERFORMANCE INDICATOR 3:

Net financial liabilities ratio

TARGET:

	Exceptional	20 – 40%
	Acceptable	0 – 20% or 40 – 50%
	Target not met	> 50%

QUARTER 1 PERFORMANCE:**12%** Acceptable**QUARTER 2 PERFORMANCE:****9%** Acceptable**Background**

The net financial liabilities ratio is calculated by subtracting non-equity financial assets from total liabilities.

This is a variation of the LGA's ratio which uses total operating income as the denominator. Total income will include for instance tied grant income for specific projects or programs which will not be available for repayment of debt. It is therefore not appropriate to use total income as the denominator in this instance.

When considering non-equity financial assets we also exclude any cash holding allocated to carryover projects, unexpected grants or retimed works as this is committed and again unavailable to reduce debt.

Performance




At the first quarter Budget Review for 2015-16 this result was 12.0%.

At the second quarter Budget Review for 2015-16 this result was 9.1%.

KEY PERFORMANCE INDICATOR 4:

Change in the Senior Leadership Team or Unit Manager staff (FTE)

TARGET RANGE:

	Exceptional	Reduce by 5 – 10%
	Acceptable	Reduce by 1 – 5%
	Target not met	No reduction

QUARTER 1 PERFORMANCE:**0.0%**

Target not met

QUARTER 2 PERFORMANCE:**-4.4%**

Acceptable

Background

This measure includes vacant positions.

Performance

At the end of 2014-15 there were a total of 91 management roles at the City of Marion.




By 31 December 2015 this had reduced to 87 positions, representing a decline of 4.4% during 2015-16. Four senior leadership positions were made redundant during the second quarter of 2015-16 as a result of the restructure. This equates to a budget savings of \$175,000 this financial year with approximately \$447,000 in savings for the full 2016-17 financial year.

This KPI is not sustainable beyond the short term without there being a significant impact on services.

KEY PERFORMANCE INDICATOR 5:

Total employee costs (staff plus agency)

TARGET:

	Exceptional	Reduce by 5 – 10%
	Acceptable	Reduce by 1 – 5%
	Target not met	No reduction

QUARTER 1 PERFORMANCE:

-1.7%

Acceptable

QUARTER 2 PERFORMANCE:

-1.5%

Acceptable

Background

Employee costs include salaries and wages paid through the City of Marion's payroll system for direct employees.

Agency costs include salaries and wages paid through the City of Marion's payroll system for employees hired through a third party employment agency.

Performance

At the first quarter Budget Review for 2015-16 employee costs have been reduced by 1.7% against the prior year adopted budget to date.

The second quarter Budget Review reports a decrease in employee costs of 1.5% against the prior year adopted budget to date. This reduction is after allowing for an increase in employee costs of \$0.154m due to additional grant funded program positions which will be fully offset by an increase in operating grant revenue.




This result is not comparative of a full year result as the prior year budget does not account for the timing of actual pay periods in the current year.

This KPI is not sustainable beyond the short term without there being a significant impact on services.

KEY PERFORMANCE INDICATOR 6:

Lost employee time due to injury (frequency rate)

TARGET:

	Exceptional	Reduce by 1% (using average of last 5 years of 22.1)
	Acceptable	Equal to or < 1% reduction (using average of last 5 years of 22.1)
	Target not met	Any increase when compared to the average of last 5 years (of 22.1)

QUARTER 1 PERFORMANCE:**0.0**

Exceptional (cumulative result)

QUARTER 2 PERFORMANCE:**9.1**

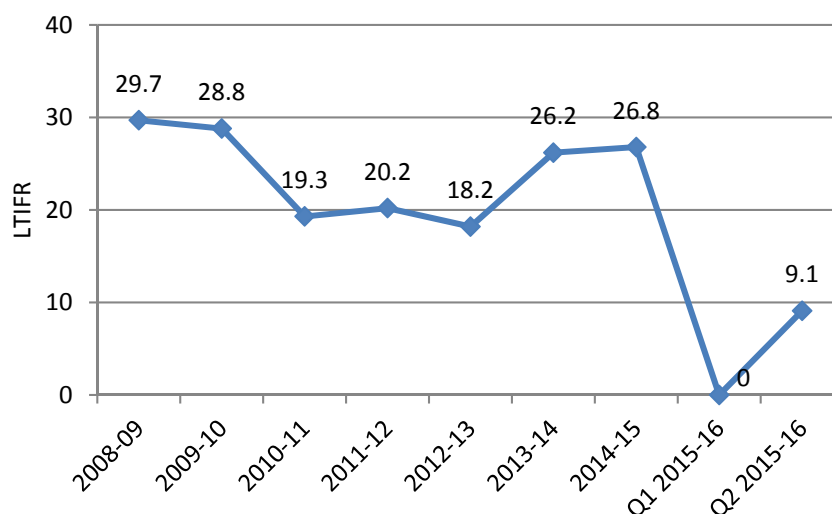
Exceptional (cumulative result)

Background

Lost employee time due to injury is tracked by a widely used lag performance indicator called Lost Time Injury Frequency Rate (LTIFR). This measurement is calculated as per the Australian Standard 1885.1: 'Total number of Lost Time Injuries/Total Hours Worked)*1,000,000'.

Performance

The graph below tracks Council's LTIFR performance for the past seven years as reported by the Local Government Association Worker's Compensation Scheme (LGAWCS).



Data Analysis

The result for the 2nd quarter of 2015-16 is 9.1 LTIFR and is based on only three LTIs being recorded. However, there is often a lag in the LGA data entry and it will be adjusted accordingly within the next quarterly report.

Analysis of the incidents so far in 2015-16 shows the three primary mechanisms of injuries are:




1. Manual handling (muscular stress while lifting or carrying)
2. Falls from the same and differing levels (slips, trips and falls)
3. Repetitive movement (low muscle loading)

A review has been undertaken to improve the first response for injury management and training has been scheduled for managers. This should provide an increased focus on providing suitable duties immediately following an injury and should subsequently reduce the number of LTI's.

KEY PERFORMANCE INDICATOR 7:

Employee retention

TARGET:

	Exceptional	88 – 92%
	Acceptable	> 92%
	Target not met	< 88%

QUARTER 1 PERFORMANCE:**97.7%**

Acceptable

QUARTER 2 PERFORMANCE:**97.0%**

Acceptable

Background

The employee retention rate is calculated as the number of staff that left the organisation at a specific point in time, divided by the total number of employees, and displayed in terms of the percentage of staff retained by the organisation.

Performance

Quarter 1 2015-16	Jul 2015	Aug 2015	Sep 2015	TOTAL
Turnover Rate	0.6%	0.6%	1.1%	2.3%
Retention Rate	99.4%	99.4%	98.9%	97.7%

There were eight people that left the organisation during the first quarter of 2015-16. Of these, four resigned, three retired and one contract ended.




Quarter 2 2015-16	Oct 2015	Nov 2015	Dec 2015	TOTAL
Turnover Rate	1.1%	1.1%	0.8%	3.0%
Retention Rate	98.9%	98.9%	99.2%	97.0%

There were eleven people that left the organisation during the second quarter of 2015-16. Of these, five resigned, three were made redundant and three retired.

KEY PERFORMANCE INDICATOR 8:

Major Capital Works (>\$4m each project)

TARGET:

	Exceptional	Strictly on time and on budget (or better)
	Acceptable	Substantially on time and on budget (within 4 months and 102% budget)
	Target not met	Any case of substantially over time / over budget (>4 months or 102% budget)

This measure represents a combined score of the progress towards delivering two key Council Major Capital Works that exceed \$4m:

1. Cove Civic Centre
2. City Services Redevelopment

All data in the composite is evenly weighted.

QUARTER 1 PERFORMANCE:

Substantially on time and on budget
Acceptable

QUARTER 2 PERFORMANCE:

Substantially on time and on budget
Acceptable

Background

The City of Marion undertakes or facilitates major projects which support the development of services and facilities for the community and enhance the environmental sustainability of the area. A project is formally considered a Major Capital Works based on the level of investment, scale and/or the dependency on the partnering support and commitment from key strategic partners, from both the public and private sectors.

Specifically Major Capital Works have the following characteristics:

- an investment by Council of over \$4 million
- more than 12 months to deliver the project
- generally involves a project partner(s)




Performance

1. Cove Civic Centre – Construction was completed on 18 June 2015 and then occupied and made ready for opening to the public on 27 July 2015. Original construction finish date was 15 December 2014, with approved contractually valid extensions of time, the revised construction finish date was 6 February 2015 with an opening date of 13 March 2015. The project will be approximately \$600,000 under the original budget, subject to the final cost reconciliation and audit.
2. City Services Redevelopment – The stores, workshop, office and amenities were occupied on 31 August 2015. The balance of construction (fleet vehicle parking area) was completed on 20 November 2015, original completion date was 15 December 2015 (inclusive of approved contractually valid extensions of time). The project will be approximately \$100,000 to \$150,000 under the original budget, subject to the final cost reconciliation and audit.

KEY PERFORMANCE INDICATOR 9:

Number of specific Major Capital Works proposals ready for approval by Council

TARGET:

	Exceptional	2 +
	Acceptable	1
	Target not met	0

This measure represents a combined score of the following Major Capital Works Proposals:

1. Options for new Soccer Pitches and a BMX Track in the South
2. Indoor Multipurpose Stadium 4-8 Court (SA regional standard)
3. Edwardstown Oval Masterplan
4. Mitchell Park Sports and Community Club building upgrade

All data in the composite is evenly weighted.

QUARTER 1 PERFORMANCE:**0**

Target not met

QUARTER 2 PERFORMANCE:**0**

Target not met




Performance

1. Soccer Pitches – Draft business case developed with FFSA, sites being investigated.
2. BMX Track – Funding received from ORS for feasibility study to commence soon.
3. Edwardstown Oval – Costed concept plan being developed. Targeting Federal funding application for March 2016.
4. Indoor Multipurpose Stadium – Draft business case being developed, concept designs and costings being developed for Mitchell Park site.

KEY PERFORMANCE INDICATOR 10:

Council's cash contribution in respect of each Major Capital Work

TARGET:

	Exceptional	< 35%
	Acceptable	< 50%
	Target not met	> 50%

QUARTER 1 PERFORMANCE: N/A




QUARTER 2 PERFORMANCE: N/A

Currently no funding has been allocated for new Major Capital Works proposals.

KEY PERFORMANCE INDICATOR 11:

Completion of priority list of budgeted projects (14)

TARGET:

	Exceptional	All 13 projects completed
	Acceptable	11 or 12 completed
	Target not met	< 11 completed

QUARTER 1 PERFORMANCE:

N/A

QUARTER 2 PERFORMANCE:

< 11 completed

Target not met

Performance:

KPI Targets need to be reset given there is a new project

No.	Project name	Responsible GM	Progress Comments	Status
1	Glandore Laneways in public ownership	Abby Dickson	Work resulting in Council's declaration of Glandore Laneways as public road at the meeting on 23 Feb 2016 has been completed. The laneways will become public roads upon the gazettal of this declaration in March 2016. Contracts with affected property owners to remove encroachments have been negotiated and are ready to sign. Contractor to undertake required building works has been appointed.	On Track
2	Commencement of LED lighting in streets	Tony Lines	Letter has been sent to the CEO of SA Power Networks, requiring a response by 30 June 2016. An email went to different Councils with a copy of the draft correspondence and to provide feedback by the 20th April.	On Track
3	All facility leases up to date by end of May 2016 including Club Marion post-2016 lease	Abby Dickson	As at 29 February 2016 76.1% leases in place - 15 leases currently being negotiated or documentation being processed. Two are on hold - Edwardstown Soliders Memorial pending outcome of funding submission, Standley St Tennis Club pending netball/tennis club review	On Track
4	A study to come to council on rationalisation of the libraries to reduce costs	Tony Lines	A report is scheduled to be considered at the next Audit Committee meeting on 31 May 2016.	On Track




No.	Project name	Responsible GM	Progress Comments	Status
5	Commence implementation of an approved streetscaping plan for whole of the city	Tony Lines	The Streetscape working party met on 16 February 2016. Items discussed included the Terms of Reference, project approach and a draft Streetscape Policy. The project outline has been developed. A business case will be developed to obtain funding for streetscape upgrade designs.	On Track
6	Commence implementation of an approved marketing plan for all neighbourhood centres	Vincent Mifsud	Communications is working with the Manager Community Wellbeing to determine the aims and objectives of the Neighbourhood Centres existing marketing plans/approach.	On Track
7	Result of Stakeholder Survey re Land and Property interaction of least 80% satisfactory	Abby Dickson	Survey undertaken in November 2015 has been followed up with Clubs to increase response rate. 49 Clubs have now responded. An updated report will be provided to elected members in early March. Unfortunately 71% did not provide a response to this question so unable to accurately report on satisfaction. This will be followed up to achieve a statistically valid customer sample.	Under review
8	Development of a plan for protection of remnant (precolonial) vegetation in our reserves	Tony Lines	Mapping has commenced. A project outline has been developed, however the plan will take longer than first anticipated. By the end of 2016 a substantial amount of work would have been undertaken.	On Track
9	Strenuous effort to obtain commitment from University of Adelaide or State Government that Glenthorne will be opened up for community benefit	Abby Dickson	The Mayor, CEO and staff met with the Deputy CEO of DPTI who undertook to facilitate meetings between Adelaide University, Marion and DPTI re Glenthorne regarding public access and other matters. Deputy CEO of DPTI is liaising with the parties to set up the first meeting.	On Track
10	Disposal of assets within 6 months of a Council resolution to dispose of an asset	Abby Dickson	As at 29 February no Council decision made to dispose of a property. Council has agreed to the process for investigation to enable Council to make a decision to dispose of a property. Feb - report to Council on Toc H hall. March - report to Council on Park Holme Community Hall. Report to Council on Toc H Hall investigations and commencement of Community Land Revocation to be provided by June.	On Track
11	Replacement of Lotus Notes within 12 months	Vincent Mifsud	New ICT system called CoM Connect began in February 2016. Empired, one of the largest Microsoft partners in the Asia Pacific, has been selected to replace Lotus Notes with Microsoft technologies, including Outlook, SharePoint and Skype. Outlook is planned for implementation by mid-2016 (<i>approx August</i>).	On Track
12	Traffic treatment of George and Finnis Street completed	Tony Lines	On 9 February 2016 Council resolved to seek costed traffic management solutions from three Consulting Engineers. Staff have developed a scope of works and have requested the Consulting Engineers to provide a response by 1 March 2016.	On Track

No.	Project name	Responsible GM	Progress Comments	Status
13	Reduction in legal fees by at least 10% compared to previous 12 months	Vincent Mifsud	This is problematic and predominantly dependent on prevailing circumstances. At the Council meeting on 9 February 2016 it was resolved that Council authorises the CEO to determine and implement the most practical cost effective means of receiving legal advice for the City of Marion in the future, including considering the option and viability of employing a part-time lawyer.	On Track
14	Oakland's Crossing campaign	Vincent Mifsud	Council resolved at its meeting on 23 Feb 2016 to allocate \$3,700 from the underspend in the Council approved budget of \$14,440 for the hiring of a billboard at Oaklands crossing to produce and online video.	On Track

KEY PERFORMANCE INDICATOR 12:

Rating by Elected Members

TARGET:

	Exceptional	Exceeded expectations
	Acceptable	Met expectations
	Target not met	Did not meet expectations




QUARTER 1 PERFORMANCE: N/A**QUARTER 2 PERFORMANCE:** N/A

The Elected Members' rating has not been conducted.


KEY PERFORMANCE INDICATOR 13:

Alignment throughout administration to the Strategic Plan –Towards 2040 and the Business Plan (3 years)

TARGET:

	Exceptional	High level of alignment
	Acceptable	Moderate level of alignment
	Target not met	Low level of alignment

QUARTER 1 PERFORMANCE:

 **Low level of alignment**
Target not met

QUARTER 2 PERFORMANCE:

 **Low level of alignment**
Target not met

Background

The City of Marion's Strategic Management Framework (SMF) sets out the overarching framework for Council's strategic and business plans. The focus of the SMF is to ensure that the key elements of the strategic planning and management systems and processes are aligned and integrated to ensure that Council can effectively pursue the Community's aspirations over the next 25 years. The SMF is underpinned by a series of processes to support decision making, resource allocation, service delivery and performance monitoring.

Currently the City of Marion has a number of adopted plans that form its suite of strategic management plans:

- 25 Year Strategic Plan- Towards 2040 (adopted in 2013)
- 10 Year Strategic Plan 2010-2020 (adopted in 2010 and refined in 2011)
- 10 Year Long Term Financial Plan (reviewed and adopted annually)
- 10 Year Asset Management Plan (adopted in January 2016)
- Medium Term Strategic Directions Report (strategic urban development priorities) (adopted in 2013)

Short term business plans, policies and strategies have been developed to implement the suite of strategic plans.

Performance

A review of the Strategic Management Framework in 2011-12 recommended that a long term (30 year) Strategic Plan – Towards 2040 and a separate medium term (10 year) Council Plan be developed to provide further clarity and simplicity for the community and organisation. Based on this recommendation a Strategic Plan – Towards 2040 was adopted by Council in 2013. However there is now misalignment between the six themes of the Strategic Plan – Towards 2040 and the four pillars of the 2010-2020 Strategic Plan. Consideration of a medium term (3 year) action-oriented Business Plan, based on the six themes of the Strategic Plan – Towards 2040 will strengthen the alignment throughout administration to the Strategic Plan and Business Plan.

The recent adoption of the Asset Management Plan enables alignment between this Plan and the Long Term Financial Plan to proceed.

Considering the suite of plans provides an opportunity to streamline the plans. The terminology of the plans has been simplified to support community understanding and strong alignment across the organisation.

**CITY OF MARION
PEOPLE AND CULTURE COMMITTEE MEETING
3 MAY 2016**

Originating Officer: Steph Roberts, Manager Human Resources

Subject: CEO Performance and Remuneration Review
Timeline and Approach

Report Reference: PCC030516R7.2

REPORT OBJECTIVES:

To provide the People and Culture Committee with a suggested approach and timeline for managing the Chief Executive Officer (CEO) Performance and Remuneration Review for the 2015/16 financial year .

EXECUTIVE SUMMARY:

The employment of a CEO is a critical function of the Council and establishing a best practice CEO Performance and Remuneration Review will bring further accountability and benefits to the Council and its community.

This report outlines a proposed approach and timeline for the Committee's consideration that is inclusive of the requirements of the CEO's employment contract and other relevant documents.

The People and Culture Committee is requested to review the proposed approach and make a recommendation to Council to be considered at the 24th May 2016 General Council Meeting.

DUE DATES

RECOMMENDATIONS (2)

That the People and Culture Committee:

- | | |
|--|--------------------------|
| <p>1. Recommends the proposed approach and timeline for the CEO's performance and remuneration review as outlined in Appendix 1 subject to the following amendments:</p> <ul style="list-style-type: none">--- | <p>3 MAY 2016</p> |
| <p>2. Recommends to Council that a proposal be sought from _____, _____, _____ (external consultants) to develop and facilitate the performance review and remuneration benchmarking (if required).</p> | <p>3 MAY 2016</p> |

BACKGROUND

The Council has the ultimate responsibility for setting strategy and the performance of the organisation and it exercises this responsibility through its only employee (the CEO). The CEO is entrusted with the organisation's day to day management with direction set from the Council. As such, there is a unique relationship between the CEO and the Council and the evaluation of the CEO's performance can impact this relationship in either a positive or negative manner. Therefore, when setting a CEO performance and remuneration review, consideration should be given to a number of leading practice principles:

- Alignment of CEO performance with the objectives of the organisation
- Be based on clear expectations developed and agreed in advance with the CEO
- Have a clear, transparent and agreed link between performance and remuneration
- Be conducted in a manner conducive to ongoing good governance
- Be tailored to the specific needs of the organisation
- Comply with relevant standards for accountability and communication.

The proposed approach outlined in **Appendix 1** has been developed with these principles in mind and the requirements of the CEO Employment Contract, agreed Key Performance Indicators (KPI's), sections 5.9 to 5.16 of the People and Culture Committee Terms of Reference and the Local Government Association (LGA) Code of Conduct for Assessment of the Chief Executive Officer.

DISCUSSION

Section 9 of the CEO Employment Agreement defines the requirements for the performance review. The current contract refers to the Chief Executive Review Committee to undertake the review. This Committee was disbanded in December 2015 with the responsibilities of the review now addressed by the People and Culture Committee.

The proposed approach has been developed with the contract requirements in mind including:

- The performance criteria agreed by the Council and the CEO as outlined in Schedule 2 of the CEO Employment Agreement (KPI's)
- The position description
- The discharge of the duties, and
- Any other factors considered relevant.

Process

As referenced in the CEO's employment contract, the Committee may engage the services of an external consultant to assist in the assessment of the performance of the CEO. This is considered to be best practice approach for managing a CEO's Performance and Remuneration review as it ensures independence and mitigates potential conflicts of interest. It is recommended that the engagement of a consultant would include:

- Defining how the performance rating in schedule 4 of the contract would be applied
- The development, implementation (including interviews if required) and evaluation of a 360 tool
- A written report as required within section 9.6 of the contract.

It is proposed to seek an expression of interest from three external consultants, in order to determine a consultant to be engaged to conduct this work.

The table below provides an overview of potential consultants and Appendix 2 further details.

Consultant Firm	Key Contact	Further information
Nicoleunderwood Pty Ltd	Matthew Hobby	Matthew Hobby was previously at McArthur for 5 years responsible for their HR Consulting which involved facilitating over 15 CEO performance reviews each year as well as board reviews and remuneration reviews - with a strong focus in local government.
Matrix Leadership Networks	Chris Woodhouse	Experience HR specialist
Stokes HR Solutions	Denise Stokes Managing Director	Has conducted similar work with the City of Unley Council
Locher	Alice Redman-Wenham Manager People Performance Consulting	Have previously been engaged for recruitment and a Senior Leadership Team remuneration review
AME	Adam Kennedy	Engaged by the City of Charles Sturt

Each of these proposals will be presented to the Committee at its meeting of 5 July 2016. The Committee will make a recommendation to Council regarding the appointment of the consultant (unless Council previously resolves to delegate the responsibility to the Committee via resolution). It is proposed that the successful consultant could be engaged for the remainder of this term of Council (subject to suitable performance) to enable a consistent approach and the removal the requirement to seek formal quotes each year. The anticipated cost of the review will be \$4,000 to \$8,000 depending on the scope and is budgeted for within the Human Resources budget.

Defining the performance in schedule 4

Section 9.6 of the employment contract states that a written report will be complied with respect to the annual performance review and the report shall set out the performance level with reference to the following performance rating (Schedule 4 of CEO Employment Contract):

- Exceptional 5
- Commendable 4
- Acceptable 3
- Requires Improvement 2
- Unacceptable 1

The Council (on recommendation from the Committee) is required to establish what constitutes the differing performance levels. This performance level has been set regarding the Key Performance Indicators but not the aggregated total of the KPI's. It also does not consider any other type of feedback such as the 360 tool or a survey and how this would be applied.

It is also suggested that the CEO Performance and Remuneration Review (including the KPI assessment) would work best aligned to financial years rather than calendar year due to the audited financial statements being settled as at the 30th June each year.

360 tool

A 360 tool incorporates feedback from people the CEO works directly with, including Elected Members, key leaders and staff, as well as the CEO's self-assessment. The process of a 360 may include:

- Obtaining feedback, based on the developed performance criteria. This may be based on the initial feedback tool already used for the CEO's 3-month review completed in December 2015.
- Further to obtaining responses to the questionnaire, it is recommended interviews are conducted with Elected Members to delve deeper into the feedback provided.
- Once the questionnaires and interviews have been completed, a report is to be prepared for the People and Culture Committee consideration
- The outcomes of the CEO's performance is to be determined by aggregating the assessment of the performance criteria and all persons providing feedback against the performance rating scale set out in Schedule 4 of the Employment Agreement.
- The People and Culture Committee would then provide a recommendation to the Council on the outcomes of the CEO's annual performance review.
- The Council is required to consider and if agreed, adopt the recommendation from the Committee. The Mayor or People and Culture Committee can provide feedback to the CEO on outcomes of the performance review and jointly determine appropriate courses of action.

Remuneration Review

The ASX Corporate Government Council recommends within principle 8 of their guideline that an organisation should design its executive remuneration to attract, retain and motivate high quality senior executives.

It is noted that if the CEO performance review achieves an outcome of acceptable or higher, the remuneration review as defined in the contract would be triggered. It is noted that any consideration for increase is determined by Council at Council's absolute discretion.

If the Council resolves to appoint an external consultant, they can assist Council obtain further information such as benchmark data for CEO's within Local Government or similar industries.

The People and Culture Committee will be required to recommend to Council the CEO's remuneration package and performance criteria to be applied for the following year.

CONCLUSION

Adopting a formalised, structure approach to the CEO performance and remuneration review, gives the Council a greater likelihood of not only optimising their relationship with the CEO but also improving the overall performance of the organisation.

Appendix 1 - Proposed timeline for conducting the CEO's 2015/2016 performance and remuneration review.

Timeline: CEO Performance and Remuneration Review				
Date 2016	Activity	Meeting	Dependency	Contract / LGA Code of Conduct of the CEO
3 May	<ul style="list-style-type: none"> - Review proposed Timeline and process for CEO performance/ remuneration review and make recommendation to Council. - Review Report of quarter 1 and 2 CEO KPI's 	People and Culture Committee		
10 May	Review the current ABP and CEO's KPI's for 2016/2017 financial year.	Elected Member Forum		
24 May	Report to Council to seek resolution regarding the process and timeline for CEO Performance and Remuneration Review	Council Meeting		
May	Letter from Mayor to CEO outlining the review process as resolved by Council	N/A	24 May resolution	
5 July	Consideration and recommendation to Council of appointment of external consultant	People and Culture Committee	May P&C meeting outcomes	
26 July	Council to appoint consultant (option – The Committee could request Council could delegate this responsibility to P&C Committee at its meeting of 24 May)	Council Meeting	May P&C meeting outcomes	
August	Development of feedback tool and performance criteria	N/A		
6 September	Review developed performance criteria and feedback tool	People and Culture Committee		
September	People and Culture Committee to engage CEO with respect to the performance criteria			CEO's Performance Criteria must be reviewed in consultation with the CEO
27 September	Recommendation on performance criteria	Council Meeting		
October	Conduct feedback	N/A		The entire process to take no longer than 6 weeks
October	Assess performance against KPI's	N/A	Audited Financial Statements considered at	
1 November	Results of the performance review presented: - Feedback	People and Culture Committee	- Audit Committee 4 October 2016	Remuneration review to be conducted

	- KPI's Remuneration review recommendation		- Council to adopt 11 October 2016	within two (2) months of the performance review (unless a review of 'less than Acceptable' performance is achieved)
22 November	Recommendation CEO performance review, remuneration), seeking resolution	Council Meeting		
November	The Mayor provide feedback to the CEO on outcomes of the performance review and in conjunction with the CEO's determine appropriate courses of action.	N/A	22 November resolution	Written report shall be compiled with respect to the annual performance review and a copy provided to the CEO
November	Letter and report from Mayor to CEO outlining outcomes of the performance review			
Early 2017	Review CEO performance criteria for the 2016/2017 financial year. Any new or amended KPI to be written into the CEO contract.			CEO's Performance Criteria must be reviewed in consultation with the CEO within three (3) months after each annual performance review

Appendix 2



Matt Hobby

Nicoleunderwood Pty Ltd

- Executive Search and Selection
- Executive Coaching
- Leadership Workshop Facilitation
- HR Consulting
- Culture, Values & Behaviours Workshop Design & Facilitation
- Executive Workforce Planning
- CEO and Executive Performance Review Design and Facilitation
- Board Reviews and Recruitment

Matt Hobby is a driven and passionate recruitment professional, with experience acquired across the globe. Having worked as both a leader of large recruitment teams and as a search consultant, he enjoys the art of connecting talented people with the right organisations.

After an initial career in sales and marketing, Matt embarked on his recruitment journey completely by chance. What started as an interview for a sales role with Michael Page, very quickly turned into an interview as a recruiter and the rest is history! Matt quickly realised that he was able to work in partnership with both clients and candidates to create positive outcomes for both parties. With an opportunity to develop his craft, Matt transferred to Michael Pages' head office in London where he spent 5 years recruiting senior roles across finance, sales, marketing, human resources, general management and executive, legal and public sector for some of the world's biggest brands. This is also where Matt developed his leadership skills, being responsible for the strategic direction, business development and management of two executive search firms, including the start up of the Talent2 operation in Europe.

In 2008, Matt and his family relocated back to his hometown of Adelaide where he took up a role as Manager – Executive Recruitment Services for local recruitment firm, Locher Human Resources followed by a State Manager role at McArthur where he was responsible for the search and recruitment of over 25 CEO roles.

In addition to recruitment, Matt was also responsible for the management and delivery of the HR Consulting Service at McArthur. This involved facilitating over 15 CEO Performance Reviews each year, undertaking Employee Engagement Surveys, Organisational Restructures and Design, Board Reviews and Recruitment and Remuneration Reviews. In this time, he delivered a full suite of outsourced Human Resources services for an organisation with 100 people. This experience has seen Matt be asked to present on a range of HR topics, in particular the effective management of a CEO Performance Review process within the Local Government sector.

Matt is a past President of the industry's peak body, the Recruitment & Consulting Services Association (RCSA) for South Australia and was a national Board Director for 4 years. He is also a Fellow of the RCSA.

Matt has a genuine interest in the future of work and has joined Nicoleunderwood Pty Ltd to influence the business community by offering proactive search solutions as they embark on attracting and retaining the best executives for their businesses.



Chris Woodhouse

Matrix Leadership Networks Pty Ltd

Managing Director

Qualifications: Dip T, B Ed, Grad Dip, MBA (advanced), FAIM, FAICD, MAHRI, CPMgr, Cert IV Training and Assessment.

Summary

Chris is a business professional with more than 30 years experience working as a Chief Executive (CE), director, executive coach, facilitator or adult educator. Chris's Chief Executive and board appointments include public, private, NFP and tertiary education organisations, together with having held a senior position with the Australian Institute of Company Directors. He is Managing Director of Matrix.

More recently, Chris consults to organisations within listed, private, all levels of government, sporting and NFP sectors; clients including resources, manufacturing, engineering and construction, energy, health, and service delivery.

Chris is also a facilitator in the Public Sector Management Program and is a member of a number of local, state and federal government panels.

He is an accredited practitioner in a number of leading behavioural, psychometric and psychological diagnostics that assist in the understanding of organisational culture, thinking, values, behaviour and the impact of behaviour on people and organisations. These diagnostics act as a qualitative and quantitative evidential base and inform the development frameworks for individuals, teams and organisations.

Chris has received numerous awards for excellence in leadership, management and service to community and business, including the prestigious Queensland Professional Manager of the Year award. He has also been the recipient of two international study scholarships in the areas of business and regional economic development.



Denise Stokes
Stokes HR
Managing Director

Summary

At Stokes HR Solutions we pride ourselves on integrity, knowledge and achievement. With over 25 years' experience in the Adelaide market we are a South Australian owned and operated firm specialising in executive and management level human resource consulting.

Stokes HR Solutions help you to realise your full potential by understanding your strengths, experience and aspirations so you are rewarded with the right career - right culture. We provide the full suite of psychological services and training and development tailored to target your future business success.

Whether you are a start-up operation or a large global we are all about solutions.

Specialties:

Executive Search

Management Recruitment

Organisational Development

Outplacement Services

Investigations

Conflict Resolution

Mentoring

Coaching

Accredited Facet5 Practitioner

Accredited Human Synergistics Practitioner



Alice Redman-Wenham

Locher

Manager, People Performance Consulting

Qualifications: B. Psych (Hons), M. Psych (Work and Organisational), Registered Psychologist

Specialisations: Business Strategy & Change Management, Leadership, Coaching & Team Development, Psychometric Assessments, Organisational Research, Non-accredited Learning, Assessment & Development Centres, and HR Services.

Working in OD Solutions Since: March 2008

Alice leads an exceptional multi-disciplinary team of OD Consultants, Business Developers, Psychologists and Support Staff across SA and NSW. As well as leading team operations, Alice provides consulting advice and services to a diverse range of clients across several industry sectors including government, not-for-profit and corporate clients.

Alice is the person our consultants and clients come to for creative, 'I think that might just work!' solutions for organisational and people-related challenges. She has a real passion for making people and organisations stronger and better than they were before, and believes that OD solutions – done well – can have astonishing results.

Growing up in country SA, Alice hasn't quite yet been able to admit she's a city person now and keeps seven chickens and a Labrador at her Adelaide Hills home. She loves playing netball, running and bootcamp, but on the down side frequently turns up to work with a variety of interesting injuries.

Recent Successes:

- Design and Delivery of High-level Development Centre for over 85 Senior Leaders
- Completion of a Major National Research Project Investigating Factors Affecting Attraction and Retention of Staff in the Red Meat Industry
- Design of Competency Framework for Australian-based International Development Organisation



Adam Kennedy

AME

General Manager

Qualifications: B Com, B Eco, Grad Dip Marketing, MBA

Adam joined AME Recruitment 8 years ago following a successful 14 year career in the private sector. Holding positions in Decision Support Management, Trade Marketing Management and Financial Analysis his experience covered a wide variety of industries including wine, spirits, FMCG, financial services and manufacturing.

His recruitment experience is broad and diverse covering many industries with roles being based in South Australia and Interstate. Adam has recruited for listed and unlisted companies, Local and State Government, not for profit organisations and Family Businesses.

He is experienced in recruiting from the Board/CEO level through to casual customer service roles.

Adam takes pride in establishing relationships which transcend the recruitment process –

Beyond recruitment, Adam undertakes a significant number of HR Consulting assignments including CEO Performance reviews (for both Metropolitan and regional Councils), 360 degree Performance reviews, cultural surveys and salary benchmarking exercises.

Adam contributes to the community through a number of key Board positions in the health and disability sector.

**CITY OF MARION
PEOPLE AND CULTURE COMMITTEE MEETING
3 MAY 2016**

Originating Officer: Tania Baldock, Chief Executive Officer Executive Assistant
Chief Executive: Adrian Skull
Subject: DAP Independent Member Recruitment
Report Reference: PCC030516R7.3

REPORT OBJECTIVES:

To provide the Committee with an update on the recruitment of Independent Members for the Development Assessment Panel (DAP)

EXECUTIVE SUMMARY:

The People & Culture Committee meeting held on 1 March 2016, resolved to undertake the recruitment for two independent members for the Development Assessment Panel. The current independent members term is due to expire on the 28th May 2016.

RECOMMENDATIONS (3)

DUE DATES

That:

- | | |
|---|--------------------|
| 1. The names of the two shortlisted applicants whose referee checks have been completed, be recommended to Council meeting at its meeting of 24 May 2016. | 24 May 2016 |
| 2. The Committee recommend to Council to appointment both applicants for a period of two years. | 24 May 2016 |
| 3. The two shortlisted applicants be advised that they have been shortlisted for the two Development Assessment Panel positions, and that their names will be included in the May Council Agenda papers for Council consideration. | 19 May 2016 |

BACKGROUND:

Section 5.22 and 5.23 of the People and Culture Terms of Reference provide that the Committee and the Chief Executive Officer will act as the selection panel for all expert members to the Development Assessment Panel. The process to be followed by the Committee is:

- Identification of potential candidates via general advertisement.
- Short list candidates for interviews/discussion.
- Interviews with candidates to determine suitability for selection.
- Determine a preferred candidate and confirm their preparedness to be nominated for appointment.
- Make recommendation to Council on preferred candidate.

DISCUSSION:

As per the recruitment schedule endorsed by the Committee, an Expression of Interest was placed in the Advertiser with a good response receiving 35 applications for consideration.

The Elected Member representatives of the People and Culture Committee reviewed the applicants and shortlisted two applicants for interview. The shortlisted candidates were evaluated and selected based on expertise and skills which will contribute to effective decision making of the DAP.

Interviews were undertaken on the 5th April 2016 with the Elected Members of the Committee and the Chief Executive Officer. Based on the interviews, the group recommended that the two candidates progress to reference check which have now been completed. The reference checks have confirmed that both applicants are suitable for the role.

A copy of the list of applicants, the applications from the two short listed candidates and the referee checks will be available within the Committee meeting. It should be noted that if any personal information is discussed, the Committee may need to move into confidence pursuant to Section 90(2) and (3)(d) of the Local Government Act 1999.

The DAP sitting fees were last considered and adopted by Council at its meeting of 22 April 2014. The endorsed fees for attendance at any given DAP meeting were as follows:

- | | |
|-----------------------------|-------|
| • Presiding Member | \$500 |
| • Other Independent Members | \$400 |
| • Elected Members | \$200 |

CONCLUSION:

The final step in the process is for the Committee to make a recommendation to Council regarding the appointment of the independent members to the DAP including the term. It is noted that the maximum term for independent members for the DAP is two years.

If the Committee recommendation is adopted at the 24 May 2016 General Council Meeting, the successful applicants can be notified via a letter of offer and seeking their acceptance of the position. All other applicants should be notified once this is complete.

**CITY OF MARION
PEOPLE AND CULTURE COMMITTEE MEETING
3 MAY 2016**

Originating Officer: Steph Roberts, Manager Human Resources

Chief Executive: Adrian Skull

Subject: Enterprise Agreement (EA) Negotiations
Administrative Staff

Report Reference: PCC030516R7.4

REPORT OBJECTIVES:

To provide the Committee with a further update on the Enterprise Agreement (EA) Negotiations for Administration (ASU) staff.

EXECUTIVE SUMMARY:

Since the People and Culture Committee last met in March 2015, negotiations regarding the EA for Administration staff have continued. Management has reached in principle agreement with staff and the union (ASU), with negotiations continuing on specific aspects of the agreement.

Management are currently awaiting a formal response from staff and ASU which is anticipated in early May 2016.

RECOMMENDATIONS (2)

DUE DATES

That the Committee Notes:

- | | |
|---|------------|
| 1. the update provided regarding the Enterprise Agreement Negotiations with Administrative Staff. | 3 May 2016 |
| 2. that a further report will be presented to the People and Culture Committee at its meeting of 5 July 2016. | 3 May 2016 |

DISCUSSION:

At the May 2016 People and Culture Committee meeting, a report was provided notifying the Committee that EA negotiations had begun with the Staff Representatives, Management Representatives and the ASU (Staff Enterprise Agreement Development Team), with the current agreement expiring on 30 June 2016. This report provides an overview of how the negotiations have progressed.

As previously advised, the following management strategic intent was put to the Staff Enterprise Agreement Development Team, which is in line with the Council salary increase set out in the Long Term Financial Plan (LTFP) and with consideration of the cost of living pressures on the community.

Management Strategic Intent / Environmental Considerations:

- Pressure from community to minimise rate increases;
- Diminishing State and Federal Grants;
- Cost shifting from Federal / State;
- Increasing service expectations;
- Low CPI (March 2016 – 1.3%);
- LTFP salary increase – 2%.

The employee representatives/ASU have since provided their log of claims, which did not specify a salary increase value, however stated it be relative to other similar councils. We have conducted a cost/benefit analysis on those claims attracting a cost and provided employee representatives/ASU with a management log of claims and formal response to the employee representatives/ASU log of claims.

There has been agreement in principle reached on the Enterprise Agreement being in place for 3 years and the retention of no forced redundancies. Below is a summary of matters where staff and management remain in negotiations:

Claim	Management / Staff/Union	Negotiation details
Annual wage increase following 3 years 2%	Management	Relative to other similar Councils
Voluntary Separation Package reduction from 2 to 1.5 years.	Management	No reduction
Higher duties applying from 6 consecutive days of acting in a higher level role.	Management	5 days
Removing a number of clauses from the EA and placing them in policy	Management	Management have committed to provide Staff/Union with a suggested table which would replace the clauses
Increasing the probation period from 3 months to 6 months	Management	Staff/Union considering
3 grace days over the Christmas period	Staff/Union	Management are willing to consider, however it would impact on the wage increase, given the associated cost
9-day fortnight	Staff/Union	Management response is not to support this. There are alternative flexibility options available to staff

Management now await a formal response from staff and the ASU once they have further consulted with staff on the management log of claims and response to Staff/ASU log of claims. We anticipate this to occur early May.

Once negotiations have been finalised, the following process will be managed, in line with the Fair Work Act requirements:

- Any required changes to the Agreement will be drafted in consultation with the Staff Enterprise Agreement Development Team.
- The draft Agreement will be provided to staff.
- Information sessions held to ensure staff understanding of the Agreement terms and conditions
- Employees will be notified of the time and place the vote will occur and the voting method that will be used.
- The vote is successful when a majority of the employees who cast a valid vote endorse the agreement.
- The application for a proposed enterprise agreement must be lodged with the Fair Work Commission within 14 days of the agreement being made.

In the event the new agreement is not in place by the expiry of the current agreement and with the 2016 salary adjustment applying July 2016, back pay would be processed at the time the new agreement is in place.

CONCLUSION:

The Committee will be provided with a further update at its meeting of 7 July 2016.

**CITY OF MARION
PEOPLE AND CULTURE COMMITTEE MEETING
3 MAY 2016**

Originating Officer: Steph Roberts, Manager Human Resources
Chief Executive: Adrian Skull
Subject: Organisational Culture and Values
Report Reference: PCC030516R7.5

REPORT OBJECTIVES:

To provide the Committee with an update on the development and process for embedding of our organisational values.

EXECUTIVE SUMMARY:

Since the Committee last met in March 2016, consultation has occurred at all levels of the organisation to develop a set of organisational values. As a result of the consultation the values are currently described as Respect, Achievement, Integrity and Innovation. This report provides further details of the descriptors and behaviours that define what the value mean.

RECOMMENDATIONS (2)

DUE DATES

That the Committee:

- | | |
|--|-------------------|
| 1. Notes the report and discussion regarding organisational culture and values. | 3 MAY 2016 |
| 2. Recommends that these values be presented to Council for their endorsement. | 3 May 2016 |

BACKGROUND:

A key people and culture initiative for 2016 is the determination of agreed organisational values, to ensure they position the organisation to help drive behaviour required to effectively and efficiently achieve the strategic direction of the Council.

- Strategic goals specify WHAT we will accomplish.
- Values specify HOW we will accomplish our goal through how we act and behave.

At its meeting of 1st March 2016, the Committee had a round table discussion regarding the proposed approach for developing organisational values. Since then, further discussion has been held with staff, the leadership team and Elected Members to further define and establish the values and what they mean. These discussions have provided insight into what values and behaviours will resonate with staff and Elected Members. There has been a high level of engagement and input from people, which is a positive indicator people are seeing the importance of having agreed values in place.

As a result of the consultation the following values, descriptors and behaviours have been developed. The Senior Leadership Team (SLT) shared the behaviours with staff during the week of 4 April 2016.

DISCUSSION:

With the community and safety at the forefront of everything we do, Marion values:

Respect

Treating everyone as we want to be treated, where all contributions are valued

- We embrace and celebrate diversity
- We demonstrate courtesy
- We acknowledge and listen to others
- We communicate openly and provide explanation for our decisions

Integrity

Fostering trust and honesty in all of our interactions

- We follow through on commitments
- We are frank, open, courageous and transparent
- We are genuine and authentic
- We lead by example

Achievement

Enhancing our knowledge and performance to reach our shared goals, while being dedicated to supporting one another

- We are responsible and accountable for our actions
- We give and accept feedback
- We display courage and are decisive
- We get things done and celebrate success

Innovation

Encouraging new ideas, and learning from our experience to do things better

- We look for ideas and opportunities to better deliver
- We pursue informed risk-taking
- We practice creative problem solving
- We explore and share best practice

The values will be embedded into our ways of working, so they become part of everything we do. Key examples will be through:

- Work Area Planning
- Performance Development Planning / Leadership Development Planning
- Recognition
- Recruitment
- Induction
- Policies
- How we relate to our residents and customers

CONCLUSION:

In order to assess the success of the new values and impact on the organisational culture, a further assessment of the culture will be conducted at an agreed period after embedding the new values.

**CITY OF MARION
PEOPLE AND CULTURE COMMITTEE MEETING
3 MAY 2016**

Corporate Manager: Kate McKenzie, Manager Corporate Governance

General Manager: Vincent Mifsud, General Manager Corporate Services

Subject: Organisational Strategies – Internal Communications and Wellbeing

Report Reference: PCC030516R7.6

REPORT OBJECTIVES:

To provide the People and Culture Committee with an overview of the organisations internal communication and wellbeing strategies.

EXECUTIVE SUMMARY:

Both internal communications and employee wellbeing strategies are directly linked to employee satisfaction, increased productivity and employee retention. When these strategies are planned and implemented effectively, they enable employees to feel engaged and valued.

This report provides details of:

- The current internal communications strategies that support the organisations culture and performance.
- The current employee wellbeing strategies to engage with staff and enhance productivity across the organisation.

The report provides details of the activities undertaken and associated budgets and resources.

RECOMMENDATIONS (1)

DUE DATES

That the Committee:

- | | |
|--|-------------------|
| 1. Notes the report and discussion regarding organisational strategies for internal communications and wellbeing. | 3 May 2016 |
|--|-------------------|

BACKGROUND:

The People and Culture Committee Terms of Reference states that the Committee is responsible for reviewing, monitoring and recommending to Council relevant strategies regarding the organisation's culture and performance associated with the conduct of Elected Members, employees and volunteers. More specifically section 5.1 of the Terms of Reference states that the Committee will monitor the development of key strategies, policies and budgets aimed at improving the organisation's culture and performance and 5.4 requires the Committee to ensure the organisation has appropriate employee wellbeing strategies in place.

DISCUSSION:

Internal Communications

The development of an effective internal communication plan is a critical part of an organisations strategy, as clear and effective internal communications are a key element in any employee engagement. Internal communication can also be an important part of an organisations marketing, ensuring that organisation values and staff understanding and behaviour are aligned. When done well, internal communications can boost morale and motivation, provide learning and better customer service.

The Communications Team is currently developing a Marketing Plan for the City of Marion which will be discussed at an Elected Member Forum in June 2016. This Plan will also incorporate the elements of the organisations internal communications plan. At present, the activities for the organisations internal communications are as follows.

- **Marion Muse** – staff e-newsletter distributed monthly
- **General Staff Meetings held at** Administration and City Services sites on a monthly basis.
- **Council Report** – Email sent by CEO to all staff outlining major items of discussion during Council meeting.
- **Internal Communication Plans for Key Projects** – i.e. Organisation Values, Work Health and Safety.
- **Posters/flyers** – Designed in house for any particular issues e.g. work health and safety
- **COMBI** (Intranet) – staff news, information, documents, policy, etc
- **Corporate diary** – update on events, activities, training
- **Elected Member extranet** – Minutes, agendas, information, key correspondence, etc

These activities are managed within existing staff resources. The Communications Team comprises of four staff with key deliverables being media management, public relations, publications, event management, marketing and communications.

Wellbeing Strategies:

The wellbeing strategies for the organisation are largely embedded within the Employee Agreements and delivered through the Work Health Safety Program. The organisation has maintained consistent communication with its staff regarding its Work Health Safety Program for the past five years with wellbeing programs aligned to achieving the 'Think Safe Live Well' aspirational goal of "achieving enhanced wellbeing".

The approach for the wellbeing strategies is to increase awareness of health issues, identify risk factors and support individuals to manage their health status. The organisational return is a more engaged and productive workforce. The Wellbeing activities provide a focus area

for each month and addresses physical, personal, psychological and environmental factors by focussing on "healthy bodies, minds, culture and places".

Appendix 1 provides a draft list of the planned activities over the course of the next 12 months. This plan is still currently being finalised with BUPA as majority of the activities are funded through BUPA who offer corporate private health memberships to staff within the City of Marion. In addition to these programs, through the agreement with BUPA, surplus funds can be accessed to deliver educational sessions to staff that align with the focus topic for the month. For example, the organisation could offer a one hour infectious disease education session during the month that Influenza vaccines are offered to staff. This can increase knowledge of related infectious disease and not just vaccinate against one of the risk factors being the flu.

In addition to this, The Local Government Association sponsor the Healthy Lifestyles Program each year which offers the following:

- 112 Skin checks (targeted to outdoor staff)
- 75 Health assessments (1 hour) or 150 Health assessments (1/2 hour) or mix of both
- Online Health and Wellbeing Hub
- 10 week fit for work program for 30 staff

The Health Lifestyle Program is included as a benefit within the Employment Agreements and the cost is included as part of the membership with the Local Government Association Workers Compensation Scheme, with the exception of the 10 week fit for work program that is an additional \$450 per annum.

Other benefits within the Employee Agreements include flexible working arrangements, Flu vaccinations, Hepatitis B Vaccinations, Employee Assist Program (Counselling Services), and the quit smoking program.

Employee Assist Program (EAP) is a confidential counselling service available to employees, immediate family members, volunteers and elected members to assist with issues that may eventually affect performance at work or individual well-being. The EAP is well utilized and the costs for the services are budgeted within the Human Resource Department.

The Wellbeing budget in 2015/2016 is as follows:

- \$5,720 for Flu vaccination and Hepatitis B (based on risk associated with the role) based on our aim of 75% of staff receiving a \$20 vaccination (last year was 50%). This provision is included within the Employee Agreements.
- \$1,050 for Quit Smoking program based on one educational session and support (therapy products) for 3 staff. This provision is included within the Employee Agreements.

All other programs are at no cost to Council either because they are facilitated by internal staff or are sourced via the BUPA funding. The program is resourced at 0.5 FTE within the Risk Team.

CONCLUSION:

Having effective organisational strategies for both internal communications and employee wellbeing are long term matters that need to be continually reviewed and revitalised to ensure that they remain relevant. As the workforce evolves and changes, so do the strategies to ensure they are providing effective benefits to both the staff and the organisation as a whole.

WELLBEING CALENDAR

Aims: Increase awareness, support individuals & reduce risks

Healthy Bodies
Healthy Minds
Healthy Culture
Healthy Place

MONTH	THEME	HEALTH FOCUS	WORKPLACE BENEFITS	PROPOSED EVENTS	CoM Wellbeing Budget	BUPA Funding
1. March	Healthy Bodies	FIT FOR WORK	Injury reduction	- Promote online portal - Healthy Lifestyle Program x 2	- \$0 (LGA/CHG) - \$450 (Wellbeing budget - 2nd session)	
2. April	Healthy Culture	HEALTH SUPPORT / ASSESSMENT	Healthier & happier people	- email/poster - Online Portal promo	- \$0 (internal resource)	
3. May	Healthy Place	Infectious Disease	Illness reduction	- Flu Vaccinatons - Infectious Disease education	- \$5,720 (70% staff ie 270 @ \$22 each) - \$0 (BUPA)	- \$800 (cold & flu education)
4. June	Healthy Minds	Mental Health	Healthier & happier people	- MH 1st Aid (2day x 18 staff - each SLT) - Mental Health (1/2 day) x 30 staff	- \$2600 (St Johns - WHS Training budget) - \$0 (BUPA)	- \$5,500 (Mental Health - Act now)
5. July	Healthy Place	Clean up CoM & Ergonomic	Healthy work design & environment	- Workstation Self Assessments - OT ergonomic assessments	- \$0 (internal form) - \$0 (BUPA)	- \$2,200 (40 assessment x15 min @ \$55 each)???
6. August	Healthy Minds	Building Resilience	Healthier & happier people	- promote MHFA/E&Ds/HSRS & Stacey's bk - Resilience educational session	- \$0 (internal resource) - \$0 (BUPA)	- \$1,500 (from Surviving to Thriving)
7. September	Healthy Bodies	SUN/HEAT SMART	Illness reduction	- Sun & Heat seminar - Skin checks	- \$450 CHG (WHS Training budget) - \$0 (LGA/CHG)	
8. October	Healthy Culture	HEALTH SUPPORT / ASSESSMENT	Healthier & happier people	- email/poster - Online Portal promo - Health Assessments	- \$0 (internal resource) - \$0 (LGA/CHG)	
9. November	Healthy Place	Quit Smoking	Illness reduction	- Quit Smoking seminar - Therapeutic support - Ongoing support program	- \$150 Cancer Council - \$900 (est 3 quitters) - \$0 (BUPA)	- \$550 (10 x telephonic health coaching @ \$55)
10. December	Healthy Minds	Mental Health	Healthier & happier people	- holiday hazard promo - Mental Health educational session	- \$0 (internal resource) - \$0 (BUPA)	- \$1,500 (Stress busters)
11. January	Healthy Culture	HEALTH SUPPORT / ASSESSMENT	Healthier & happier people	- 2017 Plan beyond June - email/poster - Online Portal promo	- \$0 (internal resource)	
12. February	Healthy Bodies	Heart Health & Blood Donation	Healthier & happier people	- Promote Red 25 Blood Donors 2017 - Heart Health Seminar	- \$0 (internal resource) - \$0 (BUPA)	- \$800 (Heart Health education)
13. April	Healthy Bodies	FIT FOR WORK	Injury reduction	- Promote online portal - Healthy Lifestyle Program x 2	- \$0 (LGA/CHG) - \$450 (2nd session)	
14. April	Healthy Culture	Anti-bullying	Healthier & happier people	- promote reps E&D + HS reps - Anti-bullying seminar (for Managers)	- \$0 (internal resource) - \$0 (BUPA)	- \$1,500 (Session for Managers)
15. May	Healthy Place	Infectious Disease	Illness reduction	- Flu Vaccinatons - Infectious Disease education	- \$0 (BUPA) - \$0 (BUPA)	- \$5,720 (70% staff ie 270 @ \$22 each???) - \$800 (cold & flu education)
16. June	Healthy Minds	Mental Health	Healthier & happier people	- promote MHFA/E&Ds/HSRS & Stacey's bk - Mental Health educational session	- \$0 (internal resource) - \$0 (BUPA)	- \$1,500 (Good MH in High Performance Cultures)
					\$7,670	\$22,370

**CITY OF MARION
PEOPLE AND CULTURE COMMITTEE MEETING
3 MAY 2016**

Originating Officer: Steph Roberts, Manager Human Resources
Chief Executive: Adrian Skull
Subject: Approach to Developing our Workforce Plan
Report Reference: PCC030516R7.7

REPORT OBJECTIVES:

To provide the Committee with an overview on the approach to develop a Workforce Plan.

EXECUTIVE SUMMARY:

Common practice in high performing organisations is to integrate workforce planning initiatives into business and strategic planning processes. An integrated workforce plan can assist an organisation to structure its resources to achieve its goals within defined resources.

The City of Marion is developing its workforce plan within the intent to create a capable and high performing workforce to deliver effective and efficient services to our community now and into the future.

This report provides a high level overview regarding how the City of Marion workforce plan will be developed to ensure the current workforce will be developed to achieve business objectives.

RECOMMENDATIONS (1)

DUE DATES

That the Committee:

- | | |
|--|------------------|
| 1. Notes the report and discussion regarding Workforce Planning | 3 MAY 201 |
|--|------------------|

BACKGROUND:

The City of Marion Council is developing an organisational Workforce Plan.

Workforce planning is a systematic, fully integrated organisational process that involves proactively planning ahead to avoid talent surpluses or shortages.

By planning ahead, Council can ensure the right number of people, with the right skills, in the right place, and at the right time. Workforce planning is also referred to as talent planning because it integrates the forecasting elements of each of the Human Resources functions that relate to talent, including retention, redeployment, leadership and employee development.

DISCUSSION:

The plan will be developed with a commitment to work within the following key strategies and requirements:

- Full time equivalent (FTE) Key Performance Indicator
- Vacancy Management Policy
- Enterprise Agreements

The City of Marion Workforce Plan incorporates the following key talent programs:

- Defining and embedding the Council Values
- Organisational Structure
- Performance / Leadership Development Framework
 - Leadership Development
 - Career Development
 - Training and employee development
 - Role fit / redeployment
- Succession planning
 - Emerging leaders / Talent management
 - Gap Year / traineeships
 - Transition to retirement
- Recruitment
 - Diversity management
- Retention
 - Reward and Recognition
 - Flexible working arrangements

In order to develop a Workforce Plan, critical employee data is required to be collected and analysed to inform the plan. This project would provide an overview of the Council's current demographic profile, as outlined below:

- Including but not limited to describing current workforce demographics as it pertains to age groups, gender, cultural background, comparing demographic changes from previous year(s).
- Identify demographic challenges Council faces with the current workforce population. E.g. an ageing workforce and WHS implications.
- Identify core competencies, skills, critical work functions, key leadership/non-leadership positions.

- Identify challenges Council faces (if any) with current bench strength.
- An analysis of the projected workforce needs of Council compared to the current workforce profile, and the resulting gaps.
- Consideration of future trends in employment and working
 - E.g. new technologies that will change the way we work in Council and with which we need to train staff
 - Skills and competencies required for the leader of the future
 - Implications of future trends as compared to Council's current workforce analysis

In line with the two-year Internal Audit Program, a scope is currently being prepared in conjunction with KPMG to regarding 'People, Leadership and Cultural Management Systems'. Once the draft scope is finalised, it will be distributed out of session to the People and Culture Committee for review and comment. Once feedback has been received the scope will be considered by the Finance and Audit Committee as part of its obligations for monitoring the Internal Audit Program.

CONCLUSION:

The Workforce plan will be developed in line with the Human Resources Work Area Plan, to ensure the key talent programs are progressed through the 2016/2017 financial year.

A progress report will be brought to the People and Culture Committee in September 2016, to enable the opportunity for the Committee to provide input.

**CITY OF MARION
PEOPLE AND CULTURE COMMITTEE MEETING
3 MAY 2016**

Originating Officer: Steph Roberts, Manager Human Resources
Chief Executive: Adrian Skull
Subject: People and Culture Monitoring Report
Report Reference: PCC030516R7.8

REPORT OBJECTIVES:

Section 2.1.1 of the People and Culture Committee's Terms of Reference states that the purpose of the Committee "Reviewing, monitoring and recommending to Council relevant strategies regarding the organisation's culture and performance associated with the conduct of Elected Members, employees and volunteers".

EXECUTIVE SUMMARY

Reporting on the agreed key people metrics has begun with the formation of the People and Culture Committee. As we continue to collect data over the coming months, we will be able to further analyse trends in the effectiveness of staff resource management. The current critical areas requiring a focus and strategies for improvement are our excessive leave liability and lost time injury frequency rate (LTIFR), within Injury Management.

The Workforce Plan once developed, will provide further opportunities for reporting on progress of key activities and how they are impacting the health and wellbeing of staff and the effectiveness of staff resource management.

RECOMMENDATIONS (2)

DUE DATES

That the Committee:

- | | |
|---|------------|
| 1. Notes the metrics outlined in this report. | 3 May 2016 |
| 2. Discuss and suggests the following metrics _____, _____, _____ | 3 May 2016 |

BACKGROUND:

At its meeting of 1 March 2016, the Committee noted the suggested monitoring reports and suggested that some further work be completed to make the data more meaningful.

The Committee suggested the following improvements to the report:

- The full time equivalent be tracked with both internal and external (contractor) staff
- The total employee costs and labour budgets be monitored through this report
- The leave accruals to have comparison data including trend data
- The Lost Time Injury Frequency Rate include trend and benchmarking data to provide more context regarding how the organisation is performing.
- The injury data to be provided by division to help the Committee understand what parts of the organisation are doing well.
- Provide details regarding when the data has been collected (i.e. monthly, quarterly, etc.)

This report has been prepared with consideration of the above points.

DISCUSSION:

There are a number of key people metrics that can be used to monitor the health and wellbeing of staff and the effectiveness of staff resource management.

Headcount

As at end March 2016 (including casual employees)




The Full Time Equivalent (FTE), excluding temporary labour hire, has increased by 5 FTE from February to March 2016 (relating to a headcount increase of 4 employees). This is not an increase in new positions, but rather positions being filled via recruitment and the number of vacancies varying from month to month. Tracking this information enables an overview of our staff movements and the ability to assess whether we are maintaining the required FTE and if not, the reasons why.

	February <i>Excluding Temporary Labour hire</i>	March <i>Excluding Temporary Labour hire</i>	March <i>Including Temporary Labour hire</i>
*Full time equivalent (FTE)	335.3	340.3	363.95
Indoor Staff <i>(includes 1.5 FTE Theatre Tech (not on either Award))</i>		231.5	244.04
Outdoor Staff		92.4	103.52
Executive Leadership Team (ELT) Senior Leadership Team (SLT)		16.4	16.4
*Headcount (actual number of employees)	371	375	450
Indoor Staff <i>(includes 2x Theatre Tech (not on either Award))</i>		265	303
Outdoor Staff		93	130
ELT / SLT		17	17

Employee Turnover and Retention

Target Retention*

Employee retention is one of the CEO's Key Performance Indicators. An acceptable result requires employee retention to be greater than 92%. An exceptional result would require the result to be within 88-92%. Quarter 3 performance 98.1% indicates acceptable performance of this KPI.

	Exceptional	88 – 92%
	Acceptable	> 92%
	Target not met	< 88%

Quarter 1 Performance:  **97.7%** (quarter result)

Quarter 2 Performance:  **97.0%** (quarter result)

Quarter 3 Performance  **98.1%** (quarter result)

12 month Rolling Performance: **91.5%** (as at end March 2016)

**The employee retention rate is calculated as the number of staff that left the organisation at a specific point in time, divided by the total number of employees, and displayed in terms of the percentage of staff retained by the organisation.*

Leave Liability

A focus area is to reduce the leave liability, in line with the Excessive Leave Policy. People Leaders receive monthly reports outlining leave balances, to assist them in managing excess leave entitlements that exceed accepted limits. The objective is to assist employees achieve a healthy work-life balance through the management of leave and to reduce the financial liability that currently exists.

Excessive leave liability as at March 2016:

	Excessive Leave February 2016	Excessive Leave March 2016	Financial Liability March 2016
Annual Leave >228 Hours	16,683 hours	16,848 hours	\$640,343
Indoor Staff		10,156 hours	\$411,325
Outdoor Staff		5,975 hours	\$186,189
ELT / SLT		717 hours	\$42,829
Long Service Leave >494 Hours	8,076 hours	8,221 hours	\$353,444
Indoor Staff		6,483 hours	\$293,138
Outdoor Staff		1,738 hours	\$60,306
ELT / SLT		0 hours	\$0

The acceptable hours an employee can accrue up to are:

- Annual Leave 228 hours
- Long Service Leave 494 hours

The historical context of excessive leave parameters, was such that the acceptable hours were set by the Executive Leadership Team, which formed the basis of the Excessive Leave Policy. This Policy was then submitted to the Audit Committee.

Injury Management

The City of Marion's safety program 'Think Safe Live Well' was developed with a vision of 'Zero harm with enhanced wellbeing'.

In order to measure improvement, safety indicators are measured and monitored against our industry counterparts being Group A Councils (1GaC). Two important safety indicators measured are Lost Time Injuries (2LTIs), outlined in Table 1 from internal incident reporting data, and Lost Time Injury Frequency Rate (3LTIFR) from the Local Government Association's Claims Analysis Portal data, outlined in Table 2 and Table 3 below.

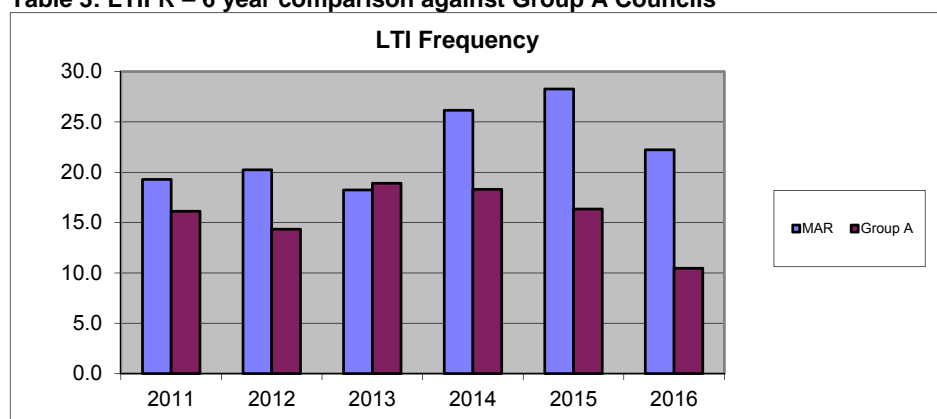
Table 1: Number of LTIs – 6-month comparison of internal workgroups

	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Outdoor Staff	1	2	0	1	0	1
Indoor Staff	1	0	0	2	1	1
ELT / SLT	0	0	0	0	0	0
Total No. of Injuries	2	2	0	3	1	2

Table 2: LTIFR – 6-month comparison against Group A Councils

	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
LTIFR; CoM	4.5	7.3	9.1	10.3	13.6	22.6
LTIFR; Group A Councils	5.8	6.5	7.7	8.8	8.9	10.5

Table 3: LTIFR – 6 year comparison against Group A Councils



1 Group A Councils (GaC) are those metropolitan councils that have more than 300 workers ie Marion, Onkaparinga, Holdfast, Mitcham, Burnside, Salisbury, Playford, and Charles Sturt.

2 Lost Time Injuries (LTI's) are those injuries where a whole work day or more has been lost due to a workplace injury

3 Lost Time Injury Frequency Rate (LTIFR) is a industry standard measurement tool for measuring LTI's within a given accounting period relative to the number of full-time equivalent workers and the total number of hours worked in the same accounting period which enables comparison to other organisations for the purpose of benchmarking.

In order to improve our safety outcomes, a number of Hazard Prevention and LTI Reduction Strategies are being implemented by the Risk Unit, in conjunction with Human Resources and the Leadership Team. The organisation's hazard register is currently being reviewed to ensure all hazards are appropriately identified and that all hazardous tasks identified have a documented Safe Work Method Statement, Safe Work Procedure or Safe Operating Procedure. Incident Management Training is being rolled out to all People Managers during April and Manual Handling Training is being schedule for May, to address manual handling injuries. Additional strategies are also being explored, in consultation with staff, including specifying preferred medical practices who specialise in worker injury as well as accompanying workers to their initial consultation with the medical practitioner.

CONCLUSION:

Comprehensive human resources measurement enables Council to collect consistent information about the employee population, which supports decision making and ensures that leadership and development activities remain relevant with the overall business strategy. It ensures our decisions are based on facts rather than 'gut feeling', and the data can be used to back up business cases and resource needs.