

His Worship the Mayor
Councillors
CITY OF MARION

NOTICE OF REVIEW AND SELECTION COMMITTEE MEETING

Committee Rooms 1 and 2, Council Administration Centre
245 Sturt Road, Sturt

Tuesday, 04 August 2020 at 06:00 PM

The CEO hereby gives Notice pursuant to the provisions under Section 83 of the Local Government Act 1999 that a Review and Selection Committee meeting will be held.

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 the Council Chamber is via the main entrance to the Administration Centre on Sturt Road, Sturt.



Adrian Skull
Chief Executive Officer



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OPEN MEETING

KAURNA ACKNOWLEDGEMENT

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

ELECTED MEMBERS DECLARATION (if any)

CONFIRMATION OF MINUTES

Confirmation of the minutes for the Review and Selection Committee Meeting held on 5 May 2020

Originating Officer Manager People and Culture - Steph Roberts

Corporate Manager N/A

Report Reference: RSC200804R01

RECOMMENDATION:

That the minutes of the Review and Selection Committee Meeting held on 5 May 2020 be taken as read and confirmed.

ATTACHMENTS:

#	Attachment	Type
1	RSC200505 - Final Minutes	PDF File

MINUTES OF THE RSC 200505-REVIEW AND SELECTION COMMITTEE

Tuesday, 05 May 2020 at 06:00 PM



PRESENT

Elected Members

His Worship the Mayor Kris Hanna

Councillors Kendra Clancy, Matthew Shilling, Luke Hutchinson and Ian Crossland

In Attendance

Adrian Skull

Chief Executive Officer

Steph Roberts

Manager People and Culture

Kate McKenzie

Manager Corporate Governance

Tony Lines

General Manager City Services

Brett Jaggard

Unit Manager Open Space Operations

Liz Byrne

Manager Community Connections

OPEN MEETING

The Mayor opened the meeting at 06:03 PM

KAURNA ACKNOWLEDGEMENT

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

CONFIRMATION OF MINUTES

Confirmation of the minutes for the Review and Selection Committee Meeting held on 4 February 2020 and Special Review and Selection Committee Meeting held on 30 March 2020

Report Reference: RSC200505R01

Moved Councillor Hutchinson, Seconded Councillor Shilling

That the minutes of the Review and Selection Committee Meeting held on 4 February 2020 and Special Review and Selection Committee Meeting held on 30 March 2020 be taken as read and confirmed.

Carried Unanimously

6.05pm Councillor Crossland joined the meeting

BUSINESS ARISING

REPORTS FOR DISCUSSION

2020-21 Corporate and CEO KPIs

Report Reference: RSC200505R02

Discussion regarding draft KPIs

- Financial sustainability KPI, discussion regarding time period
- Previously operational targets/goals were set for the CEO, which was important at the time
- Whether to seek member input into setting additional KPIs for the CEO
- Environmental KPI, Carbon Neutrality included in the draft KPIs, target to be determined
- Lost time frequency rate, discussion regarding the 10% reduction target
- Employee costs. Focus has been to drive down employee costs. The KPI incentive is to come in on last year's budget, not to improve on it. Suggestion it would be useful to show a 5 year average, allowing for slight movement up and down (as per page 23 3rd Quarter KPI report). Suggest show the stretch as a rolling average. Employee costs target to be inclusive all staff required to deliver the program of works.

ACTION:

- Include wording for a 2-3 year rolling average target for inclusion in the General Council report.
- Email to Elected members to gain input into the KPI adjustments proposed by administration
- Delivery of Capital Works, carry overs to be tightened, an increased stretch target suggested, it was agreed to leave as is.
- Work with the existing list of KPIs and finalise at General Council

6.08pm Brett Jaggard joined the meeting

6.20pm Liz Byrne joined the meeting

6.25pm Councillor Crossland left the meeting

Moved Councillor Shilling, Seconded Councillor Hutchinson

That the Review and Selection Committee:

1. Recommend to Council the alignment of the proposed corporate KPIs to the CEO's KPIs for the 2020/21 financial year

Carried Unanimously

REPORTS FOR NOTING

Corporate and CEO KPI Report Quarter Three 2019/20

Report Reference: RSC200505R03

- Asset sustainability below target, however anticipated to be achieved by the end of the financial year.
- Staff engagement score below target. Administration have changed platforms to Teamgage, with an engagement score at the end of the third quarter of 86% for administration staff and 88% for field staff. We anticipate next quarter will be a higher result. The survey is currently being conducted fortnightly.

Moved Councillor Hutchinson, Seconded Councillor Clancy

That the Review and Selection Committee:

1. Notes the report and attachments.

Carried Unanimously

Agency staff

Report Reference: RSC200505R04

- Administration will need to engage casual staff for the Council endorsed street tree planting program
- Question regarding the level of pressure administration place to minimise expenditure of casual staff. Complexities in works have increased and need to utilise resources appropriately
- Recognition of the focus of not over resourcing and being scalable with casuals
- Funding with new development, challenge with labour budget
- Last quarter agency staff will be reduced due to COVID-19

Moved Councillor Shilling, Seconded Councillor Clancy

That the Review and Selection Committee:

1. Notes the report.

Carried Unanimously

6.45pm Brett Jaggard left the meeting

CONFIDENTIAL ITEMS

Cover Report - Neighbourhood Centre and Library Resourcing

Report Reference: RSC200505F01

Moved Councillor Shilling, Seconded Councillor Hutchinson

That pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Tony Lines, Steph Roberts, Liz Byrne and Kate McKenzie, be excluded from the meeting as the Council receives and considers information relating to Council employees, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to Council employees.

Carried Unanimously

6.46pm the meeting went into confidence

6.57pm the meeting came out of confidence

WORKSHOP / PRESENTATION ITEMS - Nil

OTHER BUSINESS

Nil

MEETING CLOSURE

MEETING CLOSURE - Meeting Declared Closed at 06:57 PM

CONFIRMED THIS 5 DAY OF May 2020

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CHAIRPERSON

BUSINESS ARISING**CONFIDENTIAL ITEMS****Cover Report - Deputy CEO Arrangements**

Originating Officer	Manager People and Culture - Steph Roberts
Corporate Manager	Manager People and Culture - Steph Roberts
General Manager	Chief Executive Officer - Adrian Skull
Report Reference	RSC200804F01

RECOMMENDATION

That pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Steph Roberts, be excluded from the meeting as the Council receives and considers information relating to Council employees, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to Council employees.

Deputy CEO Arrangements

CONFIDENTIAL

Reason For Passing This Resolution:

Local Government Act (SA) 1999 S 90 (2) 3(a): information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

REPORTS FOR DISCUSSION

FTE Management

Originating Officer	Manager People and Culture - Steph Roberts
Corporate Manager	Manager People and Culture - Steph Roberts
General Manager	Chief Executive Officer - Adrian Skull
Report Reference	RSC200804R02

REPORT OBJECTIVE

The purpose of this agenda item is to facilitate a discussion on FTE Management.

EXECUTIVE SUMMARY

Members have requested a discussion is held at the Review and Selection Committee regarding best practice for the approval of new Council roles, and the CEO KPI employee management.

Independent Member - Finance and Audit Committee

Originating Officer	Governance Officer - Angela Porter
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager City Services - Tony Lines
Report Reference	RSC200804R03

REPORT OBJECTIVE

For the Review and Selection Committee to consider and make a recommendation to Council regarding the appointment and or recruitment process for an Independent Member to the Finance and Audit Committee (FAC).

EXECUTIVE SUMMARY

The FAC has three expert members that form part of the membership of the Committee. The term of the expert members has historically been for a three-year period and is structured to ensure that the expiration of the term falls at different times to allow continuity of membership despite changes to Council's elected representatives.

This report highlights that Ms Natalie Johnston's term on the FAC expires on 30 November 2020. Ms Johnston's term on the FAC commenced on 13 February 2018. Council has two options regarding this position:

1. Re-appoint Ms Johnston for a term of three years, or
2. Undertake a recruitment process for the position.

The views of Ms Johnston have been sought and she expressed her desire to continue on the FAC if Council so determines.

If the Committee wishes to discuss the performance of Ms Johnston, it is recommended that the Review and Selection Committee move into confidence in accordance with the following resolution:

That Pursuant to Section 90(2) and (3)(a) of the Local Government Act, 1999 the Review and Selection Committee orders that all persons present, with the exception of Adrian Skull, CEO, Kate McKenzie, Manager Corporate Governance and Steph Roberts, Manager People and Culture be excluded from the meeting as the Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Council will consider the performance of the Finance and Audit Committee.

The Committee is required to make a recommendation to Council regarding how to progress.

RECOMMENDATION

That the Review and Selection Committee recommends to Council:

1. **That Ms Natalie Johnston be re-appointed to the Finance and Audit Committee for a period of 3 years until 30 November 2023.**
or
2. **That a recruitment process for an Independent Member of the Finance and Audit Committee be conducted.**

GENERAL ANALYSIS

The FAC was established in 2006 pursuant to section 126 of the *Local Government Act 1999*. Under the FAC's Policy and Terms of Reference, the FAC will comprise of five members— two elected members and three expert members.

Section 3.6 to 3.11 of the FAC Terms of Reference states the following:

External Expert Members

3.6 External expert members will have senior business, legal, audit knowledge and experience, and be conversant with the local government environment.

3.7 At least one external expert member will have expertise and knowledge in financial management/reporting.

3.8 The Council will determine the process for appointing an expert member.

3.9 Appointment of external representatives will be made by Council for a term to be determined by Council. To ensure succession planning for the Committee, the terms of appointment should be arranged on a rotational basis and continuity of membership despite changes to Council's elected representatives. Council may resolve to re-appoint an external expert member for consecutive terms.

3.10 If Council proposes to remove an expert member from the Committee, it must give written notice to the expert member of its intention to do so and provide that expert member with the opportunity to be heard at a Council meeting which is open to the public, if that expert member so requests.

3.11 Remuneration will be paid to each expert member of the Committee to be set by Council from time to time. At a minimum, the remuneration paid to expert member will be reviewed within 12 months from the date of a Council (periodic) election. The basis will be a set fee per meeting, with an additional amount paid to the Chairperson

The following table provides the details of the current FAC membership, when they were appointed and when their terms expire.

Member	First Appointed	Expiry of Term
Ms Natalie Johnston	13 February 2018	30 November 2020
Ms Emma Hinchey	1 January 2017	30 November 2021
Mr David Papa	1 December 2019	30 November 2022
Councillor Tim Gard	27 November 2018	30 November 2020
Councillor Ian Crossland	25 February 2020	30 November 2020

If a recruitment process is undertaken, the Review and Selection Committee will manage this process.

If the Committee recommends to re-appoint Ms Johnston it is recommended that the term be three years until November 2023.

Elected Member Positions

Council has resolved that the Elected Member positions for the FAC will be Councillors Tim Gard (appointed from 28 November 2018 to 30 November 2020) and Ian Crossland (appointed from 25 February 2020 to 30 November 2020). These appointments will be considered along side Council's various positions for Elected Member Representatives prior to their expiry in November 2020.

CONCLUSION

The Review and Selection Committee is required to make a recommendation to Council regarding the approach to the reappointment or appointment of an expert member to the FAC.

REPORTS FOR NOTING

Corporate and CEO KPI Report Quarter Four 2019/20

Originating Officer	Governance Officer - Victoria Moritz
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager City Services - Tony Lines
	Chief Executive Officer - Adrian Skull
Report Reference	RSC200804R04

REPORT OBJECTIVE

To advise the Review and Selection Committee of the results of the CEO and Corporate KPIs for quarter four 2019/20.

RECOMMENDATION

That the Review and Selection Committee:

- 1. Notes the report and attachments.**

Attachment

#	Attachment	Type
1	Appendix 1 - KPI Overview	PDF File
2	Appendix 1a Supporting Information for KPI2	PDF File
3	Appendix 2 - KPI Summary	PDF File
4	Appendix 3- FTE Employees (staff and agency)	PDF File
5	Appendix 4 - Labour and FTE Movement Summary	PDF File

CHIEF EXECUTIVE OFFICER and CORPORATE KEY PERFORMANCE INDICATORS 2019/20

QUARTER FOUR: APRIL '20 – JUNE '20 - APPENDIX 1

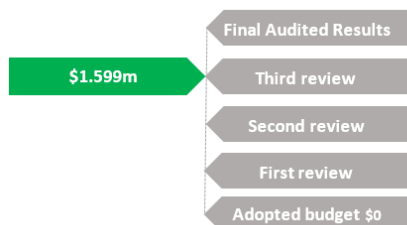
1

Financial Sustainability

Core target: Council maintains a break even or positive cash funding position in delivering its annual budget

Measure: This target compares funding cash position at the relevant budget review with the adopted budget figure.

Achieved: Third Budget Review \$1.599m Target is forecast to be met.



***Note:** KPI will be finalised at the completion of the Annual Financial Statements

2

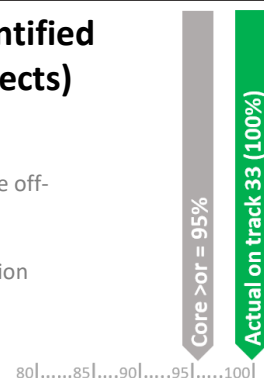
Delivery of agreed projects identified in ABP and 4-year Plan (33 projects)

Core target: Greater than or equal to 95%

Measure: Monthly data as at 30 June 2020

Achieved: 100% (33 projects) on-track and 0% are off-track. The Core Target has been met.

Note: Refer Appendix 1a for supporting information



3

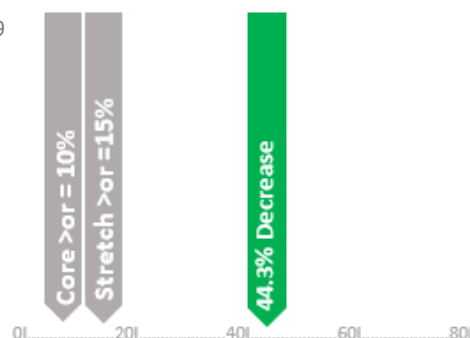
Lost Time Injury Frequency Rate.

Core target: Greater than or equal to 10% reduction from 2018/19 (11) = 9.9

Stretch target: Greater than or equal to 15% reduction from 2018/19 (11) = 9.35

Measure: The LTIFR for Q4 2019/20 is 6.1

Achieved: 44.3% decrease. The Core and Stretch Targets have been met.



4

Total Employee Costs

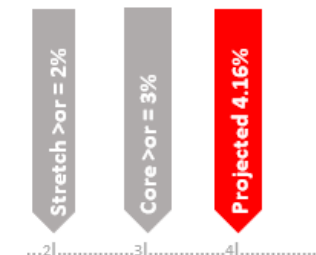
Core target: Less than or equal to 3% increase in actual employee costs (including agency staff) against prior year's actual costs

Stretch target: Less than or equal to 2% increase in actual employee costs (including agency staff) against prior year's actual costs

Measure: The 2018/19 Actual audited figure = \$34.861m.

Achieved: The 2019/20 estimated result per Third Budget Review = \$ 36.310m

Projected: 4.16% - Core Target is not forecast to be met



***Note:** KPI will be finalised at the completion of the Annual Financial Statements

5

Overall Satisfaction with Council's performance

Core target: Greater than or equal to 75% rated as satisfied or above.

Stretch target: Greater than or equal to 85% rated as satisfied or above.

Measure: Community Survey

Achieved: 83.6% for the previous Q4 results.

Note: Council agreed we would not be running the survey for 2019/20. As this is an annual measure the next survey results will be available at the end of the 2020/21 reporting year.

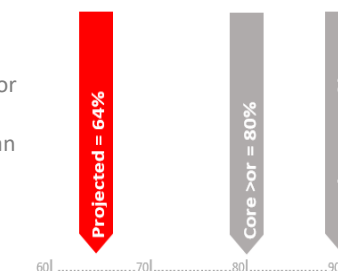
6

Asset Sustainability

Core target: Asset Renewal Funding Ratio greater than or equal to 80%

Stretch target: Asset Renewal Funding Ratio greater than or equal to 90%

Achieved: Projected 64% at Third Budget Review. It is projected the Core Target will not be met.

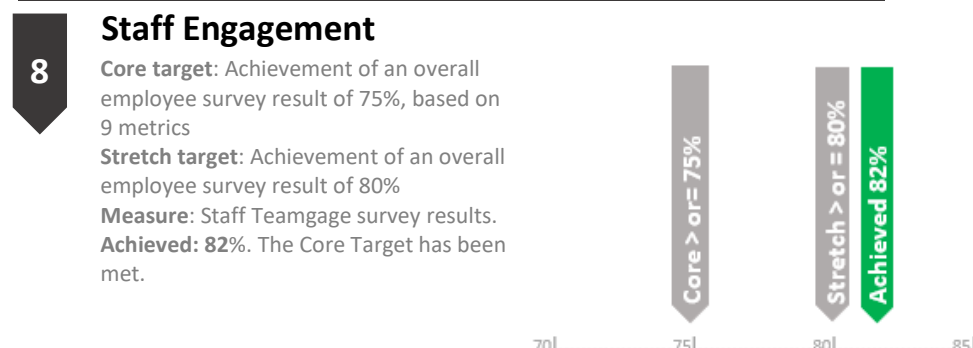


***Note:** This is due to a re-timing of a number of items including Coastal Walkway and Reserve Development in the Oaklands Precinct. KPI will be finalised at the completion of the Annual Financial Statements

The *Asset Renewal Funding Ratio* indicates whether Council is renewing or replacing existing assets at the rate of consumption.



***Note:** KPI will be finalised at the completion of the Annual Financial Statements



***Note:** The Teamgauge employee engagement tool is now being utilised, based on 9 metrics (including Communication, Leader Support, Collaboration, Resources, Integrity, Engagement, Quality, Safety, and Wellbeing).



Appendix 1a – Supporting Information

As at 30 June 2020 100% (33 projects) are on-track.

This includes projects that were started or completed in the 2019/20 financial year and also includes those projects that were completed, deferred or terminated.

We have one project that was completed in Q2 and five that were completed in Q4. 1 project has been deferred, 1 is on-hold and 1 project terminated. The remaining projects are on-track.

Table 1:

Project Name	Start Date	Completion Date	Q2	Q2 Supporting Comments
Marion Historic Village Museum Curator	01/07/2019	30/06/2020	Complete Q2	
Morphettville Park Sports and Community Centre Redevelopment	01/01/2018	24/04/2020	Complete Q4	
Cove Sports Club Netball Courts	01/01/2020	30/06/2020	Complete Q4	
Marion Cultural Centre Plaza	01/07/2019	30/06/2020	Complete Q4	
Coach House – LKCC (Living Kurna Cultural Centre)	01/07/2019	30/06/2023	Complete Q4	
Destination Playground Feasibility Study	01/07/2019	31/12/2019	Complete Q4	
Metrics that Matter 2.0	01/08/19	30/06/2020	Deferred	Project is still deferred and yet to be fully handed over to ITT. There is a scope of works to still be worked out for Phase 2. This project is a cross council collaboration with more discussion to be had.
Seaview High School Detailed Design and Construction	01/07/2019	30/06/2021	Terminated	Seaview High School pulled out of the project. This project has been re-allocated to Tarnham Road which is sitting on-track.

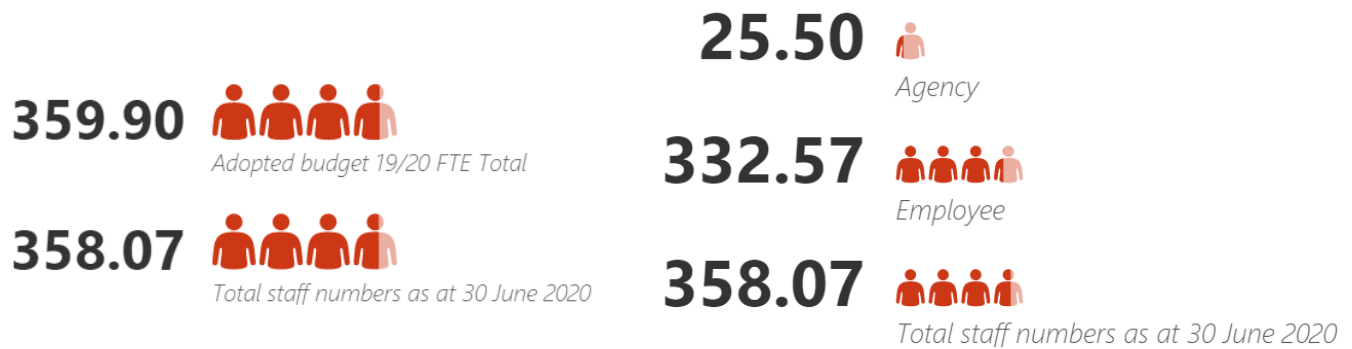
Corporate and CEO KPI Report Quarter Four 2019/20 – APPENDIX 2

KPI	Details	Target	Stretch Target	Qtr 1	Qtr 2	Qtr 3	Qtr 4
1	Financial sustainability.	Council maintains a break even or positive cash funding position in delivering its annual budget	-	\$0	\$26,500 k	\$835k	\$1.599m
				Comment: Third Budget Review \$1.599m. Target is forecast to be met.			
2	Delivery of agreed projects identified in the <i>Annual Business Plan</i> and the four-year plan.	Greater than or equal to 95%	-	91%	97%	100%	100%
				Comment: Achieved 100% (33 projects) on-track and 0% are off-track. The Core Target has been met.			
3	Lost Time Injury Frequency Rate.	Greater than or equal to 10% reduction from the previous year's result 2018/19 (11) = 9.9	Greater than or equal to 15% reduction from the previous year's result 2018/19 (11) = 9.35	100%	100%	61.9%	44.3%
				Comment: The LTIFR for Q4 is 6.1. Achieved 44.3% decrease. Core and Stretch Targets have been met.			
4	Total employee costs (inc agency).	Less than or equal to 3% increase in actual employee costs (including agency staff) against prior year's actual costs	Less than or equal to 2% increase in actual employee costs (including agency staff) against prior year's actual costs	2.99% (Projected)	2.99% (Projected)	2.99% (Projected)	4.16% (Projected)
				Comment: The 2018/19 Actual Audited Figure = \$34,861k. Achieved: The 2019/20 estimated result per Third Budget Review = \$36.310m. Projected to be 4.16% The Core Target is not forecast to be met.			
5	Overall Satisfaction with Council's performance	Greater than or equal to 75% rated as satisfied or above	Greater than or equal to 85% rated as satisfied or above	NA	NA	NA	NA
				Comment: Council agreed we would not be running the survey for 2019/20. As this is an annual measure the next survey results will be available at the end of the 2020/21 reporting year.			
6	Asset sustainability.	Asset Renewal Funding Ratio greater than or equal to 80%	Asset Renewal Funding Ratio greater than or equal to 90%	80% (Projected)	80% (Projected)	77% (Projected)	64% (Projected)
				Comment: Projected 64% per Third Budget Review. It is projected the Core Target will not be met.			
7	Delivery of Council's capital works.	Greater than or equal to 80% of Council's planned capital works program (adjusted for extraordinary items)	Greater than or equal to 90% of Council's planned capital works program (adjusted for extraordinary items)	N/A	N/A	NA	91%
				Comment: The Projected measure is 91%. It is expected the the Core and Stretch Targets will be met.			
8	Staff Engagement	Achievement of an overall employee pulse survey result of 75% based on 9 metrics	Achievement of an overall employee pulse survey result of 80%	75.5%	74%	73%	82%
				Comment: Measured by the Staff Teamgage survey results. Achieved: 82%. The Stretch Target has been met. *Note, the Teamgage employee engagement tool is now being utilised, based on 9 metrics (including Communication, Leader Support, Collaboration, Resources, Integrity, Engagement, Quality, Safety, and Wellbeing).			
9	Community engagement / communications	Project specific communication to the public should be timely and accurate	100%	100%	100%	100%	100%
				Comment: Based on feedback received on project specific distributed communications Achieved: 100%			

FULLTIME EQUIVALENT (FTE) Employee and Agency

APPENDIX 3

The number of FTE employees (staff and agency) employed across the organisation as at 30 June 2020.



There are currently 15.9 temporary vacant positions comprised of:

- Recruitment in progress (required position) 8.0
- Currently under review 0.0
- Vacant required position 7.9

The following tables provide comparative FTE data with the Gap Year Team Members, Pool Staff, and Grant Funded positions being excluded.



Appendix 4

Labour and FTE Movement Summary

	2019/20 \$000's	2018/19 \$000's	2017/18 \$000's	2016/17 \$000's	2015/16 \$000's	2014/15 \$000's	2013/14 \$000's	2012/13 \$000's
Total Employee Costs (including Agency) % Movement on Prior Year	36,310 4.16%	34,861 4.77%	33,274 3.27%	32,221 1.40%	31,783 0.10%	31,757 0.70%	31,532 4.30%	30,239
Total Number of Employees (FTE at 30 June 2020*) % Movement on Prior Year	358 -1.9%	365 1.38%	360 4.80%	344 0.60%	342 -1.70%	348 -0.90%	351 -2.20%	359
5 Year average FTE to June 2020	353.8							

WORKSHOP / PRESENTATION ITEMS - Nil

OTHER BUSINESS

MEETING CLOSURE