

**CITY OF MARION
REVIEW AND SELECTION COMMITTEE MEETING
7 FEBRUARY 2017**

CONFIDENTIAL REPORT

Originating Officer: Deborah Horton, Unit Manager Corporate Performance
Corporate Manager: Steph Roberts, Manager Human Resources
Subject: CEO Key Performance Indicators for Quarter 2 2016/17
Report Reference: RSC070217R8.1

If the Review and Selection Committee so determines, this matter may be considered in confidence under Section 90(2) and (3)(a) of the *Local Government Act 1999* on the grounds that the report contains information relating to the personal affairs of the Chief Executive Officer.

RECOMMENDATION:

1. 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 the following persons: Adrian Skull and Steph Roberts be excluded from the meeting as the Review and Selection Committee receives and considers information relating to CEO Key Performance Indicators for Quarter 2 2016/17, 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 personal affairs of the Chief Executive Officer.

REPORT OBJECTIVES & SUMMARY

To provide the 2016-17 CEO Key Performance Indicators (KPIs) for quarter two from October 2016 – December 2016.

Appendix 1 provides detail regarding each KPI. Tools to assist with the automated collation of data for KPI's 5 - 10 are in development.

KPI	Details	Target	Achievement			
			Qtr 1	Qtr 2	Qtr 3	Qtr 4
1	Delivery within 5% parameters of agreed annual budget costs	95%-98%	111% 	104% 		
2	Delivery of agreed projects identified in the Annual Business Plan and 1 st year targets in the 3 year Plan.	95% or greater	1% 	7% 		
3	Lost Time Injury Frequency Rate compared with last year (2015-16)	Reduction by 25%	77% 	68% 		
4	Staff net numbers (FTE equivalent, employee and agency)	A reduction	.95% 	+2.1% 		
5	Retention of key staff	Equal to or greater than 95%	N/a	Verbal update		
6	Community Satisfaction with; 1. Community facilities 2. Sports facilities 3. Events	Greater than 75%	-	-		
7	Rating by Elected Members	Exceeded expectations	N/a	N/a		
8	Number of prioritised Major Capital Works (BMX, Soccer, Mitchell Pk Stadium & Centre) reaching approval stage at Council	2+	N/a	1 		
9	Councils' cash contribution in respect of each Major Capital Work	40%≥T≤60%	N/a	50% 		
10	Completion of Council Members priority list of budgeted projects (13)	<50%	N/a	Verbal update		

RECOMMENDATIONS

DUE DATES

That the Review and Selection Committee:

- Notes this report. 7 Feb 17
- In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, CEO Key Performance Indicators for Quarter 2 2016/17 (including appendix) and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(a) of the Act, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2017. 7 Feb 17

CEO Key Performance Indicators Quarter 2 - 2016-17: Oct – Dec' 2016



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 2016	Quarter 2 Oct to Dec 2016	Quarter 3 / YTD Jan to Mar 2017	Quarter 4 Apr to Jun 2017	¹ Overall Results
FINANCIAL							
1	Delivery within 5% parameters of agreed annual budget costs	95%-98%	111%	104%			
2	Delivery of agreed projects identified in the Annual Business Plan and 1 st year targets in the 3 year Plan.	95% or greater	1%	7%			
3	Lost Time Injury Frequency Rate compared with last year (2015-16)	Reduction by 25%	77%	68%			
PEOPLE							
4	Staff net numbers (Fulltime equivalent, employee and agency)	A reduction	0.95%	+2.1%			
5	Retention of key staff	Equal to or greater than 95%	N/a	Verbal update			
6	Community Satisfaction with; 1. Community facilities 2. Sports facilities 3. Events	Greater than 75%	-	-			
7	Rating by Elected Members	Exceeded expectations	N/a	N/a			
CAPITAL WORKS							
8	Number of prioritised Major Capital Works (BMX, Soccer, Mitchell Pk Stadium & Centre) reaching approval stage at Council	2+	N/a	1			
9	Councils' cash contribution in respect of each Major Capital Work	40%≥T≤60%	N/a	50%			
10	Completion of priority list of budgeted projects (13)	< 50%	N/a	Verbal update			

¹ This column is left blank for Council determination.

KEY PERFORMANCE INDICATOR 1:

Delivery within 5% parameters of agreed annual budget costs

TARGET:

	Exceptional	$95\% \geq T < 98\%$
	Acceptable	$98\% \geq T \leq 100\%$
	Unacceptable	$T > 100\%$

QUARTER 2 PERFORMANCE: **104%** Unacceptable

Background

This KPI has been calculated by comparing the total actual Operating Expenditure per the December Monthly Finance Report (\$39,976k) against the adopted budget per Council's Annual Business Plan (a total of \$76,957k – or \$38,479k to December).

Performance

One item has had a significant impact on this result for the second quarter being;

Depreciation: Due to the full implementation of Accounting Standard AASB 116, Council is no longer able to recognise the residual value of certain assets, particularly infrastructure assets such as roads.




As part of the comprehensive independent valuation of infrastructure assets at 30 June 2016, the residual value of some assets has been reduced to zero to ensure full compliance with this standard. This has had the impact of increasing the accounting provision for depreciation of such assets going forward, with the impact for the quarter to 31 December 2016 being an additional depreciation charge of \$1.6m. It should be noted that this is a non-cash accounting provision which, while impacting on operating expenses, has no cash impact on Council's adopted budget.

It should be noted that following the completion of the first budget review the full year operating expenses for 2016/17 (\$80,028k) are now forecast to be 103.99% of the adopted annual budgeted operating costs (\$76,957k).

KEY PERFORMANCE INDICATOR 2:

Delivery of agreed projects identified in the Annual Business Plan and 1st year targets in the 3-year Plan.

TARGET:

	Exceptional	97%≥T≤100%
	Acceptable	95%≥T<97%%
	Unacceptable	<95%

QUARTER 2 PERFORMANCE:

1 project completed to date (7%)
100% forecast by 30 June 2017

Background

There are 74 projects in the 2016 -19 Business Plan, 73 are due to start in 2016/17. Of these 73 projects, 14 are due to be completed in their entirety by the end of 2016/17, with the remaining 59 projects being completed in stages (to 2019).

This KPI measures the percentage of projects completed that are due to be completed by 30 June 2017.

Performance

Of the 14 projects to be completed by the end of 2016/17, 1 project (Liveable – Better manage Traffic in Marion and Oaklands Park) has been completed by December 2016, the remaining 13 projects include;

- Liveable – Present the Marion Outdoor Pool Masterplan
- Liveable – Deliver Jervois Street south Plympton Playspace
- Liveable – Review under-utilised council reserves and facilities to ensure community use is optimised
- Liveable – Undertake an evaluation and review of at least 9 council services to ensure they continue to provide maximum value to our community, now and into the future
- Valuing Nature – Develop a business case and commence delivery of the transition to safe and sustainable street and public lighting
- Valuing Nature – Design the final stages of the Oaklands Reserve redevelopment
- Valuing Nature – Strive for the opening up of Glenthorne Farm for community benefit in partnership arrangements
- Engaged – Pilot a place activation project focused on the use of vacant commercial properties in partnership with local community groups
- Innovative – Deliver a solar panel network at key council sites across the City

- Prosperous – Re-invigorate the Southern Adelaide Economic Development Board to establish and industry-led, independent advocacy group for the southern Adelaide region
- Prosperous – Deliver the Tonsley Small Business Advisory Service, providing free advice to start up and early stage business
- Connected – Expand the walking and cycling network linking key destinations across the City and beyond
- Connected – Develop a business case for an innovative 'Creative Space' that showcases leading edge technologies for the community's creative and learning opportunities




100% of the 59 projects commencing in 2016/17 and being completed in stages over a number of years are expected to be to a satisfactory state of progression by 30 June 2017.

CONFIDENTIAL

KEY PERFORMANCE INDICATOR 3:

Lost Time Injury Frequency Rate compared with last year (2015/16 – 28.8)²

TARGET:

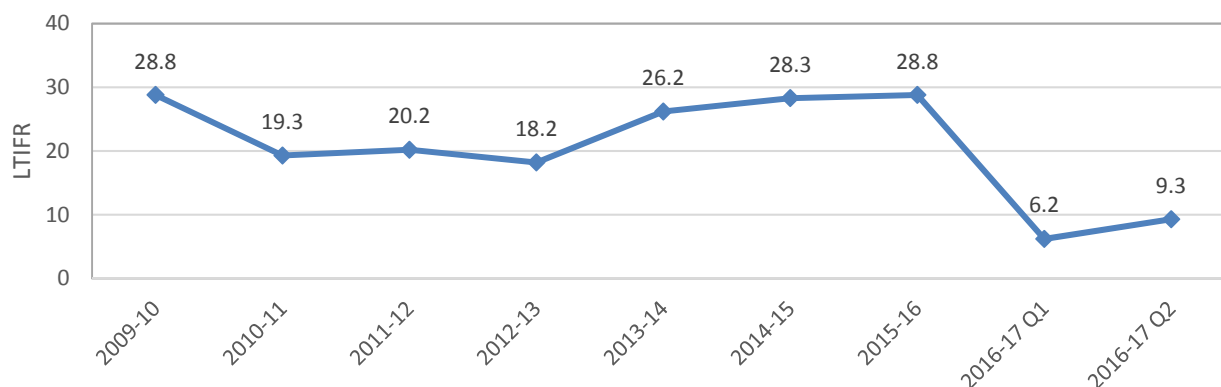
	Exceptional	T≥25% reduction
	Acceptable	5%≥T<25% reduction
	Unacceptable	T<5% reduction

QUARTER 2 PERFORMANCE:

68% reduction, Exceptional

Background:

Safety performance is measured and monitored against the industry standard performance indicator, Lost Time Injury Frequency Rate (LTIFR). Claims statistics are collected from the Local Government Association's (LGA) Member Centre and measurement is then calculated as per the Australian Standard 1885.1: 'Total number of Lost Time Injuries/Total Hours Worked) * 1,000,000'.

Performance:

Although four LTIs are recorded as at the end of December (for which claims have been lodged with the LGAWCS) the LGAWCS claims data reports an LTIFR of 9.3. This figure is only representative of three LTIs due to the fourth LTI being deferred for further investigation.

The four LTI's recorded have been categorised into three primary classes of injuries;

1. One x Manual handling (muscular stress while lifting or carrying).
A back injury whilst sorting concrete from recycling piles.
2. One x Falls from the same and differing levels (slips, trips and falls)
A broken ankle whilst walking on a wet slippery surface.
3. One x Repetitive movement (low muscle loading)
An elbow strain from a manual labour task ie repetitive spreading of mulch.

² An incident occurred and was reported via the incident reporting system in May 2016, but the injured worker did not initially lose time from work or lodge a claim. However, due to ongoing soreness which escalated over some weeks they sought medical treatment and subsequently lost time from work due to undergoing a medical procedure in September 2016. This LTI has appropriately been retrospectively allocated into the May 2016 figures, which alters the previously reported total LTIs for 2015/16 from 18 to 19 and therefore also revises the previously reported LTIFR for 2015/16 from 27.3 to 28.8.

4. One x Mental disorder (exposure to mental stress factors)

An accusation of bullying which is currently under investigation.




Four LTI incidents have been reported this quarter compared to nine at the same time the previous year. If the current downward trend continues, the forecasted LTIFR for the end of period reporting is likely to be 12.4 which, if achieved, would represent a reduction of 57% on the reported and updated LTIFR for 2015/16.

CONFIDENTIAL

KEY PERFORMANCE INDICATOR 4:

Staff net numbers (fulltime equivalent, employee and agency)

TARGET RANGE:

	Exceptional	>1% reduction
	Acceptable	0%≥T<1%
	Unacceptable	Any increase

QUARTER 2 PERFORMANCE: Agency**+41.3%**

Unacceptable

Employee**-0.77%**

Acceptable

Overall**+2.1%**

Unacceptable

Background

This performance indicator calculates the percentage of full time equivalent employee and agency numbers employed across the organisation by comparing actual staff and agency employment numbers from 1 September 2016 to the figures captured on 31 December 2016.

Performance




	September 2016	December 2016	Variance	%
Agency numbers	23.7	33.49	9.79	+41.3
Employee numbers	321.89	319.39	-2.5	-0.77
TOTAL	345.59	352.88	+7.29	+2.1%

The 9.79 FTE agency staff increase relates to 27 additional staff employed on a casual basis (lifeguards and instructors) to cover the Marion Outdoor Swim Centre operating hours and programs during the swim season.

KEY PERFORMANCE INDICATOR 5:

Retention of key staff

TARGET RANGE:

	Exceptional	100% retention
	Acceptable	$95\% \geq T < 100\%$
	Unacceptable	$T < 95\%$

QUARTER 2 PERFORMANCE:

N/A Verbal brief

Background

This measure indicates the number of key staff (as defined by the Executive Leadership Team) retained during this quarter.

Performance




The CEO will provide the Committee with a verbal report upon the progress of this indicator.

KEY PERFORMANCE INDICATOR 6:

Community satisfaction. Overall satisfaction with each of:

(1) Community facilities (2) Sports facilities (3) Events (external)

TARGET:

	Exceptional	>85% satisfaction
	Acceptable	75%>T<85%
	Unacceptable	<75%

YEAR TO DATE PERFORMANCE:




N/a Not Measured to date

The CEO will provide the Committee with a verbal report upon the progress of this indicator.

KEY PERFORMANCE INDICATOR 7:

Rating by Elected Members

TARGET:

	Exceptional	Exceeded expectations
	Acceptable	Met expectations
	Unacceptable	Did not meet expectations

QUARTER 2 PERFORMANCE: **N/a** Not measured to date**Background**

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




Performance

During this second quarter of 2016/17 no formal assessments were undertaken.

KEY PERFORMANCE INDICATOR 8:

Number of prioritised Major Capital Works (eg, Edwardstown Oval, BMX, Soccer, Mitchell Pk Stadium & Centre) reaching approval stage at Council.

TARGET:

	Exceptional	2 +
	Acceptable	1
	Unacceptable	0

QUARTER 2 PERFORMANCE:

1

Acceptable

Background:

This measure identifies the projects listed above that have reached approval stage at Council during the quarter.




Performance:**Edwardstown Oval**

Council considered and approved the Federal Funding deed (for \$4 million) at its meeting of 22 November. Tenders for architectural services and cost planning have closed and will be assessed and appointed in January 2017.

KEY PERFORMANCE INDICATOR 9:

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

TARGET:

	Exceptional	$T \leq 40\%$
	Acceptable	$40\% \geq T \leq 85\%$
	Unacceptable	$T > 60\%$

QUARTER 2 PERFORMANCE:

 **50%** Acceptable

Background:

This measure identifies the major projects (as related in KPI 8) that have Council approval regarding funding during the quarter. Where appropriate, any other major project (other than those listed in KPI 8) will be identified and captured in this indicator.




Performance:**Edwardstown Oval redevelopment**

Council's contribution of \$4,000,000 to the \$8,000,000 project equates to 50%.

KEY PERFORMANCE INDICATOR 10:

Completion of Council Member's priority list of budgeted projects (13) – 1/11/16 – 31/10/17.

TARGET:

	Exceptional	All 13 projects completed
	Acceptable	11 or 12 completed
	Unacceptable	< 11 completed

QUARTER 2 PERFORMANCE:

<11 completed, Unacceptable.

This list of projects below came into effect on 1 November with all 12 projects commencing and at various stages. Where requested by the Committee, the CEO will provide a verbal update upon the project's progress.

No.	Project name	Status
1	Commencing Community Land Revocation on at least 4 parcels of land.	Commenced
2	Substantial completion of Hallett Cove Foreshore project (subject to budget approval).	Commenced
3	Fully expending the \$500,000 street-scaping budget by 30 June '17.	Commenced
4	Development of a concept plan for Railway Terrace from Sixth Avenue, Ascot Park to Cross Road on the Adelaide Marino Rocks Greenway.	Commenced
5	90% of Council resolutions completed by the due date.	Commenced
6	At least 12 major service reviews completed in the 12 months November 2016 – November 2017.	Commenced
7	Best endeavours to negotiate public use of Glenthorne, consistent with the September resolution.	Commenced
8	Improved format and clarity of reports coming to General Council.	Commenced
9	Report results of tennis and netball review to council for consideration by the end of April 2017 so budget allocation for implementation can be considered in the 2017/18 budget.	Commenced
10	Marion Outdoor Pool Masterplan – proposed improvements to be prioritised, costed and brought to Council for decision (expected March/April 2017).	Commenced
11	IT Improvements allowing EM's to; <ol style="list-style-type: none"> 1. Blog in relevant categories and 2. Easily search for historical reports and minutes indexed by topic. 	Commenced
12	Demonstrated, increased savings from Council Solutions and /or Council collaborations (i.e: 2015/16).	Commenced
13	Business case (cost benefit) for Council's LGA Membership completed by the end of February 2017.	Commenced