



Chief Executive Officer
Performance Review
Colin Byles
January 2016

CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW

BACKGROUND

As part of my contract of employment with Council as the Chief Executive Officer with the Northern Areas Council, I am required to prepare a report based on the Performance Indicators set by Council to the Chief Executive Officer Performance Review Panel.

The Chief Executive Officers Performance Review Panel met on the 15 December 2015 with the following motion was carried;

“That the CEO provide a written assessment against the KPI’s to the panel prior to the January 2016 Council Meeting.” and

“That the Panel review the KPI’s and the TEC Employment Package at the next CEO Performance Management panel meeting to be held prior to the January 2016 Council meeting.”

The Key Performance Indicators (KPI) that were set by Council at the July CEO Performance Panel meeting and adopted by council on the July 2015 Council meeting are listed below;

- **Demonstrate leadership and manage the organisation in a way that develops and supports an innovative service and governance culture.**
- **Ensure that all managers are responsible for their Departmental Budgets and Timelines and report to the CEO and to Council**
- **Ensure managers put properly costed and responsible recommendations before council and practice due diligence**
- **Ensure Council has a workable Asset Management Plan (target completion date July 2016)**
- **Ensure the effective and accountable application of financial and physical resources**

At the July 2016 Performance Review Meeting I presented a document called “Key Strategies going Forward” for the Northern Area Council, which outlines how the Council should proceed in the next few years.

The document was a Power point presentation (attachment 1) that stated the strategies and then an excel spreadsheet (attachment 2) that had Key Strategy timelines outlined are attached to this report.

This document I believe should be used as a base for the Performance Review in conjunction with the Key Performance Indicators that have been set by council and for the Chief Executive Officer (CEO) to report on. I will report on both these documents to give the panel a better overall picture of where I am up to with the running of Council.

The Key Strategies for the future I put forward (there are 9 strategies) and were endorsed by council are;

- **Organisational development**
- **Asset management**
- **Financial management**
- **Leadership**
- **Strategic Planning**
- **Governance**
- **Service Review**
- **Image**
- **Technology**

OVERVIEW

I believe as the Chief Executive Officer of the Northern Areas Council I have achieved all the requirements as set out in the required Key Performance Indicators plus given the council further direction and professionalism for the future.

The year has been exciting, motivating, frustrating and very worthwhile. I have enjoyed the challenge in changing the culture of the organisation and bringing about positive change that will bring council to the required levels in the Local Government sphere.

The one issue I have that has disappointed me and has held back achieving more of the Key strategies has been the lack of a Manager Engineering Services for 5 months of the time I have been here (11months).

I have found that due to that lack of management expertise under the Manager Engineering Services I have had to take over most of the management role in Engineering Services which has distracted me from achieving more of the Key Strategies. However keeping up with more of the operational tasks was more important at the time.

DISCUSSION

Key Performance Indicators - Report

Demonstrate leadership and manage the organisation in a way that develops and supports an innovative service and governance culture.

- In the information provided below in the Key Strategies area, I believe I have set the council on a path that will improve the running of the council through leadership based on a systematic process of task completion, showing staff the benefits of carrying out these tasks to bring about change, then being involved with staff to complete these tasks which will and has lead to culture change.
- I have worked with Elected Members to bring more knowledge of the organisation to them through better council reporting and the holding of workshops that encourage the sharing of information and an openness to discuss any issues at these workshops.

- I have supported the use of contractors at times to supplement our workforce on major projects ie Wind farm roads, to enable a better efficiency rate or allowing our staff to work on tasks that they are skilled in rather than try to tackle tasks that are beyond our resources.

Ensure that all managers are responsible for their Departmental Budgets and Timelines and report to the CEO and to Council

- New Management reports provided to managers at the end of every month of their own departments.
- This requires Managers to report information back to the CEO and Manager Corporate Services on any issues and propose the “fix” of the budget rather than the Manager Corporate Service handling the whole issue who may not know the project.
- This new process needs a lot more work on it to gain the most benefit from Managers being responsible for their departmental budgets. Every month the process is improving.
- Progress reports of tasks are submitted to Council meetings and CEO
- The Progress report of tasks seem to be working well with this information to council according to the feedback I am receiving.

Ensure managers put properly costed and responsible recommendations before council and practice due diligence.

- I have introduced new reporting templates for Council Meetings that all staff must use to provide information to Council.
- This reporting template ensures better recommendations are now more precise and tell a story in the recommendation of what is required if an outside party were to look at the recommendation in isolation.
- Costs impacts are now included in the report and what impact this cost will have on the budget. Will the cost be absorbed in a current budget (what the job number is) or will more money need to be allocated to the budget.

Ensure Council has a workable Asset Management Plan (target completion date July 2016)

- As I have stated in the detailed information below Asset Management is of a major concern to me due to the lack of work carried out on Asset Management to date. The July 2016 time line will not be met.
- Roads, Bridges and Signage are reasonably complete, the rest of the Asset categories have a lot of work to do on them.
- The restructure that I will have in place soon, will allow the Asset Management process to develop in a more organized and efficient manner
- The lack of a Manager Engineering Services for almost 5 months since I have been here (11 months) has not help produce an Asset Management for the whole of Council

Ensure the effective and accountable application of financial and physical resources

- I have analysed the physical resources (staff) and introduced a restructure.
- The restructure has combined the Engineering Services and Environmental departments into one department called Operational Services, plus combining the Corporate and Community departments together into a department called Corporate and Community
- The restructure includes the Resheeting construction gangs becoming one construction gang to improve efficiencies.
- Financial resources have been challenged in that budget targets have to be met or actual costs have to be under budget allowances. In the Resheet construction area there has been a very positive cost reduction with most projects coming in under budget. This is a theme that will continue across all areas of council, costs need to be under budget.

The Key Strategies Going Forward document had several tasks that were to be undertaken in each strategy and each was timelined, I will now explain where we are up to on each task.

Organisational Development

- **Culture**
Continually reinforcing the need to have a positive and efficient culture at all times.
- **Functions Review**
Just completed a full review of all functions of council and have now reallocated some of these functions to different staff members as part of the Organisational Structure Review
- **Organisational Structure Review**
An Organisational Structure Review has taken place before Christmas 2015. Consultation with staff has now been completed and the structure is now being put in place. Manager Operational Services position to be advertised approximately 23 January 2016. Outside workforce structure is being put in place as staff return from leave, the one (1) construction gang is now operating.
- **Responsibility and Accountabilities**
As part of the restructure all employees now understand what tasks and functions they are responsible for and now full responsibilities and accountabilities can be put in place.
- **Efficiencies**
An efficiencies exercise has been carried out on all Administration staff. Some 20 efficiencies were identified with 9 of these now implemented, the balance of the efficiencies are being assessed for implementation.
- **Job Description Updating**
With the functions and tasks reallocation now being completed the Job Descriptions of all staff can now be amended. A new style of Job descriptions is being introduced where performance indicators will be set against each task. This project has commenced in

January 2016

- **Performance Review System – Appraisals**
A new performance appraisal system has been developed and will start to be used in the early months of 2016. Managers will commence their appraisals in February 2016 then flow down to all inside and outside staff.
- **Human Resource Policies**
Due to commence in January 2016 and to be presented to council in March 2016
- **Best Practice – Review**
Continually researching what the best practice is in Organisational Development through networking, seminars and quality journals relating to Local government

Asset Management

Asset Management is an area of concern to me. Roads, Bridges and Signage are reasonably up to date but will require an update of the inputted data in June 2016. The rest of the asset categories listed below have only been commenced to a small extent or not commenced at all.

With the Manager Engineering Services being on extended sick leave I have tried to keep asset management moving but have only just scratched the service.

In the restructure I have recently started to put in place I have allocated Asset Management to the new Manager Operational Services position with help from the Administrative Assistants in this department. This needs to be made a priority in the first few months of this Manager commencing, as asset management controls our works program in a lot of these areas.

- Roads (including kerb and Footpath)
- Buildings
- Stormwater Drainage
- Recreation Facilities
- CWMS
- Aerodrome
- Cemeteries
- Plant and Equipment
- Signage

Financial Management

- **Review of Long Term Financial Plan**
Review of the Long Term Financial Plan (LTFP) is about to commence when the Manager Corporate Services returns from Annual Leave. The review of the Long Term Financial Plan will be presented to Council prior to the 2016/17 Budget Process

commencing. The LTFP will be presented with more back up information to explain the LTFP

- **Sustainability Ratios**

These ratios are considered at each Budget Review and adjusted in line with the actual dollars spent vs budgeted. These ratios will become more important as we near the Budget deliberations for 2016/17 as we need to keep these ratios in line with the Long Term Financial Plan Ratios.

- **Reports to Council**

Reports to council have improved with more information given to members in the reports rather than questions needing to be asked at the council meeting - reporting still needs to improve.

- **Management Reporting**

New monthly reports have been created that Managers have to report on a monthly basis back to the CEO so that Managers have responsibility for their budget areas not the Manager Corporate Services

- **Budget Process**

New Budget Process and timeline has been approved by Council and will commence in February 2016. A simplified method of explaining the 2016/17 Budget to elected members will be used.

- **Budget Reviews**

The budget review process is currently being redefined and members will see changes to this process at the next budget review which will be presented to council at the February Council meeting. The main change will be to make the budget review a much more simple process to understand.

- **Systems and Processes**

All systems and processes within Finance all now continually being “challenged” as we come across new ways to carry out a task. At times this is taking longer than it should due to Managers and staff not readily understanding the theory of what can be changed and their motivation to change current methods. All staff acknowledge they want change but when change effects them the process is then questioned “why me”. This also leads to efficiencies which we are pushing all the time.

- **Efficiencies**

As above in the system and processes. We are continually looking at more efficient ways to carry out the work.

- **Best Practice**

Continually networking and gaining information from other sources to ensure we are getting to the best practice stage. Staff at times have to be pushed to be part of best practice as they see themselves doing their job well already and do not need to get to Best Practice – Management tend to be the biggest offenders in this area as they have been here a long time and “know how to do” their job well and do not need to expand their horizons.

- **Audit Committee**

Audit committee has had training in the last 6 months on the role and responsibilities of the Audit Committee and a work plan for the audit committee has been created and adopted by council. The Audit Committee roles have been expanded to encompass governance and risk areas as well as the finance area.

Leadership

- **Define a direction for the organisation**

The document Key Strategies Going Forward has been produced by the CEO and endorsed by Council.

- **Communicate the direction to staff**

Key Strategies for the organisation (as per the Key Strategies document) has been outlined to staff at staff meetings and individual meetings. Staff have embraced the strategies and are keen to be part of change.

- **Motivate, Inspire and Empower staff to achieve success**

CEO is continually reinforcing the need for staff to make the own decisions that are checked by Managers but allow staff to go forward under direction. The CEO continues to motivate staff by making change occur in a way that staff accept and buy into. Majority of the staff are taking up the challenge to be part of change.

- **Develop the organisation to be forward thinking**

Considerably work has been carried out by the CEO in setting the tone in making sure what we are doing in our jobs is just not short term, thinking what is the bigger picture and how my task fits into the this bigger picture of council. Work still needs to done to ensure this forward thinking is always ongoing not just when I get reminded about it.

- **Develop staff to be well skilled and knowledgeable**

A training needs analysis has been conducted for all Administration staff and Management that has highlighted a lack of skills in certain areas. A training plan has been created and is currently being implemented. Work with the outside on a similar project is about to commence.

- **Develop the Senior Management Team into a cohesive unit**

The Senior Management Team (SMT) has been constructed with only managers and the executive assistant as part of this team not as before with other officers forming part of this team. The SMT is starting to focus on "all of council issues" not just their own department. Projects within each department are discussed and looked at what may affect their department and then work the issue through.

Management training for all managers is about to commence - there is a lack of management skills within the management team - the managers have strong operational skills but lack management skills

Strategic Planning

The suite of plans listed below all need to relate back to the Strategic Plan. The revision of the Strategic Plan is due to commence in March 2016. The current Strategic Plan does not have Performance Indicators in the plan which you need when you assess the effectiveness of the plan. These will be included in the revision.

The Long Term Financial Plan is in place but needs to be reviewed prior to the setting of the 2016/17 Budget, the Annual Business Plan becomes part of the budget process each year.

The remaining documents Asset Management Plan, 5 year Capital; Plan and Departmental Plans are still to be commenced.

- Strategic Plan to be revised
- Development of Strategic Goals
- Performance Indicators
- Long Term Financial Plans
- 5 year Capital plans
- Asset Management Plans
- Annual Business Plan
- Departmental Plan

Governance

- **Legislative Compliance**
Ongoing , making sure when there are changes to the Acts we keep up with the changes
- **Policies**
The review of policies for the whole organisation is about to commence. Several one off policies have been submitted to Council during the year to ensure compliance. During the policy review this year we will be looking at what policies can be deleted or not applicable any longer. It was stated at an elected member training workshop that we had too many policies
- **Delegations**
Review of delegations will occur in the next 2 months
- **Records Management**
Records Management legislative requirements have been met in the last few months. There has been considerable work carried out in the archival and disposal of records to meet State Records requirement. The Records management area is a growing area which will continually need to be monitored to ensure legislative compliance.
- **Facilities - leases and Licences**
A review is currently being carried out of all Council Leases and Licences to ensure all are currently valid and have the appropriate insurances in place to reduce the risk to council with groups using council property.

- **Section 41 Committees**

The Manager Community Development is currently working on a process to move the remaining Section 41 committees over to Incorporated bodies. The aim is to have all these committees changed over to Incorporate bodies by 30 June 2016

- **Work Health and Safety**

This is an area where considerable work needs to be undertaken to get council up to the level expected to meet the standards. The issue of WHS needs to flow through the entire work force not just be an issue for the WHS Coordinator. At the moment there is a problem with our systems and processes that are not documented and some do not meet legislative requirements.

- **Risk**

The risk area is the same as the WHS area needs more work carried out on the issue to meet legislative requirements.

- **Insurance Requirements - Volunteers etc**

I have given an instruction early in my term as CEO to reduce the amount of "red tape" volunteers and volunteer groups need to address when becoming a volunteer of council. To date this seems to be working effectively and the groups seem appreciative of this change.

Service Review

I have commenced service review in 3 areas at the moment, which are Cleaning, Parks and Waste. Cleaning has been completed; the other 2 are in the early stages of investigation and will take a bit more time to complete.

The tasks listed below all pertain to commencing a review of a service so I will not comment on each individually.

One other area that is changing is in Road Construction where we have gone to 1 construction gang to try and provide better efficiencies. When council carried out the road works for the Windfarm project there was a better coordination and programming of work with one gang that gave a very good result financially for council.

Over the last few months where I have had a greater involvement in the Engineering Department issues I have come to the conclusion that we need to review nearly every service we provide to determine what service we need to supply and what cost this will be to the community at this level.

At the moment there is no understanding of what level of service we do supply and at what cost and how to program this service into our resources (staff labour), we tend to be reactive to a service level rather than proactive in supplying a service.

- Service Standards
- Costs for each function
- Delivery of functions – Efficiency
- Develop new service profile

Image

I believe we are progressing reasonably well in this area, with the image of council improving considerably with the feedback I have been receiving. Using the media in a positive manner to outline the many things we are doing and achieving, rather than being told what we are not doing has created a better image. Council is never going to have everyone think we are “wonderful” but I believe the wheel is turning to more positives.

Using all the techniques below we are starting to see some benefits of a good image. I have met with nearly all the development boards plus made contacts with external agencies plus setting up networks with other councils.

The use of social media has increased our image - as the community now think we are up with the times and must be achieving through this median.

- Create a "can do" perception to the community
- Positive promotion of Council - Media
- Visionary
- Innovative
- Communication of achievements
- Communication with external agencies
- Communication with Local Development Boards
- Social Media

Technology

- **Computer Upgrade**

Part of the upgrade has been achieved which has lead to better internet and server speeds at the Jamestown and remote offices. More work needs to be carried out in updating software on the servers.

- **New IT provider?**

The IT provider showed that his service was improving but in the last few months the service has gone backwards again. I will now seriously look at another service provider as a contractor or link into another council which is large enough to provide this service.

- **Portable Computer Equipment to use in the field**
We are currently looking at a remote computer for the CWMS. This service will allow Shaker or Thommo to dial in when the alarm goes off and check remotely what the problem is rather than come to the CWMS pond. We have not carried out any other investigations to date on any other portable computer equipment, this will occur in the next 6 months.
- **Extranet for Elected Members**
Currently obtaining information from the Local Government Association on the best way to set this system up. Should be available to members in the next 2 months.
- **LGA App - My App**
Currently obtaining information from the Local Government Association on the best way to set this system up. Should be available to members in the next 3 months. After set up with the Local Government Association we need to populate our information into the system. Have now a dedicated IT Help Officer (Anna) after the restructure to be able to do this work
- **Website Upgrade**
Minor amendments have already been made to the website with more to occur in the coming months
- **Social Media Integration**
Facebook is up and running and with have had a good take up of the service. Allows council to get its message out a lot quicker than in the past and get feedback on issues. About to explore the use of You Tube for council purposes.