

CONFIDENTIAL REMUNERATION REVIEW

CHIEF EXECUTIVE OFFICER

NORTHERN AREAS COUNCIL

February/March 2017

Commercial in Confidence

REMUNERATION REVIEW – CHIEF EXECUTIVE OFFICER

OVERVIEW

Council has a contractual obligation to review the Remuneration Package of the Chief Executive Officer annually in conjunction with the performance review process. In so doing they are to give consideration to Clause 12 of the employment contract which provides for the following;

- **12.1** The TEC Package specified in Schedule 2 will be reviewed annually and any such review shall not result in a decrease in the TEC Package.
- **12.2** The annual performance review of the TEC Package shall be conducted within one month following the performance review set out in clause 9 (if reasonably practicable), and any change to the TEC Package shall be 'backdated' to take effect from the anniversary of the commencement date of this agreement.
- **12.3** The review of the TEC Package will take into account the following;
 - 12.3.1** the agreed criteria upon which the Chief Executive Officers performance is assessed in accordance with the Performance Review Process, and
 - 12.3.2** movements in the annual CPI (All Groups Adelaide) and the increase and movement in executive salaries in Local Government.
- **12.4** Any variation to the TEC Package must be approved by the Council.

M^cArthur has been requested to provide independent remuneration advice for the position of Chief Executive Officer, taking into consideration those elements mentioned above.

The following information is provided as part of the performance review of the Chief Executive Officer for 2016/17. It provides independent remuneration advice taking into consideration the current remuneration packages being paid to Chief Executive Officers in similar sized Councils, CPI and other relevant factors.

Our approach considered appropriate South Australian Councils, primarily classified by operating expenditure, population and number of full time employees. We have accepted that, given these factors, the role of Chief Executive Officer within Councils of similar size and dimensions remain essentially the same. We acknowledge that each Council has different challenges which can be reflected in the salary paid to the CEO.

BACKGROUND

THE APPRAISAL PROCESS OF THE CHIEF EXECUTIVE OFFICER

M^cArthur conducted the Chief Executive Officer's performance review in February 2017, where:

- a) The Chief Executive Officer carried out a self-evaluation.
- b) All Council Members and Direct Reports were invited to individually and independently rate and comment on the performance of the Chief Executive Officer. Results were forwarded to M^cArthur.

Council is to consider the Chief Executive Officer's level of achievement against the set performance criteria in line with the remuneration advice presented in this report.

RESEARCH RESULTS

In undertaking the remuneration review our research included the results of the current National Local Government Remuneration Survey conducted annually by M^cArthur, the current CEO remuneration survey conducted by M^cArthur for the LGA, packages awarded to new CEO's appointed through our Executive Recruitment arm, and movement within the Consumer Price Index (CPI).

In addition we selected a range of specific Councils to gain a more accurate picture of remuneration packages paid to Chief Executive Officers in Councils of similar size and structure to Northern areas Council. This selection took into account criteria such as total population, budget and number of staff. We also selected Councils that are geographically close.

In this regard we examined Chief Executive Officer's remuneration packages across comparable South Australian Councils as of December 2016.

Table 1 shows Councils of similar size and/or structure to the Northern Areas Council or geographically close proximity.

Table 1 – similar size and structure

Popln.	BUDGET \$M	FTE	COUNCIL	CASH \$	SUPER \$	VEHICLE \$	OTHER \$	TRP \$
4,505	10	67	Northern Areas Council	142,500	13,250	15,000	-	170,750
6,556	13	57	Tatiara District Council	143,685	13,650	12,100	3,500	172,935
8,933	15.8	61	Clare & Gilbert Valleys Council	169,028	15,589	27,223	8,420	220,260
5,825	11	79	Coorong District Council	192,000	15,500	12,500	-	220,000
4,360	12	46	Goyder Regional Council	142,000	13,206	13,000	-	168,206
7,855	12.4	81	District Council of Grant	161,793	15,046	12,000	3,000	193,369
1,731	4.8	30	District Council of Peterborough	110,000	10,450	10,000	1500	131,950
17,671	24	96	Port Pirie Regional Council	185,388	16,685	24,000	-	226,073
860	3.1	13	District Council of Orroroo/Carrieton	147,328	13,996	-	-	161,324
2,785	6.8	40	District Council of Mount Remarkable	175,000	16,625	10,000	500	202,125
6,756	12.9	69	Wakefield Regional Council	179,151	17,019	10,000	9,576	215,746
Average Excluding Northern Areas Council								191,199

CONSUMER PRICE INDEX

The movement in the CPI for Adelaide for the 12 month period to December 2016 revealed an increase of 1.3%.

RECOMMENDATION

Based on the results of the CEO's performance review, CPI and the comparison with similar Councils and geographically close Councils it is M^cArthur's recommendation to offer the CEO an increase in remuneration.

When recommending a salary increase it is important to note that there are numerous other factors to consider such as the CEO vacancies in neighbouring Councils, size of the main town, distance from Adelaide and challenges in recruiting key personnel including the CEO. Based on these variables and a Commendable performance it is our recommendation that Council offer a salary increase in the vicinity of 2-3%. The total remuneration package is broken down below.

	Cash	Super	Vehicle	Total Package
Current Package	142,500	13,250	15,000	170,750
1.0%	143,925	13,385	15,000	172,310
2.0%	145,350	13,518	15,000	173,868
3.0%	146,775	13,650	15,000	175,425
4.0%	148,200	13,783	15,000	176,983
5.0%	149,625	13,915	15,000	178,540
6.0%	151,050	14,048	15,000	180,098
7.0%	152,475	14,180	15,000	181,655
8.00%	153,900	14,313	15,000	183,213



**Summary Report on Performance Review
2016/17**

**Chief Executive Officer – Colin Byles
Northern Areas Council**

STRICTLY CONFIDENTIAL

McArthur

Consultant: Rebecca Hunt

REPORT ON PERFORMANCE REVIEW

CHIEF EXECUTIVE OFFICER

This is the first performance review of the Chief Executive Officer (CEO) of the Northern Areas Council, Colin Byles, which was undertaken in February 2017.

This review covered the work of the CEO since the previous internally facilitated performance review. The full Council conducted the review and all 8 Council Members, 5 Direct Reports and CEO were given the opportunity to provide comments and scoring against 6 Key Result Areas (KRA). Response rate was 100%.

The following ratings were used during the review and the comments given in this document summarise the outcomes of the process.

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PERFORMANCE RATINGS

The Performance Indicators used in the process covered six areas of accountability for officers at this level. In deciding on the level of overall performance, the following rating system as per the CEO Employment Agreement was used:

RATING	DESCRIPTION
1	<p>Unacceptable</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that requires significant improvement • Behaviour rarely demonstrates constructive approach • Performance is below acceptable levels and improvement is essential
2	<p>Below Required Performance</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that meets minimum requirements • Performance improvement is required in some areas (could be new to the role) • Behaviour often falls below the expected standards of a constructive approach
3	<p>Competent</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that meets the requirements • Developing within the position • Behaviour demonstrates commitment to constructive culture
4	<p>Highly Commendable</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that clearly exceeds the overall requirements • Achievement goes beyond the immediate job • Looks for opportunities and shows initiative and creativity • Behaviour consistently demonstrates commitment to constructive cultures and sets an example for others
5	<p>Exceptional Performance</p> <ul style="list-style-type: none"> • A standard of competency / performance / achievement that far exceeds overall requirements • Ability, initiative and creativity far beyond the normal requirements for the job • Achievement and influence goes beyond the immediate job • Behaviour always exemplifies commitment to constructive culture
N/A	<p>Unable to rate performance at this time</p>

Based on these rating levels, the outcomes of this process are shown on the following pages.

LEADERSHIP AND STRATEGIC PLANNING (KRA 1)

(The manner in which the CEO provides leadership for the Council and the ability to identify, assess and respond appropriately to both the external and internal environments)

The CEO is regarded as providing strong leadership; he is described to have 'lifted' Council. Although Council Members understand that reviews of the Strategic Plans take time, they were disappointed that an Asset Management Plan has not been finalised yet. Direct Reports feel that Council has come a long way in a short period of time.

Direct Reports feel that the CEO challenges staff to develop new ideas and methods of improving their roles and service delivery. They believe he is well informed and feel he keeps up-to-date with any changes in Local Government. The CEO is described as good at the 'big picture stuff' and some Council Members feel that at times there needs to be a bit more concentration on the detail.

Community Consultation is considered an area that has significantly improved under the CEO's leadership. The planned Community Forums, which include the public question time, is considered a great improvement in connecting with the Community and the presentations in these forums are viewed as very good and pitched to the audience. Direct Reports recognise the new strategies that are in place to ensure that the Community is a key part of strategic and business planning.

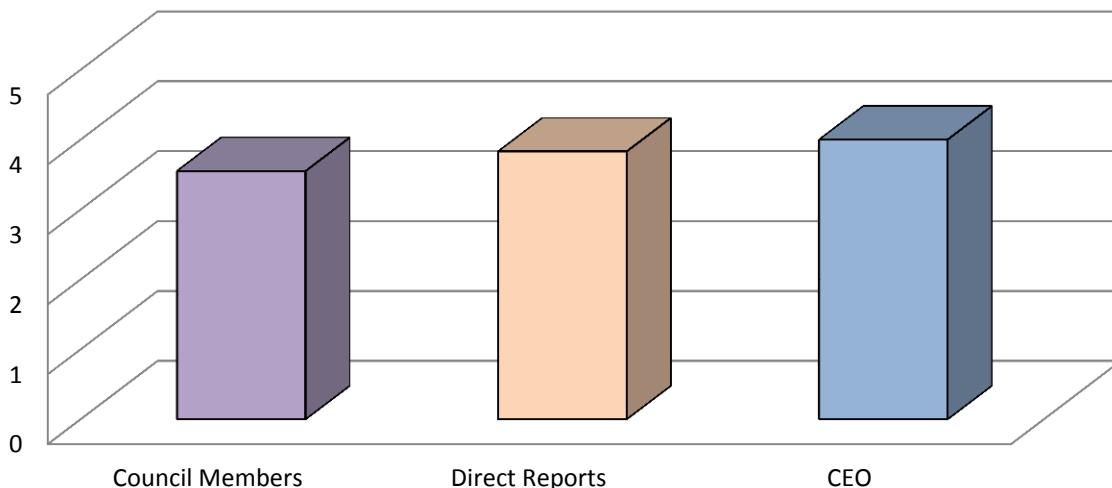
Participants describe the CEO as dedicated and a high achiever who is setting the high standards for Council Members, Senior Management Team and Staff.

Highest Scoring KRA question – 3.93 Competent – *(1.1 Provides innovative and visionary leadership?)*

Lowest Scoring KRA question – 3.46 Competent – *(1.4 Maintains continuous review of Council's progress against the Corporate Plan?)*

The final average rating for the CEO's performance in this KRA was competent, with minimal variation between Direct Reports and Council Members final average ratings.

	2017	An Average
Council Members	3.55	3.67
Direct Reports	3.83	
CEO	4.00	



HUMAN RESOURCE MANAGEMENT (KRA 2)

(The ability to lead and develop staff that are committed to the Council, competent in their jobs, and achieving job satisfaction)

This area is considered to have been a focus of the CEO with organisational reviews and continual analysis of the structure. The CEO is regarded to have made some good appointments and some Council Members feel that the roles within Council have become more defined. Some participants acknowledge his attempts to make efficiencies by not automatically replacing roles; rather looking at the needs of Council and Community. However, some participants are concerned that delay in recruiting replacements has caused workload issues and knock on effects for other staff. The CEO reports that he has reviewed the organisational structure and roles and responsibilities of staff and has ensured that all staff are accountable and performance managed if required, this has had an effect on the cultural climate.

Participants acknowledge the difference in the outdoor and indoor staff and their adaptability to change. They also report that there has been quite a high turnover in the outside staff and would like this to be looked at in the next review period.

The CEO is described as having high expectations of staff and some Council Members worry that these are too high at times. However, it is acknowledged that productivity and performance has increased and efficiencies have been made. With high workloads and expectations some participants have concern for the health and wellbeing of some staff. Some Direct Reports feel that without adequate resources, Council will not be able to sustain the same level of progress it has made or current service level. It is reported that with the higher level of compliance Council needs to review its resources to ensure capacity. The CEO has embarked on a change process and acknowledges that some staff find change 'hard'.

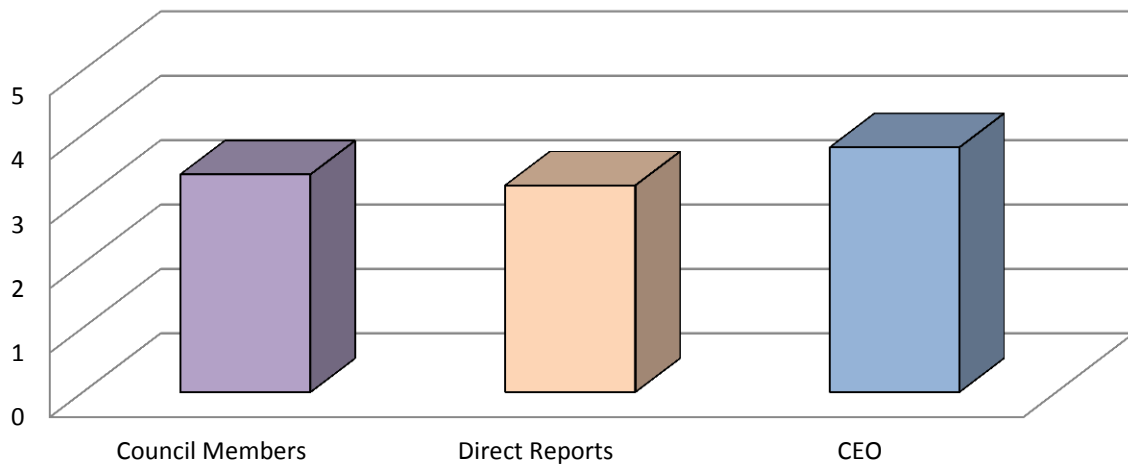
It is reported that there are no issues with Work, Health and Safety and the CEO is not 'over the top' in this area, just practical. Some participants feel that reward and recognition is an area that could be a focus with a few more 'well dones' and celebration of the successes. Some Direct Reports feel that there could be more encouragement and more positive feedback. It is suggested that for Council to 'take the next step' a review of resources needs to occur.

Highest Scoring KRA question – 3.36 Competent – *(2.1 Maintains a work environment that facilitates the development of people and encourages them to perform at a high level?)*

Lowest Scoring KRA question – 3.20 Competent – *(2.4 Individual performance and remuneration of all staff is reviewed regularly?)*

The CEO's performance was competent in this KRA with minimal variation between participant groups. This was the lowest scoring KRA.

	2017	An Average
Council Members	3.38	3.30
Direct Reports	3.21	
CEO	3.80	



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FINANCIAL AND ASSET MANAGEMENT (KRA 3)

(Management of the Council’s physical and financial resources)

Participants are in agreement that there is a lot more still to do financially, but they are happy of the progress of Council's financial landscape. The management of the financial resources are considered strong, however, they are not as confident in the management in the physical resources with concern for the delay of the development of the Assets Management Plan.

Another area that Council Members have seen a vast improvement in is the structure and accountability with budgets and timelines. They appreciate the focus on ensuring that departments are accountable and Council Members report that the budget procedures are smoother and better than they used to be. Some Council Members feel that when inaccuracies are found in reporting and that instead of excuses for these errors, they would like to get the answers on reasons for the errors.

Reporting is considered simpler and easier to understand by most Council Members. Some Council Members feel there needs to be more detailed reports and budget setting. This may include education for Council to understand better the complexities of the budgeting process and framework. Also, some Council Members would like to see all decisions that have a significant budgetary implication brought to Council and feel this doesn't currently happen.

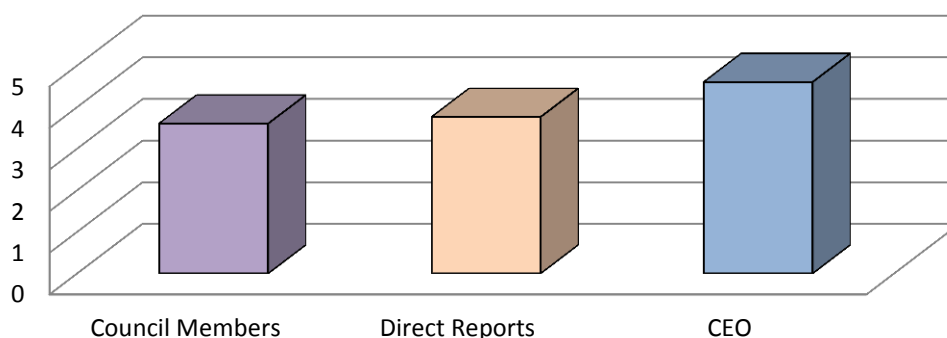
The CEO is acknowledged for his efforts to complete the program of work, however, participants recognise the issues the destructive weather caused in delaying the completion of the planned program of work, recognising Council's need to be reactionary.

Highest Scoring KRA question – 3.92 Competent – *(3.4 Budgets are prepared and monitored?)*

Lowest Scoring KRA question – 3.38 Competent – *(3.1 Ensures the effective and accountable application of financial and physical resources?)*

The CEO's performance in this KRA was considered competent with minimal variation between Direct Reports and Council Members, but the CEO's self-rating is significantly higher at Highly Commendable.

	2017	An Average
Council Members	3.60	3.66
Direct Reports	3.76	
CEO	4.60	



OPERATIONS MANAGEMENT AND MAJOR PROJECTS (KRA 4)

(The ability to manage the operations of the Council and ensure the measurable outcomes are achieved)

Participants report that there is currently a review of all policies, aiming to reduce the number that Council have. The CEO is described as constantly looking for improvements and changing the thinking of Staff and Council Members alike to identify and embrace efficiencies.

The CEO is regarded as a good change manager. The new organisational structure is described as working well and there is progress in service delivery enhancement. It is reported that the indoor staff have adapted well to the change, however, it is not as effective with the outdoor staff with what participants describe as 'legacy' issues. This is highlighted as an area for focus in the next review period.

The CEO is reported to have been firm with Managers to ensure they carefully manage their budgets and program of work which has increased accountability. Participants feel that the CEO promotes a high quality of customer service but some feel that not all staff support this philosophy. Some Council Members would like to see tighter guidelines for acknowledging/responding to all correspondence received by Council.

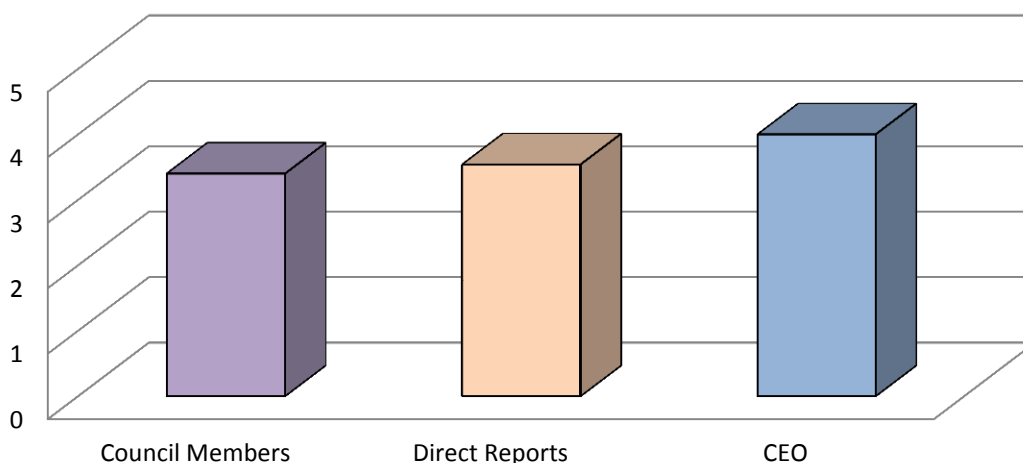
Generally projects are considered to meet budget and timelines but the recent destructive weather has detracted from the program of work causing delays in completions.

Highest Scoring KRA question – 3.79 Competent – *(4.5 Promotes a strong customer service philosophy within Council?)*

Lowest Scoring KRA question – 3.46 Competent – *(4.1 Initiates the development, implementation and review of effective policies?)*

This KRA's final average rating was competent with the final average for the Direct Reports slightly higher than the Council Members and the CEO self-rating is Highly Commendable.

	2017	An Average
Council Members	3.40	3.54
Direct Reports	3.73	
CEO	4.00	



STAKEHOLDER MANAGEMENT, CUSTOMER SERVICE AND COMMUNICATIONS (KRA 5)

(The ability to enhance Council’s relationship with its community)

Communication is considered a strength of the CEO. The CEO’s communication strategies in social media are reported to have been successful in helping connect Council and the Community and building its profile. However, participants feel more could be done in this area to leverage greater coverage and profile building. The CEO is reported to take time to network and attend meetings. He is considered to have a good network which continues to grow. He is viewed to forge effective relationships with external stakeholders and bodies.

Participants feel that the CEO takes a positive attitude to improve Council’s image and they feel that he gets ‘out and about’ in the community and is very visual. He is very committed to attending events, meetings and ceremonies and there has been progress in promoting Council’s activities. The CEO has embraced Community Consultation and this will assist in becoming aware of the Community’s needs and understanding of their aspirations.

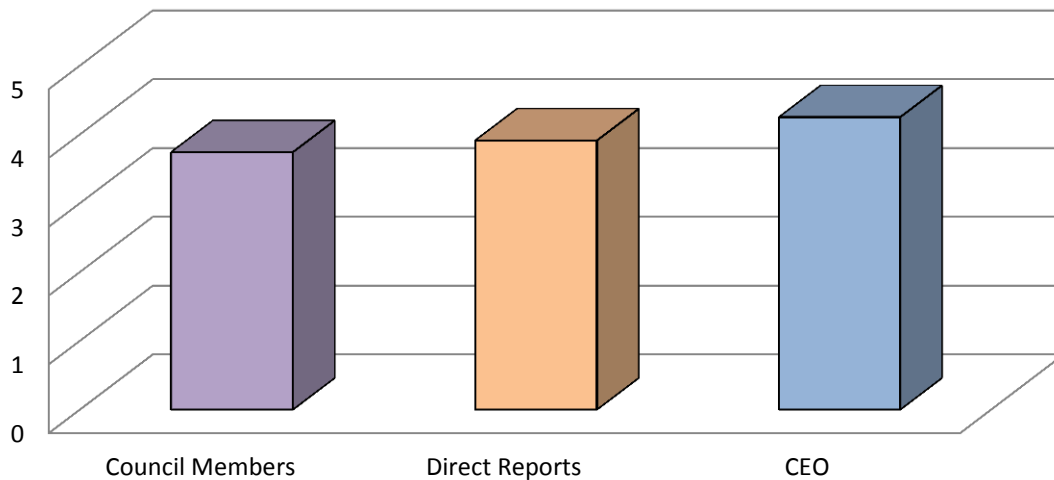
Participants feel that the responsiveness to queries and questions from some External Stakeholders needs improvement with the JDA queries on insurance claims provided as an example.

Highest Scoring KRA question – 4.00 Highly Commendable – *(5.4 Represents Council at appropriate events, public meetings and ceremonies?)*

Lowest Scoring KRA question – 3.67 Competent – *(5.1 Establishes effective networks with all tiers of Government, Business Groups and Peak Bodies?)*

This KRA had a final average rating of Competent and it was the highest scoring KRA.

	2017	An Average
Council Members	3.74	3.81
Direct Reports	3.91	
CEO	4.25	



Advice and Relationship with Council (KRA 6)

(The ability to develop and sustain a positive relationship with Council Members)

The CEO is described as having an ‘open door’ policy and Council Members feel he is accessible and available if they need to ‘have a chat’ with him. Direct Reports feel the CEO is a good listener and is kind natured. They can easily approach him and he is helpful and forthcoming in offering advice. Council Members feel generally well informed, however, some Council Members feel that not all the information that needs to be is being passed on and provide the example of the Company that Council was conducting business with that went ‘out of business’. They would like the CEO to inform them of all relevant issues or information.

Participants acknowledge that Council meets its statutory and governance obligations and feel that the CEO is ‘on top’ of this area. Council Members compulsory training has not been completed by all Council Members; they were only offered attendance once. Some Council Members feel that not all opportunities for conferences and professional development are communicated to Council Members.

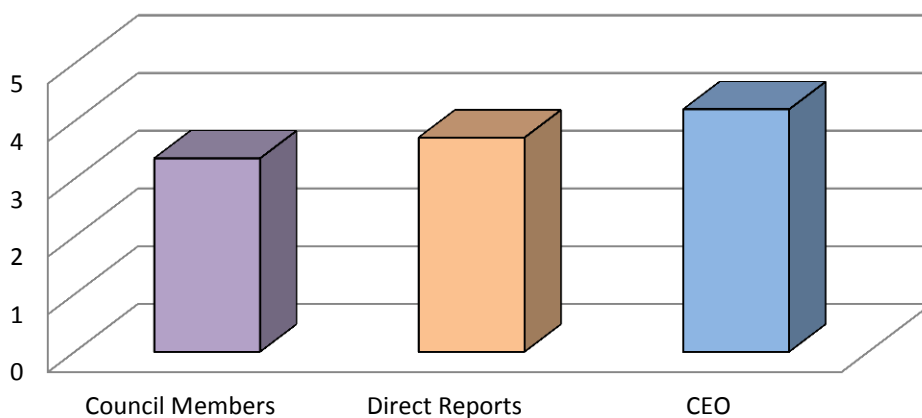
Participants value the CEO’s advice and guidance and the relationship between Council Members and the CEO is described as positive and productive. Direct Reports feel the CEO always makes time to meet with Council Members and answer their enquiries and questions.

Highest Scoring KRA question – 3.71 Competent – *(6.2 Develops and maintains a positive and collaborative working relationship with the Mayor/Councillors?)*

Lowest Scoring KRA question – 3.33 Competent – *(6.5 Ensures Elected Members are provided with appropriate professional development opportunities and services?)*

This area was considered competent, with the CEO self-rating significantly higher than Council Members and Direct Reports again.

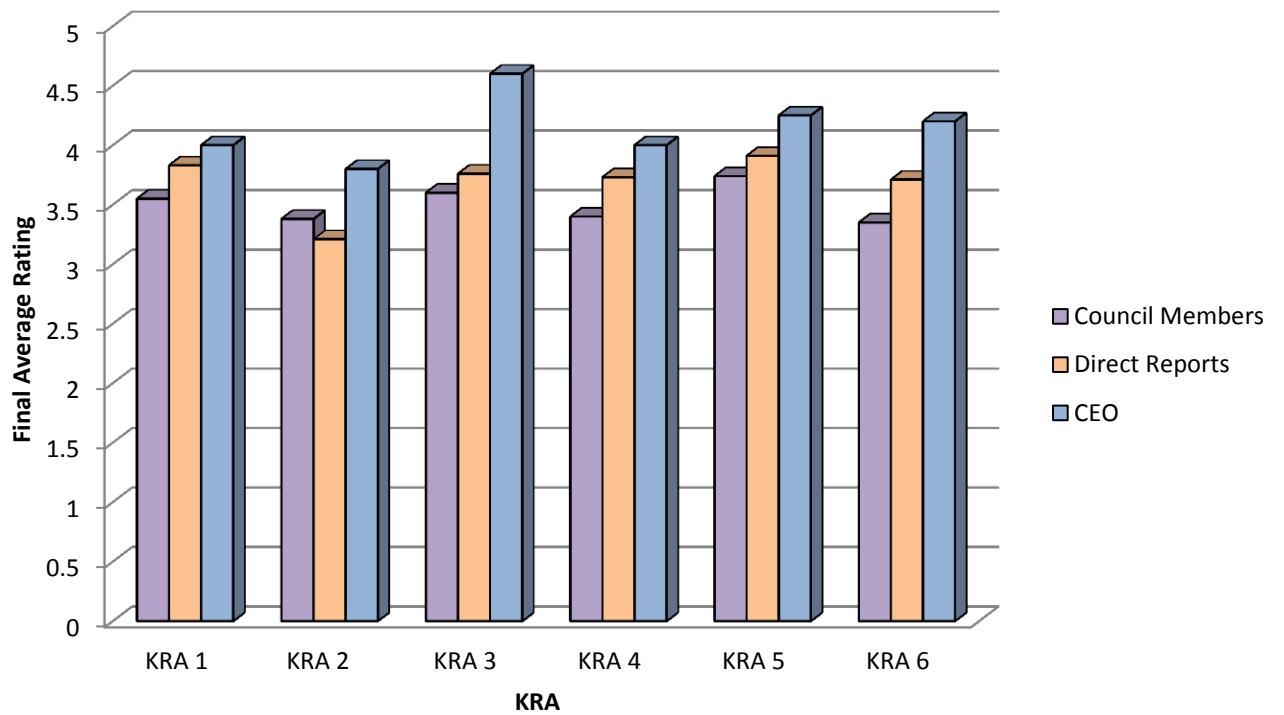
	2017	An Average
Council Members	3.35	3.50
Direct Reports	3.71	
CEO	4.20	



SUMMARY TABLE

Performance Indicator	Council Members/ Direct Reports Overall Rating	CEO Overall Rating	Commentary
	2017	2017	2017
Leadership and Strategic Planning	3.67	4.00	Competent
Human Resource Management	3.30	3.80	Competent
Financial and Asset Management	3.66	4.60	Competent
Operations Management and Major Projects	3.54	4.00	Competent
Stakeholder Management, Customer Service and Communication	3.81	4.25	Competent
Advice and Relationship with Council	3.50	4.20	Competent
OVERALL AVERAGE RATING	3.68	4.14	Competent

2016/17 Final Average KRA Results



These are a good visual representation of the CEO's competent performance and the variances in the different participant groups' final average ratings.

Strategic Performance Objectives/ KPI's – 2016

(Objectives set for the period, which were agreed to by Council, as stretch targets for the CEO)

The following Strategic Performance Objectives/KPI's were set for the review period.

	Objective	Proposed Timeline	Rating							
1	<p>Demonstrate leadership and manage the organisation in a way that develops and supports an innovative service and governance culture.</p> <p>Comments: Working towards this – issues with the Outdoor staff. Pressures from increased workloads may need to be addressed.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e67e22; color: white;">Council Members</td> <td style="text-align: center;">3.38</td> <td rowspan="3" style="text-align: center; vertical-align: middle;">3.43</td> </tr> <tr> <td style="background-color: #e67e22; color: white;">Direct Reports/Staff</td> <td style="text-align: center;">3.50</td> </tr> <tr> <td style="background-color: #e67e22; color: white;">CEO</td> <td style="text-align: center;">4.00</td> </tr> </table>	Council Members	3.38	3.43	Direct Reports/Staff	3.50	CEO	4.00	January 2017	Competent
Council Members	3.38	3.43								
Direct Reports/Staff	3.50									
CEO	4.00									
2	<p>Ensure that all Managers are responsible for their departmental budgets and timelines and report to the CEO and Council.</p> <p>Comments: A 'real achievement' – more responsibility and accountability. Regular SMT Meetings.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e67e22; color: white;">Council Members</td> <td style="text-align: center;">3.75</td> <td rowspan="3" style="text-align: center; vertical-align: middle;">3.86</td> </tr> <tr> <td style="background-color: #e67e22; color: white;">Direct Reports/Staff</td> <td style="text-align: center;">4.00</td> </tr> <tr> <td style="background-color: #e67e22; color: white;">CEO</td> <td style="text-align: center;">5.00</td> </tr> </table>	Council Members	3.75	3.86	Direct Reports/Staff	4.00	CEO	5.00	January 2017	Competent
Council Members	3.75	3.86								
Direct Reports/Staff	4.00									
CEO	5.00									
3	<p>Ensure that Managers put properly costed and responsible recommendations before Council and practice due diligence.</p> <p>Comments: Some feel that this is not occurring with all Managers and some reports from some Managers need improvement. Inaccuracies on reports still identified.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #e67e22; color: white;">Council Members</td> <td style="text-align: center;">3.13</td> <td rowspan="3" style="text-align: center; vertical-align: middle;">3.36</td> </tr> <tr> <td style="background-color: #e67e22; color: white;">Direct Reports/Staff</td> <td style="text-align: center;">3.67</td> </tr> <tr> <td style="background-color: #e67e22; color: white;">CEO</td> <td style="text-align: center;">5.00</td> </tr> </table>	Council Members	3.13	3.36	Direct Reports/Staff	3.67	CEO	5.00	January 2017	Competent
Council Members	3.13	3.36								
Direct Reports/Staff	3.67									
CEO	5.00									

	Objective	Proposed Timeline	Rating								
4	<p>Ensure Council has a workable Asset Management Plan (target completion date January 2017)</p> <p>Comments: This has taken too long and not been completed. The Asset Management Plan is reported to be 55% complete – 2 operational management positions were vacant in the earlier part of 2016 which stalled development in this area and now back on track.</p> <table border="1" data-bbox="284 607 852 703"> <tr> <td>Council Members</td> <td>2.88</td> <td rowspan="2">2.92</td> </tr> <tr> <td>Direct Reports/Staff</td> <td>3.00</td> </tr> <tr> <td>CEO</td> <td>4.00</td> <td></td> </tr> </table>	Council Members	2.88	2.92	Direct Reports/Staff	3.00	CEO	4.00		January 2017	Below Required Performance
Council Members	2.88	2.92									
Direct Reports/Staff	3.00										
CEO	4.00										
5	<p>Ensure the effective and accountable application of financial and physical resource.</p> <p>Comments: This has gotten better but there is still room for improvement especially on the physical side. A review of resourcing is suggested to continue momentum in this area.</p> <table border="1" data-bbox="284 1016 852 1113"> <tr> <td>Council Members</td> <td>3.57</td> <td rowspan="2">3.58</td> </tr> <tr> <td>Direct Reports/Staff</td> <td>3.60</td> </tr> <tr> <td>CEO</td> <td>4.00</td> <td></td> </tr> </table>	Council Members	3.57	3.58	Direct Reports/Staff	3.60	CEO	4.00		January 2017	Competent
Council Members	3.57	3.58									
Direct Reports/Staff	3.60										
CEO	4.00										

Comments by Consultant

Summary Introduction

This was the first formal review of the CEO facilitated by M^cArthur, whose performance was assessed against a set of agreed Key Performance Indicators, within six Key Result Areas.

Both Council Members and the Direct Reports were invited to comment and score the CEO's performance against each of the KPI elements. The comments that were received were constructive in nature. The CEO is well placed with final averages of his performance scored as Competent.

Data Analysis Summary

The variances in scoring between the Council Members and Direct Reports were regarded as minimal with all KRA's resulting in a final average of Competent. It should be noted that the CEO ranks himself higher than his Direct Reports and the Council Members on all KRAs.

Response rate to the review document was 100%. Total average scores for each KPI ranged from **3.20 Competent** – (2.4 Individual performance and remuneration of all staff is reviewed regularly?) and **4.00 Highly Commendable** (5.4 Represents Council at appropriate events, public meetings and ceremonies?).

Total average scores for each KRA ranged from **3.30 – Competent** - (KRA 2 – Human Resource Management) to **3.81 – Competent** - (KRA 5 - Stakeholder Management, Customer Service and Communication). The scoring was positive, with the overall average score of **3.68 – Competent**.

Summary

In general, Council Members feel the CEO has handled the year well; they feel he has 'worked with the Council Members to change'. Council Members acknowledge the CEO's good negotiation skills and provide the example of the Road Management Plan with the Wind Farms. They also recognise the reduction in negative feedback from the Community and increase in positive comments. They acknowledge his efforts to implement change and lift performance.

Direct Reports feel Council is in a better place under the CEO's leadership. He has high expectations and performance has increased dramatically. Sustainability is a question which arose amongst Direct Reports and this should be an area to look into in the next review period.

Council Members also feel that 'things are getting done' in the outer areas which is helping build Councils profile in these areas. Most Council Members feel the reporting and information provided has improved and is easier to understand.

Areas that were suggested for continued focus in the next review period were Section 41 Committee's; responsiveness to Customers and Community Groups; resourcing including outdoor staff; speed of replacing roles and staff workloads. It was suggested that Council could still promote its successes better, and whilst progress has been made in the financial sphere, there is a lot more work to be done. Council Members were disappointed with the delay in the Asset Management Plan and would like this to be a priority for completion.

Council is regarded by participants as 'heading in the right direction' financially and in general. The CEO is described as 'a good bloke' and the best CEO they have had in the recent years.

Conclusion

The CEO's performance was measured Competent from both participant groups in all KRAs. He is to be congratulated for his solid performance.

Rebecca Hunt
Consultant

Sign Off

Comments by Chief Executive Officer :

Human Resource Management (KRA2)

The comments made by Council Members and Direct Reports in the Human Resource Management (KRA2) need some further clarification to why the substance of these comments were made.

The comments that need clarification are in the 3rd paragraph of the page which refer to high expectations by the CEO of staff, the worry that these expectations are too high and it will affect the health and wellbeing of some staff and without adequate resources the situation will get worse.

I believe the issue here is that I have Direct Reports who are not performing to the level expected of their position. I have been working with these Direct Reports for several months trying to get these Direct Reports to a level in what I call "normal" for their position.

Currently these Direct Reports do not meet the requirements of their Position Description and then when you add in that they have to become "accountable" a reaction occurs where they believe they are being pushed beyond their perceived job requirements, thus their comments in the report.

In the past years these Direct Reports have not been made accountable for their roles and now have to be performance managed.

The whole issue I believe is about "change". I have started to change the way the organisation runs since I have been here, sometimes people accept change sometimes they do not, this is a case of change being made to get the position operating correctly but not liking or adapting to change.

General Comments

I believe the Chief Executive Officer Performance Review has been a fair and open process allowing open discussion between both parties.

I agree with the change of Performance Indicators to three and with a focus being on the Key Result Areas.

I suggest that the CEO Performance Review Panel meet on a quarterly basis with the Chief Executive Officer to discuss the Key Result Areas and Performance Indicators to ensure that they are meeting the agreed timelines and any issues arising from the progress of these.

Colin Byles
Chief Executive Officer
Northern Areas Council

Comments by Mayor :

As Mayor of the Northern Areas Council I am pleased to report on a successful CEO Performance Review.

With a 100% response by Elected Members and Direct Reports it gives Council a clear indication of how our Council is performing. With an overall average rating of 3.68 which falls into the competent range, this is pleasing.

I feel Colin is moving Council forward in a positive manner, but there are still areas of concern which I'm positive he has been made aware of from this Review.

I would like to thank the CEO Performance Review Panel for their input and due diligence in this Review Process. I would also like to thank M^cArthur especially Rebecca Hunt for facilitating this review.

Denis Clark
Mayor
Northern Areas Council

Summary and Conclusion

This performance review was conducted in an open and frank manner and the ratings identified above, accurately and fairly represent the outcomes of the process.

Mayor – Denis Clark

Chief Executive Officer – Colin Byles