

ADELAIDE HILLS COUNCIL
CEO PERFORMANCE REVIEW PANEL MEETING
Thursday 28 September 2023
AGENDA BUSINESS ITEM

Item: 7.3

Responsible Officer: Melissa Grimes
Governance Assistance
Corporate Services

Subject: Late Report - Revised CEO Probation Review Process

For: Decision

SUMMARY

The Panel has previously considered and has subsequently resolved through Council, the CEO Probationary Period Performance Review Process. This included that the CEO prepare and present the Interim Performance Review & Development Report (the "IPRDR") to the Panel in Weeks 11 and 22 of the probation period and Probation Review Survey to be completed by the CEO, Council Members, and the Directors towards the end of the probation period.

Further the Agreement provides for Key Performance Indicators (the "KPIs") to be developed, in consultation with the CEO, within 3 months of the Commencement Date.

Although the above process has been previously approved, there is the ability to amend this process in consultation with the Panel and subsequently resolved by Council.

This report is to provide an alternate Probationary Period Performance Review Process for consideration.

RECOMMENDATION

The CEO Performance Review Panel resolves:

1. That the late report be received and noted
2. That the panel rescinds number 3 in minute number PRP6/23 at its meeting held on 6 July 2023, namely *"to recommend to Council to approve the proposed CEO Probationary Period Performance Review Process as detailed in Item 7.2, CEO Performance Review Panel Agenda – 6 July 2023"*.
3. That the Panel recommend to Council to approve the revised CEO Probationary Period Performance Review Process and Key Performance Indicators during the probationary period as detailed in attachment 1 in item 7.3, CEO Performance Review Panel Agenda 28 September 2023.

1. BACKGROUND

The Chief Executive Officer, Greg Georgopoulos, was engaged under an Employment Agreement (the “Agreement”) executed on 18 May 2023 and commenced in the role on 17 July 2023.

In terms of the performance review, the probationary period within the CEO Employment Agreement requires that:

- It is for a 6 month period
- That the Council or CEO Review Panel may review the CEO’s performance and discuss it with the CEO before the end of the probationary period and may also discuss the CEO’s performance during the probationary period.
- At any time during the probationary period that either party may terminate the employment by giving one month’s notice.

4. PROBATIONARY PERIOD

- 4.1 The Council engages the CEO for a probationary period of six months from the Commencement Date. The Parties agree that the probationary period is a fair and reasonable period for the Council to assess the CEO’s performance.
- 4.2 The Council (or any established CEO Review Panel) may review the CEO’s performance and discuss it with the CEO before the end of the probationary period. The Council (or any established CEO Review Panel) may also discuss the CEO’s performance with the CEO during the probationary period.
- 4.3 At any time during the probationary period, either party may terminate the Employment for any reason by giving one month’s notice to the other Party.
- 4.4 If the Council terminates the CEO’s employment during the probationary period, it may pay one month’s pay to the CEO in lieu of notice. This right of termination (if exercised) is at the Council’s absolute discretion and without further liability.
- 4.5 The Council may, at its absolute discretion, pay in lieu of the whole or part of that notice period.

Further, the Performance Review section within the agreement only has one requirement within the probationary period, which is that the CEO Review Panel will, within three months of the Commencement Date, develop Key Performance Indicators in consultation with the CEO and following consultation, the Key Performance Indicators will be as advised by the CEO Review Panel to the CEO and as mutually agreed.

- 17.4 The CEO Review Panel will, within three (3) months of the Commencement Date, develop Key Performance Indicators in consultation with the CEO, and following that consultation, the Key Performance Indicators will be as advised by the CEO Review Panel to the CEO and as mutually agreed.

Although the Panel (and endorsed by Council) has previously agreed to a probation review process as discussed within the Summary of this report, the Panel can consider a revised process in accordance with the requirements of the CEO Employment Agreement.

Attached to this report is a proposed revised CEO Probation Review Process and draft Key Performance Indicators for the probationary period for consideration by the Panel.

Should the Panel agree to the alternate process, a report will be provided to Council for endorsement.

2. ANALYSIS

➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

Goal	Organisation
Objective O1	We have the right people with the right knowledge and skills in the right jobs and they are supported and developed.
Priority O1.4	Continue to support all staff through training, mentoring, coaching and development to enable the achievement of organisational and community goals.
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community.
Priority O5.3	Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community.

➤ Legal Implications

The CEO Performance Review Panel is a Section 41 Committee of Council under the *Local Government Act 1999*.

There are no legislative implications in relation to the CEO's probation period however, as identified above, there are contractual obligations in relation to the CEO's Employment Agreement.

➤ Risk Management Implications

Undertaking regular review of the CEO's performance is an important control in mitigating the risk of:

Deficient CEO performance review practices resulting in a lack of accountability and loss of stakeholder confidence.

Inherent Risk	Residual Risk	Target Risk
Medium (3C)	Low (2D)	Low (2D)

Non-achievement of CEO Performance Targets resulting in loss of community benefit and/or opportunities and/or stakeholder confidence.

Inherent Risk	Residual Risk	Target Risk
High (3B)	Medium (3C)	Medium (3C)

➤ Financial and Resource Implications

The financial implications associated with the use of external consultants for elements of the probationary period review have now been incorporated into the 2023-24 Budget.

The resource implications associated with the Panel’s processes are borne by the People & Culture Department.

➤ **Customer Service and Community/Cultural Implications**

There is a community expectation that the CEO will perform competently and meet expectations to achieve the required outcomes for the organisation.

➤ **Sustainability Implications**

Not directly applicable

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

<i>Council Committees:</i>	Discussions with the CEO Performance Review Panel
<i>Council Workshops:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>External Agencies:</i>	Not Applicable
<i>Community:</i>	Not Applicable

➤ **Additional Analysis**

Nil

3. OPTIONS

The Panel has the following options:

- I. Approve the alternate probation review process
- II. Continue with the currently approved CEO Probation Review Process

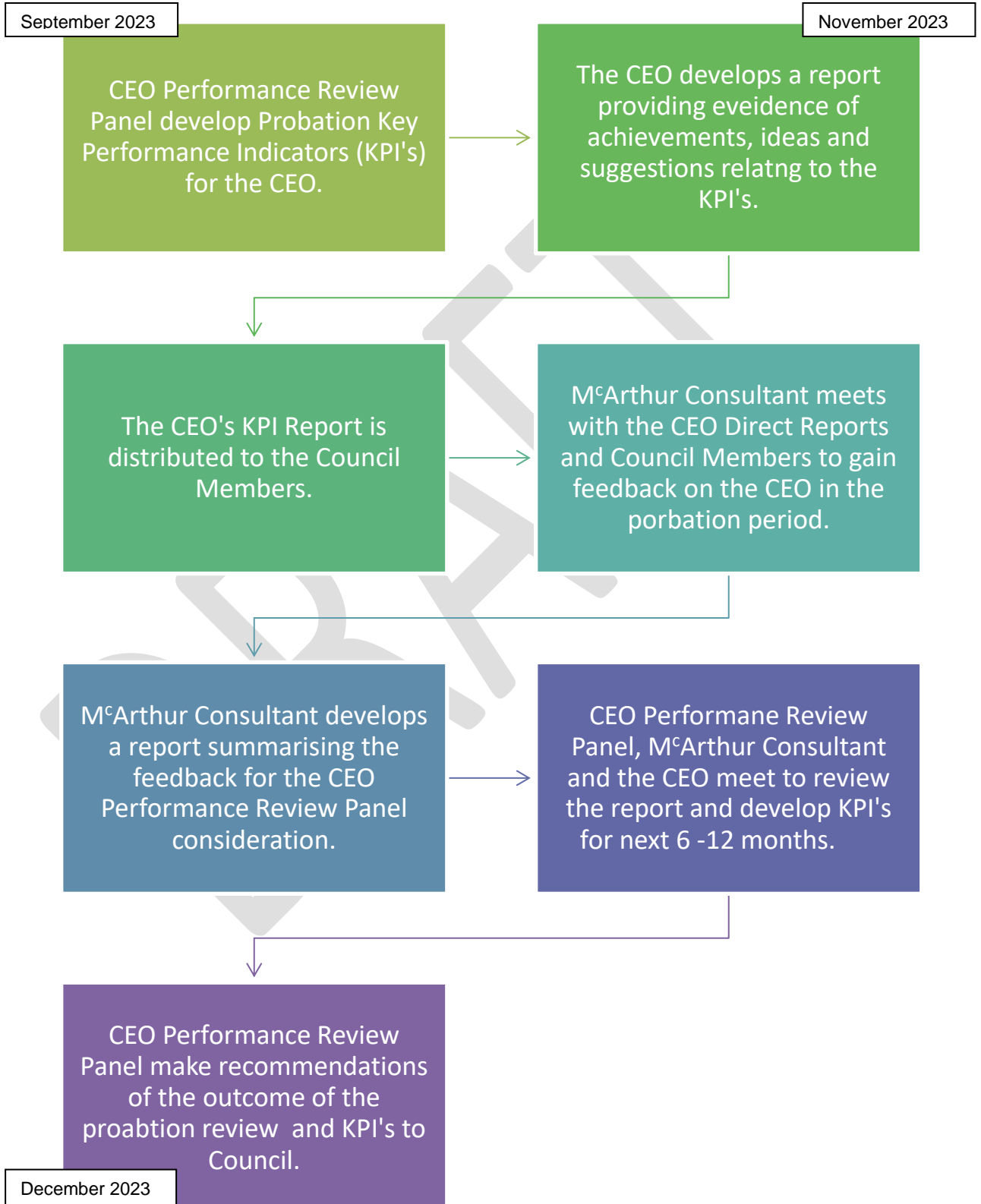
4. APPENDICES

- (1) McArthur’s CEO Probation Review Process and draft CEO KPI’s Probation Period

Appendix 1

*McArthur's CEO Probation Review Process and draft
CEO KPI's Probation Period*

CEO Probation Review Process



CEO KPI's Probation Period

KPI's Probation Period		Timeline
1	Forge and develop positive working relationships with Staff, Council Members, the Community, and External Stakeholders. Provides effective, clear communication, consistent decision making, consultation and actively listens.	Mid November 2023
2	Undertake a high-level review of the suite of Strategic Plans and identifying gaps and opportunities.	Mid November 2023
3	Undertake a high-level assessment of the organisation's capability to deliver the strategic goals and quality services, including resourcing, finances, systems and processes, and document ideas and suggestions for improvements.	Mid November 2023
4	Undertake a high-level assessment of Council's operations and the delivery of projects and provide suggestions for improvements.	Mid November 2023
5	Undertake a high-level assessment of Council's environment sustainability vision and aspirations and identify viable, achievable, and appropriate opportunities for leadership in this area.	Mid November 2023

McArthur recommends a review of the Terms of Reference of the CEO Performance Review Panel as they have not been reviewed since 2017.