



Chief Executive's Employment Committee Agenda

Thursday 28 May 2020, 8:30am

Meeting will be livestreamed to Council website and
YouTube Channel

www.mdc.govt.nz

MEMBERSHIP

Chairperson

Councillor Michael Ford

Deputy Chairperson

tba

Members

Her Worship the Mayor and all Councillors

PURPOSE

Primary responsibility for executing the Chief Executive's performance agreement and monitoring the Chief Executive's performance. The committee also has the responsibility, if required, of conducting a Chief Executive recruitment process.

DELEGATED AUTHORITY

Make decisions on the performance and remuneration of the Chief Executive.

RESPONSIBILITIES

All matters relating to the employment of the Chief Executive, including monitoring of performance.



Dr Richard Templer
Chief Executive

ORDER OF BUSINESS

PAGE

1. MEETING OPENING

2. APOLOGIES

3. DECLARATIONS OF INTEREST

Notification from elected members of:

3.1 Any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting; and

3.2 Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968

4. NOTIFICATION OF LATE ITEMS:

Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:

4.1 The committee by resolution so decides; and

4.2 The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.

5. OFFICER REPORTS

5.1 APPOINTMENT OF DEPUTY CHAIRPERSON 4

Report of the General Manager – Corporate and Regulatory dated 3 April 2020

5.2 CHIEF EXECUTIVE'S KEY PERFORMANCE INDICATORS REVIEW 8

Report of the Chief Executive dated 20 May 2020

5.3 MANAWATU DISTRICT COUNCIL IMPROVEMENT PLAN PROCESS 12

Report of the Chief Executive dated 20 May 2020

5.4 CHIEF EXECUTIVE'S EMPLOYMENT CONTRACT

Presentation by the Chief Executive

6. CONSIDERATION OF LATE ITEMS

7. MEETING CLOSURE

Chief Executive's Employment Committee

Meeting of 28 May 2020

Business Unit: Corporate and Regulatory
Date Created: 03 April 2020

Appointment of Deputy Chairperson - Chief Executive's Employment Committee

Purpose

To appoint a Deputy Chairperson for the Chief Executive's Employment Committee.

Significance of Decision

The Council's Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

1. That the Chief Executive's Employment Committee uses System B of Clause 25 of Schedule 7 of the Local Government Act 2002 for the election of its Deputy Chairperson.
2. That the Chief Executive's Employment Committee appoints Councillor as its Deputy Chairperson.

Report prepared by:
Allie Dunn
Governance Team Leader

Approved for submission by:
Shayne Harris
General Manager - Corporate and Regulatory

1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

Connected, vibrant and thriving Manawatū District – the best lifestyle in New Zealand

Manawatū District protects the natural environment through stewardship of the District’s natural and physical resources.	Manawatū District attracts and retains residents and businesses.	Manawatū District develops a broad economic base from its solid foundation in the primary sector.	Manawatū District is connected via quality infrastructure, services and technology.	Manawatū District’s built environment is safe, resilient and attractive.	Manawatū District Council is a customer-focussed and efficient organisation.
✓	✓	✓	✓	✓	✓

2 Background

- 2.1 The Chief Executive’s Employment Committee was established following the 12 October 2019 local elections, under the Mayoral powers set out in section 41A of the Local Government Act 2002.
- 2.2 The Chairperson of the Committee was also appointed under section 41A of the Local Government Act 2002.
- 2.3 The Council noted the establishment of the committee and appointment of the Chairperson at its reconvened meeting held 1 November 2019 (refer minute item MDC 19/009).

3 Discussion and Options considered

- 3.1 Following the establishment of the committee, and the appointment of its Chairperson, the Council at its meeting on 21 November 2019 determined the membership, terms of reference and delegations of authority for the committee.
- 3.2 The Council left the election of the Deputy Chairperson for the committee to undertake at its first meeting.
- 3.3 There are specific requirements around the voting system used for electing a deputy chairperson set out in the Local Government Act 2002. The meeting is required to choose between two systems of voting (known as System A and System B) prior to undertaking the election:

System A

Under System A, there is a first round of voting for all candidates, and if no candidate is successful then there is a second round of voting from which the candidate with the fewest votes in the first round is excluded. Further rounds are held as required and if two or more candidates tie for the lowest number of votes, the person to be excluded is resolved by lot.

System B

System B has one round of voting, and if two or more candidates tie for the most votes, the tie is resolved by lot.

- 3.4 Once the committee has agreed which system of voting it will use, nominations can be sought from the members present and a vote undertaken to appoint the Deputy Chairperson.
- 3.5 System B is recommended as the simplest system to use, however the choice of system is up to the committee to make.

4 Operational Implications

- 4.1 There are no capital / operating expenditure implications or maintenance costs associated with this report.

5 Financial implications

- 5.1 There are no financial implications associated with this report.

6 Statutory Requirements

- 6.1 Clause 25 of Schedule 7 to the Local Government Act 2002 sets out the choices for systems of voting that must be used for electing a Deputy Chairperson of a committee. The committee must decide which system it will use prior to undertaking its election:

System A—

- (a) *requires that a person is elected or appointed if he or she receives the votes of a majority of the members of the local authority or committee present and voting; and*
- (b) *has the following characteristics:*
- (i) *there is a first round of voting for all candidates; and*
 - (ii) *if no candidate is successful in that round there is a second round of voting from which the candidate with the fewest votes in the first round is excluded; and*
 - (iii) *if no candidate is successful in the second round there is a third, and if necessary subsequent, round of voting from which, each time, the candidate with the fewest votes in the previous round is excluded; and*
 - (iv) *in any round of voting, if 2 or more candidates tie for the lowest number of votes, the person excluded from the next round is resolved by lot.*

System B—

- (a) *requires that a person is elected or appointed if he or she receives more votes than any other candidate; and*
- (b) *has the following characteristics:*
- (i) *there is only 1 round of voting; and*
 - (ii) *if 2 or more candidates tie for the most votes, the tie is resolved by lot.*

7 Delegations

- 7.1 Under the Local Government Act 2002 the Council has the power to appoint the Deputy Chairperson of the committee. However if the Council does not exercise that power, then the committee has the authority to elect its Deputy Chairperson.

8 Consultation

- 8.1 There are no community consultation requirements associated with this report.

9 Cultural Considerations

- 9.1 There are no cultural considerations associated with this report.

10 Conclusion

- 10.1 The committee needs to make its decision in two parts. Firstly, deciding which system of appointment under the Local Government Act 2002 that it will use. Having made that the decision, the committee can then call for nominations and undertake the election of its Deputy Chairperson.

11 Attachments

- There are no attachments to this report.

Chief Executive's Employment Committee

Meeting of 28 May 2020

Business Unit: Chief Executive's Office

Date Created: 20 May 2020

Chief Executive's Key Performance Indicators Review

Purpose

To update the Chief Executive's Employment Committee on the progress of the Chief Executive's Key Performance Indicators at the end of April 2020.

Significance of Decision

The Council's Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That the Chief Executive's Employment Committee notes the report.

Report prepared by:
Richard Templer
Chief Executive

Approved for submission by:
Richard Templer
Chief Executive

1 Executive Summary

1.1 In this financial year the Chief Executive’s performance agreement contains 17 Key Performance Indicators. Of the 17 KPIs, 6 have been achieved, 9 are on track and 2 are not achievable.

2 Contribution to the Council Vision and Council Outcomes

2.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

Connected, vibrant and thriving Manawatū District – the best lifestyle in New Zealand

Manawatū District protects the natural environment through stewardship of the District’s natural and physical resources.	Manawatū District attracts and retains residents and businesses.	Manawatū District develops a broad economic base from its solid foundation in the primary sector.	Manawatū District is connected via quality infrastructure, services and technology.	Manawatū District’s built environment is safe, resilient and attractive.	Manawatū District Council is a customer-focussed and efficient organisation.
✓	✓	✓	✓	✓	✓

3 Background

3.1 At the start of this financial year (July 2020) the Chief Executive’s Employment Committee approve 17 Key Performance Indicators [KPIs] for the Chief Executive.

3.2 This report provides an update on progress on the KPIs to the end of April 2020.

4 Discussion and Options considered

4.1 Following is a table of the KPIs and their current status. Their status has three categories:
 ACHIEVED – the KPI has been achieved
 ON TRACK – The KPI is likely to be achieved by the end of the financial year
 NOT ACHIEVABLE – The KPI will not be achieved by the end of the financial year.

4.2 For each KPI these is an explanation of the status where required.

4.3 KPI Status Table

Health & Safety Staff go home happy & safe every night	a) Operational hazards and risks are identified, registered and treated b) Take care of your own health and safety and don’t cause harm to others c) Follow MDC’s health and safety instructions, policies and procedures	a) MDC Health & Safety strategy approved ACHIEVED – Approved by Council b) Zero reportable accidents ON TRACK – No reportable accidents to date
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<p>Key Projects</p> <p>CE leads from the front on key organisational projects</p>	<p>a) Customer Service b) Performance Improvement c) Financial Management</p>	<p>a) Customer Service complaints reduce year on year</p> <p>ON TRACK – 9 to date, 14 in 2018/19</p> <p>b) Key Council areas for improvement, including efficiencies and savings identified and agreed by the Executive Team and Council</p> <p>ON TRACK – See separate paper</p> <p>c) Council operates to or below its operating budget and planned Capital expenditure is within +5/-15% of budget</p> <p>OPEX – NOT ACHIEVABLE due to Covid-19 disruption</p> <p>CAPEX – NOT ACHIEVABLE – Due to Covid-19 disruption. Plus the unexpected passing of a land owner means it will not be possible to complete Turners Road in this financial year. The Resource Recovery centre is also being redesigned to ensure it comes in on budget.</p>
<p>People & Culture</p> <p>Staff engagement increases</p>	<p>a) Staff Engagement improves b) Professional development of Elected Members c) Improving Recruitment at MDC</p>	<p>a) Organisational Culture – AskYourTeam result above 71%</p> <p>ACHIEVED - Overall result 72%</p> <p>b) Professional Development Plan for all Elected Members complete</p> <p>ACHIEVED – Delivered to all elected members on 6 March 2020</p> <p>c) Recruitment 2.0 – complete refresh of MDC’s attraction, selection and pre-on-boarding approach</p> <p>ACHIEVED – New process up and running on JARVIS. However a complete refresh will not be a focus of this year due to change in the employment environment.</p>
<p>Infrastructure</p> <p>MDC infrastructure meets the current and future needs of the community.</p> <p>Year 2 of the LTP infrastructure work</p>	<p>a) AMPs b) Major Capital projects c) Drinking Water</p>	<p>a) Robust and integrated asset management plans complete and externally peer reviewed</p> <p>ON TRACK – Investment Logic Mapping completed and timetable agreed</p> <p>b) Turners Road, Resource Recovery Centre and New Reservoir delivered to plan</p> <p>NOT ACHIEVABLE – see above</p> <p>c) Compliance with NZDWS and consent conditions within the known</p>

programme is delivered.		<p>limitations of the water and wastewater treatment plants ensuring no risk to public health or environmental harm</p> <p>ON TRACK – One technical non-compliance, but no public health risks</p>
<p>Community & Strategy</p> <p>MDC is trusted by our community</p> <p>Year 2 of the LTP community work programme is delivered.</p>	<p>a) Council building earthquake strengthening and refit</p> <p>b) Library building earthquake strengthening and refit</p> <p>c) District plan</p>	<p>a) Council building refit and strengthening project indicative project costings complete. A positive communication approach will be part of the project</p> <p>ON TRACK – Project SAM underway and initial project costings have been presented to Council</p> <p>b) Council has approved final location, scope and cost of the library building project. A positive communication approach will be part of the project</p> <p>ACHIEVED – Location agreed, scope approved and indicative costing approved.</p> <p>c) District plan review has progressed in line with Council approved project plan, budget and timeline</p> <p>ON TRACK – Precinct 4 approved</p>
<p>Corporate & Regulatory</p> <p>MDC is trusted by our community</p>	<p>a) Election & Induction</p> <p>b) Digital strategy</p> <p>c) EQPB regulations</p>	<p>a) New Council is established and inducted</p> <p>ACHIEVED</p> <p>b) Digital strategy advanced with Office 365 rollout and online resource compliance complete</p> <p>ON TRACK – Strategy template complete and being populated by the team, Office 365 pilot underway and Resource Consent Online now live</p> <p>c) EQPB legislation is implemented</p> <p>ON TRACK – Priority areas approved by Council, Building owners informed and EQPB specialist consultancy engaged</p>

5 Delegations

5.1 The Chief Executive’s Employment Committee has the delegation to approve this report.

6 Conclusion

6.1 Of the 17 KPIs, 6 have been achieved, 8 are on track and 3 are not achievable.

Chief Executive's Employment Committee

Meeting of 28 May 2020

Business Unit: Chief Executive's Office
Date Created: 20 May 2020

Manawatū District Council Improvement Plan

Purpose

To update the Chief Executive's Employment Committee on the improvement plan developed by the Executive Team.

Significance of Decision

The Council's Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That the Chief Executive's Employment Committee:

1. Notes the Manawatū District Council Improvement Plan set out in Appendix One to the report of the Chief Executive dated 20 May 2020;
2. Approves the areas identified for improvement, including efficiencies and savings.

Report prepared by:
Richard Templer
Chief Executive

Approved for submission by:
Richard Templer
Chief Executive

1 Executive Summary

- 1.1 The Executive Team of Council, has developed an improvement plan that highlights areas identified from multiple sources: CouncilMARK, AskYourTeam and the Executive itself.
- 1.2 The plan has been developed to satisfy the Key Performance Indicator for the Chief Executive: *identification of areas for improvement, including efficiencies and savings identified and agreed by the Executive Team and Council.*

2 Contribution to the Council Vision and Council Outcomes

- 2.1 Relationship to the Council Outcomes that underpin the Council's Vision:

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					✓

3 Background

- 3.1 Council and the Chief Executive developed the Key Performance Indicator: *Key Council areas for improvement, including efficiencies and savings identified and agreed by the Executive Team and Council*, as part of the Chief Executive's Performance Agreement.
- 3.2 Council and the Chief Executive anticipated that this would be an outcome of the CouncilMARK process, administered by Local Government New Zealand.
- 3.3 The final CouncilMARK 12 page report and subsequent debrief with the lead assessor did not sufficiently identify areas for improvement at Manawatū District Council in the opinion of the Executive Team. This was in spite of this being specifically requested by Chief Executive in his and the Mayor's briefing of the CouncilMARK assessors.
- 3.4 The Executive Team has developed the Improvement plan (Attachment 1) using the following sources:
- 3.4.1 The CouncilMARK self-assessment and the CouncilMARK report – collectively referred to as CouncilMARK in the plan
- 3.4.2 The AskYourTeam employee survey
- 3.4.3 A review of MDC conducted by the Executive Team as part of their annual two-day strategy session

4 Discussion and Options considered

- 4.1 The Executive considered contracting an external consultant to identify areas for improvement.
- 4.2 This option was not pursued as the Executive believed that its own analysis was likely to deliver a better result. Such an expense was also not budgeted for.
- 4.3 Council efficiencies and savings are difficult to measure, as commercial metrics such as revenue per full-time-effective staff member are not relevant. The Executive have used the annual budget process as the key identifiable efficiency and saving process. The bottom up budget process would have required an 10% rate rise to meet the costs.
- 4.4 Internal efficiencies and savings found by each group reduced the anticipated rate rise to 4.2%, a saving of almost 5%.
- 4.5 In response to Covid-19 the Executive recommended the use of emergency reserves further reducing the rates rise to 0%.
- 4.6 The Executive agreed that for the plan to be of use it should be simple and be able to be shown on a single page.

5 Delegations

- 5.1 The Chief Executive's Employment Committee has the delegation to approve this report.

6 Conclusion

- 6.1 Approval of this paper will satisfy the requirements of the Chief Executive's KPI: *Key Council areas for improvement, including efficiencies and savings identified and agreed by the Executive Team and Council*

7 Attachment One – Manawatū District Council Improvement Plan

Area	Improvement Identified	Source	Whom	Target Date	Status	Result/Comment
Comms	Annual Report to demonstrate progress towards achievement of desired community outcomes	CouncilMARK	GM C&S	20/08/2020	Not started	Will be added in this year's annual report
Comms	MWLASS Council App	Exec	CE	30/06/2021	On hold	Delayed due to Covid-19. Came from MWLASS Emerging Leaders programme
Financial	Elected members have a broader understanding of the Council's finances	CouncilMARK	GM C&R	30/06/2020	Active	Presentations by Shayne & Amanda as part of Annual Plan & 10YP process
Financial	Better testing of out-year assumptions and a greater focus on strategic risk for 10YP	CouncilMARK	GM C&S	30/06/2020	Active	Specific focus of presentations by Stacey & Lisa
Financial	Quarterly reporting should be reviewed	CouncilMARK	GM C&R	30/03/2020	Complete	Quarterly report revised by the CFO and approved by A&R
Financial	MAGIQ software upgrade	Exec	CFO	30/06/2020	Active	Project being run by CFO
Financial	Upskill staff on MAGIQ	Exec	CFO	30/06/2020	Active	Project being run by CFO
Financial	Investigate 3rd party funding opportunities for Council projects	Exec	GM C&R	30/06/2020	On hold	Delayed due to Covid-19. Came from MWLASS Emerging Leaders programme
Financial	ET Review of bottom up budget	Exec	ET	30/06/2020	Complete	Reduced rates request from 10% to 4.6% to 0%
Governance	Further professional development of the elected members	CouncilMARK	GM P&C	30/06/2020	Active	Programme rolled out to Elected Members
Governance	The Council vision, strategy and operational plans could be more strongly aligned.	CouncilMARK	Council	30/09/2020	Active	Reviewed as part of the 10YP
Governance	Further development of risk reporting (beyond the current fiscal focus)	CouncilMARK	GM C&S	30/06/2020	On hold	Delayed due to no A&R meetings
Governance	An independent chair of the ARC is good governance practice.	CouncilMARK	Council	1/10/2019	Rejected	
Governance	Evaluation system is in place for elected members.	CouncilMARK	Council	30/06/2022	Not started	
People	Accountability focus	AskYourTeam	ET	30/06/2020	Active	Agreed with wider management team. Consequences in place
People	MWLASS Emerging leaders programme	Exec	GM P&C	30/06/2020	On hold	Delayed due to Covid-19
People	Performance Management upskilling of Managers	Exec	ET	30/06/2020	On hold	Delayed due to Covid-19
People	Utilities restructure	Exec	GM I	30/06/2020	Active	Will complete post Lockdown
People	Communications restructure	Exec	GM C&S	30/06/2020	Active	Good progress
Process	Sustainable procurement	Exec	CFO	30/06/2020	On hold	Delayed due to Covid-19
Process	JARVIS Automation	Exec	GM C&R	30/06/2020	Active	New processes added as required according to business priority
Service Delivery	Tighter integration of AMPs with the overarching vision for the district should result in additional service delivery efficiencies and financial benefits.	CouncilMARK	GM I/C&S	30/09/2020	Active	Key focus of 10YP process
Service Delivery	Closer management of shared services with RDC	CouncilMARK	CE/GM I	30/06/2020	On hold	Delayed due to Covid-19