

Note:

The performance agreement was set prior to COVID-19. This unanticipated pandemic event is expected to impact achievability of some Key Performance Indicators

Decision released from public excluded session	
Recommendation from	Date of meeting
Chief Executive Employment Committee	11 Dec 2019
Report Title and number	
4. Routine Release of Chief Executive's Performance Agreement and Key Performance Indicators	
Documents released	
Chief Executive's Performance Agreement 2019 - 2020	
Decision	
Resolved	
<p><i>That the Chief Executive Employment Committee</i></p> <ol style="list-style-type: none"><i>1. <u>Receives</u> the report Routine Release of Chief Executive's Performance Agreement and Key Performance Indicators (R13673); and</i><i>2. <u>Notes</u> that the Chief Executive's Key Performance Indicators will routinely be published on the Nelson City Council website following their approval each year; and</i><i>3. <u>Agrees</u> the decision be released from public excluded business.</i><i>4. <u>Agrees</u> that Report (R13673) be excluded from public release at this time.</i> <p style="text-align: right;"><u>Carried</u></p> <p>The Committee asked that the Ombudsman review the Chief Executive's KPIs prior to release.</p>	

Chief Executive's Performance Agreement 2019-2020

INTRODUCTION

This agreement is entered into under Section 34 (2) of Schedule 7 of the Local Government Act 2002.

PURPOSE

The purpose of this agreement is to outline the key priorities and targets the Council expect the Chief Executive to achieve in the 2019-2020 plan year.

The agreement outlines key result categories, key performance indicators, measures and outcomes/targets, which the Council will use to assess the overall Chief Executive's performance during and at the completion of the plan year.

The nature of specific performance indicators is such that certain projects or issues are included at the expense of others. Often those projects or issues excluded are vitally important. The Council recognises that the role of a Chief Executive is a complex and multi-faceted one. The Council wants the Chief Executive to do a high-quality job across the entire role, and not just focus on those issues highlighted in specific KPIs.

The Council and the Chief Executive view the KPIs contained within this document as a tool for communicating performance expectations and satisfaction with the Chief Executive. They are not a complete statement of the Chief Executive's performance requirements. The Long Term Plan (LTP) and Annual Plan, together with expectations outlined in the Employment Agreement and other documents such as Governance Policies provide an overall picture of performance expectations. Rather the KPIs are about Council priorities for Chief Executive attention within the Council's overall work programme and Chief Executive performance expectations. They provide a mechanism for indicating where the Council is expecting the Chief Executive to apply personal focus and attention to help shift the City towards Council's strategic goals.

CONTEXT

The Chief Executive of the Nelson City Council is responsible for leading and managing the organisation to deliver the work programmes required by Council as set out in its LTP. The Council has committed to a set of strategic goals as incorporated in the LTP, and requires a sustainable development focus within these goals.

As well as delivering specific projects and outputs, the Council wants the organisation and the Chief Executive to undertake its work in alignment with its goals, values and approach, and to model these goals, values and approach to staff. This involves working in partnership with the community, government agencies, Maori, businesses, and other stakeholders to achieve goals outside the Council's direct influence. It involves incorporating sustainability approaches within the Council's own corporate operations. It involves working in a collaborative, multi-disciplinary approach within and outside the organisation. And it involves looking at the need to change the way things have traditionally been done in order to deliver different outcomes in the future.

PERFORMANCE EXPECTATIONS

The Chief Executive needs to model the desired behaviours to foster the above ethos within the organisation and the community. In light of this context, the Council has developed the following **performance expectation statements**.

The Council expects the Chief Executive to:

1. Perform all of the duties and responsibilities of the role of Chief Executive to the best of his ability and in accordance with the law.
2. Embody and model a strong public service ethic and a can-do approach, leading the organisation to: be transparent and accountable; be politically neutral; provide quality advice and high standards of customer service; act as a steward for the community's resources; and use public money wisely and prudently.
3. Take responsibility for high quality performance across the entire scope of Council activities.
4. Develop and maintain capacity and capability in the organisation to deliver Council required work programmes now and in the future.
5. Manage the organisation prudently, pursuing Council and community objectives, actively managing risks and meeting effectiveness goals in as efficient manner as possible.
6. Ensure that Council continues to be seen as a champion of environmental sustainability.
7. Ensure that Council develops and maintain a good working relationship with iwi.
8. Ensure that Council is meeting its CDEM responsibilities.
9. Develop and maintain good working relationships with Tasman District Council and key stakeholders (with a specific focus on community shapers and leaders).

PERFORMANCE ASSESSMENT

Assessment may take the form of a mixture of both more formal and informal engagements and will be based on global best practice of providing real time continuous feedback, frequent quality conversations and adaptive mechanisms and channels to support evolving goals, priorities and the dynamic conditions of local government. More frequent interactions are designed to provide more spontaneous feedback and identification of learning opportunities all of which is designed allow for the growth and development of the Chief Executive to enable him to optimise his potential.

The performance agreement and measurement descriptors form the majority of the assessment criteria in a review process which will be conducted periodically during and at the completion of the plan year of each year.

The assessment and development process will be facilitated by the following interactions:

- Monthly 'Check Ins' between Mayor and Deputy Mayor – engagement content will be generally focused on longer term strategic issues. Noting that content relating to

what's going on and coming up (in support of the no surprises policy), road blocks and barriers to realisation of key projects and priorities and progress on organisation improvement initiatives will be discussed at regular weekly meetings.

- Quarterly 'Check- Ins' with the CEEC to share updates on Key initiatives and general Leadership team focus on emergent issues and key strategies, plus an organisational health and talent/bench strength focus.
- Six Monthly and Annual formal report on Performance against KPIs.
- Two voluntary semi informal facilitated sessions (maximum 6 participants) during the year with Elected members and the Chief Executive (for some of the meeting) where there is a two way opportunity to share ideas and opportunities for improvement and Councillors can provide positive and constructive feedback on any matters (maximum 6 participants to allow an opportunity for all Councillors to be heard).

The assessment of the Chief Executive's performance may (in addition to the measurement sources specified in the agreement) from time to time draw on objective feedback from other sources such as those below particularly in respect the listed performance expectations above:

- Chief Executive Self Evaluation Assessment
- Council business/joint venture partners
- Key stakeholders (i.e. Elected Council members, Iwi and other community leaders)
- Staff

The assessment process may be facilitated from time to time by an independent facilitator to ensure fairness, transparency and objectivity.

The assessment process will not focus solely on KPIs but will also make adequate provision for an evaluation of the bigger picture as outlined above in *Context and Performance Expectations*.

The final evaluation process will be delegated to the Chief Executive Employment Committee however through the above mechanisms all elected members will have an opportunity to input into the process.

The assessment process will be confidential and conducted within the terms of the Privacy Act 1993.



PROFESSIONAL DEVELOPMENT

The CE Performance Agreement has in the past been supplemented by an annual Personal Development Plan designed to create an environment which optimises the potential for the Chief Executive to be the best in the role and focussed on:

- The critical skills, competencies and engagement style that enable the CE to deliver the Council's Performance Expectations above.
- The key values and behaviours the Council expect the Chief Executive to display in day to day work to deliver those Performance expectations listed above.

The purpose of this approach has been to guide not 'what' (quantitative/outcome focused) is done as in the Performance Agreement but to shape 'how' (qualitative input focused) things are done. It is designed to encourage the Chief Executive to reach their full potential in the role by identifying strengths that can be leveraged and areas of development to be explored. It has necessarily involved a more subjective and informal evaluations and observations and the process of agreeing the annual development and assessment criteria is organic in nature.

Released 20 May 2020

2019-2020 CHIEF EXECUTIVE KEY PERFORMANCE INDICATORS SUMMARY BY PERFORMANCE CATEGORY

OPERATIONAL MANAGEMENT	
KPI 1	Long Term Plan Delivery
	Ensure relevant Long Term Plan (LTP) Levels of Service KPIs are achieved to agreed benchmark.
KPI 2	Financial Performance
	Manage NCC's financial performance in line with Council's overall objectives and within agreed annual total budget (as measured by the rates surplus/deficit).
KPI 3	Service Delivery
	Provide timely, accurate, fair, even-handed customer friendly services to internal and external customers, minimising deficiencies proactively to ensure community trust and confidence.
KPI 4	Cultural Competency
	Ensure that the council's cultural competency improves and strong working relations with Iwi becomes part of business as usual.
KPI 5	Capital Projects
	Minimise capital projects carryover (to agreed targets) by ensuring project timelines and budgets are realistic and expertise and resources are appropriate.

SERVICE TO COUNCIL	
KPI 6	Effective Governance and Management Relationships
	Elected members are provided with timely, comprehensive, independent, constructive, proactive and expert advice, and governance/management relationship is effective and based on trust and confidence.
KPI 7	Annual Plan Process
	Effectively support the Mayor to lead a high quality Annual Plan process with Councillors.

ORGANISATIONAL PERFORMANCE AND HEALTH	
KPI 8	Organisational Structure, Capability and Resourcing
	Ensure SLT and wider organisation structure is fit for purpose, standards of leadership/management are aligned to organisational needs and levels of resourcing and structures are right and in place to deliver the Council's work programmes.
KPI 9	Human Capital Management
	Ensure the organisation is employing appropriate and effective Human Resource practices.
KPI 10	Organisational Health and Engagement
	Staff are well trained, motivated and consider the Council to be a good employer.

AUDIT, RISK AND WORKPLACE SAFETY MANAGEMENT	
KPI 11	Workplace Health and Safety
	Ensure the organisation meets its health and safety obligations.
KPI 12	Risk Management
	The organisation's top risks are accurately identified and assessed.

KEY PROJECTS	
KPI 13	Organisational Effectiveness and Continuous Improvement
	Ensure that the organisations systems and processes are progressively reviewed and improved [REDACTED]
KPI 14	Nelson Future Access Project
	Ensure the city's interests are well represented (with appropriate resources in place) and the Council is kept informed in a timely fashion as work on the Nelson Future Access Project continues.
KPI 15	Nelson Plan Review
	Subject to sufficient technical resources being in place, ensure that the Council can complete the Nelson Plan Review in accordance with the approved timeline.

KPI 16	Climate Change Response and Planning
	Ensure the Council takes a lead role in response to climate change mitigation, adaptation and resilience.
KPI 17	CBD
	Ensure work on the development of the CBD is treated as a priority.
KPI 18	New Library
	Ensure that sufficient technical resources and property management skills are in place so that the Council can deliver a new central library/community hub within the time frames identified in the LTP (subject to the Council confirming the Riverside Precinct as the site for a stand-alone library/community hub by Dec 2019).

2019-2020 CHIEF EXECUTIVE KEY PERFORMANCE INDICATORS DETAILED BY PERFORMANCE CATEGORY

OPERATIONAL MANAGEMENT		
KPI	MEASURE	TARGET
1 LTP	Percentage of relevant KPIs achieved or on track	Met: $\geq 75\%$ achieved or on track
2 Financial Performance	Results for the financial year are within the total budget for the organisation	Met: Agreed targeted rates surplus/deficit met
3 Service Delivery	Feedback from Mayor and Councillors, relevant survey results and informal feedback from community	Met: Feedback positive
4 Cultural Competency	Annual summary report on iwi-related activities	Met: Positive trends evident in annual iwi activity report
	Feedback from Mayor and Councillors	Met: Feedback is positive
5 Capital Projects	Capital carryovers less than agreed % of budget for the financial year (excluding projects deferred or postponed because of reliance on external funding)	Met: $< 13\%$

SERVICE TO COUNCIL		
KPI	MEASURE	TARGET
6 Effective Governance and Management Relationships	Council feedback rating	Met: Average rating effective
7 Annual Plan Process	2020-2021 Annual Plan	Met: Plan approved and in place by 30 June 2020.
	Council feedback	Met: Feedback positive

ORGANISATIONAL PERFORMANCE AND HEALTH		
KPI	MEASURE	TARGET
8 Structure, Capability and Resourcing	% relevant KPIs achieved	Met: $\geq 75\%$
	Feedback from Mayor and Councillors	Met: Feedback positive
	Talent and capability assessment summary	Met: Tier 2 and 3 vacancies filled with quality individuals
9 Human Capital Management	Voluntary turnover less than agreed benchmark (less extra ordinaries)	Met: Voluntary turnover $< 13\%$
	HR Annual Report	Met: Positive feedback on report
10 Organisational Health and Engagement	AskYourTeam survey	Met: Positive results for engagement and good employer indices

AUDIT, RISK AND WORKPLACE SAFETY MANAGEMENT		
KPI	MEASURE	TARGET
11 Workplace Health and Safety	Compliance with Health and Safety at Work Act 2015	Met: Quarterly reports to ARF Committee demonstrate compliance
12 Risk Management	Quarterly report to ARF Committee	Met: Top risks are accurately identified and positive affirmation of progress by ARF

KEY PROJECTS		
KPI	MEASURE	TARGET
13 Organisational Effectiveness and Continuous Improvement	<div style="background-color: black; width: 100px; height: 20px; margin-bottom: 5px;"></div> <p>processes have been reviewed and improvement recommendations are being implemented.</p>	Met: Good progress has been made on improvement recommendations
14 Nelson Future Access	Feedback from Mayor and Councillors	Met: Positive feedback that the City's interests have been well represented and the Council has been kept informed.
15 Nelson Plan Review	Draft Nelson Plan Review approval at agreed time	Met: A quality draft Nelson Plan is provided to statutory and key stakeholders and the general public for comment and feedback by January 2020. Engagement with the parties to include one on one meetings, public drop in sessions, briefings with staff, workshops with iwi partners and media releases (including social media).
16 Climate Change	The Council is seen to be proactively reducing its own carbon emissions	Met: An internal action plan to reduce Council's carbon emissions (as measured by CEMARS), is provided to the Council and community and is being implemented by June 2020.
	The Council is seen by the community as a champion of emissions reductions both by the Council and the community	<p>Met:</p> <ul style="list-style-type: none"> • By its actions and through proactive messaging • Through supporting the community to take initiatives to reduce its emissions • Through the establishment of and support for a community Climate Forum and the development of a community programme of action to tackle climate change.

	The Council is seen to be providing leadership and the necessary data and information to assist the community to consider the options for climate change adaptation	Met: Engagement with the community continues to identify adaptation responses to minimise the impact of climate change and sea level rise.
17 CBD	City Centre Programme Plan (CCPP)	Met: Actions are developed to deliver the CCPP. At least one key activation is in place.
	Level of engagement with CBD leaders	Met: High level of engagement achieved and evidence provided of positive support from key stakeholders for the direction being taken.
18 New Library	Project plan	Met: Subject to the Council confirming the Riverside Precinct as the site for a stand-alone library/community hub by Dec 2019, community/partner engagement and engagement of professional services to commence concept design is completed by June 2020.

Released 20 May 2020

[Signature] 25/9/19

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