

Decision released from confidential session			
Recommendation from (agenda report)	Date of meeting	Recommendation to (decision-making meeting)	Date of meeting
Council	17/12/2020		
Report Title and number			
Chief Executive's Draft Performance Agreement and Key Performance Indicators for 2020/21			
Documents released			
2020 – 2021 Chief Executive Key Performance Indicators Summary by Performance Category			
Decision			
<p>Resolved</p> <p><i>That the Council</i></p> <ol style="list-style-type: none"> <li><b><u>Approves</u> the Chief Executive's Performance Agreement 2020/21 (A2422056); and</b></li> <li><b><u>Agrees</u> that the Attachment (A2422056) and the decision be released.</b></li> </ol> <p style="text-align: right;"><u>Carried</u></p>			

## Chief Executive's Performance Agreement 2020-2021

### 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 2020-2021 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.

The following KPIs were included in previous agreements but are no longer included as specific measures as they are topics regularly reported to Elected Members as part of business as usual or addressed through the "Performance Expectations" statement within this document:

- Long Term Plan Delivery
- Financial Performance
- Service Delivery
- Effective Governance and Management Relationships
- Annual Plan/LTP Process
- Human Capital Management
- Organisational Health and Engagement
- Workplace Health and Safety
- Risk Management
- Climate Change Response and Planning

It is also acknowledged that the long term disruption caused by Covid19 has already impacted planning time frames and has the potential to significantly affect Council work programmes and budgets over the next 12 months. Assessment of performance against the KPIs contained within this document will be evaluated in light of this uncertainty.

## 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 a set of triennium goals 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 a collaborative approach, and to model these behaviours 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 being responsive to change and innovation 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 a climate change lens is applied across Council activities and greenhouse gas emissions are measured and reduced.





8. Ensure that Council develops and maintains a positive partnership with iwi.
9. Ensure that Council is meeting its CDEM responsibilities.
10. Develop and maintain good working relationships with Tasman District Council, Marlborough District Council, CCTOs, CCOs 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 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.
- 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. The six monthly reporting is to be followed by an offsite, confidential workshop with all Elected Members and the Chief Executive for a two way discussion on performance related matters.
- A formal survey of Elected Members and Appointed Members at the end of the year to provide feedback on relevant KPIs.

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.

## **PERSONAL AND PROFESSIONAL DEVELOPMENT**

The CE Performance Agreement is supplemented by an annual Personal and Professional 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.
- Identifying Professional Development opportunities.

The purpose of this approach is 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 involves a more subjective and informal evaluations and observations and the process of agreeing the annual development and assessment criteria is organic in nature.



## 2020-2021 CHIEF EXECUTIVE KEY PERFORMANCE INDICATORS SUMMARY BY PERFORMANCE CATEGORY


OPERATIONAL MANAGEMENT	
KPI 1	<b>Cultural Competency</b>
	<p>Ensure that the council's cultural competency continues to improve and strong working relations with Iwi are well established as part of a partnership relationship.</p> <ul style="list-style-type: none"> <li>• <i>Annual summary report on iwi related activities demonstrates a positive trend.</i></li> <li>• <i>Positive survey scores from the Elected and Independent Members.</i></li> </ul>
KPI 2	<b>Capital Projects</b>
	<p>Minimise capital projects carryover (to agreed targets) by ensuring project timelines and budgets are realistic and expertise and resources are appropriate.</p> <ul style="list-style-type: none"> <li>• <i>Capital carryovers are less than 13% of budget for the financial year (excluding projects deferred or postponed because of a reliance on external funding or through governance decisions).</i></li> </ul>
KPI 3	<b>Support for Urban Development and Strategic Development &amp; Property Subcommittees</b>
	<p>Subject to provision of funding for resources the Urban Development Subcommittee and the Strategic Development and Property Subcommittee are provided with the support and expert advice required to make progress within their areas of responsibility.</p> <ul style="list-style-type: none"> <li>• <i>Positive survey scores from the Elected and Independent Members.</i></li> <li>• <i>Progress on projects approved by Council</i></li> </ul>




ORGANISATIONAL PERFORMANCE AND HEALTH	
KPI 4	<b>Organisational Structure, Capability and Resourcing</b>
	<p>Ensure that SLT and the 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.</p> <ul style="list-style-type: none"> <li>• <i>At least 75% of relevant KPIs are achieved or on track.</i></li> <li>• <i>Positive feedback from Elected and Independent Members.</i></li> <li>• <i>Talent and Capability assessment summary - Tier 2 and 3 vacancies filled with quality individuals who deliver effectively to Council's work programme.</i></li> </ul>

KEY PROJECTS	
KPI 5	<b>Organisational Effectiveness and Continuous Improvement</b>
	<p>Ensure that the organisation's systems and processes are progressively reviewed and improved with a particular focus on [REDACTED].</p> <ul style="list-style-type: none"> <li>• <i>Progress implementation of the [REDACTED] recommendations and report six monthly to CEEC</i></li> <li>• <i>Progress and report to CEEC on the key outcomes of the [REDACTED].</i></li> </ul>
KPI 6	<b>Nelson Future Access Project</b>
	<p>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.</p> <ul style="list-style-type: none"> <li>• <i>Positive survey scores from the Elected and Independent Members confirm that the City's interests have been well represented and the Council has been kept informed.</i></li> </ul>

KPI 7	<b>Nelson Plan Review</b>
	<p>Ensure that (subject to legislative change) the Council can continue to make progress with the Nelson Plan Review in accordance with the approved timeline and to a high quality.</p> <ul style="list-style-type: none"> <li><i>A quality draft Nelson Plan is provided to statutory and key stakeholders and the general public for comment and feedback is incorporated by June 2021. 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).</i></li> </ul>
KPI 8	<b>City Centre</b>
	<p>Ensure work on the development of the City Centre Program Plan and Spatial Plan continues to make progress.</p> <ul style="list-style-type: none"> <li><i>Actions are developed to deliver the CCpp. At least one new key activation is in place (subject to provision of funding).</i></li> <li><i>The draft Spatial Plan has been considered by the Urban Development Subcommittee.</i></li> <li><i>High level of engagement is achieved with key stakeholders.</i></li> </ul>
KPI 9	<b>New Library</b>
	<p>Ensure that advice (including a business case) for the re-developed Elma Turner Library is prepared for Council consideration and, if approved, the project is included in the LTP for consultation.</p> <ul style="list-style-type: none"> <li><i>Business Case is considered by Council and, if approved, the project is included in the LTP for consultation.</i></li> </ul>

  
17/2/21

 25/1/21