

Management report to Council

Agenda item 6.4

Chief Executive Officer Employment Matters Committee

Council

Presenter: Keith Williamson, General Manager Governance and Organisational Development

25 August 2020

Purpose and background

1. The purpose of this report is to re-constitute the Chief Executive Officer Employment Matters Committee (CEOEMC) as an advisory Committee of Council and recommend the reappointment of Jude Munro as the independent Chair.

Key issues

2. The CEOEMC is currently a special committee of Council with limited delegated powers. Delegations to special committees of Council under the *Local Government Act 1989* cease to have effect from 1 September 2020.
3. A key feature of the CEOEMC is that it has an independent Chair, currently Jude Munro. Whilst there is no statutory requirement to have a CEOEMC it is considered good practice to have one.
4. Section 63(2)(a) of the *Local Government Act 2020* provides that a delegated committee of Council must be chaired by a Councillor.
5. The options available to Council are:
 - 5.1. Confirm the CEOEMC as a delegated committee of Council, in which case a Councillor would be required to be appointed as Chair.
 - 5.2. Re-constitute the CEOEMC as an advisory committee to Council which would allow the retention of the independent Chair.
6. Given the delegation to the CEOEMC has not had to be utilised since shortly after it was created (to commence the search for a new Chief Executive Officer) and the importance of the independent Chair, management recommends the CEOEMC be re-constituted as an advisory Committee with the current duties and functions and terms of reference amended to remove reference to the delegation.
7. In addition, Jude Munro's term as independent Chair of the CEOEMC concludes at the end of September 2020 and management's recommendation is that Jude Munro be reappointed for a further term of 12 months.
8. The recommendations in paragraphs 6 and 7 have been discussed with the Councillors on the CEOEMC who are supportive.

Recommendation from management

9. That Council:
 - 9.1. Reconstitutes the Chief Executive Officer Employment Matters Committee (CEOEMC) as an advisory Committee of Council with the duties and functions identified in Attachment 2 to the management report.
 - 9.2. Reappoints Councillors Pinder-Mortimer and Reece as members of the CEOEMC.
 - 9.3. Revokes instrument of delegation CCL-2018-1 dated 30 August 2018 to the CEOEMC.
 - 9.4. Adopts the amended terms of reference of the CEOEMC as identified in Attachment 3 to the management report.
 - 9.5. Reappoints Jude Munro as the independent Chair of the CEOEMC until 30 September 2021.
 - 9.6. Cancels future meetings of the CEOEMC, noting the independent Chair will call future meetings following the Council elections.

Attachments:

1. Supporting Attachment (Page 2 of 6)
2. CEOEMC Duties and Functions (Page 3 of 6)
3. CEOEMC Terms of Reference (Page 4 of 6)

Supporting Attachment

Legal

1. The report accurately identifies the relevant obligations of the Council under the LGA 2020.

Finance

2. No direct financial issues arise from the recommendation from management.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Health and Safety

4. No Occupational Health and Safety issues or opportunities have been identified.

Stakeholder consultation

5. The recommendation from management has been discussed with the Councillors on the CEOEMC.

Environmental sustainability

6. The report is to implement administrative and process issues arising from the LGA 2020 and no environmental sustainability issues or opportunities arise from the report.

Duties and Functions

The duties and functions directly relating or ancillary to the following primary responsibilities:

- To make recommendations to Council on employment matters relating to the Chief Executive Officer (CEO) or the person appointed to act as the CEO, including the following:
 - The appointment of the CEO.
 - The appointment of an acting CEO when the position will be vacant for a period greater than four weeks.
 - Any extension of the appointment of the CEO under section 94(4) of the *Local Government Act 1989*.
 - Remuneration and conditions of appointment of the CEO.
 - The outcome of annual performance reviews of the CEO.
 - Performance criteria and performance review methodology developed by the CEOEMC for the CEO.
 - Assessment of the CEO's performance against set criteria at regular performance reviews.
- To perform all other functions set out in the Terms of Reference for the CEOEMC as adopted by the Council from time to time.
- To consider suitable candidates for the position of independent member of the CEOEMC and to make a recommendation to Council or the Future Melbourne Committee for the appointment of a new independent member, where the incumbent resigns from their position on the CEOEMC or is not reappointed by the Council.

TERMS OF REFERENCE**Chief Executive Officer Employment Matters Committee****Purpose**

The purpose of the Chief Executive Officer Employment Matters Committee (CEOEMC) is to assist the Council in fulfilling its responsibilities concerning Chief Executive Officer (CEO) employment matters, being:

- the recruitment and appointment of the Chief Executive Officer
- determining the Chief Executive Officer's Performance Plan (Plan)
- assessing the Chief Executive Officer's performance against set performance criteria in the Plan
- determining the remuneration of the Chief Executive Officer.

Duties and functions

The CEOEMC has the following duties and functions:

- To make recommendations to Council on employment matters relating to the CEO or the person appointed to act as the CEO, including the following:
 - the appointment of the CEO
 - the appointment of an acting CEO when the position is vacant for a period greater than four weeks
 - any extension of the appointment of the Chief Executive Officer under section 94(4) of the *Local Government Act 1989*
 - remuneration and conditions of appointment of the CEO
 - the outcome of annual performance reviews of the CEO.
 - performance criteria and performance review methodology developed by the CEOEMC for the CEO.
- Assessment of the CEO's performance against set criteria at regular performance reviews.
- To consider suitable candidates for the position of the independent member of the CEOEMC and to make a recommendation to Council or the Future Melbourne Committee for the appointment of the independent member, where the incumbent resigns from their position on the CEOEMC or is not reappointed by the Council.

Composition

The CEOEMC will comprise:

- an independent member (whose role will be to Chair the meeting)
- the Lord Mayor
- the Chair of the Finance and Governance Portfolio of the Future Melbourne Committee
- two other Councillors appointed by Council.

Independent Member*Role of the independent member*

The role of the independent member is to:

- participate in and Chair all CEOEMC meetings
- provide advice to the CEOEMC
- give reasonable notice of meetings of the CEOEMC to members of the public

- facilitate the development of the draft performance criteria and performance review methodology (in consultation with the Chief Executive Officer)
- with appropriate secretariat support, arrange for the minutes of each meeting of the CEOEMC to be kept, and sign the confirmed minutes.

Qualities and qualifications

The independent member will have the following key competencies:

- demonstrated human resource management experience and leadership (specifically in the areas of recruitment, benchmarking, performance management and reviews and professional development of executive level staff)
- experience in senior roles in business and/or the public sector
- experience working with boards or other governance bodies.

Appointment timeframe

The independent member will be appointed for up to a two-year term and can be reappointed by resolution of Council.

Appointment process

Where there is an impending vacancy in the Independent member position, or it becomes vacant, the CEOEMC will source nominations.

The CEOEMC will consider suitable candidates and make a recommendation to Council or the Future Melbourne Committee on the appointment of the preferred candidate.

The independent member will be impartial with appropriate experience.

The independent member cannot be a Councillor or member of Council staff.

Allowance

The independent member will be paid an annual all-inclusive allowance of \$5000 for years in which there is no new recruitment activity and \$20,000 for years in which there is.

Payment will be made to the independent member upon receipt of an invoice.

Quorum

The independent member and at least two other Councillor members, constitute a quorum.

If a quorum is not present within 30 minutes after the scheduled meeting commencement time, the meeting will be rescheduled.

Where the independent member has not yet been appointed, the Councillor members of the CEOEMC may meet to consider suitable candidates for the position of the independent member and make a recommendation to the Future Melbourne Committee or Council.

Voting

Each member of the CEOEMC will have one vote.

Decision-making will be by a show of hands.

For a motion to be successful, it must be carried by the majority of members present at the meeting. Where there are an equal number of votes for and against, the Chair will have the casting vote.

Frequency of meetings

The frequency of meetings will be determined by the CEOEMC.

A special meeting of the CEOEMC may be called by:

- resolution of the CEOEMC
- the independent member as Chair of the CEOEMC
- the Council, where the Chair is incapable of calling the special meeting.

Reporting

The business of the CEOEMC shall be recorded in proper minutes.

It is anticipated all meetings and records of the CEOEMC will be confidential.

Consideration will be given to whether information referred by the CEOEMC to Council or the Future Melbourne Committee, can be released to the public following resolution by either.

Support

Independent Chair, Lord Mayor and CEO will agree how best to provide appropriate secretariat support, including:

- giving appropriate notice of meetings
- circulation of meeting documentation
- taking the minutes for each meeting
- tracking the decisions of the CEOEMC
- keeping appropriate records of the meeting documentation, including the signed minutes.

Review

These terms of reference may be reviewed at any time by the CEOEMC or Council however, any changes can only be made by Council.