

**CITY OF MARION
REVIEW AND SELECTION COMMITTEE MEETING
2 MAY 2017**

CONFIDENTIAL REPORT

Originating Officer: Deborah Horton, Unit Manager Corporate Performance
Corporate Manager: Steph Roberts, Manager Human Resources
General Manager: Vincent Mifsud, General Manager Corporate Services
Subject: CEO Key Performance Indicators for Quarter 3 2016/17
Report Reference: RSC020517R8.1

If the Review and Section Committee so determines, this matter may be considered in confidence under Section 90(2) and (3)(a) of the *Local Government Act 1999* on the grounds that the report contains information relating to the personal affairs of the Chief Executive Officer.

A handwritten signature in purple ink, appearing to be 'Adrian', is located in the lower-left corner of the box. A large, diagonal, semi-transparent watermark reading 'CONFIDENTIAL' is overlaid across the entire page.

RECOMMENDATION:

1. That pursuant to Section 90(2) and (3)(a) of the *Local Government Act 1999*, the Review and Selection Committee orders that all persons present, with the exception of the following persons: Adrian Skull and Steph Roberts be excluded from the meeting as the Review and Selection Committee receives and considers information relating to CEO Key Performance Indicators for Quarter 3 2016/17, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to personal affairs of the Chief Executive Officer.

REPORT OBJECTIVES & SUMMARY

To provide the 2016-17 CEO Key Performance Indicators (KPIs) for quarter three, January 2017 – March 2017. Appendix 1 provides detail regarding each KPI. Tools to assist with the automated collation of data for KPI's E - J are in various stages of development.

E = Exceptional
A = Acceptable
U = Unacceptable
O = On track
N = No target set

			Achievement			
KPI	Details	Measure/Range	Qtr 1	Qtr 2	Qtr 3	Qtr 3 Comment
A	Delivery within 5% parameters of agreed annual budget costs	E 95%≤T<98% A 98%≤T≤100% U T> 100%	111% 	104% 	100% 	The organisation continues to deliver a surplus budget and although decreasing from last quarter, is within the acceptable target range.
B	Delivery of agreed projects identified in the Annual Business Plan and 1 st year targets in the 3 year Plan.	E 97%≤ T≤100% A 95%≤T< 97% U T<95%	1% 	7% 		Although no projects have been completed this quarter, the organisation is on track to achieve 100% of 14 projects by 30 June 2017.
C	Lost Time Injury Frequency Rate compared with last year (2015-16)	E T ≥ 25% reduction A 5%≤T<25% reduction U T< 5% reduction	77% 	68% 	78% 	
D	Staff net numbers (FTE equivalent, employee and agency)	E >1% reduction A 0%≤ T≤1% U any increase	.95% 	+2.1% 	+1.75% 	2 x gap year staff. 4 x seasonal pool staff. No increase to org structure.
E	Retention of key staff	E 100% retention A 95%≤T<100% U T<95%	N/a	Verbal update	Verbal update	
F	Community Satisfaction with; 1. Community facilities 2. Sports facilities 3. Events	E >85% satisfaction A 75%≤T≤85% U T<75%	-	-		Survey to be sent May 2017 to 5,000 households.
G	Rating by Elected Members	E Expectations exceeded A Expectations met U Expectations not met	N/a	N/a	N/a	Discussion expected May 2017.
H	Number of prioritised Major Capital Works (BMX, Soccer, Mitchell Pk Stadium & Centre) reaching approval stage at Council	E 2+ A 1 U 0	N/a	1 	N/a	No projects were 'approved' this quarter however a status update has been provided for each existing project.
I	Councils' cash contribution in respect of each Major Capital Work	E T<40% A 40%≤T≤60% U T>60%	N/a	50% 	N/a	Relates to KPI H.
J	Completion of Council Members priority list of budgeted projects (13)	E All 13 completed A 11 or 12 completed U less than 11 completed	N/a	Verbal update	Verbal update	<ul style="list-style-type: none"> 1 project complete. 12 remaining projects are on track.

RECOMMENDATIONS

That the Review and Selection Committee:

1. Notes this report.

2 May 17

2. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, CEO Key Performance Indicators for Quarter 3 2016/17 (including appendix) and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(a) of the Act, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2017.

2 May 17

CEO Key Performance Indicators Quarter 3 - 2016-17: Jan – Mar 2017



This Performance Report provides both an overall dashboard view and a progress update for each of the measures.

Dashboard Status icons

	Exceptional
	Acceptable
	Unacceptable
	On track
	No target set






The following KPIs are based on no substantial cuts to existing services provided to the community (unless by Council resolution) and applying the level of rate increase as set by Council.

Measure		Measure / Range		Quarter 1 July to Sept 2016	Quarter 2 Oct to Dec 2016	Quarter 3 / YTD Jan to Mar 2017	Quarter 4 Apr to Jun 2017	¹ Overall Results
FINANCIAL								
A	Delivery within 5% parameters of agreed annual budget costs	Exceptional Acceptable Unacceptable	95%≤T<98% 98%≤T≤100% T> 100%	111%	104%	100%		
B	Delivery of agreed projects identified in the Annual Business Plan and 1 st year targets in the 3 year Plan.	Exceptional Acceptable Unacceptable	97%≤T≤100% 95%≤T< 97% T<95%	1%	7%	On track		
C	Lost Time Injury Frequency Rate compared with last year (2015-16)	Exceptional Acceptable Unacceptable	T ≥ 25% reduction 5%≤T<25%reduction T < 5% reduction	77%	68%	78%		
PEOPLE								
D	Staff net numbers (Fulltime equivalent, employee and agency)	Exceptional Acceptable Unacceptable	>1% reduction 0%≤T≤1% any increase	0.95%	+2.1%	+1.75%		
E	Retention of key staff	Exceptional Acceptable Unacceptable	100% retention 95%≤T<100% T<95%	N/a	Verbal update	Verbal update		
F	Community Satisfaction with; 1. Community facilities 2. Sports facilities 3. Events	Exceptional Acceptable Unacceptable	>85% satisfaction 75%≤T≤85% T<75%	-	-	On track		
G	Rating by Elected Members	Exceptional Acceptable Unacceptable	Expectations exceeded Expectations met Expectations not met	N/a	N/a	N/a		
CAPITAL WORKS								
H	Number of prioritised Major Capital Works (BMX, Soccer, Mitchell Pk Stadium & Centre) reaching approval stage at Council	Exceptional Acceptable Unacceptable	2+ 1 0	N/a	1	N/a		
I	Councils' cash contribution in respect of each Major Capital Work	Exceptional Acceptable Unacceptable	T<40% 40%≤T≤60% T>60%	N/a	50%	N/a		
J	Completion of priority list of budgeted projects (13)	Exceptional Acceptable Unacceptable	All 13 completed 11 or 12 completed less than 11 completed	N/a	Verbal update	1 complete 12 on track		

¹ This column is left blank for Council determination.

KEY PERFORMANCE INDICATOR A: Delivery within 5% parameters of agreed annual budget costs

TARGET:

	Exceptional	$95\% \leq T < 98\%$
	Acceptable	$98\% \leq T \leq 100\%$
	Unacceptable	$T > 100\%$
	On track	
	No target set	

QUARTER 3 PERFORMANCE: 100%  Acceptable

Background

This KPI has been calculated by comparing the total actual Operating Expenditure per the March 2017 Monthly Finance Report (\$57,539k) against the year-to-date adopted budget per Council's 2016/17 Annual Business Plan (\$57,718k).






Performance

- Third quarter performance is in line with budget.
- Third quarter result is negatively impacted by an additional depreciation charge of \$2.5m.²
- It should be noted that depreciation is a non-cash accounting provision which, while impacting on operating expenses, has no cash impact on Council's adopted budget.
- The unfavourable increase in depreciation has been offset by favourable reductions in other operating expenditure categories.

² Due to the full implementation of Accounting Standard AASB 116, Council is no longer able to recognise the residual value of certain assets, particularly infrastructure assets such as roads. This has meant that the residual value of some assets (as a result of an independent valuation of infrastructure assets on 30 June 2016) have been reduced to zero to ensure full compliance with this standard.

KEY PERFORMANCE INDICATOR B: Delivery of agreed projects identified in the Annual Business Plan and 1st year targets in the 3-year Plan.

TARGET:

	Exceptional	97%≤T≤100%
	Acceptable	95%≤T<97%
	Unacceptable	T<95%
	On track	
	No target set	

QUARTER 3 YTD PERFORMANCE: 0 projects complete, 2 project completed to date (14%)
100% forecast by 30 June 2017

Background

There are 74 projects in the 2016 -19 Business Plan with 73 commencing in 2016/17. Of these 73 projects, 14 are due to be completed in their entirety by the end of 2016/17, with the remaining 59 projects being completed in stages (to 2019). This KPI measures the percentage of projects completed that are due to be completed as programed by 30 June 2017.

Performance






Of the 14 projects to be completed by the end of 2016/17, 2 projects (Liveable – Better manage Traffic in Marion/Oaklands Park and Jervois Street Playspace) have been completed. Progress has been made on the remaining 12 projects for this quarter as stated below;

Project		Status – to date
1	<ul style="list-style-type: none"> Present Marion Outdoor Pool Masterplan. 	<ul style="list-style-type: none"> Report presented to 28 March 2017 General Council, adjourned to General Council 9 May 2017. Council has also approved \$320,000 for a new slide to be installed for the 2017 Swim Season.
2	<ul style="list-style-type: none"> Review under-utilised reserves and facilities to optimise community use. 	<ul style="list-style-type: none"> TOC Hall settles May 2017. Further properties / facilities are being investigated by suburb including; <ul style="list-style-type: none"> Travers Street McConnell Avenue Reserve Oliphant Avenue Reserve
3	<ul style="list-style-type: none"> Undertake an evaluation and review of at least nine Council services to ensure they continue to provide maximum value to the Community. 	<ul style="list-style-type: none"> Four service reviews complete, seven in progress.

4	<ul style="list-style-type: none"> Develop business case and commence delivery of the transition to safe and sustainable street public lighting. 	<ul style="list-style-type: none"> Staff met with South Australian Power Networks to discuss project plan 28 March 2017, with discussions progressing.
5	<ul style="list-style-type: none"> Strive for the opening of Glenthorne Farm for Community benefit in partnership arrangements. 	<ul style="list-style-type: none"> At 11 April 2017 General Council meeting, council reaffirmed its commitment to the project, requesting a report back to Council in April 2018 advising of progress.
6	<ul style="list-style-type: none"> Place activation project on vacant commercial properties in partnership with local community groups. 	<ul style="list-style-type: none"> Draft licence from Castle Plaza resulted in two vacant spaces available as a pilot project (14 March – 8 April) for business associations to use.
7	<ul style="list-style-type: none"> Deliver final stages of Oaklands Reserve re-development. 	<ul style="list-style-type: none"> 28 February Council adopted design option 3 for Oaklands Park Stage 2, feedback from community consultation is being analysed.
8	<ul style="list-style-type: none"> Deliver a solar panel network at key council sites across the City. 	<ul style="list-style-type: none"> Contact for supplier finalised, design concepts currently in progress.
9	<ul style="list-style-type: none"> Re-invigorate the Southern Adelaide Economic Development Board to establish an industry led, independent advocacy group for the Southern Adelaide Region. 	<ul style="list-style-type: none"> First meeting held on 2 March and discussion commenced on Board priorities with agreement reached on holding a second meeting in April to continue this process.
10	<ul style="list-style-type: none"> Deliver the Tonsley Small Business Advocacy Service providing free advice and start up. 	<ul style="list-style-type: none"> A meeting with Department of State Development is being scheduled after June 2017 to deliver an outline proposal for a regional approach.
11	<ul style="list-style-type: none"> Expand the walking and cycling network linking key destinations across the city. 	<ul style="list-style-type: none"> Tonsley Greenway - detailed design investigation of Celtic to Daws Road. Preliminary design plans being designed for Birch Crescent with input into Darlington upgrade.
12	<ul style="list-style-type: none"> Develop a business case for innovative 'Creative Space' that showcases leading edge technologies for the community's creative and learning opportunities. 	<ul style="list-style-type: none"> Model developed for Digital Hub at Cove Civic Centre. Initial branding and promotion meeting with key staff progressing this quarter.

KEY PERFORMANCE INDICATOR C: Lost Time Injury Frequency Rate compared with last year (2015/16 – 28.8)³

TARGET:

	Exceptional	T≥25% reduction
	Acceptable	5%≤T<25% reduction
	Unacceptable	T<5% reduction
	On track	
	No target set	

QUARTER 3 PERFORMANCE:

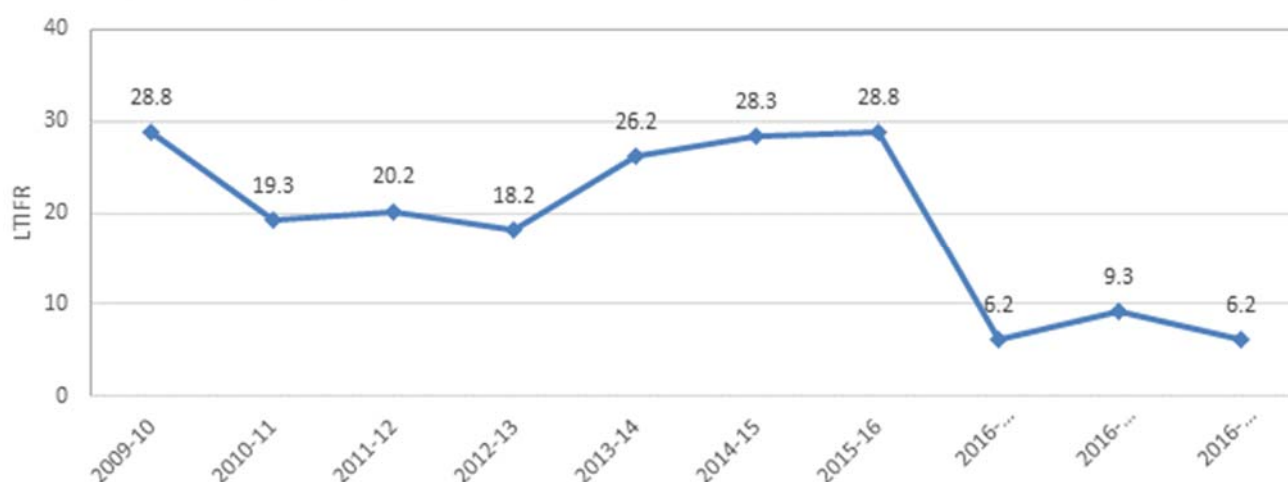


78% reduction

Background

Lost Time Injury Frequency Rate (LTIFR) takes the number of injuries resulting in lost time reported against this industry standard performance indicator. Claims statistics are collected from the Local Government Association's (LGA) Member Centre and measurement is then calculated against the Australian Standard 1885.1: 'Total number of Lost Time Injuries/Total Hours Worked) * 1,000,000'.

Performance



³ An incident occurred and was reported via the incident reporting system in May 2016, but the injured worker did not initially lose time from work or lodge a claim. However, due to ongoing soreness which escalated over some weeks they sought medical treatment and subsequently lost time from work due to undergoing a medical procedure in September 2016. This LTI has appropriately been retrospectively allocated into the May 2016 figures, which alters the previously reported total LTIs for 2015/16 from 18 to 19 and therefore also revises the previously reported LTIFR for 2015/16 from 27.3 to 28.8.

The City of Marion has recorded five LTIs at the end of March (for which claims have been lodged with the Local Government Association Workers Compensation Scheme (LGAWCS). The LGAWCS claims data reports an LTIFR of 6.2. This figure is only representative of three LTIs due to the fourth and fifth LTI being accepted late in March and awaiting reimbursement of wages claimed through LGAWCS.

The five LTI's recorded have been categorised into four primary classes of injury:

1. One x Manual handling (muscular stress while lifting or carrying).
A back injury whilst sorting concrete from recycling piles.
2. One x Falls from the same and differing levels (slips, trips and falls)
A broken ankle whilst walking on a wet slippery surface.
3. Two x Repetitive movement (low muscle loading)
An elbow strain from a manual labour task ie repetitive spreading of mulch.
A shoulder strain from a manual labour task ie repetitive raking of leaves.
4. One x Mental disorder (exposure to mental stress factors)
An accusation of bullying which is currently under investigation.





Five LTI incidents have been reported to date in 2016/17 compared to fifteen at the same time the previous year. If the current downward trend continues, the forecasted LTIFR for the end of period reporting is likely to be 10.8 which, if achieved, would represent a reduction of 62% on the reported and updated LTIFR for 2015/16.

In mitigating the injuries described above, the following provides a number of strategies currently in place;

- Introduction of corporate values stating that safety is at the forefront of everything we do,
- Organisational Hazard Register - Review of all tasks for identification of potential sources of injury, assessment of risk and implementation of further controls to reduce the risk.
- Organisational WHS Corrective & Preventative Action Register – a centralised log of actions to be taken for improving our WHS management system and eliminating or reducing risk of injury and illness,
- Changes to our injury management processes including preferred medical providers, suitable duties register and letters to doctors advising of City of Marion's commitment to lost time injury prevention,
- Training of the leadership team in hazard management, incident reporting & investigation and early return to work injury management,
- Adoption of the 25% LTIFR reduction performance indicator.

KEY PERFORMANCE INDICATOR D: Staff net numbers (fulltime equivalent ((FTE)), employee and agency)

TARGET RANGE:

	Exceptional	>1% reduction
	Acceptable	$0\% \leq T \leq 1\%$
	Unacceptable	Any increase
	On track	
	No target set	

QUARTER 3 PERFORMANCE:

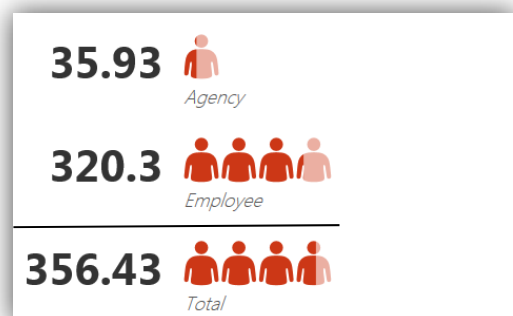
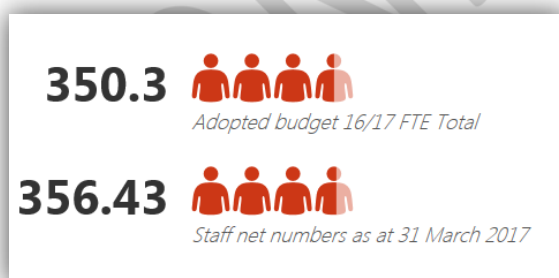


Background

Previously, this indicator gave a percentage of FTE employees (staff and agency) employed across the organisation for the quarter, then compared this figure with the previous quarter percentage.

For this quarter, the performance indicator has calculated the percentage of FTE employees (staff and agency) employed across the organisation from 1 January – 30 March 2017, then compared this figure to the FTE adopted budget, providing an explanation of the variance.

Performance








The increase in FTE's as at March 2017 incorporates:

- +2.0 - Gap Year students per Council resolution (GC270916R10).
- +4.5 - Marion Outdoor Swimming Centre. As the pool operates seasonally, agency numbers increase. This is expected to decrease in the final quarter as the pool closes for the season.

Whilst this target reflects an increase in headcount, there has been no permanent increase in positions to the organisational structure.

KEY PERFORMANCE INDICATOR E: Retention of key staff**TARGET RANGE:**

	Exceptional	100% retention
	Acceptable	$95\% \leq T < 100\%$
	Unacceptable	$T < 95\%$
	On track	
	No target set	

QUARTER 3 PERFORMANCE:**N/A** Verbal update**Background**

This measure indicates the number of key staff (as defined by the Executive Leadership Team) retained during this quarter.






Performance

There are 23 positions nominated as 'key retains' in late 2016. All have a retention plan in place.

Two of the nominated staff have left Council for reasons that will be explained in a verbal report to the Committee.

KEY PERFORMANCE INDICATOR F: Community satisfaction. Overall satisfaction with each of:
(1) Community facilities (2) Sports facilities (3) Events (external)

TARGET:

	Exceptional	>85% satisfaction
	Acceptable	$75\% \leq T \leq 85\%$
	Unacceptable	$T < 75\%$
	On track	
	No target set	

YEAR TO DATE PERFORMANCE:

N/A Not measured to date

Staff are on track to deliver a community satisfaction survey to 5,000 households in May 2017. This survey has been slightly modified to simplify the 2016 survey.

KEY PERFORMANCE INDICATOR G: Rating by Elected Members**TARGET:**

	Exceptional	Expectations exceeded
	Acceptable	Expectations met
	Unacceptable	Expectations not met
	On track	
	No target set	

QUARTER 3 PERFORMANCE: N/A Not measured to date

Background

The CEO Agreement (part 9) stipulates that the CEO must undergo one formal assessment per year.

Performance

During the third quarter of 2016/17 no formal assessments were undertaken.

An open discussion with the Chief Executive Officer is scheduled for the 23 May General Council meeting, which will address this KPI (as per the endorsed 'Timeline for conducting the CEO's 2016/2017 performance and remuneration review').

KEY PERFORMANCE INDICATOR H: Number of prioritised Major Capital Works (eg, Edwardstown Oval, BMX, Soccer, Mitchell Pk Stadium & Centre) reaching approval stage at Council.

TARGET:

	Exceptional	2 +
	Acceptable	1
	Unacceptable	0
	On track	
	No target set	

QUARTER 3 PERFORMANCE: N/A

Background

This measure identifies the projects listed above that have reached approval stage at Council during the quarter.

Performance

During this quarter, none of the projects above were 'approved' by Council, however an update is provided below.

Although not listed as a major project above, during this quarter the Council endorsed Stage 5 of the Hallett Cove Amphitheatre Implementation project allocating a total of \$1.355million (GC280317R015).

Edwardstown Oval

- Federal funding deed approved 22 November 2016.
- Design, cost and engineering consultants have been appointed.
- A report seeking Council approval to proceed to calling construction tenders is expected by June 2017.

Sam Willoughby International BMX Track

- Federal funding deed approved 23 August 2016.
- Design, cost and engineering consultants have been appointed.
- Design progressing this quarter in consultation with the Happy Valley BMX Club, Hallett Cove BMX Club, BMX SA, BMX Australia, the Office of Recreation and Sport and the City of Onkaparinga.

Southern Region Soccer Facility

- Council resolved to commit up to \$2.5million 26 May 2016.
- The City of Marion and the Football Federation of South Australia (FFSA) are working closely together to secure the balance of \$2.5 million from the State Government.

- Once all funding is secured the FFSA will be responsible for the delivery of the project.
- Council and the FFSA are working closely with the Department of Water and Natural Resources (DEWNR) to secure access to a site on Majors Road, O'Halloran Hill.
- A draft deed of agreement between the City of Marion and FFSA is being prepared to secure Council's required outcomes from its \$2.5 million contribution.






Mitchell Park Sports and Community Centre

- Council considered a Section 48 report 28 June 2016 at a total cost of \$19.7million.
- \$9.875 million (50%) was committed to the project.
- The balance (\$9.875 m) is being pursued from the State and Federal governments.

CONFIDENTIAL

KEY PERFORMANCE INDICATOR I: Council's cash contribution in respect of each Major Capital Works

TARGET:

	Exceptional	$T < 40\%$
	Acceptable	$40\% \leq T \leq 60\%$
	Unacceptable	$T > 60\%$
	On track	
	No target set	

QUARTER 3 PERFORMANCE: N/A

Background

This measure identifies the major projects (as related in KPI H) that have Council approval regarding funding during the quarter. Where appropriate, any other major project (other than those listed in KPI H) will be identified and captured in this indicator.

Performance

During this quarter, no major projects relating to KPI H were 'approved' by Council, therefore a target has not been provided however the following provides an update;

Edwardstown Oval

Council's contribution of \$4 million to the \$8 million project equates to 50%.

Sam Willoughby International BMX Track

Council's contribution of \$750,000 to the \$3.5 million funding pool equates to 21.4%

Southern Region Soccer Facility

Council's commitment of \$2.5 million to the estimated \$5 million cost equates to 50%.

Mitchell Park Sports and Community Centre

Council's commitment of \$9.875 million to the \$19.75 million estimated cost equates to 50%.

KEY PERFORMANCE INDICATOR J: Completion of Council Member's priority list of budgeted projects (13) – 1/11/16 – 31/10/17.










TARGET:




	Exceptional	All 13 projects completed
	Acceptable	11 or 12 completed
	Unacceptable	Less than 11 completed
	On track	
	No target set	

QUARTER 3 PERFORMANCE:

 12 projects on track, 1 complete.

This list of projects (below) was determined on 1 November 2016. Where requested by the Committee, the CEO will provide a verbal update upon the project's progress.

No.	Project name	Status	Comment
1	Commencing Community Land Revocation on at least 4 parcels of land.		Report to Council tabled April 2017 regarding Louise Avenue, Luke Court and Ranger Street land parcels.
2	Substantial completion of Hallett Cove Foreshore project (subject to budget approval).		Council endorsed stage 5 March 2017. Project progressing to tender for construction.
3	Fully expending the \$500,000 street-scaping budget by 30 June 2017.		Design guidelines finalised and adopted by Council March 2017.
4	Development of a concept plan for Railway Terrace from Sixth Avenue, Ascot Park to Cross Road on the Adelaide Marino Rocks Greenway.		Project design brief undertaken and consultant engaged.
5	90% of Council resolutions completed by the due date.		Jan – Mar = 67 new resolutions, 40 complete within due date (59.7%).
6	At least 12 major service reviews completed in the 12 months November 2016 – November 2017.		Four service reviews completed as at March with seven steadily progressing.
7	Best endeavours to negotiate public use of Glenthorne, consistent with the September resolution.		At 11 April 2017 General Council meeting, council reaffirmed its commitment to the project, requesting a report back to Council in April 2018 advising of progress.
8	Improved format and clarity of reports coming to General Council.		Project plan commenced. Potential software and other solutions are currently being explored.
9	Report results of tennis and netball review to council for consideration by the end of April 2017 so budget allocation for implementation can be considered in the 2017/18 budget.		28 February Council meeting provided direction for clubs with consultation occurring as a result.

10	Marion Outdoor Pool Masterplan – proposed improvements to be prioritised, costed and brought to Council for decision (expected March/April 2017).		Scheduled for 9 May 2017 General Council meeting.
11	IT Improvements allowing EM's to; 1. Blog in relevant categories and 2. Easily search for historical reports and minutes indexed by topic.		Incorporated in the CMS Website Platform tender process which is progressing with the commencement of an EOI in May 2017.
12	Demonstrated, increased savings from Council Solutions and /or Council collaborations (i.e: 2015/16).		Legal fees show \$245.32 discount on already reduced legal fees.
13	Business case (cost benefit) for Council's LGA Membership completed by the end of February 2017.	Completed	Membership confirmed for one year.

CONFIDENTIAL