



SUPPLEMENTARY BUSINESS PAPER

GENERAL MEETING

**Wednesday, 21 August, 2013
at 6:30 PM**



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19 GENERAL MANAGER'S PERFORMANCE REVIEW 2013 AND RENEWAL OF CONTRACT

In 2011 the Division of Local Government established *Guidelines for the Appointment and Oversight of General Managers*. Consistent with the Guidelines, Council engaged independent employment services firm *McArthur* to facilitate the General Manager's performance review in 2013. *McArthur* presented me with the final report of the General Manager's performance review last week, which I attach to this Mayoral Minute. I am pleased to report that again in 2013, the General Manager has met or exceeded performance requirements in all 'key result areas' and 'strategic performance objectives'.

Through the performance review negotiation process, new 'strategic performance objectives' have been established for the General Manager relating to financial management, cultural development, environmental management and strategic planning. The General Manager will again be reviewed against these objectives as part of his 2014 performance review.

As part of this year's performance review, the General Manager has requested Council consider renewing his contract for a new five year term. Under Section 338 of the Local Government Act 1993, Council may renew contracts from time to time for a term not exceeding five years. The General Manager's contract is performance based utilising the Division of Local Government's '*Standard Contract for the Employment of General Managers*'.

There are several benefits of an early renewal of the General Manager's contract including providing greater certainty for Council in the middle of an organisation strategic and culture reform program; allowing the 2012-2016 Council to affirm its support for the General Manager within its first twelve months; and allowing the 2016-2020 Council to consider its position in respect of the appointment of the General Manager within the first 18 months of its term.

I have asked the General Manager to suggest an appropriate total remuneration package (TRP) consistent with the current market. The General Manager has advised me that as a member of *Local Government NSW*, Council receives an annual GM Remuneration Report from *Local Government Management Solutions*. That report states the average TRP for a General Manager in a large urban council as being \$339,500 (inclusive 2012/2013 2.5% SOORT increase). A copy of the *Local Government Management Solutions* (commercial in confidence) report is held on Council's file for Councillors information. As a second source of independent information, Council has obtained (commercial in confidence) advice from a reputable local government human resources consultancy confirming that the abovementioned TRP is compatible with appointments in other large urban councils and is appropriate in the circumstances should Council be satisfied with the General Manager's performance.

RECOMMENDATION

THAT Council:

1. Receive the 'Final Report' August 2013 General Manager's Performance Review.
2. Renew the contract with Scott Phillips as General Manager of Hornsby Shire Council for a term of five years commencing 26 August 2013 at a total annual remuneration package of \$339,500 utilising the Division of Local Government Standard Contract for the Employment of General Managers.
3. Authorise the Mayor to finalise any other contractual details and to execute the employment contract on behalf of Council.

STEVE RUSSELL

Mayor

Attachments:

1. Final Report 2013 - General Manager's Performance Review - *This attachment should be dealt with in confidential session, under Section 10A (2) (a) of the Local Government Act, 1993. This report contains personnel matters concerning particular individuals (other than councillors).*

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