



AGENDA

Ordinary meeting of the

Chief Executive Employment Committee

**Tuesday 28 February 2017
Commencing at 2.00pm
Ruma Mārama, Floor 2A
Civic House
110 Trafalgar Street, Nelson**

Membership: Her Worship the Mayor Rachel Reese (Chairperson), Councillors Luke Acland, Bill Dahlberg and Paul Matheson (Deputy Mayor)

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)

It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the room for discussion and voting on any of these items.

28 February 2017

Page No.

1. Apologies

Nil

2. Confirmation of Order of Business**3. Interests**

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

4. Public Forum

4.1 Dan McGuire - Nelson Grey Power

Dan McGuire, of Nelson Grey Power, will speak about concerns the organisation has in relation to the Chief Executive's contract.

4.2 Shaun Fahey

Shaun Fahey will speak about his concerns in relation to the Chief Executive's performance.

5. Confirmation of Minutes

5.1 2 December 2016

7 - 11

Document number M2251

Recommendation

That the Committee***Confirms the minutes of the meeting of the Chief Executive Employment Committee, held on 2 December 2016 as a true and correct record.***

6. Recruitment Process for Chief Executive

12 - 16

Document number R7219

Recommendation

That the Committee

Receives the report Recruitment Process for Chief Executive (R7219) and its attachment (A1717279); and

Notes the need for a recruitment process for a Chief Executive in 2017, as the current Chief Executive's contract comes to an end in December 2017.

Recommendation to Council

That the Council

Creates a Chief Executive Recruitment Subcommittee, comprising the Mayor, Deputy Mayor, Cr Acland and Cr Dahlberg, along with Cr _____, Cr _____ and Cr _____; and

Delegates authority to the Chief Executive to prepare a Request for Proposal for Recruitment Services, to be approved by the Mayor and Deputy Mayor, and to be responded to no later than 30 April 2017; and

Delegates authority to the Chief Executive Recruitment Subcommittee to select a tenderer at its meeting on 16 May 2017.

PUBLIC EXCLUDED BUSINESS

7. Exclusion of the Public

Recommendation

That the Committee

Confirms, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, that Paul Bell remain after the public has been excluded, for the Public Excluded agenda, as he has knowledge that will assist the Committee; and

Notes, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, that the knowledge that Paul Bell possesses relates to the Chief Executive's performance, remuneration and development.

Recommendation

That the Committee

Excludes the public from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Chief Executive Employment Committee Meeting - Public Excluded Minutes - 2 December 2016	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person.
2	Chief Executive's Performance Report - Second Quarter Update	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person
3	People Metrics for quarter ending 31 December 2016 and Chief Executive's Safe Work Observations	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(c)(i) To protect information which is subject to an obligation of confidence or which any person

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
		good reason exists under section 7	has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied
4	Value of vehicle component of Chief Executive's remuneration	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person
5	Contracts and Local Authorities (Members' Interests) Act	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person

8. Re-admittance of the public

Recommendation

That the Committee

Re-admits the public to the meeting.

Minutes of a meeting of the Chief Executive Employment Committee**Held in Ruma Ana, Civic House, 110 Trafalgar Street, Nelson****On Friday 2 December 2016, commencing at 12.07pm**

Present: Her Worship the Mayor R Reese (Chairperson), Councillors L Acland, B Dahlberg and P Matheson

In Attendance: External Adviser (P Bell), Chief Executive (C Hadley), Manager People and Capability (S Vincent), and Administration Adviser (E-J Ruthven)

1. Apologies

There were no apologies.

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. Public Forum

There was no public forum.

5. Utilisation of Report It Now and Workplace Support to 30 September 2016

Document number R6842, agenda pages 6 - 8 refer.

Manager People and Capabilities, Stephanie Vincent, presented the report.

Ms Vincent answered questions relating to Council's Workplace Support service, and the Report It Now phone line, and confirmed that the two services were independent of each other. She explained further the

channels through which employees might seek assistance or support, including raising matters through the People and Capability Team.

The Chief Executive, Clare Hadley, and Ms Vincent answered questions relating to how information regarding indicators of staff wellness and general organisational health were collected.

The Committee requested that the report to the next meeting also include information regarding the development of an internal Grievance Register and changes to the Exit Interview process, to assist with providing a full picture of organisational health.

Resolved CEE/2016/040

That the Committee

Receives the report Utilisation of Report It Now and Workplace Support to 30 September 2016 (R6842).

Her Worship the Mayor/Dahlberg

Carried

5. Exclusion of the Public

It was noted that the Committee's external adviser, Paul Bell, would be in attendance for the public excluded agenda, and a procedural resolution was required to be passed.

Resolved CEE/2016/041

That the Committee

Confirms, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, that Paul Bell remain after the public has been excluded, for the Public Excluded agenda, as he has knowledge that will assist the Committee;

Notes, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, that the knowledge that Paul Bell possesses relates to the Chief Executive's performance, remuneration and development.

Her Worship the Mayor/Acland

Carried

Resolved CEE/2016/042

That the Committee

Excludes the public from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Her Worship the Mayor/Acland

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Chief Executive's Contract	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person
2	Feedback from OAG on oversight of Local Authorities (Members' Interests) Act 1968	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person
3	Staff statistics for quarter ending 30 September 2016 and Chief Executive's Safe Work Observations	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(c)(i) To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			that such information should continue to be supplied
4	Value of vehicle component of Chief Executive's remuneration	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person
5	Chief Executive's Performance Report - First Quarter Update	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person
6	Complaint from Shaun Fahey	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons, including that of a deceased person

The meeting went into public excluded session at 12.29pm and resumed in public session at 1.52pm.

6. Re-admittance of the Public

Resolved CEE/2016/043

That the Committee

Re-admits the public to the meeting.

Her Worship the Mayor/Matheson

Carried

There being no further business the meeting ended at 1.52pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

28 February 2017

REPORT R7219

Recruitment Process for Chief Executive

1. Purpose of Report

- 1.1 To set out the process and timeline for recruitment of a chief executive.

2. Summary

- 2.1 The current Chief Executive's contract comes to an end on 17 December this year.
- 2.2 Council should determine now the process and timeline for recruiting a chief executive.

3. Recommendation

That the Committee

Receives the report Recruitment Process for Chief Executive (R7219) and its attachment (A1717279); and

Notes the need for a recruitment process for a Chief Executive in 2017, as the current Chief Executive's contract comes to an end in December 2017.

Recommendation to Council

That the Council

Creates a Chief Executive Recruitment Subcommittee, comprising the Mayor, Deputy Mayor, Cr Acland and Cr Dahlberg, along with Cr _____, Cr _____ and Cr _____; and

Delegates authority to the Chief Executive to prepare a Request for Proposal for Recruitment Services, to be approved by the Mayor and Deputy Mayor, and to be responded to no later than 30 April 2017; and

Delegates authority to the Chief Executive Recruitment Subcommittee to select a tenderer at its meeting on 16 May 2017.

3. Background

- 3.1 A local authority chief executive may not be appointed for a term of more than five years (CI34, Schedule 7, Local Government Act 2002).
- 3.2 Clause 35 of Schedule 7 requires that the local authority conduct and complete a review of the chief executive's performance not less than six months before contract expiry; in this case, before 17 December 2017. That would require the performance review to be completed before 17 June 2017.
- 3.3 The specific sections of the Act are attached as Attachment 1.

4. Discussion

- 4.1 The current Chief Executive's contract ends 17 December 2017. Whilst there is an option of a two year extension, she has indicated she does not wish to explore this with Council.
- 4.2 Council must undertake a full and open recruitment process in choosing a chief executive for the next five years.
- 4.3 Recruitment is a time consuming process, and the involvement of all elected members needs to be balanced with the call on their time. It would seem appropriate to form a subcommittee of Council for the recruitment. Further, it would seem reasonable to take the membership of the Chief Executive Employment Committee (CEE Committee) as a starting position, and appoint additional members to form a recruitment subcommittee, taking into account the need for a workable number for both Council and applicants.
- 4.4 As much as possible, meetings could be organised around the same day as those planned for the Chief Executive Employment Committee.
- 4.5 The next step would be for Council to seek a request for proposal (RFP) from recruitment companies for this recruitment. Officers could prepare the documents, have them approved by the Mayor and Deputy Mayor, and run a process in time for the proposals to be considered and a decision made on 16 May (that is the date of the next CEE Committee, when a recruitment subcommittee meeting could also be held). (Even this is quite a tight timeframe.)
- 4.6 If Council delegated the decision to a recruitment subcommittee, then the successful recruiter could meet with Council at its meeting on 8 June. That would allow advertising through mid-June to mid-July; long listing and short listing through August and early September, with a view to interviews being held with Council late September. Council has a meeting planned for 21 September, or could have an extraordinary meeting on 5 October.
- 4.7 This timeframe allows for a full process; and also allows time such that if an external candidate was successful, they could work out their notice before our current Chief Executive's contract ended.

Options

- 4.8 There are no real options open to Council - Council must appoint a Chief Executive.
- 4.9 In 2012, costs were in excess of \$50,000. Council's procurement policy would require the calling of tenders unless exceptional circumstances exist. No such circumstances have been identified.
- 4.10 This report is brought forward at this time so that Council has the greatest flexibility to fit the process around established meeting times.

Clare Hadley
Chief Executive

Attachments

Attachment 1: A1717279 - cl 34 & 35 Schedule 7 LGA2002 [↓](#)

Important considerations for decision making	
1. Fit with Purpose of Local Government	Council is required to appoint a Chief Executive as per schedule 7 of the Local Government Act.
2. Consistency with Community Outcomes and Council Policy	Council has a statutory obligation to undertake an open recruitment process for a Chief Executive.
3. Risk	There is no risk associated with adopting the recommendations.
4. Financial impact	A budget for recruiting a Chief Executive has been factored in to the draft Annual Plan 2017/18.
5. Degree of significance and level of engagement	This matter does not require consultation or engagement with the community.
6. Inclusion of Māori in the decision making process	Not appropriate to this report.
7. Delegations	The Chief Executive Employment Committee has the power to recommend matters relating to the Chief Executive's performance, remuneration, and any employment related issues.

Clause 34, Schedule 7, Local Government Act 2002**34 Terms of employment of chief executive**

- (1) A chief executive appointed under [section 42](#) may not be appointed for a term of more than 5 years.
- (2) The local authority and the chief executive must enter into a performance agreement.
- (3) When the term of appointment expires, a vacancy exists in the office of the chief executive, and that vacancy must be advertised.
- (4) Despite subclause (3), if the local authority has completed a review under [clause 35](#), that local authority may, without advertising the vacancy, appoint the incumbent chief executive for a second term not exceeding 2 years on the expiry of the first term of appointment.
- (5) After completing a review under [clause 35](#), but before the date on which the chief executive's contract of employment for the first term expires, the local authority must resolve whether or not to—
 - (a) appoint the chief executive for a second term under subclause (4); or
 - (b) advertise the vacancy.
- (6) If a vacancy is advertised,—
 - (a) the incumbent chief executive may apply for the position; and
 - (b) the local authority must give due consideration to any application for the position by the incumbent chief executive.
- (7) Despite the provisions of any other enactment or rule of law, a chief executive has no right or expectation of renewed employment at the end of any term.

Clause 35 Schedule 7, Local Government Act 2002**35 Performance review at end of first term of appointment**

- (1) A local authority must, not less than 6 months before the date on which the chief executive's contract of employment for the first term expires, conduct and complete a review of the employment of the chief executive.
- (2) The review must assess—
 - (a) the performance of the chief executive; and
 - (b) the mix of skills and attributes possessed by the chief executive, and the degree to which they are consistent with the skills and attributes that the local authority considers necessary for the future; and
 - (c) any other factors that the local authority considers relevant.
- (3) To avoid doubt, responsibility for determining the degree to which any factors in subclause (2)(a) and (b) apply to a review, and the relevance of any additional factors under subclause (2)(c), rests solely with the local authority.
- (4) Subclause (1) does not apply if the incumbent chief executive declares in writing to the local authority that he or she does not wish to be considered for appointment to a second term.

Compare: 1974 No 66 s 119E