



Final Report
1 July 2019 to 16 September 2019

1. BACKGROUND

Appointment

On 1 July 2019, the Minister for Local Government appointed me, Prudence Jane Digby, to be a municipal monitor at Frankston City Council under section 223CA of the *Local Government Act 1989* to monitor the actions and processes undertaken by the Frankston City Council in relation to the recruitment and appointment of the council's next permanent Chief Executive Officer (CEO). The appointment was to conclude when the new CEO commenced in their role at the Council.

My appointment followed my advice that the council's then CEO had submitted his resignation in advance of the expiry of his employment contract and was to exit the Council on 1 July, the day after my original term (3 December 2017 to 30 June 2019) expired. I expressed my concern to the Minister that the Council's governance and decision-making processes would not be monitored over a critical period where there was an interim CEO and the Council was making a significant decision regarding the appointment of a permanent CEO.

Terms of Reference

The Terms of Reference (TOR) under which I was appointed are as follows:

1. To monitor the Frankston City Council's (Council) actions and processes in relation to the recruitment and appointment of a permanent chief executive officer to fill the position caused by the recent resignation of the council's chief executive officer, Mr. Dennis Hovenden.
2. To advise on, and provide assistance and support, to the Council in relation to the Council's actions and processes, with regard to the matter raised in clause 1; and
3. To report to the Minister for Local Government on -
 - a) The adequacy and effectiveness of those actions and practices, with reference to the matter raised in clause 1; and
 - b) Any recommendations for the exercise of the Minister's powers under the Act

Frankston is located on the eastern shores of Port Phillip Bay, within metropolitan Melbourne and with a population of almost 142,000. Frankston is recognised for its natural reserves, pristine coastline and is increasingly attracting people to locate from other parts of Melbourne for affordability and lifestyle reasons. Frankston's arts, education and health sectors are important growth industries. Frankston also has significant areas of disadvantage and poverty.

Frankston City Council is a subdivided municipality consisting of 3 wards and 9 Councillors elected at the 2016 elections. Of those elected in 2016, only 3 had not previously been Councillors at some stage at Frankston City Council.

Councillors and their wards are:

South Ward

Cr Brian Cunial

Cr Quinn McCormack

Cr Steve Toms

North - West Ward

Cr Kris Bolam

Cr Lillian O'Connor

Cr Glenn Aitken

North - East Ward

Cr Sandra Mayer

Cr Michael O'Reilly

Cr Colin Hampton

Monitoring Activities

During my appointment, I attended the Performance Review Committee, Councillor only and Special Council meetings as they related to the CEO selection and appointment process.

I held discussions and provided advice to the Mayor, individual Councillors and the appointed Executive Recruitment agency as requested and as the need arose in relation to the CEO recruitment and appointment process

Other activities that I have been involved in include, but are not limited to:

- Provided advice to the Mayor and interim CEO on issues of concern to them;
- Provided advice to the Mayor and interim CEO on draft Notices of Motion at their request;
- Liaised with Local Government Victoria and the Local Government Inspectorate on the above issues as appropriate.

2. CEO RECRUITMENT AND APPOINTMENT PROCESS

As I reported in my Final Report for the period 13 December 2017 to 30 June 2019 a couple of Councillors started advocating in mid-February 2019 for a decision to be made on whether to renew the CEO's contract or advertise the position. The CEO's contract was to expire in late October 2019.

Council resolved in April 2019 to advertise the CEO position to test the marketplace and delegated the CEO Performance Committee responsibility for oversight of the recruitment process, reporting and recommending to the Council on key decisions.

As a result of the above, the relationship between the CEO and a number of Councillors became very strained. The CEO resigned and exited the organisation on 30 June 2019. An internal executive was appointed interim CEO.

In early May 2019, the CEO Performance Committee considered and interviewed a number of individuals who had been invited to put in Expressions of Interest to be appointed as the independent Advisor to support the Council in the recruitment process. (1)

The Council appointed an Independent Advisor on 13 May after considering the Committee's recommendation.

The CEO Performance Committee also considered and interviewed the Executive Recruitment agencies who had put in Expressions of Interest in response to Council's invitation. The Council appointed an Executive Recruitment agency in early June after considering the Committee's recommendation.

The Independent Advisor held a Councillors only workshop in late May so that the Councillors could articulate the skills and attributes they were looking for in a CEO. This information was then communicated to the appointed Executive Recruitment agency by the CEO Performance Committee in mid-June. The Committee also agreed the position description, advertising and executive search timetable.

The executive search and advertising process for the Frankston CEO commenced in early July utilising a number of mediums and closed off in early to mid-August.

The Executive Recruitment agency met with the CEO Performance Committee in late August to present their candidate list. A good field of applicants had shown interest and/or had been sourced. From a recommended long list of candidates, the Committee chose 6 to be interviewed by the Committee.

A thorough interview process of the 6 candidates was conducted by the CEO Performance Committee, the External Recruiter and the monitor (as observer) on Saturday 30 August. The Committee recommended a number of applicants for consideration by the Council.

A Special Council meeting was convened on Saturday 7 September where recommended candidates presented to, and were interviewed by, the Council. Referee checks had also been conducted on candidates and were available for Council consideration. The Council resolved to appoint one candidate.

It was extremely disappointing to see that the decision taken by the Council in Confidential session on Saturday 7 September was reported online by the Frankston Times on Monday 9 September. I have raised this matter with the Chief Municipal Inspector it is a clear breach of the Local Government Act 1989 and brings disrepute on the Council's governance processes.

An offer was subsequently made to the preferred candidate and a contract negotiated. The Council approved the contract and an internal candidate, Mr. Phill Cantillon, was appointed and commenced on 16 September 2019.

Overall the CEO Performance Committee and the Council were efficient and effective as they moved through the various stages of the recruitment and appointment of a permanent CEO. The CEO Performance Committee were respectful and accommodating of individual Committee member opinions and considered issues in a deliberative and purposeful manner. The Committee provided the Council with quality advice and recommendations which assisted the Council in its decision making.

3.RECOMMENDATIONS

Given my above observations I am of the view that the actions and processes undertaken by Frankston City Council in relation to the recruitment and appointment of a permanent chief executive officer have been more than adequate and effective and that there is no further recommended action for the Minister in relation to this area.

Prue Digby
Municipal Monitor

*(1) **Protecting integrity: Leading the way** Managing the Performance Cycle of a Council CEO February 2019*
Local Government Inspectorate

