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CITY OPERATIONS DIRECTORATE – QUARTER 2 PERFORMANCE  
REPORT 2016/17

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**Reason for the Report**

1. To present the City Operations Directorate performance report for Quarter 1 (July to September) of 2016/17. The performance reports for the City Operations Directorate and Economic Development Directorate are attached as **Appendices 1 & 2**; the Economic Development Directorate performance report has been attached to address issues within the Commercial & Collaborative Service and provide an update on the development of the new transport interchange.
2. **Appendices 1 & 2** are supported by **Appendix 3** which consists of a summary of overall Council performance, for example, staff budgets, overtime and agency costs, sickness rates and complaint levels.

**Background**

3. The Environmental Scrutiny Committee has a role in reviewing the performance of Council services which fall within the Committee terms of reference; a copy of the terms of reference has been attached as **Appendix 4**. The Directorates that require regular scrutiny by the Committee are the City Operations Directorate and Economic Development Directorate.
4. Members have agreed to consider performance issues during the municipal year 2016/17. It is anticipated that this will involve looking at the sections of the Delivery & Performance Report relevant to the terms of reference of the Committee on a quarterly basis.

5. The February 2016 'Wales Audit Office (WAO) Corporate Assessment Follow On Report' stressed the importance of the Council building on its capacity and mechanisms for internal challenge and self assessment.
6. In response to the 'WAO Corporate Assessment Follow On Report' the Council acknowledged that there is a need for more consistency around performance management and benchmarking. The Council is of the view that the framework and mechanisms for effective performance management and reporting have been in place for a while; however, there is scope for further improvement – particularly in terms of the scope for strengthening the relationship between the Central Performance Team and Service Directorates.
7. To drive further improvement the Council recruited a new Head of Performance & Partnerships in early 2016. Since his appointment he has been given the task of refreshing the Council's performance management approach and as a consequence of this work, the Quarterly performance reports are now presented in a different format to the one which was previously used, i.e. Quarter 4 2015/16 and earlier. The new report is designed to tie in with the Council's new integrated strategic planning framework.

### **The Council's Strategic Planning Framework**

8. The Council's integrated strategic planning framework to deliver its vision of Cardiff as 'Europe's most liveable Capital City' spans the City's overall performance (via the *What Matters* Single Integrated Plan and *Liveable City* Report); Council performance via the Corporate Plan; Directorate performance via Directorate Delivery Plans; through to individual performance via Personal Performance and Development Reviews.
9. The *Corporate Plan 2016-18* was approved at Council on 25 February 2016. It set out four Priorities and 12 Improvement Objectives for Cardiff. The four Priorities are listed as:
  - Priority 1: Better education and skills for all;
  - Priority 2: Supporting vulnerable people;
  - Priority 3: Creating more and better paid jobs;

- Priority 4: Working together to transform services.
10. To tie in with the new reporting approach the new quarterly delivery & performance reporting structure now includes sections relevant to the City Operations Directorate on:
- **Measures** – this focuses on the performance indicators relevant to the City Operations Directorate;
  - **Priorities** – this sets out the improvement objectives, commitments and progress / issues/ mitigating actions against the Corporate Plan Priorities relevant to the City Operations Directorate;
  - **Challenges & Achievements** – this sets out the key challenges and achievements of the City Operations Directorate.

### **Performance Support Board**

11. The Council's previous approach to performance management focused the use of performance information within the most strategic parts of the organisation, to ensure that these strategic audiences are considering strategic performance issues. It is also critical to ensure that underneath the strategic layer there are mechanisms in place which allow for effective engagement and support of operational performance issues.
12. In parallel with developing a coherent cross-organisation approach to service planning – which will, by default, create a new body of consistent performance information – the Council has introduced a Performance Support Board (PSB) model. The PSB provides support to service performance and allow the Cabinet, scrutiny committees and the Senior Management Team (SMT) to focus on strategic performance issues.
13. The primary roles of the PSB is to support specific areas of service improvement, investigate areas of performance that are highlighted by robust data analysis, and provide a corporate overview for those performance measures that are not received by SMT, Cabinet or scrutiny committees. It is hoped that this approach will provide the organisation with confidence that measures mandated by Welsh Government but not included in outcomes-focused scorecards are receiving due attention.

14. Each Directorate has a lead performance officer who along with the central Performance Team, analyse and challenge work to help inform the PSB's agenda.

### **Improved Reporting Timelines**

15. The Council refresh of performance arrangements has examined opportunities to increase the speed with which information flows through its performance-related processes. An essential part of moving the organisation away from monitoring performance and onto managing performance is providing information within a timescale that allows the use of data to influence decision making and prompt appropriate intervention.
16. This means that the Council adheres to non negotiable deadlines for the return of performance information for the purposes of challenge and report collation; the Council has now accepted the use of draft performance information at earlier stages in the performance reporting process.
17. It is accepted that final reports for Cabinet and scrutiny committees should always contain confirmed information; however, it is felt that the reports that are used by the PSB and SMT can now contain draft performance information, provided it is flagged as such.

### **Publishing Performance Information on the Internet**

18. To reinforce the Council's move to a culture of accountability, the refresh of performance arrangements presents an opportunity for Cardiff residents to access key performance information in a way that is immediately engaging. Council employees should also have access to online performance information that helps them understand the contribution they are making towards achieving organisational aims. It is proposed that the Council will in future publish information about its performance on [www.cardiff.gov.uk](http://www.cardiff.gov.uk).
19. The published information will focus on the outcomes the Council is trying to achieve – the four Priorities – and, therefore, correlate to the performance measures used at Cabinet and scrutiny committees. The aim would then be to report on all measures (in spreadsheet or similar format) in time.

## **Refresh the Council's Performance Management Strategy**

20. In light of recommendations made in the WAO's latest report, the Framework element of the Performance Management Strategy has been updated to include guidance around timelines that support current processes. The most significant aspect of the refresh has been the embedding of it into the organisation's culture. Mostly, this has been achieved through changing practices as outlined above. However, ensuring that the Council's Performance Management Strategy is acknowledged, understood and used will require the Central Performance Team to engage and work proactively with service managers and performance leads.

## **Issues – Quarter 2 Delivery and Performance Report 2016/17**

21. The City Operations Directorate Quarter 2 Delivery & Performance Report 2016/17 and Economic Development Quarter 2 Delivery & Performance Report 2016/17 are attached to this report as **Appendices 1 & 2**. At the point of writing this report **Appendices 1 & 2** examined a number of performance areas including:
- Progress made against Performance Indicators;
  - Progress made against Corporate Priorities and Directorate Priorities;
  - Progress made against Key Challenges and Key Achievements.
22. **Appendix 3** provides a range of Council-wide performance information which will help the Committee benchmark against the Council performance as a whole and other service areas. The document includes information on:
- Customer contact;
  - Staff costs;
  - Financial tracking information;
  - Sickness absence levels;
  - Personal Performance and Development Review compliance as at 30 September 2016.

23. A number of key observations have been identified from the City Operations Directorate report, these are:

- By the end of Quarter 2 the City Operations Directorate staff had taken an average of 6.49 full time equivalent (FTE) sick days during the year; the actual figure for Quarter 2 was 3.84 FTE sick days per employee.
- At the end of Quarter 2 2016/17 the City Operations Directorate has achieved approximately 74% of its allocated savings for the financial year 2016/17.
- At the end of Quarter 2 2016/17 the City Operations Directorate anticipates an overspend of £785,000 against its allocated budget for 2016/17.
- The City Operations Directorate Quarter 2 Delivery & Performance Report 2016/17 reports on six performance indicators. 6.67% (1) of these is rated as 'Amber', and 33.33% (5) of these are rated as 'Green'. The remaining performance indicators (60%) do not currently have results yet as they are annual or are awaiting validation.
- It should be noted that from the start of July 2016 Waste Management Services joined Cardiff Commercial Services which is a part of the Economic Development Directorate. The Quarter 2 Delivery & Performance Report 2016/17 will reflect and report upon these changes.
- PLA/004(a) – the percentage of minor planning applications determined during the year within 13 weeks – this achieved a Quarter 2 2016/17 score of 53.8% and, therefore, a green 'RAG' status for the period. This represents further improvement when compared against Quarter 1 (37.5% - also rated green) and 2015/16 as a whole which achieved an overall score of 12% and a red 'RAG' status.
- PLA/004(c) - the percentage of householder planning applications determined during the year within eight weeks – this achieved a Quarter 2 2016/17 score of 80.3% and, therefore, a green 'RAG' status for the period. This is a continued improvement when compared to 2015/16 as a whole which produced a result of 71.4% and an amber 'RAG' status.

- PPN/009 – the percentage of food establishments which are ‘broadly compliant’ with food hygiene standards maintained an amber ‘RAG’ status with a score of 93%. The target to attain a green ‘RAG’ status is 94%.
- THS/007 – the percentage of adults aged 60 plus who hold a concessionary bus pass recorded a score of 97 % which was allocated a green ‘RAG’ status. This is an improvement of 4.9% when compared against Quarter 1 2016/17 which delivered a score of 92.1% and an amber ‘RAG’ status.
- Work has been ongoing to develop the Modified In House model for Infrastructure Services which was approved by Cabinet on 16 June 2016. The model comprises of two complementary programmes of change which are Commercial & Collaborative Services and Neighbourhood Services.

24. **Appendix 1** includes a table of the main performance indicators used by the City Operations Directorate to monitor performance; these indicators are supported by commentary to explain the current position. It was recently agreed by SMT that all performance indicators that are not subject to central government thresholds will be automatically RAG rated using a formulaic approach, whereby anything hitting target or above will be Green, anything 0.1% - 10% off target will be Amber and anything off by more than this will be Red. On reviewing the Quarter 1 Delivery & Performance Report 2016/17 it was noted that the following ‘Key Performance Indicator’ was marked as ‘Amber’:

- PPN/009 – the percentage of food establishments which are ‘broadly compliant’ with food hygiene standards achieved a Quarter 2 result of 93%. This is 1% below the 2016/17 target value of 94%.

25. A number of key observations have been identified from the Economic Development Directorate report (relevant to Commercial & Collaborative Services), these are:

- At the end of Quarter 2 the Commercial & Collaborative Services staff had taken an average of 7.11 full time equivalent (FTE) sick days; the actual figure for Quarter 2 was 3.38 FTE sick days per employee.

- At the end of Quarter 2 2016/17 the Commercial & Collaborative Service has achieved approximately 91% of its allocated savings for the financial year 2016/17.
- At the end of Quarter 2 2016/17 the City Operations Directorate anticipates that it will achieve a balanced budget for 2016/17.
- The Economic Development Directorate Quarter 2 Delivery & Performance Report 2016/17 reports on two performance indicators relevant to the Commercial & Collaborative Service. One of these is risk rated as Green (WMT/004b) the other (WMT/009b) is awaiting validation and has returned a provisional Quarter 2 result of 61.2%.
- Work has been ongoing to develop the Modified In House model for Infrastructure Services which was approved by Cabinet on 16 June 2016. The model comprises of two complementary programmes of change which are Commercial & Collaborative Services and Neighbourhood Services.
- It should be noted that from the start of July 2016 Waste Management Services joined Commercial & Collaborative Services which is a part of the Economic Development Directorate. The Quarter 2 Delivery & Performance Report 2016/17 will reflect and report upon these changes.
- WMT/009b – Percentage of municipal waste collected by local authorities and prepared for reuse and / or recycled. The Council has to achieve the statutory Welsh Government recycling target of 58% by March 2017; however, to drive further improvements the Council has actually set itself a target of 60% for 2016/17. For validation reasons the Quarter 1 result for WMT/009b was not available when Quarter 1 performance was scrutinised in September 2016, however, the Quarter 2 Delivery & Performance Report 2016/17 states that Quarter 1 2016/17 produced a result of 55.15% - this was 2.85% below the statutory target of 58%. Taking this indicator further the Quarter 2 Delivery & Performance Report provides a non validated figure of 61.20% for Quarter 2 2016/17; this is 1.2% above the Council's own target for Quarter 2 and 3.2%



above the statutory Welsh Government target. As this is a non validated result it should be stressed that this figure is potentially subject to change.

### **Scope of the Scrutiny**

26. This item will give Members the opportunity to consider the City Operations Directorate performance and feed in observations to support Cabinet consideration of the Quarter 2 Delivery & Performance Report 2016/17.

### **Way Forward**

27. Councillor Ramesh Patel (Cabinet Member for Transport, Planning & Sustainability), Councillor Bob Derbyshire (Cabinet Member for the Environment), officers from the City Operations Directorate and officers from the Commercial & Collaborative Service have been invited to attend for this item. The Quarter 2 Delivery & Performance Report 2016/17 will be addressed on a portfolio by portfolio basis.

### **Legal Implications**

28. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

29. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATIONS**

The Committee is recommended to:

- i. Note the contents of the attached reports;
- ii. Consider whether it wishes to make any comments to the Cabinet to take into consideration on the Quarter 2 Delivery & Performance Report 2016/17.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**9 November 2016**