
**QUARTER THREE 2016/17: MONITORING PERFORMANCE OF SERVICES
REPORTING THROUGH COMMITTEE TERMS OF REFERENCE**

Purpose of report

1. The Economy and Culture Scrutiny Committee is responsible for scrutinising performance of the Directorates reporting through the Committee's terms of reference, thereby facilitating challenge and public discussion which should help to drive improvement of those services.

2. The Directorates that fall under the Terms of Reference are Economic Development, City Operations and Communities, Housing and Customer Services, although it should be noted that only some aspects of these Directorates apply to this Committee. Attached at **Appendix A** are the Committee's terms of reference, colour coded by the Directorates they fall within.
 - Green – Economic Development
 - Pink – City Operations
 - Orange – Communities Housing and Customer Services.

3. This report presents the Q3 performance report for the Directorates listed above, and highlights the areas relevant to this Committee's terms of reference.

Background to Performance Report

4. The Economy and Culture Scrutiny Committee trialled a new approach to scrutinising performance for the 2015/16 work programme. The agreed approach was for the Chair of the Committee to review Quarterly Performance Reports with the Principal Scrutiny Officer and, based on areas of interest or concern, identify which directors and Cabinet Members to invite to present to the full Committee.
5. Where a Directorate is not selected to present to a particular Committee meeting, Members may request a written summary of certain projects or aspects of a Directorate's work, to provide more information than is contained within the Quarterly Performance Report. The full set of quarterly corporate performance reports for each Directorate would still be available for Members' consideration.
6. This approach has been adopted again for the 2016/17 work programme. The Quarter 3 Performance Reports attached as appendices provide the Committee with information about the context that these services are operating in, performance information and the management actions that are being taken to address performance issues.

Performance Management in Cardiff

7. The January 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. 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.

8. 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 Quarter 3 Delivery & Performance Report 2016/17 is now presented in a different format to the one which was presented for 2015/16. The new report is designed to tie in with the Council's new integrated strategic planning framework.

The Council's Strategic Planning Framework

9. 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.
10. 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.
11. To tie in with the new reporting approach the new quarterly delivery & performance reporting structure now includes information for each Directorate on the following:

- **Measures** – this focuses on the performance indicators relevant to the Directorate;
- **Priorities** – this sets out the improvement objectives, commitments and progress / issues/ mitigating actions against the Corporate Plan Priorities relevant to the Directorate;
- **Challenges & Achievements** – this sets out the key challenges and achievements of the Directorate.

Performance Support Board

12. 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.
13. 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 is in the process of introducing a Performance Support Board (PSB) model. The PSB would provide support to service performance and allow the Cabinet, scrutiny committees and the Senior Management Team (SMT) to focus on strategic performance issues.
14. It is expected that the primary roles of the PSB will be 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.

15. It is anticipated that each Directorate will have a lead performance officer who will, together with the central Performance Team, analyse and challenge work to help inform the PSB's agenda.

Publishing Performance Information on the Internet

16. To reinforce the Council's move to a culture of accountability, this 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 therefore proposed that the Council publishes information about its performance on www.cardiff.gov.uk.
17. The published information would 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. Information will be presented in a way that is engaging to a wide variety of people by using infographics. The aim would then be to report on all measures (in spreadsheet or similar format) in time.

Refresh the Council's Performance Management Strategy

18. In light of recommendations made in the WAO's latest report, the Framework element of the Performance Management Strategy will be updated to include guidance around timelines that support current processes. The most significant aspect of this refresh will be embedding it into the organisation's culture. Mostly, this will be 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.

Quarter 3 Delivery and Performance

19. The following approach has been chosen for the scrutiny of Quarter 3 performance:

- The Economic Development Directorate has been asked to appear at Committee to present on Quarter 3 performance and receive questions from Members. **Appendix B** details the individual performance of the Economic Development Directorate. The information relevant to this Committee has been highlighted in green.
- The City Operations Directorate and Communities, Housing and Customer Services Directorate have not been requested to attend the meeting. It has been requested that these Directorates provide performance information applicable to this Committee's terms of reference rather than at the Directorate level contained within the Q3 Performance Report. The following information has been requested:

City Operations

Leisure Centres, Parks and Harbour Authority:

- Projected Budget Outturn 2016-17.
- Percentage of Projected Savings 2016-17.
- Staff Budgets, Overtime & Agency.
- Sickness Absence - FTE Days Lost Per Person.

Communities, Housing and Customer Services

Libraries, Hubs, Adult Community Learning and Into Work Services:

- Projected Budget Outturn 2016-17.
- Percentage of Projected Savings 2016-17.
- Staff Budgets, Overtime & Agency.
- Sickness Absence - FTE Days Lost Per Person.

This information can be found attached at **Appendix G (documents to follow)**.

- Any comments Members may have with regard to the performance of the City Operations and Communities, Housing and Customer Services Directorates can be captured and submitted within the Chair's Letter as discussed during the meeting's Way Forward.

20. The following Quarter 3 Directorate Performance reports are included as appendices:

- **Appendix B** – Economic Development Q3 performance.
- **Appendix C** – City Operations Q3 performance.
- **Appendix D** – Communities, Housing and Customer Services Q3 performance.
- **Appendix E** – Council Overview Scorecard.
- **Appendix F** – RAG Status Matrix.
- **Appendix G** – Additional Information requested (**to follow** - see paragraph 19).

21. The performance information relevant to this committee has been highlighted using the following colour system:

- Green – Economic Development.
- Pink – City Operations.
- Orange – Communities Housing and Customer Services.

Members may wish to note that the figures within **Appendix E** relate to the whole Directorate, and that the performance of the individual elements applicable to this Committee are not separated out.

22. Within **Appendices B, C and D**, Quarter 3 Performance is split by Improvement Objectives within the 2016-18 Corporate Plan and reports the following:

- Performance Indicators.

- A narrative Summary of Progress.
- Performance in delivering Corporate Plan Commitments.

23. It has been 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.

Economic Development Q3 Performance

Priority 3 – Creating More and Better Paid Jobs.

Improvement Objective 3.1: Cardiff has more employment opportunities and higher value jobs.

24. Under Improvement Objective 3.1 the following Performance Indicators are marked 'green' (indicating the annual target is course to be achieved):

- Sq ft of 'Grade A' office space committed for development in Cardiff (cumulative result).
- New and safeguarded jobs in businesses supported by the Council, financially or otherwise (cumulative result).

25. The following narrative is given as a summary of work in achieving Improvement Objective 3.1:

Central Square regeneration project:

- Agreed a master plan for land north of Wood Street based on the Government Property Unit development of 300,000 sq ft plus expansion space of 150,000 sq ft.
- To date, 586 jobs have been created /safeguarded through Council support. A site north of Wood Street has been selected by HMRC for a

major relocation and expansion which could bring up to 3,500 jobs; this will include new functions and jobs such as Big Data Analytics.

- Headquarters for a major international development charity will be established in Cardiff including the creation of 50 new skilled jobs.
- Business Improvement District (BID) board and operational team established. Meetings to be set up with BID board and operational team to work in partnership.

26. Performance against a number of Commitments for Improvement Objective 3.1 are listed. The following Commitment is listed as 'amber/green' having been rated 'green' in Quarters One and Two:

- Implement a delivery strategy for regeneration of the city centre including progressing a planning application for a Multi-Purpose Arena by March 2017

The remaining indicators are all rated 'green':

- Facilitate growth in the Financial and Professional Service sector by working with partners to deliver 300,000 square feet of Grade A office accommodation within the Cardiff Central Enterprise Zone by March 2018.
- Deliver with partners a proposal to Central Government for a City Deal for Cardiff by March 2017, along with a subsequent programme for delivery.
- Implement a delivery strategy for regeneration of the city centre including progressing a planning application for a Multi-Purpose Arena by March 2017.
- Work with Cardiff University to deliver the masterplan for the Civic Centre heritage quarter including a detailed options appraisal for City Hall by March 2017.
- Develop Cardiff Bay as a creative industries cluster including a plan for the regeneration of the Mount Stuart Square heritage quarter and the continued development of the Cardiff Bay waterfront by March 2017.

- Continue the development of the International Sports Village as a major leisure destination including a review of the plan for the waterfront site by March 2017.

Improvement Objective 3.2: Cardiff has a high quality city environment that includes attractive public spaces and good supporting transport infrastructure

27. The following narrative is given as a summary of work in achieving Improvement Objective 3.2:

A planning application for the interchange was submitted in Quarter 3. Work is ongoing with the developer to finalise a funding package.

- **Issues:** Finalise funding package.
- **Mitigating actions:** Progressing detailed business case for alternative funding scenario.
- **Next key steps:** Complete detailed business case to be considered by Cabinet in the New Year

28. Performance against a number of Commitments for Improvement Objective 3.2 are listed. The following Commitment is rated 'green' (meaning the Commitment is on course to be delivered on time, on budget and to achieve the desired outcome):

Work with partners to design and deliver a new transport interchange – including a new bus station – as part of a high quality gateway into the city by December 2017

Other Challenges and Achievements

29. The Q3 Performance Report also lists a number of key challenges the Directorate is facing and key achievements made since the Q2 Report. These are listed below:

Key Challenges

- **Challenge** - Funding models to deliver key infrastructure projects including the bus station, and the proposed Arena.
Mitigating Actions - Arena – Development of business case for the Arena and discussions taking place with Welsh Government. Bus station – Develop detailed business case for alternative funding scenario.
Rating – Amber/Green.
- **Challenge** - Agree a strategy for the future of City Hall.
Mitigating Action - Complete detailed options appraisal of City Hall.
Rating – Green.
- **Challenge** - A new attraction at Cardiff Castle.
Mitigating Action - Explore options and funding.
Rating – Green.
- **Challenge** - Agree a future operating model for St David's Hall / New Theatre.
Mitigating Action - Prepare report for consideration by Cabinet in Quarter 4.
Rating – Green.
- **Challenge** - Resourcing key posts.
Mitigating Actions - Complete recruitment process for key posts in CTS and Cleaning Services. Establish different approach to ensure staffing resource is available and to achieve Estates income targets.
Rating – Amber Green.

Key Achievements

- Dumballs Road housing development – Land acquisition to proceed.
- Central Square – HMRC has committed to establishing a new office in Central Square.

- Callaghan Square – A major Chinese investor is progressing investment of land at Callaghan Square (for a joint venue with Cardiff Met University).
- Commercial and Collaboration – Secured the first Integrated Contract for Waste, Pest Control and Depot Facilities.
- Commercial and Collaboration – Free bulky collection service set up.

30. Members may also wish to note the following information given for the Economic Development Directorate within the Council Overview Scorecard (**Appendix E**). It is important to note that the figures relevant to this Committee are listed as 'Econ Dev' rather than 'Econ Dev (Comm Servs)':

Projected Budget Outturn 2016-17 – the Economic Development Directorate is projected to spend its budget allocation.

Percentage of Projected Savings 2016-17 – the Economic Development Directorate is on course to achieve approximately 70% of the savings identified for 2016/17.

Staff Budgets, Overtime & Agency – combining staff, agency and overtime expenditure, the Economic Development Directorate has spent just under 80% of its annual staff budget by the end of Q3.

Sickness Absence - FTE Days Lost Per Person – based on Q3 figures the Economic Development Directorate is forecast to deliver approximately 14 FTE Days Lost Per Person (against a target of 12 FTE days)

Way Forward

31. At the meeting, Councillors Phil Bale and Peter Bradbury will be joined by Neil Hanratty (Director of Economic Development) to present on Q3 Performance and answer questions that Members might have.

32. Members will have the opportunity to discuss and comment on the performance information provided for the relevant areas of the City Operations and Communities, Housing and Customer Services Directorates. Members may also wish to consider the way that future quarterly scrutiny of performance might be arranged, and to identify any issues which require more detailed scrutiny in the coming year.

Legal Implications

33. 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

34. 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.

Recommendation

The Committee is recommended to:

- a. Consider the contents of the report, appendices and evidence presented at the meeting;
- b. Report any comments, observations or recommendations to the appropriate Cabinet Member.

Davina Fiore

Director of Governance and Legal Services

3 March 2017