
**CITY OPERATIONS AND COMMERCIAL SERVICES – QUARTER 1 & 2
PERFORMANCE REPORTS 2017/18**

Reason for the Report

1. To present the performance reports relevant to the terms of reference of the Environmental Scrutiny Committee for Quarter 1 (April to June) and Quarter 2 (June to August) of 2017/18. To facilitate this performance reports for the City Operations Directorate, the Economic Development Directorate and the wider corporate overview are attached to this report as:
 - City Operations Directorate Performance Report – Quarter 1 2017/18 – attached to this report as **Appendix 1**;
 - City Operations Directorate Performance Report – Quarter 2 2017/18 – attached to this report as **Appendix 2**;
 - Economic Development Directorate Performance Report – Quarter 1 2017/18 – attached to this report as **Appendix 3**;
 - Economic Development Directorate Performance Report – Quarter 2 2017/18 – attached to this report as **Appendix 4**;
 - Corporate Overview Performance Report – Quarter 1 2017/18 – attached to this report as **Appendix 5**;
 - Corporate Overview Performance Report – Quarter 2 2017/18 – attached to this report as **Appendix 6**.

Background

2. The Environmental Scrutiny Committee has a role in reviewing the performance of Council services that fall within the Committee terms of reference. A copy of the terms of reference has been attached as **Appendix 7**. The Directorates that require regular scrutiny by the Committee are the City Operations Directorate and Economic Development Directorate.
3. Members have agreed to consider performance issues during the municipal year 2017/18. It has been agreed that this will involve looking at the sections of the Quarterly Performance Reports relevant to the terms of reference of the Committee twice a year.
4. 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.
5. 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.
6. To drive further improvement the Council recruited a new Head of Performance & Partnerships in early 2016. After his appointment he was given the task of refreshing the Council's performance management approach and as a consequence of this work, the structure of the Quarterly performance reports have been altered from the format used pre 2015/16.

The Council's Strategic Planning Framework

7. The Council has recently launched the Capital Ambition which sets out the Administrations commitments for Cardiff. Capital Ambition aims to help Cardiff move forward based on the successes of the past whilst dealing with key future challenges

such as growth, inequality and sustainability. It outlines the Council's vision for Cardiff to become a leading city on the world stage. Capital Ambition is based on a five-year plan and features as the guiding document to drive performance management across all aspects of Council service delivery. Within the document each Cabinet member has outlined their key aims and ambitions for their term of office. The Capital Ambition focuses on four priorities, these are:

- Working for Cardiff - making sure everyone who lives and works here can contribute to, and benefit from, the city's success;
- Working for Wales - a successful Wales needs a successful capital city;
- Working for the future - managing the city's growth in a sustainable way.
- Working for public services - Making sure public services are delivered efficiently, effectively and sustainably in the face of rising demands and reduced budgets.

8. The Council's performance management structure to deliver Capital Ambition is currently being developed. The priorities of Capital Ambition are being built into the Corporate Plan 2018-21 and follow the existing performance management structure which spans the City's overall performance (the Public Services Board Wellbeing Plan); Council performance via the Corporate Plan; Directorate performance via Directorate Delivery Plans; through to individual performance via Personal Reviews.

9. The performance management approach taken for 2017/18 is based on the Corporate Plan 2017-19 that was approved at Council on 23 February 2017. It set out four 'Priorities' and 13 'Well-being Objectives' for Cardiff. The four Priorities are listed as:

- Priority 1: Better education and skills for all;
- Priority 2: Supporting vulnerable people;
- Priority 3: An economy that benefits all citizens;
- Priority 4: Working together to transform services.

10. The quarterly performance reporting structure includes sections relevant to the City Operations Directorate and Economic Development Directorate on:

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

Performance Support Group

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 the Performance Support Group. The Performance Support Group provides support to service performance and allows the Cabinet, scrutiny committees and the Senior Management Team to focus on strategic performance issues.
13. The primary roles of the Performance Support Group is to support specific areas of service improvement and investigate areas of performance that are highlighted by robust data analysis. 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 Corporate Performance Team, analyse and challenge work to help inform the Performance Support Group'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. The final reports for Cabinet and scrutiny committees contain confirmed information; however, the reports that are used by the Performance Support Group and Senior Management Team can contain draft performance information, provided it is flagged as such.

Publishing Performance Information on the Internet

17. 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.
18. The published information will focus on the outcomes the Council is trying to achieve – the Wellbeing Objectives – and, therefore, correlate to the performance measures used at Cabinet and scrutiny committees.

Refresh the Council's Performance Management Strategy

19. In light of recommendations made by WAO's, 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 Corporate Performance Team to engage and work proactively with service managers and performance leads.

Issues – Quarters 1 & 2 Delivery and Performance Report 2017/18

20. The City Operations Directorate Quarter 1 & 2 Delivery & Performance Reports 2017/18 and the Economic Development Directorate Quarter 1 & 2 Delivery & Performance Reports 2017/18 are attached to this document as **Appendices 1, 2, 3 & 4**. The reports measure progress made in a number of areas including:

- Progress made against Performance Indicators;
- Progress made against Corporate Priorities and Directorate Priorities;
- Progress made against Key Challenges and Key Achievements.

21. The Corporate Overview reports (attached to this document as **Appendices 5 & 6**) provide 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 documents include information on:

- Customer contact;
- Staff costs;
- Financial tracking information;
- Sickness absence levels;
- Personal Performance and Development Review compliance as at 30 September 2016.

City Operations Directorate – Performance Reports Quarters 1 & 2 2017/18

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

- By the end of Quarters 1 and 2 the City Operations Directorate staff were forecast to take an average of 12.64 and 14.10 full time equivalent (FTE) sick days respectively for the 2017/18 year. The actual figure for Quarters 1 and 2 were 2.94 and 3.47 FTE sick days per employee respectively. The total FTE sick days per employee for 2016/17 was 12.92.

- At the end of Quarters 1 and 2 2017/18 the City Operations Directorate was anticipating to achieve approximately 92% and 93% respectively of its allocated savings requirement for the financial year 2017/18.
- At the end of Quarters 2 of 2017/18 the City Operations Directorate anticipated budget surplus of approximately £118,000 against its allocated budget for 2017/18.
- During Quarters 1 & 2 of 2017/18 the City Operations Directorate reported against 43 headline actions that supported six strategic directorate priorities. A traffic light measurement approach has been used to score the progress of each of the 43 headline actions - a red rating represents the highest risk of failing to meet the headline action, while a green rating represents the lowest risk of failing to meet the headline action. A summary of the results by risk rating for Quarters 1 & 2 of 2017/18 is set out below:
 - **Quarter 1 2017/18** – Red 0 (0%); Red / Amber 3 (7%); Amber / Green 10 (23%); Green 30 (70%).
 - **Quarter 2 2017/18** – Red 2 (4.6%); Red / Amber 3 (7%); Amber / Green 14 (32.4%); Green 24 (56%).

23. The Quarter 1 & 2 reports for the City Operations Directorate highlighted that the following Strategic Directorate Priorities had headline actions that were identified as 'Red' or 'Red/Amber', these are set out below:

Strategic Directorate Priority 1 – To deliver an integrated and connected transport system that offers safe, innovative, efficient and sustainable transport for all, where public transport , cycling and walking accessibility provide real and desirable alternatives to car travel which contribute to making Cardiff Europe’s most liveable capital city.

- **Strategic Directorate Priority 1 - City Region Metro – Red/Amber Quarters 1 & 2** - Discussions have taken place with Welsh Government on the City Region Metro. It has been identified that the priorities for Cardiff may not be deliverable in Phase 2 of the Metro. The report explains that the Council has limited influence

on the outcome of the Welsh Government procurement of the Wales and Borders Rail Franchise that will deliver the Metro.

- **Strategic Directorate Priority 1 - City Centre South & East - Improving access for active and sustainable modes into the city centre – Red/Amber Quarter 2** – The Quarter 2 report explains that the modelling on one section of this project is complete (South Link), the second area is subject to funding from Capital Bids (and so cannot go ahead until funds are realised). All future work will now depend on funding allocations. A bid has been submitted to Welsh Government for approximately £10 million to cover ‘transport implications’ in relation to the new transport interchange. There is a residual risk that the funding for on street highways works is not sufficient. The benefit generated by the schemes is estimated in the business case as approximately £200m.

Strategic Directorate Priority 3 – To maintain, protect and enhance Cardiff Council’s Neighbourhood assets to ensure that they are high quality, attractive, safe, maintainable and enhance vitality of the community whilst embracing local culture and heritage.

- **Strategic Directorate Priority 3 - Deliver phased programme of well-maintained highway asset and public realm – Quarter 1 – Red / Amber & Quarter 2 Red - Q1 Progress:** Total capital and revenue expenditure in recent years was - £7,014,920 in 2015/16; £5,652,957 in 2016/17 and is forecast to be £9,776,084 in 2017/18. Although capital investment is being supported through ‘invest to save’ this is short term and investment is not projecting to meet a steady state. Q2 Progress: No progress on parks asset transfer to asset management software, the restructure has had an impact on resource dedication. A capital funding bid has been submitted for Highways Asset Investment Strategy (HAIS) – indicative annual sums for HAIS related areas, i.e. carriageway & footway have increased £665,000 for 2018/19; however, the submitted pressure bid for 2018/19 includes the additional funding still required to achieve a ‘steady state’ in a series of ramped / incremental payment approach in value over the next 5 year period. Management of asset issues such as Roath Park Dam and Llandaff Weir are likely to apply additional budget pressures.

- **Strategic Directorate Priority 3 - Deliver benchmarked improved engagement with Citizens with regards to how services are delivered and embrace partnership and volunteer working with Citizen Groups across Neighbourhood Services – Quarter 1 – Red / Amber - Q1 Progress:** “Report it APP” has progressed but has been placed on hold by the Senior Management Team. ICT has demonstrated the concept but no further work has progressed due to an ownership decision for the work. Keep Cardiff Tidy website reviewed and information partly enhanced.
- **Strategic Directorate Priority 3 – Digitalise service provision for processing work, scheduling and asset management across Neighbourhood Services by March 2018 – Quarter 2 – Red – Update:** LED (Light Emitting Diode) replacement street lighting is 75% complete and due to be completed during Quarter 3. Digitalisation of service utilising AMX (asset management software) is still under development.
- **Strategic Directorate Priority 3 – Digitalise “Request for Service” reporting for citizens and local members by March 2018 – Quarter 2 – Red / Amber –** Minor improvements on Council website information – need to review but only a limited resource available.

Economic Development Directorate – Performance Reports Quarters 1 & 2 2017/18

24. A number of key observations have been identified from the Economic Development Directorate report, these are:

- By the end of Quarters 1 and 2 the Economic Development Directorate staff were forecast to take an average of 13.8 and 14.63 full time equivalent (FTE) sick days respectively for the 2017/18 year (during the same period Commercial Services staff were forecast to take an average of 14.41 and 15.38 for Quarter 1 & 2 respectively). The actual overall Economic Development Directorate figures for Quarters 1 and 2 were 3.21 and 3.44 FTE sick days per employee respectively (during the same period Commercial Services staff took 3.35 and 3.64 FTE days

in Quarter 1 & 2 respectively). The total FTE sick days per employee for 2016/17 was 13.89.

- At the end of Quarters 1 and 2 2017/18 the Economic Development Directorate was anticipating to achieve approximately 90% and 94% respectively of its allocated savings requirement for the financial year 2017/18.
- At the end of Quarter 2 of 2017/18 the Economic Development Directorate anticipated an overspend of £1.347 million against its allocated budget for 2017/18.
- During Quarters 1 & 2 of 2017/18 the City Operations Directorate reported against 30 headline actions that supported six strategic directorate priorities. A traffic light measurement approach was used to score the progress of each of the 30 headline actions - a red rating represented the highest risk of failing to meet the headline action, while a green rating represented the lowest risk of failing to meet the headline action. Only 7 of the headline actions relate directly to the terms of reference of the Environmental Scrutiny Committee; these all fall under the delivery of the Waste Management Service. A summary of the results relevant to the Environmental Scrutiny Committee for Quarters 1 & 2 of 2017/18 are set out below:
 - Quarter 1 2017/18 – Red 0 (0%); Red / Amber 0 (0%); Amber / Green 2 (23%); Green 5 (70%).
 - Quarter 2 2017/18 – Red 0 (0%); Red / Amber 0 (0%); Amber / Green 3 (43%); Green 4 (57%).

25. The Quarter 1 & 2 reports for the Economic Development Directorate highlighted that none of the Strategic Directorate Priorities relating to the terms of reference of the Environmental Scrutiny Committee had headline actions that were identified as 'Red' or 'Red/Amber'.

Scope of the Scrutiny

26. This item will give Members the opportunity to consider the City Operations Directorate and Commercial & Collaborative Services performance relevant to the terms of reference of the Environmental Scrutiny Committee.

Way Forward

27. Councillor Michael Michael (Cabinet Member for Clean Streets, Recycling & Environment), Councillor Caro Wild (Cabinet Member for Strategic Planning & Transport) and officers from the City Operations Directorate and Economic Development Directorate have been invited to attend for this item. The Quarters 1 & 2 Delivery & Performance Reports 2017/18 will be addressed by Directorate.

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.

RECOMMENDATION

The Committee is recommended to:

- i. Note the contents of the attached report;
- ii. Consider whether they wish to pass on any comments following scrutiny of the item titled 'City Operations Directorate & Commercial Services – Quarter 1 & 2 Performance Reports 2017/18'.

DAVINA FIORE

Director of Governance & Legal Services

29 November 2017