
**QUARTER FOUR PERFORMANCE 2014-15:
ECONOMIC DEVELOPMENT**

Purpose of report

1. The Economy and Culture Scrutiny Committee is responsible for scrutinising performance, thereby facilitating challenge and public discussion which should help to drive improvement of the services that fall within this Committee's Terms of Reference.

Background to Performance Report

2. The Economy and Culture Scrutiny Committee considered an item on achievement of agreed budget savings at its meeting on 6 March 2104. At the Way Forward, Members recognised the importance of considering the service and financial performance of the Directorates reporting through the Committee's terms of reference, and agreed to consider performance as a recurring item through the 2014/15 work programme.
3. The Quarter 4 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.
4. Performance reports for Quarter Four have been through 'Star Chamber' sessions where Cabinet Members and Directors will have reviewed and challenged performance and agreed actions that need to be taken to address issues raised in the report.

5. **Appendix 1** provides a Corporate Overview of performance, which allows the performance of the Economic Development Directorate to be compared with other Directorates in areas such as:

- Complaints and Member Inquiries;
- Staff and Agency Costs;
- Sickness Absence;
- Compliance with PPDR targets;
- Freedom of Information requests.

6. The following figures are of note in relation to the Economic Development Directorate:

- 100% of Member Enquiries responded to on time;
- Comparatively low levels of sickness absence, with 4.22 FTE days lost per person. Well below the directorate target of 6.0 FTE days, and the Council figure of 10.011 FTE days;
- 97.2% completion of PPDR reviews.

7. **Appendix 2** details the individual performance of the Economic Development Directorate. The following are highlights in relation to the performance of this Directorate:

Progress on Challenges Identified in Quarter 3

- **City Deal** – Budget announcement made. Work commencing toward preparing funding bid.
- **Central Square** – Bus Station proposal progressing. Cabinet report due in June.
- **Multi Purpose Arena** – Business case and appraisal to be presented to Cabinet in June.
- **BID** – consultants appointed with a view to undertake ballot by the end of 2015.

- **Cardiff Business Council** – Cabinet approved a review in March, which will address funding and membership arrangements.
- **Cardiff Super Connected Voucher Scheme** – 445 vouchers issued. Scheme extended 12 months and will include surrounding authorities.

8. **Quarter 4 Service Delivery – Budget Position**

Financial information has not been included in the Quarter Four Corporate Performance Report as the accounts for the end of year are to be finalised in time for the deadline of the end of May.

9. **Quarter 3 Service Delivery – Directorate Delivery Plan:**

- **Increase the number and quality of jobs in the city economy** - supported the creation/safeguarding of 270+ businesses and 1393+ jobs. 26.06% of these jobs attract a salary of 10% above the average salary for Wales.
- **Linking Education and Business Partnerships** - progress made to establish business partnership links with new business representative governors appointed for Cantonian High, Willows High and Eastern High.
- **Coal Exchange** – work is ongoing with stakeholders to agree a future for the building. Conservation Management plan being progressed by WG.
- **Economic Vision** - Cardiff Convention (CC14) report circulated to attendees. A draft Vision will be presented to Cabinet in July for consultation with a view to being launched at the next Cardiff Convention (CC15) in October.
- **New property management improvement system** - business case for appropriate funding being prepared following a recent presentation of SAP based software company.
- **Cardiff Central Market** – productive dialogue with Tenants Association ongoing regarding future management strategy.

10. All of the outcome agreements for this Directorate are green at Q4. The table below (taken from **Appendix 1**) captures the 2014/15 results for outcome agreements. Further outcome agreements found in **Appendix 2** are also green.

Measure	14/15 Target	Annual Result
Businesses supported	50	351
New & safeguarded jobs in businesses supported financially by the Council	500	1380
New & safeguarded jobs in businesses supported financially or otherwise by the Council	1000	2395
Grade A office space	100,000sqft	277,277sqft
Jobs 10% above average Wales salary	20%	TBC (based on Q3 target exceeded)
Grant aid and private sector finance to companies assisted by the Council	£2m	£3,816,513 (provisional)
Total employment in Cardiff (Aged 16-64) Jan – Dec 2014	198,300 (2012) +/- 1%	207,500

11. The following Performance Indicator is rated **Red**:

Grow Membership of Cardiff Business Council to 1000 members (by 2016). The position reported in Quarter 4 is 120 members.

12. The following Performance Indicators are rated **Amber**:

- GVA per capita (above UK av)
14/15 result 98.3%
14/15 Target 100%
- Unemployment Feb 2014 (2.6% Wales)
14/15 result 2.9%

14/15 Target Below Wales Av

- Investment Portfolio Income

14/15 result £4.133m provisional

14/15 Target £4.2m

13. A number of challenges are identified within the Economic Development Quarter 4 report (**Appendix 2**). Of particular interest to the Committee given previous scrutiny items and points raised with the Cabinet Member are;

- Begin the process of preparing a bid for City Deal.
- Undertake a review of the Cardiff Business Council.
- Manage the delivery of the Central Square development, including the closure of the Central Bus Station.
- Initiate work to develop a masterplan for the Civic Centre with Cardiff University including option for the future of City Hall.
- Progress with the preparation of a Business Improvement District (BID) proposal.
- Progress Alternative Service Delivery model review including consideration of the new services merged with Economic Development.

14. No new risks have been identified as emerging in Q4. Information is provided on the risks emerging in previous quarters. The following information is new from what was provided in Quarter 3:

- BID – delay with implementation of BID
Consultants commissioned to undertake BID application process.
- Cardiff Business Council – Delay in generating income
Secured partnership agreement with WG and Aviva to establish the City of Cardiff Marketing Suite at 3 Assembly
- Transport Interchange – agreeing proposals for the delivery of an integrated transport hub. The final design is due to be completed in Spring 2015.
- Economic Vision – delay to the launch of a new economic vision for Cardiff

CC14 report circulated. Draft vision to be reported to Cabinet for consultation with a view to formal launch in the autumn.

Way Forward

15. At the meeting, the Leader, Councillor Phil Bale and Neil Hanratty (Director of Economic Development) will be in attendance to answer questions that Members might have.

16. 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

17. 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

18. 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 Cabinet.

MARIE ROSENTHAL
County Clerk and Monitoring Officer
8 May 2015