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**QUARTER FOUR 2015/16: MONITORING PERFORMANCE OF SERVICES  
REPORTING THROUGH COMMITTEE'S TERMS OF REFERENCE**

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**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 within 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 Terms of Reference, colour coded by the Directorates they fall within.
  - Green – Economic Development
  - Pink – City Operations
  - Orange – Communities, Housing and Customer Services.

**Background to Performance Report**

3. In setting the Committee's 2015/16 work programme at the Committee Meeting held on 9 July 2015, Members agreed to trial a new approach to scrutinising performance. 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.

4. 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.
5. The Quarter 4 Performance Reports included 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.

#### **Quarter 4 Delivery and Performance**

6. The Quarter 4 Delivery and Performance Report 2015/16 relevant to the terms of this Committee can be found attached as **Appendix B**. The Report is split as follows:

• Corporate Overview	Pages 1 – 10
• City Operations	Pages 11 – 14
• Communities, Housing and Customer Services	Pages 15 – 18
• Economic Development	Pages 19 – 22
• RAG status key	Page 45

7. The performance figures relevant to this committee within the Corporate Overview have been highlighted using the colour system above. Members may wish to note that the figures for City Operations and Communities, Housing and Customer Services Directorates relate to the whole Directorate, and that the performance of the individual elements applicable to this Committee are not separated out.

8. The following approach has been chosen for the scrutiny of Quarter 4 performance:
- Economic Development Directorate has been asked to appear at Committee to present on Quarter 4 performance and receive questions from Members.
  - The Director of City Operations has been requested to provide figures on the number of visits to sport and leisure centres during the year – figures that were not available at the time of production of the Q4 report (they can be found at **Appendix C**).
  - The Director of Communities, Housing and Customer Services has been requested to provide further information on the number of library materials issued and number of visits to libraries – showing the effect library closures may have had (**Appendix D**), and information on the benchmarking exercise carried out within the Core Cities Group (**Appendix E**).
9. **Pages 11 – 14 of Appendix B** detail the individual performance of the City Operations Directorate. The information relevant to this Committee has been highlighted in pink. As detailed above, the Cabinet Member for Community Development, Co-operatives & Social Enterprise, and the Director of City Operations have not been requested to attend the Committee meeting. Any comments Members may have on these areas can be captured and submitted within the Chair's Letter as discussed during the meeting's Way Forward.
10. **Pages 15 – 18 of Appendix B** detail the individual performance of the Communities, Housing and Customer Services Directorate. The information relevant to this Committee has been highlighted in yellow. As detailed above, the Cabinet Member for Community Development, Co-operatives & Social Enterprise, and the Director of Communities, Housing and Customer Services, have not been requested to attend the Committee Meeting. Any comments Members may have on these areas can be captured and submitted within the Chair's Letter as discussed during the meeting's Way Forward.

11. **Pages 19 – 22 of Appendix B** detail the individual performance of the Economic Development Directorate. The information relevant to this Committee has been highlighted in green. The Economic Development Directorate has been chosen for the Committee's focus at the May 2016 meeting. The Council Leader Councillor Phil Bale and Director of Economic Development Neil Hanratty have been invited to present on Quarter 4 performance.

### **Economic Development Q4 Performance**

12. A number of key observations have been identified from the Corporate Overview of the Q4 Performance report, these are:

- In 2015/16, the Economic Development Directorate reported 8.25 full time equivalent (FTE) sick days. This is above the 6.0 FTE target set for the Directorate. This figure is however the third lowest level of sickness absence in comparison with the other eight Directorates reported.
- Overall staff costs for 2015/16 came in at 103.77% of the annual Economic Development staff budget. 10.10% of this was agency spend, and 3.76% was overtime spend.

13. In relation to sickness absence, the Economic Development Directorate Performance Report (Appendix B page 20) notes the following:

*The Economic Development service was up to last year entirely office based and as such had the lowest sickness target in the Council of 6 days per employee. The nature of the service area has changed significantly with the integration of Culture, Venues and Events (CVE) following the Corporate restructure. CVE previously had a target of 12.1 FTE days. The target for Economic Development was not adjusted to reflect the changing nature of the service and as such the very low target has been significantly exceeded, but still remains below the Council target of 9 days.*

14. The Corporate Overview section of the Q4 Performance report (**Appendix A** page 10) also includes the 2015/16 Results for Outcome Agreement measures in the Economic Development Directorate. Members have previously commented on the relative ease with which these measures have been achieved by the Directorate.

Measure	2015/16 Result	Annual Target
Businesses supported	415	50
New & safeguarded jobs in businesses supported financially or otherwise by the Council	4,304	1000
Grade A office space	316,211 Sqft	100,000 Sqft
Jobs 10% above average Wales salary	60%	20%
Grant aid and private sector finance to companies assisted by the Council	£11,270,142	£1,000,000

15. Members may wish to note the following areas from the Economic Development Directorate performance report:

### **Progress on Challenges Identified at Q3**

- **City Deal** – The Council along with regional partners has secured a commitment from UK Government for a £1.2 billion city deal.
- **Central Square** – Cabinet approval to enter into a pre-planning agreement has been secured. Work is progressing on the preparation of a funding model for the new Interchange building which will be presented to Cabinet in June.
- **International Sports Village** - The Ice Arena Wales building has been completed and opened to the public in Q4.

- **Coal Exchange** –The Council has disposed of its mortgage and secured the money expended protecting the building. As part of this process a long term sustainable use has been secured that will refurbish the building and enable its ongoing use without public subsidy.
- **Culture, Venues & Events** – The Council’s venues have had their best year ever at the box office. Progress will be made in Q1 of 16/17 to fully integrate the venues into the Economic Development service, including the establishment of a single joined-up sales and marketing team.
- **Tourism Information Centre** – The Council is exploring the potential to providing an interim presence at Central Station. A new *Cardiff A to Z* guide has been produced and presented electronically to attractions, hoteliers and venues across the city to help assist with visitor enquiries.
- **Civic Centre** – A draft version of the Civic Centre masterplan has been completed and will be taken forward for consultation in 16/17. A review of City Hall will be commissioned in Q1 2016/17.
- **Business Improvement District** – The BID business plan has been prepared and the ballot is scheduled to take place at the end of June 2016.
- **Culture ADM** – The process has progressed to the final ‘Invitation to Submit Final Tender’ stage. The process is expected to deliver the outcomes the Council anticipated, subject to final negotiations.
- **Cardiff Business Council** – A new city region organisation will be established as part of the new governance framework for the city region and city deal.

## Finance

16. Economic Development are projecting a reduced overspend of £178,000 against a target project overspend of £300,000 (agreed in the context of the timings relating to the Culture ADM). The target savings for 2015/16 have not been achieved in full, with £1,099,000 of the target £1,334,000 achieved.

## Directorate Delivery Plan

17. Members may wish to note the following areas from the Economic Development Directorate performance report:

- **Implement a delivery strategy to progress a Multi-Purpose Arena by March 2016** – Progress has been made with identifying and securing a suitable site for the arena. Formal agreements relating to the land will be taken forward in 2016/17.
- **Establish a new Tourism Development Strategy by June 2015 with a view to doubling the value of overnight tourism in the city-region by 2020** – Five Welsh Government-funded projects for Cardiff and the South East Wales to enhance regional collaboration have been delivered.
- **Functions and retail catering units** – A review was undertaken in 2015/16. Recommended changes are currently being implemented.

18. **Page 20 of Appendix B** shows key performance indicator data for the Economic Development Directorate. Four performance indicators are marked as 'amber' – meaning performance is slightly below target. These will be of particular interest for this Committee and are given below:

GVA per capita (compared to UK average)	98.3%	89.8%				98%	89.8%	R
Unemployment (compared to Welsh average)	2.9% Feb 2014 - 2.6% Wales	Feb 2016 2.4% Cardiff / 2.3% Wales				Below Wales av	2.4%	R
Customer Satisfaction Level For Cardiff Castle	NPS+53	NPS+25	NPS+47	NPS+60	NPS+28	NPS+50	NPS+40	R
Grow membership of the Cardiff Business Council to 1,000 members (by 2016) (cumulative result)	120	164	166	0		1,000	166	R
The Cardiff Business Council has ceased trading and will be replaced by a new city region business organisation as part of the new city region/city deal governance arrangements.								

Members may also wish to note that one performance indicators (Number of attendances at Cardiff Castle) that was marked amber in Quarter 3 are now instead rated green, indicating that the 2015/16 target was achieved.

19. The following challenges and corresponding actions have been identified in Quarter 4:

**Challenge:** City Deal – Establish new city region governance arrangements and agree detailed elements of deal structure over the course of 16/17.

**Action:** Continue to participate in regional discussion.

**Challenge:** Central Square – finalise funding package for new interchange building.

**Action:** Engage advisors to review proposals before presenting to Cabinet.

**Challenge:** Civic Centre - Finalise the Civic Centre masterplan work and commence work on options appraisal for City Hall.

**Action:** Commission advisors to undertake City Hall options appraisal.

**Challenge:** Business Improvement District – prepare for BID ballot at end of June.

**Action:** Work with BID board to raise awareness.

**Challenge:** Culture ADM – confirm preferred bidder and negotiate final contract.



**Action:** Continue to deliver the process.

**Challenge:** Heritage Trust/Mansion House – prepare options appraisal for Mansion House.

**Action:** Commissioned advisors to undertake options appraisal of Mansion House.

20. **Page 22 of Appendix B** provides progress on emerging risks identified in previous quarters. Of note for this Committee is:

Arts Venues (Q4) - should timescale for procurement on Arts Venues alternative management not be met, savings achievement would be delayed.

Inherent Risk – Red.

Residual Risk – Green.

BID (Q4) – restructuring of the City Centre Management team and delay with the implementation of BID.

Inherent Risk – Red/Amber.

Residual Risk – Green.

## **Way Forward**

21. The Council Leader Councillor Phil Bale and Director of Economic Development Neil Hanratty have been invited to attend the meeting, provide a presentation on Quarter 4 Performance, and be available to answer questions Members of the Committee may have.
22. 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**

23. 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**

24. 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.

**David Marr**

**Interim Monitoring Officer**

**6 May 2016**