
CITY OPERATIONS DIRECTORATE – QUARTER 4 PERFORMANCE
REPORT 2015/16

Reason for the Report

1. To present the City Operations Directorate performance report for Quarter 4 (January to March) of 2015/16. The performance report for the City Operations Directorate is attached as **Appendix 1**. This is supported by **Appendix 2** which consists of a summary of overall Council performance, for example, revenue projections, savings summaries, sickness rates and complaint levels.

Background

2. 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 3**. The Directorate that requires regular scrutiny by the Committee is the City Operations Directorate.
3. Members have agreed to consider performance issues during 2015/16. 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.

Issues - Delivery and Performance Report

4. The City Operations Directorate performance report for Quarter 4 2015/16 is attached as **Appendix 1**. This document examines a wide number of performance areas including:
 - Projected Budget Outturn;

- Projected Savings Outturn;
- Progress against Directorate Plan / Corporate Plan Actions;
- Progress against Performance Indicators;
- Progress on Challenges Identified in Quarter 3 of 2015/16;
- Service Delivery;
- Challenges Identified;
- Risk Update.

5. **Appendix 2** 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;
- Month 6 financial monitoring;
- Sickness Absence levels;
- Personal Performance and Development Review compliance as at 31 March 2016.

6. It should be noted that the financial information in the Quarter 4 Delivery and Performance Report 2015/16 is only accurate for the first eleven months of the financial year. Due to the end of year accounting process the data for month 12 (March 2016) was not available, therefore, the overall end of year figures are a forecast based on anticipated outcomes.

7. A number of key observations have been identified from the report, these are:

- For 2015/16 the City Operations Directorate had a budget of £52,387,000 and savings target of £12,058,000. At the end of Quarter 4 the Directorate had a projected budget outturn of £52,515,000 and a savings projection of £10,601,000. This means that at the end of Quarter 4 (projected) the City Operations Directorate had an overspend of £128,000 and a savings shortfall of £1,457,000.
- At the end of Quarter 4 (projected) the City Operations Directorate staff had taken an average of 12.8 full time equivalent (FTE) sick days. This was below

the 13 FTE target set by the Council for the City Operations Directorate for 2015/16. The 12.8 FTE days sickness forecast at the end of Quarter 3 was the same as the outturn figure for 2015/16 recorded end of Quarter 4 (projected).

- Overall staff costs came in at 99.57% of target at the end of Quarter 4 (projected). At 14.09% the City Operations Directorate had the second highest agency spend as a percentage of its allocated agency budget for 2015/16. At 3.57% the service has the second highest percentage of overtime to staff spend for the same period.
- At the end of Quarter 4 (projected) City Operations had the largest staff budget at £49,287,605. The forecast staff spend for the end of 2015/16 was £49,076,181 which was the equivalent of 99.57% of the overall budget. The end of year forecast for the City Operations agency budget was an overspend of 174.8% (i.e. an overspend of £2,971,599 above the total base budget of £3,973,135).
- The City Operations total staff budget increased from £49,029,025 at the end of Quarter 3 to £49,287,605 end of Quarter 4 (projected). At the same time the City Operations base overtime budget increased from £1,858,645 at the end of Quarter 3 to an increased forecast figure of £1,875,465 for the end of Quarter 4. Finally, for the same period, the City Operations base agency budget increased from £3,944,645 at the end of Quarter 3 to an increased forecast figure of £3,973,135 for the end of Quarter 4.
- The Council as a whole is forecast to have spent £15,756,681 on agency staff during the whole of 2015/16; this is against an overall 2015/16 agency staff budget of £5,604,335. The Council overall base budget for agency spend at the end of Quarter 3 was £5,553,335; this increased to a forecast of £5,604,335 for the end of 2015/16.
- The City Operations agency spend reduced from £1,888,768 in Quarter 3 to £1,662,887 in Quarter 4.
- During Quarter 4 the City Operations Directorate had a 14.6% Personal Performance & Development Review (PPDR) completion rate. This is below the Council Quarter 4 average of 41.9%.
- The overall Total (Head Count) of staff eligible for PPDR completion has increased from 5,792 at the end of Quarter 3 to 5,985 at the end of Quarter 4;

this is an increase of 193 staff eligible for a PPDR. During this period City Operations increased from 1,328 at the end of Quarter 3 to 1,353 at the end of Quarter 4; an increase of 25 staff eligible for a PPDR.

- The City Operations Directorate has 42 'Corporate Plan Commitment Actions'. 50% (21) of these are rated as 'Green', 43% (18) of these are rated as 'Amber' and 7% (3) are rated 'Red'.
- The City Operations Directorate has confirmed that they will achieve a balanced budget for 2015/16. They have developed plans to achieve a balanced budget for 2016/17 which include a series of savings and income generation options.
- New Government Policies on renewable energy generation were published at the end of December; these significantly reduced the financial support that renewable energy schemes receive through feed in tariffs and other incentives. This has presented a significant challenge for current and proposed renewables schemes and, therefore, for the Council's agreed carbon reduction commitments.
- The City Operations Directorate is in the process of establishing a new Highways Asset Investment Strategy which they hope to implement during 2016/17.
- The City Operations Directorate (with support from other parts of the Council) will commence implementation of the new Infrastructure Services Alternative Delivery Model in 2016/17. It is anticipated that the Infrastructure Services Full Business Case will be presented to Cabinet and Full Council (if required) in June 2016.
- The City Operations Directorate will continue to implement service changes to ensure that Cardiff and the Council meet the statutory recycling target of 58%. The restricting project continues to add increased recycling tonnages to the profile and bottom ash recycling can also be included as a part of this performance measure. The glass market has continued to decline in Quarter 4 which has created difficulties in moving the materials for processing.

8. **Appendix 1** includes a table of the main performance indicators used by the City Operations Directorate to monitor performance along with a number of challenges identified during the period and actions being taken to address the identified challenges. It was noted that the following 'Key Performance Indicators' were marked as 'Amber' or 'Red':

- PLA/004 (a) – The percentage of major planning applications determined during the year within 13 weeks (Red);
- PLA/004 (c) – The percentage of householder planning applications determined during the year within 8 weeks (Amber).

N.B. – It should be noted that four of the indicators published in the City Operations Directorate are annual and one is new, therefore, no results are available for these as the data is still being collected, interrogated and verified.

Challenge Forum

9. The Change Challenge Forum meets on a quarterly basis and is chaired by the Leader of the Council. Membership includes:
 - Cabinet Member - Corporate Services & Performance;
 - Chief Executive;
 - Corporate Director – Resources;
 - Peer Advisor(s) – Corporate Improvement;
 - Peer Advisor(s) - Targeted Improvement Areas (e.g. Education);
 - In addition, the Chair of Policy Review & Performance Scrutiny Committee is invited to attend and contribute to the Forum, with “Observer” status.
10. The purpose of the Forum is to test, challenge, and shape the Council’s overall improvement journey, and specifically to provide strategic support and advice on the development of the Organisational Development Programme and to ensure that the Programme reflects national and international good practice. It is intended to identify and signpost appropriate good practice or barriers to top performance and make recommendations to assist the City of Cardiff Council to make a 'step change' in performance and improvement. The performance of the City Operations Directorate falls within the potential scope of the ‘Challenge Forum’ process.

Wales Audit Office Corporate Assessment

11. The Wales Audit Office released its Corporate Assessment of the City of Cardiff Council on 1 September 2014. The Assessment concluded that ‘whilst there have been some recent changes, performance management has failed to consistently

secure improvement in the past.’ It also found that ‘performance management arrangements in the past had not consistently driven improvement and performance is comparatively weak in two of the Council’s three priority areas’.

Scope of the Scrutiny

12. 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 4 performance reports.

Way Forward

13. Councillor Ramesh Patel (Cabinet Member for Transport, Planning & Sustainability) and Councillor Bob Derbyshire (Cabinet Member for the Environment) have been invited to attend for this item. They will be supported by officers from the City Operations Directorate. The Quarter 4 performance reports will be addressed on a portfolio by portfolio basis.

Legal Implications

14. 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

15. 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 4 Performance report.

DAVID MARR

Interim Monitoring Officer

11 May 2016