
**QUARTER ONE 2015/16: 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 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 discussing the Committee's 2015/16 work programme at the Committee Meeting held on 9 July 2015, Members reflected on the pressures placed on Committee agendas and the need to allocate time to those issues that would provide the best scrutiny outcomes for the Council. Although they agreed the importance of regularly monitoring Council performance, they felt that during

2014/15 they had spent significant time scrutinising performance that was considered acceptable, limiting Committee's opportunity to scrutinise other areas of scrutiny work, such as policy development and pre-decision scrutiny.

4. Members had asked the scrutiny officer to present options for the scrutiny of quarterly performance and budget monitoring. The options presented to Members were:
 - To Continue to receive full performance reports at Committee and receive presentations from each Cabinet Member and director, as per the process followed in the 2014/15 work programme;
 - To Establish 'Performance Panels' that will scrutinise performance outside of the formal Committee Meeting;
 - 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. 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 trial the third option for Quarter 1 – to scrutinise areas of particular interest, or those that are not performing to the required standard.
6. 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.
7. The Quarter 1 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.

Quarter 1 Delivery and Performance

8. The Quarter 1 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 – 8
- City Operations Pages 18 – 21
- Communities, Housing and Customer Services Pages 22 – 25
- Economic Development Pages 26 - 29

9. The performance figures relevant to this committee within the Corporate Overview have been highlighted as per 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.

10. Of particular note for this Committee are the Sickness Absence figures shown on **page 3 of Appendix B**. Based on Quarter 1 figures, all the Directorates that fall under this Committee's terms of reference are forecast to achieve below target sickness absence for 2015/16.

11. The following approach has been chosen for the scrutiny of Quarter 1 performance:

- Economic Development Directorate has been chosen to appear at Committee to present on Quarter 1 performance and receive questions from Members.
- The Director of City Operations has been requested to provide a short update on the Alternative Delivery Models for Leisure Facilities procurement exercise, and a presentation will be delivered at the Committee meeting.

- The Director of Communities, Housing and Customer Services has been requested to provide additional information relating to the two library performance indicators marked as red and amber respectively (found on **page 23 of Appendix B**) – this is attached at **Appendix C**.

12. **Pages 18 – 21 of Appendix B** detail the individual performance of the City Operations Directorate. The information relevant to this committee has been highlighted in orange. As detailed above, the Cabinet Member – Environment, Cabinet Member - Community Development, Co-operatives & Social Enterprise, and Director – 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 Way Forward.

13. **Pages 22 - 25 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 pink. As detailed above, the Cabinet Member - Community Development, Co-operatives & Social Enterprise, and Director – Communities, Housing and Customer Services, have not been requested to attend the Committee Meeting. Any comments Member may have on these areas can be captured and submitted within the Chair’s Letter as discussed during the meeting Way Forward.

14. **Pages 26 – 29 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 September 2015 meeting. The Council Leader Councillor Phil Bale and Director of Economic Development Neil Hanratty have been invited to present on Quarter 1 performance.

15. Based on the areas of focus from the scrutiny of 2014/15 delivery and performance, Members may wish to note the following areas:

Progress on Challenges Identified at Q4 (2014/15)

- **City Deal** – All local authorities have committed to participate in the City Deal. Nine of these have Cabinet approval, with approval for the tenth authority currently being processed.
- **Cardiff Business Council** - The Council has embarked upon a review of the organisation in anticipation of future funding shortfalls and the City Deal opportunity.
- **Central Square** - Planning permission has been granted. Preparations have been made to undertake a detailed public engagement exercise before the closure of the bus station. The public can view the model for the proposed transport interchange and give their feedback before the planning application is submitted in the autumn.
- **City Arena** – A business case setting out a plan for delivery is being developed. The intention is to report to Cabinet in the autumn.
- **Business Improvement District** - Advisors appointed to prepare a BID ballot. Task Group established to develop a baseline analysis of service delivery.
- **Alternative Delivery Model review** – Project group established to explore the merits of a heritage trust. ADM for cultural venues is progressing.

Q1 Service Delivery – Directorate Delivery Plan

- **Deliver, with partners, 200,000 square feet of Grade A office as part of a new business district in the vicinity of central station between March 2014 and March 2016** - Planning permission has been granted for the masterplan. Construction of 135 square feet of grade A office accommodation is progressing at building 1. Planning permission is in place for a HQ building

(phase 2) and building 2 (phase 3). Central Square design works are on programme.

- **Deliver with partners a proposal to Central Government for a City Deal for Cardiff by March 2017, along with a subsequent programme for delivery** - Partners have agreed to bring together a fund to appoint advisors to undertake business planning and feasibility studies. Formal agreement to participate achieved in nine Councils.

- **Implement a delivery strategy to progress a Multi-Purpose Arena by March 2016** - masterplan completed.

- **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** – The Council’s Cabinet approved the new Tourism Strategy and Action Plan 2015 – 2020. Outcomes will be led by the private sector, supported by the Council and embrace close working with stakeholders.

16. **Page 19 of Appendix B** states that 14 of the 18 Performance Indicators for this Directorate are ‘green’ – meaning that performance in a number of areas is meeting or exceeding targets. 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:

Grow membership of the Cardiff Business Council to 1,000 members (by 2016) (cumulative figure)	120	164				1,000		A
	The Council has embarked upon a review of the organisation in anticipation of future funding shortfalls and the City Deal opportunity.							
Retained Income For St David's Hall and New Theatre	£1,269,492	£403,782				£1,337,500		A
	In Q1 we failed to achieve the target of £409,618 by 1.4%. It is anticipated that retained income targets will be satisfied at year end.							
Number of Attendances At Cardiff Castle	274,285	76,636				285,000		A
	Q1 performance is below the challenging target set due to last years over performance. It is worth noting however that we achieved income of £994,751 against a target of £969,017 – indicating some success in increasing the yield per customer. Part of the reason for the reduced performance in Q1 is the early Easter in 2015 which saw some of the holiday visitor numbers leak into Q4 of 2014/15. Another minor factor is the reduced number of Welsh banquet tours undertaken due to the removal of a number of Welsh banquets from the Castle to re-focus on higher yielding functions. Income stream targets across the Castle have been re-adjusted to take account of this change.							
Customer Satisfaction Level For Cardiff Castle	NPS+53	NPS+25				NPS+50		A
	The NPS (Net Promoter Score) score used at Cardiff Castle only takes account of those who would score 9 or 10 out of 10 in recommending a visit to the site as opposed to those who score the site particularly poorly. Mild favourable scores 6, 7, or 8 out of 10 are ignored. Initial investigation of customer feedback does not reveal any particular areas of concern but all areas for improvement will be addressed.							

17. The following challenges and corresponding actions have been identified in Quarter 1:

Challenge – Addressing in-year projected over-spend.

Action – Develop a detailed plan with managers of in-year cost reduction and reduced spend to off-set anticipated over-spends in regard to St David's Hall and New Theatre.

Challenge – Ensuring delivery of 15/16 savings targets.

Action – Implement regular monitoring of progress to ensure substantial in-year delivery of targets.

Challenge – Explore the Heritage Trust approach to the Castle and other heritage assets.

Action – Investigate the merits of a heritage trust including learning from the experiences of other cities.

Challenge – Progress the Cultural Venues ADM procurement.

Action – Review timescales associated with the procurement process to ensure benefits are realised as early as possible in 16/17.

Challenge – Progress the City Deal.

Action – Establish new governance arrangements and a project team

Challenge – Develop detailed costings and scheme for a new bus station.

Action – Develop a detailed scheme with costings and report to Cabinet in Q3.

18. **Page 21 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 – Red.

Way Forward

19. 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.

20. 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

21. 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

22. 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.

Marie Rosenthal
Director of Governance and Legal Services
3 September 2015