
**QUARTER TWO 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 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 2 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 2 Delivery and Performance

6. The Quarter 2 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 – 15
 - Communities, Housing and Customer Services Pages 16 – 19
 - Economic Development Pages 20 – 23
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 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 Into Work Services – this is attached at **Appendix C**.

9. The Chair of the Economy and Culture Scrutiny Committee has requested the update from the Director of City Operations given the following narrative within the Q2 Performance Report (found on **Page 13** of **Appendix B**):

***Establish the future cultural and leisure needs of the city (Red):** We are Unlikely to deliver all financial savings in year due to legal support provision implications, although competitive dialogue process continues with two bidders in both Leisure & the Arts. Options are currently being considered. Report to Cabinet programmed for Feb/Mar 2016. The procurement process does not look as if it will deliver the level of savings that was hoped for and as a result of increasing financial constraints on the Council; there is a fundamental review at senior officer level as to what the Council can sustain. CEO and Director of Resources are raising the issue at political level.*

10. Having considered three library related items at the November meeting of the Economy and Culture Scrutiny Committee, the Chair of the Committee did not feel it was necessary to scrutinise these elements of the Communities, Housing and Customer Services Directorate's performance. A written update on Into Work services has been requested given the following narrative within the Q2 Performance Report (found on **Page 16** of **Appendix B**):

***Into Work** - CV builder has been created and staff have been trained and audited to enable clients to use the system in the job club. Guaranteed interviews have been carried out in Ely and Caerau Hub, Butetown Youth Pavilion and St Mellons Enterprise Centres. 'More than a Jobs Fair' was held on the 9th of September with over 1,750 visitors and more than 30 employers attending.*

11. **Pages 11 – 15 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 - Community Development, Co-operatives & Social Enterprise, and Director – City Operations, have been requested to attend the Committee Meeting to provide an update on the Alternative Delivery Models for Leisure Facilities procurement exercise
12. **Pages 16 – 19 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 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 20 – 23 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 December 2015 meeting. The Council Leader Councillor Phil Bale and Director of Economic Development Neil Hanratty have been invited to present on Quarter 2 performance.
14. Based on the areas of focus from the scrutiny of 2014/15 delivery and performance, Members may wish to note the following areas from the Economic Development Directorate performance report:

Progress on Challenges Identified at Q4 (2014/15)

- **Addressing in-year projected over-spend** - Pro-active work is being undertaken across the Directorate to continue to reduce the end of year projected over-spend. The proposed implementation date for the alternative delivery model (ADM) in respect to St. David's Hall and New Theatre will have an impact on end of year figures.
- **Ensuring delivery of 15/16 savings targets** - Close budget monitoring is in place to ensure an end of year balanced position where possible.
- **Explore the Heritage Trust approach to the Castle and other heritage assets** - The scope of the proposed Cabinet report has been extended as a result of the change of use of the Old Library and opportunities recently identified in respect of the wider Cardiff Collection. Additional support for the development of this project has been secured through the Regional Tourism European Fund and a report will be presented to Cabinet early in the New Year.
- **Progress the Cultural Venues ADM procurement** - Tender Requirements and descriptive documents issued. It is expected that the Officer Decision Report for the detailed solution is to be completed by November so that an invitation to submit final tenders can be issued.

15. Members may also wish to note the following progress on challenges identified in Q1 – both will be addressed by the Committee either through a more comprehensive item to Committee (City Deal) or via task and finish work (Bus Interchange):

- **Progressing the City Deal** - Regional partners have been assembled from all local authorities in South East Wales, working with Welsh Government and advisors to develop a City Deal for the Cardiff City Region. A position statement has been submitted to HM Treasury and governance arrangements established. Work is progressing to develop an 'in principle' submission to the UK Government early November.

- **Develop detailed costings and scheme for a new bus station** - Preparing high level reports for the delivery of a new Central Bus Interchange in advance of submitting a planning application

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 - Construction of 135,000 sqft of grade A office accommodation is progressing at Central Square. Planning permission is in place for a HQ of 180,000 sqft and due to commence this year. 80,000 sqft has been completed at Capital Square with a further 80,000 sqft under construction. Legal & General has signed a £400m deal with Rightacres to back the redevelopment of Cardiff city centre representing a vote of confidence from the business community.
- **Implement a delivery strategy to progress a Multi-Purpose Arena by March 2016** – A Business Case has been developed for delivering the Multi Purpose Arena, it has been agreed that the Council should progress investigations to deliver the development with partners. Proposals will be reported to Cabinet in December.
- **Develop a heritage quarter proposal for the Civic Centre, including a plan for the refurbishment of City Hall by March 2016** – Advisors have been appointed to complete the Cathays Park Urban Design Framework by the end of the year.
- **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 - Cardiff has been awarded £180,000 from Visit Wales as part of the Welsh Government Regional Tourism Engagement Fund. Cardiff will lead on the delivery of 5 tourism activity projects collaboratively with S.E. Wales Local Authorities and private stakeholders aimed at developing visitor numbers and tourism promotion across the region.
- **Establish the future cultural and leisure needs of the city** and ensure the sustainable delivery of cultural and leisure infrastructure and services at less

cost through new operating models, by June 2016 – The procurement process for an ADM is on track for completion at the end of the year.

16. **Page 21 of Appendix B** shows Key Performance Information 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:

Performance Indicator	Result 14/15	Position Q1	Position Q2	Position Q3	Position Q4	Target 15/16	Year End 15-16	R.A.G.
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.								
Number of Attendances At Cardiff Castle	274,285	76,636	99,926			285,000		A
Customer Satisfaction Level For Cardiff Castle	NPS+53	NPS+25	NPS+47			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								
Investment Portfolio Income	£4.023m	£1,073m	£1,915m			£4.3m		A
At quarter 2 we received £1,915m of the £4.3m income target.								

17. The following challenges and corresponding actions have been identified in Quarter 2:

Challenge – City Deal – maintain momentum to progress the City Deal.

Action – Work with regional partners to complete an ‘in principle’ proposal for submission in November.

Challenge – Central Square – Assisting Rightacres to gain approval from the BBC to commence their building then trigger completion of Central Square and the Bus Station.

Action – Complete high level reports on the bus station scheme and costings for Cabinet by Q3.

Challenge – South of the Station – Complete the assessments and options available to the Council for the delivery of a 15,000 seater Arena and associated developments.

Action – Progress investigations to deliver the development with partners and present proposals to Cabinet in December.

Challenge – ISV – Assist the developer to deliver the new Ice Arena in Q4 together with a clear plan on the remaining developments on the Sports Village and retail site.

Action – Continue to monitor and assist the development of the Ice Arena.

Challenge – Funding – complete and deliver employment and jobs output where there has been significant cuts in WG funding / grants.

Action – Submit Capital Cardiff bid and review funding options.

18. **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 – 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

27 November 2015