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**CITY OPERATIONS DIRECTORATE - PERFORMANCE REPORT QTR 2 -  
2015/16**

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**Reason for the Report**

1. To present the City Operations Directorate performance report for Quarter 2 (July to September) of 2015/16 prior to the documents being considered at Cabinet in December 2015. 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 2 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 1 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 30 September 2015.

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

- For 2015/16 the City Operations Directorate has a budget of £52,500,000 and savings target of £12,058,000. At the end of Quarter 2 of 2015/16 the Directorate had a projected budget outturn of £53,216,000 and a savings projection of £10,365,000. This means that at the end of Quarter 2 the City Operations Directorate has a projected overspend of £666,000 and a projected savings shortfall of £1,663,000.
- By the end of Quarter 2 City Operations Directorate staff have taken an average of 6.2 full time equivalent (FTE) sick days. When this figure was projected across the year it produced a forecast of 13.5 FTE sickness absence days. This is above the 13 FTE target set by the Council for the City Operations Directorate. The revised 13.5 FTE days sickness forecast at the end of Quarter 2 is 0.8 FTE sickness days higher than the 12.7 FTE sickness days projected at the end of Quarter 1.

- Overall staff costs came in at 51.15% of target for the end of Quarter 2. At 13.63% the City Operations Directorate had the second highest agency spend as a percentage of its Quarter 2 staff budget. At 3.63% the service has the third highest percentage of overtime to staff spend for the same period.
- At the end of Quarter 2 City Operations had the largest staff budget at £49,654,965 and consequently the highest total spend on staff at £24,885,323. At the end of month six City Operations had spent 89% of its agency budget for 2015/16; this means that they have £422,166 left in the agency staff budget for the second half of 2015/16.
- City Operations is the only Council Directorate not to have exceeded its annual agency budget for 2015/16. The Council as a whole has spent £7,210,523 on agency staff during the first six months of 2015/16; this is against an overall 2015/16 agency staff budget of £5,365,365. This means that for the first six months of 2015/16 the Council has spent approximately 134% of the agency staff budget for 2015/16.
- City Operations agency spend increased from £1,463,077 in Quarter 1 to £1,930,002 in Quarter 2. This is an increase in agency spend of 32%.
- During Quarter 2 the City Operations Directorate had a 94.5% Personal Performance & Development Review (PPDR) completion rate. This is above the Council average of 92.4% and an improvement of 4.4% from Quarter 1.
- The City Operations Directorate has 42 'Corporate Plan Commitment Actions'. 45.2% (19) of these are rated as 'Green' and 52.4% (22) of these are rated as 'Amber' and 2.4% (1) are rated 'Red'.
- City Operations has identified savings and income targets for 2016/17. Whilst improvements have taken place since Quarter 1 the in-year position of achieving a balanced budget is not yet fully resolved. Work is taking place to identify further savings to mitigate the budget shortfall and includes reviewing all income generation options; removing all non-essential service area non-staff spend and assessing all spend against reserves. A copy of the mitigation report provided in response to the September 2015 Environmental Scrutiny Committee letters has been attached to this report as **Appendix 4**. This provides a summary savings shortfalls and subsequent cost mitigations for 2015/16.

- An interim plan has been developed for City Operations which sets out new structures; governance and systems to identify the actions necessary to establish effective management; staff engagement; Alternative Delivery Model delivery and budget and performance controls. Further work is needed to roll out these actions throughout the directorate and will focus on delivering an effective staff development and communications programme; reshaping senior management to focus on priority areas; identifying all key directorate projects and ensuring full project controls.
- The development of a Full Business Case for the Infrastructure Services Alternative Delivery Model project is seen as a priority. It is anticipated that this will be considered at Cabinet in February 2016.
- A 'Cardiff City Transport Strategy' is currently being developed which will be published in 2016 subject to the adoption of the Local Development Plan.
- Cardiff's Local Development Plan will be considered for adoption at the Council meeting in January 2016.
- Additional burial space sites have been assessed and there is now ongoing liaison with Planning regarding a potential site.
- Possible issues have been identified with the financial backing for the solar farm at Lamby Way, however, other parties have shown an interest in taking over the scheme.
- The population of the new staff structure for the Regulatory Services Collaboration has proved to be challenging and will result in a number of employees remaining at risk at the end of the process or requiring salary protection as a part of TUPE obligations.

7. **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 (Red).

**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**

8. 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, but with “Observer” status.
9. 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**

10. 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**

11. This item will give Members the opportunity to consider the City Operations Directorate performance and feed in observations to support Cabinet consideration in December.

### **Way Forward**

12. 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 2 performance reports will be addressed on a portfolio by portfolio basis.

### **Legal Implications**

13. 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**

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 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 when it receives the Performance report.

**MARIE ROSENTHAL**  
**Director of Governance & Legal Services**  
**2 December 2015**