

MID-YEAR ASSESSMENT OF PERFORMANCE 2023/24

**FINANCE, MODERNISATION & PERFORMANCE
(COUNCILLOR CHRIS WEAVER)**

AGENDA ITEM:

Reason for this Report

1. The report enables the Cabinet to consider the Council's mid-year assessment of performance in 2023/24.

Background

2. The Well-being of Future Generations (Wales) Act 2015 requires the Council to set and publish Well-being Objectives and take all reasonable steps to meet those objectives. These duties are fulfilled through the Council's annual Corporate Planning process, with the Corporate Plan being approved by Council in late February or early March. The Well-being of Future Generations Act also requires the Council to publish an annual report of progress made in meeting its Well-being Objectives in each financial year.
3. The Local Government and Elections (Wales) Act 2021 established a new legislative framework for local government performance management, with an emphasis on self-improvement through a system based on self-assessment and a panel performance assessment. The purpose of the Act, in relation to performance, is *"to provide a framework which supports councils, through an ongoing process of review, to think about their performance and effectiveness now and for the future; to encourage more inquisitive organisations willing to challenge themselves to do more, to be more innovative and more ambitious in what they do"*.
4. As part of the Council's strengthened performance management arrangements, a mid-year self-assessment of performance is published annually. This ensures that performance is kept under regular review; there is collective understanding of progress, as well as areas of challenge, and corrective action can be identified and agreed if necessary.

Issues

Overview of Corporate Performance: Mid-Year Assessment

5. The mid-year assessment of performance in 2023/24 is attached as **Appendix A** to this report. The assessment provides a performance update for each of the Council's seven Well-Being Objectives, as set out in the Corporate Plan 2023-26. The assessment draws on a number of sources of performance information to assess progress against the Well-being Objectives, including:
 - Progress against the Steps and Key Performance Indicators under each Well-being Objective (**Appendix A**) (accessible via the [Public Corporate Performance Dashboard](#))
 - Regulatory assessment;
 - Surveys and citizen feedback;
 - Complaints – these are also considered separately as part of an annual report to Cabinet;
 - Financial monitoring – the Council's Month 6 monitoring report 2023/24 serves to inform the Council's financial position;
 - Feedback from Scrutiny Committees and the Governance & Audit Committee – the Council responds to the issues raised and recommendations made by Scrutiny Committees, which help to inform performance improvement;
 - Risk – the Council's corporate and directorate risks are considered fully;
 - The Annual Governance Statement, supported by the Senior Management Assurance Statement.
6. Reviewing this range of performance information assists the Council in developing a balanced picture of the Council's improvement journey over the year and enables the Council to identify areas of improvement and performance challenge, which may require further attention.
7. The Council also has in place a performance and accountability regime, which involves the wider political governance of the Council. In developing the self-assessment of performance, the following steps have been undertaken to provide opportunities for challenge and to ensure a full and balanced assessment:
 - Directorate self-evaluation of service performance, governance & financial challenges and priorities;
 - Performance and budget challenge sessions with each Director that are convened by the Chief Executive and Section 151 Officer to consider the findings of the directorate self-assessment;
 - A progress and performance session with the Cabinet and the Council's Senior Management Team; and
 - Consideration by the Council's Policy Review and Performance (PRAP) Scrutiny Committee.

8. The Scrutiny Performance Panel considered the mid-year assessment of performance 2023/24 on 28 November 2023. The Council received feedback from the Performance Panel on the 4th December 2023 (Appendix B), which made 11 recommendations. In response, cabinet have accepted 10 recommendations and partially accepted 1 (Appendix C), ensuring that the Mid-Year Assessment provides a balanced judgement and reflects the assessment of the Council's Scrutiny Committee Chairs. The PRAP Scrutiny Committee is also due to consider the mid-year assessment on 13 December 2023.

Areas of Progress and Improvement

9. The Council continues to evidence improvement across a range of council services, with clear progress being made in the delivery of Corporate Plan 2023-26 commitments to date in 2023/24 as set out below:
 - Cardiff became the first British city to be awarded Child Friendly City status by UNICEF with formal recognition received in September 2023, followed by the signing of a formal agreement with UNICEF in October 2023.
 - The Council has made good progress in delivering the Striving for Excellence in Children's Services Strategy 2023-26. Though there is more to be done, progress can be evidenced by a demonstrable shift within the balance of care where, at Quarter 2 of 2023/24, there has been a reduction in the proportion of children placed in external residential placements and an increase in the number of children fostered by local authority foster carers, as well as an increase in the number of children returned home from care.
 - In response to the cost-of-living crisis, the Council's support offer continues to be delivered effectively. Between April and September 2023, almost 3,300 people were helped with Universal Credit financial support. This figure has already exceeded the number of people anticipated to need help during 2023/24. During the same period, the Money Advice Team has also identified additional weekly benefit of over £10m for its clients.
 - The Council remains on track to deliver 1,000 new homes by December 2023, with 890 homes having been completed at Quarter 2 of 2023/24. Progress is set to continue with nine active development sites projected to deliver over 400 further homes. Work is also due to commence on 245 new homes across six new sites in the city before March 2024.
 - A greater level of integration has been achieved with the NHS, which is getting people safely out of hospital quicker.
 - The Council has continued to play a leading role in supporting refugees and asylum seekers, particularly those arriving from Ukraine and Afghanistan. In addition to responding to the immediate needs of those arriving in Cardiff, the Council is focussed on transitioning individuals and families into sustainable long-term

provision where possible. To date, Cardiff has welcomed over 1,200 Ukrainian nationals into the city for long-term settlement, all of which are due to be matched and settled into long-term accommodation by January 2024. The Council has also supported 800 people from Afghanistan into local temporary bridging accommodation as part of a national process where they are matched into long-term homes across the UK.

- The Council has made good progress in improving public and green spaces in Cardiff. Two more parks in the city, Parc Tredelech and Western Cemetery, were awarded Green Flag status in 2023, bringing the total number of Green Flag parks in Cardiff to 18.
- The Council's Housing Energy Efficiency Retrofit programme is progressing well and the number of energy efficiency measures installed in Council-owned domestic properties is currently above target at Quarter 2 of 2023/24 at 416. The success of this scheme is demonstrated by the energy performance of Cardiff's council homes being better than the average for any tenure. Additionally, work undertaken within private rented sector properties to improve energy efficiency has led to an estimated carbon dioxide improvement of 72.4 tonnes.
- Universal Primary Free School Meals have been rolled-out to Reception, as well as Years 1-3, in Cardiff schools and the Council is on track to deliver the rollout for pupils in Years 4-6, in line with Welsh Government expectations.
- The Council continues to see increases in the numbers of citizens interacting with the Council digitally, with over 82,500 citizens registered to use the Cardiff App, a 12% increase over Quarter 1 and Quarter 2 of 2023/24.
- During the first half of the 2023/24 financial year, the Council has established the Ardal procurement service, which delivers a collaborative procurement partnership with Monmouthshire, Torfaen and Vale of Glamorgan Councils.

Areas of Strategic Challenge and Corporate Improvement Priorities

10. The mid-year assessment highlights a number of performance challenges that will be the subject of corporate focus in Quarters 3 and 4 of 2023/24:
11. Sustained increase in the scale and complexity of demand across Council services: As identified in the end of year Self-Assessment report, the fundamental changes to the scale and complexity of service demand post-Covid are proving to be long lasting. This can be attributed to the lasting impacts of the pandemic, as well as the cost of-living crisis, which has placed pressure on households across the city – particularly vulnerable individuals and families – with increasing numbers of individuals relying on council services. These include:

Demand challenges remain evident in services for children and young people, with children's services continuing to face a significant rise in

both the number of cases. For example, referrals into the MASH are now 50% above pre-pandemic levels. In addition to rising numbers, cases are also becoming more complex, with a greater number of children needing a higher level of support. This demand pressures are being experienced at a time where there remain recruitment and retention challenges for children's social workers (despite the impact of the Council's interventions in this area) and a lack of available accommodation for placements. Shifting the balance of care towards preventative and lower cost interventions will continue to be the Council's focus over the year ahead.

In Education, school attendance has not yet returned to pre-pandemic levels and persistent non-attendance remain a significant concern in many parts of the city. There has also been a rise in exclusions, particularly in secondary schools, whilst a deterioration in pupil behaviour and an increase in the number of children entering school falling behind on their development milestones presents challenges for a number of schools. These, and other pressures associated with ALN and child mental health and wellbeing, are being met at a time when schools are facing significant budgetary challenges.

The adult social care sector continues to face ongoing pressures through rising demand and increasingly complex service requirements at a time when the market for care presents a range of challenges. Whilst the supply of care in Cardiff has improved, the fragility of the care market remains a concern due to an ongoing. New arrangements for the commissioning of care home placements for older people are being developed in response.

The Council continues to face unprecedented demand pressures in the housing system. Waiting lists for Temporary Accommodation are at historically high levels, having increased by 150% over the last two years with limited housing options available. A set of major proposals to respond to the Housing crisis is being brought forward as a corporate priority.

12. Ensuring continued financial resilience: The Council continues to face significant financial challenges as a result of increasing demand and pressures on services and inflationary pressures. A predicted budget gap in excess of £40m for the 2024/25 financial year represented a deterioration of the position reported in the end of year report with a total gap of £119.2m needing to be closed across the period of the Medium-Term Financial Plan. The overall position is set out in detail within the Month 6 Budget Monitoring Report and areas of significant pressures include:
 - Education Services, due primarily to home-to-school transport, out-of-county placements, and catering. The Council is also still awaiting Welsh Government's decision on price-setting for the new Universal Free School Meal offer.

- Children's Services continue to experience an increase in placements costs for the Council's children looked after cohort. This, along with sustained demand pressures and price increases have resulted in costs exceeding budget.
- The planned closure of City Hall continues to impact the Council's capacity to generate income, from both functions and catering. The closure of St. David's Hall, due to the presence of Reinforced Autoclaved Aerated Concrete (RAAC) has also had an impact on income for the Council.
- Energy, food, and fuel inflation, and the staff pay award, combined with an increasing demand for services from the 'long tail' impact of the pandemic and the cost-of-living crisis, have significantly increased the levels of risk. The Council continues to face unprecedented challenges in terms of financial resilience which will require close monitoring and management during this year and into the medium term.
- With high interest rates, inflation and energy costs, market conditions remain challenging, placing sustained pressure on revenue and the capital programme, whilst income recovery remains a challenge in some services.

13. Workforce pressures continue to impact all council services: The pressures relating to the recruitment and retention of staff continue to impact all directorates. Workforce issues, recognised nationally in areas such as children's social services and adult social care, are no longer restricted to those sectors. The shortage within the professional services sector is impacting the delivery of projects with the Council facing competition from other sectors, making it difficult to fill key positions. The recruitment and retention challenges remain in the education sector. The Council's Workforce Strategy 2023-27 sets out an enhanced approach to proactive workforce planning, which includes the further development of a supportive work environment, fostering employee engagement and continuing to develop new, tailored approaches to recruitment and retention in areas where the Council has skills and capacity gaps.
14. Responding to new risks and issues: New risks and issues have continued to emerge, which have required the Council to put in place rapid responses, working across directorates and with public service partners. Issues such as RAAC concrete, industrial action, community disorder in Ely and pressures in the asylum system could not have been planned for when setting the Corporate Plan. The Council anticipates further major unanticipated risks will emerge in Q3 and Q4 which will require concerted Council and city-wide action.

Reason for Recommendations

13. To provide Cabinet with a mid-year assessment of the Council's performance in 2023/24.

Financial Implications

14. This report sets out the Council's mid-year assessment of performance. The covering report sets out the challenging environment within which the Council currently operates, which is likely to continue for the medium term. The Month 6 Financial Monitoring performance report was considered by Cabinet on 23 November 2023 with a further monitoring report for Month 9 to be considered in late February/early March 2023.

Legal Implications

15. The Local Government and Elections (Wales) Act 2021 ('the 2021 Act'), Part 6, Chapter 1 sets the new performance and governance framework for local authorities, which came into force in May 2021. Under these provisions, the Council is required to keep under review the extent to which it is fulfilling the 'performance requirements', that is, the extent to which:

- (i) it is exercising its functions effectively;
- (ii) it is using its resources economically, efficiently and effectively; and
- (iii) its governance is effective for securing the above.

The information set out in this report enables the Council to discharge this duty.

16. The Council is required to consult at least once in each financial year about the extent to which it is meeting the performance requirements. The statutory consultees are:

- a) local people;
- b) other persons carrying on a business in the council's area;
- c) the staff of the council; and
- d) every recognised trade union.

17. A self-assessment report must be prepared in respect of each financial year, setting out conclusions on the extent to which the Council has met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements.

18. The performance and governance provisions of the 2021 Act are framed within the context of the well-being duty set by the Well-being of Future Generations (Wales) Act 2015. The Well-being of Future Generations (Wales) Act 2015 requires the Council to consider how its decisions and actions will contribute towards meeting the well-being objectives set out in the Corporate Plan and to keep the well-being objectives under review. The Council must publish a report of the progress made in meeting its well-being objectives in each financial year, which may be included in the self-assessment report prepared under the 2021 Act (referred to in paragraph 15 above). Members must also be satisfied that the Council is complying with the sustainable development principle, which requires that the needs of the present are met without compromising the ability of future generations to meet their own needs.

19. When considering its performance and governance duties under the 2021 Act, the Council must have regard to the statutory guidance issued by the Welsh Ministers:
[https://gov.wales/sites/default/files/publications/2021-03/performance\[1\]governance-of-principal-councils.pdf](https://gov.wales/sites/default/files/publications/2021-03/performance[1]governance-of-principal-councils.pdf)

HR Implications

20. There are no HR implications that are directly related to this report.

Property Implications

21. There are no further specific property implications in respect of the Mid-Year Assessment of Performance 2023/24 report. Where there are any relevant property management matters, property transactions or valuations being undertaken by the Council to deliver any proposals, they should be done so in accordance with the Council's Asset Management process and in consultation with Strategic Estates and relevant service areas.

RECOMMENDATION

Cabinet is recommended to

1. note the mid-year assessment of the Council's performance as set out in this report and Appendix A, including the delivery of key commitments and priorities at the end of Quarter 2 of 2023/24, and the actions being taken to ensure the effective delivery of the Corporate Plan 2023-26.
2. Consider and agree the response to any recommendations made by the Policy Review and Performance Scrutiny Committee (PRAP) (Appendix C) in relation to the draft Mid-Year Assessment.
3. Delegate authority to the Chief Executive, in consultation with the Leader of the Council and Cabinet Member for Finance, Modernisation & Performance to make any consequential amendments to the draft Mid-Year Assessment required to reflect the response to PRAP Scrutiny Committee recommendations (agreed under recommendation 2).

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| SENIOR RESPONSIBLE OFFICER | Paul Orders Chief Executive |
| | 8 December 2023 |

The following appendix is attached:

- Appendix A: Mid-Year Assessment of Performance 2023/24
- Appendix B: Performance Panel Letter
- Appendix C: Cabinet Response to Performance Panel
- Appendix D: Letter received from PRAP Scrutiny Committee

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