

## **GOVERNANCE & AUDIT COMMITTEE: 25 JANUARY 2022**

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### **HALF-YEAR SELF ASSESSMENT REPORT UPDATE REPORT OF HEAD OF PERFORMANCE AND PARTNERSHIPS**

#### **AGENDA ITEM: 9.1**

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#### **Reason for this Report**

1. This report provides an overview of the half-year self-assessment process and outcomes.
2. The terms of reference of the Governance and Audit Committee requires it:
  - To review the Council's draft annual Self-Assessment Report and make any appropriate recommendations for changes.
  - To review the Council's draft response to the Panel Performance Assessment Report and make any appropriate recommendations for changes.
  - To review the Council's draft response to any Auditor General's recommendations arising from a 'special inspection' in respect of the Council's performance requirements, and to make any appropriate recommendations for changes.
  - To review and assess the authority's ability to handle complaints effectively and make any associated reports and recommendations.

#### **Background**

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 panel performance assessment.
4. 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"*.
5. The Local Government and Elections (Wales) Act introduces five specific requirements in relation to performance management:

- A duty to keep performance under review: The council must keep under review the extent to which it is fulfilling the 'performance requirements' that is, the extent to which:
  - it is exercising its functions effectively;
  - it is using its resources economically, efficiently and effectively; and
  - its governance is effective for securing the above.
- A duty to consult on performance: The council must consult a range of people at least once in each financial year about the extent to which the council is meeting the performance requirements.
- A duty to report on performance: The council must produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it 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.
- A duty to arrange a panel performance assessment: The council must arrange for a panel to undertake an assessment, at least once during the period between two consecutive ordinary elections of councillors to the council, of the extent to which the council is meeting the performance requirements.
- A duty to respond to a panel performance assessment report: The council must prepare a response to each panel performance assessment report, setting out the extent to which it accepts the conclusions in the report, the extent to which it intends to follow any recommendations in the report, and any actions the council intends to take to increase the extent to which it is meeting the performance requirements.

## Issues

### Responding to the Act: A Strengthened Planning and Performance Framework

6. In response to the new requirements, the Council has implemented a series of measures to strengthen its Planning and Performance Management Framework, with a focus on:
  - Strategic leadership from the Leader and Cabinet in Corporate Plan development and performance management, and the involvement of non-executive members and officers from across the Council.
  - Greater involvement of Scrutiny in planning and performance, through the creation of the Performance Panel, which includes the chairs of each of the Council's five Scrutiny Committees.
  - An evaluative assessment of performance, based on a wide range of performance information<sup>1</sup>, including:
    - Progress against the steps and Key Performance Indicators included within the Council's Corporate Plan, which is reported on a quarterly basis.

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<sup>1</sup> All of the performance information considered is subject to robust data collection processes as well as independent consideration by the Council's political governance, including Cabinet, Scrutiny Committees and Governance & Audit Committee.

- The judgements of external regulatory bodies, including Audit Wales, Care Inspectorate Wales and Estyn.
  - Financial Monitoring as set out in the Council's Outturn Report.
  - Feedback from citizens, particularly the findings of the annual Ask Cardiff Survey.
  - The Council's Annual Complaints and Compliments Report.
  - Feedback from the Council's Scrutiny Committees and the Governance & Audit Committee.
  - Corporate and directorate risk.
  - The Annual Governance Statement, supported by the Senior Management Assurance Statement.
- An enhanced self-assessment approach with greater use of data and evidence.
  - Greater integration with the Council's corporate governance arrangements and closer alignment with other major performance, financial and governance reports.
  - More timely consideration of performance reports; with the Well-Being Report now considered by Cabinet and Council in July rather than September, which is closer to financial year end, and quarterly performance reports on the Corporate Plan also shared nearer the end of each quarter.
7. A report will be considered by Cabinet in February 2022 which sets out the amendments to the Council's Planning and Performance Framework, which has been the subject of engagement with the Governance and Audit Committee, Policy Review and Performance Scrutiny Committee and the Chairs of Scrutiny.

### Self-Assessment Approach

8. The Welsh Government's guidance<sup>2</sup> summarises self-assessment as *"...a way of critically, and honestly, reviewing the current position in order to make decisions on how to secure improvement for the future. Self-assessment is more than stating what arrangements are in place; it is about considering how effective these arrangements are and how they can be improved. Self-assessment of how the council is meeting the performance requirements places ownership of performance and improvement firmly with councils...It is about a council being self-aware, understanding whether it is delivering the right outcomes, and challenging itself to continuously improve."*
9. Recognising the requirement of the Act to take a more rounded view of performance, a Half-Year and an End-of-Year Self-Assessment of Performance have been introduced. This provides an opportunity to make rounded judgements on the performance of the Council, drawing on more than the progress made against the Corporate Plan.
10. Arrangements for developing the Council's Half-Year and End-of-Year Self-Assessments of Performance include:

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<sup>2</sup> [Statutory guidance \(gov.wales\)](https://www.gov.wales)

- 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 findings of directorate self-assessment;
  - Progress and performance session with Cabinet and the Council's Senior Management Team;
  - The Performance Panel, convened by the Chair of the Policy Review and Performance (PRAP) Scrutiny Committee, and involving the Chairs of each of the Council's Scrutiny Committees and members of PRAP;
  - Consideration by the Policy Review and Performance Scrutiny Committee.
  - Consideration by Governance and Audit Committee.
  - Consideration of the End-of-Year Assessment (the Annual Well-being Report) by Council.
11. Where improvement is identified, then corrective actions are discussed and agreed as part of the 6 monthly self-assessment process. The proposed interventions can be rehearsed between the Council's Senior Managers, Cabinet and wider political governance. Once any corrective actions have been agreed, the actions will be included in, and reported through, existing Corporate Reporting Frameworks. This ensures that performance issues are dealt with as part of a dynamic improvement process. Performance issues and the identified improvement action may, therefore, be included in Directorate Delivery plans, added to the risk register or identified as a budget challenge. In areas where further analysis and understanding is required, the Council's Performance and Insight Team commissioned and report to the appropriate Director of Service on the outputs of the work.

#### Role of Governance & Audit Committee

12. The legislation established a new and enhanced role for the Governance & Audit Committee.

#### In relation to the Self-Assessment:

- The council must make a draft of its self-assessment report available to its governance and audit committee.
- The committee must review the draft report and may make recommendations for changes to the conclusions or action the council intends to take.

#### In relation to the Panel Performance Assessment:

- The council must make a draft of its response to the panel performance assessment available to its governance and audit committee
- The Committee must review the draft response and may make recommendations for changes to the response to the panel assessment.

13. At the Governance and Audit Committee of 28 September 2021 it was agreed that the Committee would

- Receive the draft Annual Well-being Report each July for formal consideration, thus discharging its statutory responsibility.
- Receive a briefing on the Self-Assessment approach and output of the Half-Year Self-Assessment exercise each January.

14. The half-year Self-Assessment is not a statutory requirement but is considered best practice by the Council. The Council therefore receives the Self-Assessment for noting. Receiving the Mi-Year Self-Assessment allows the Committee to be appraised of the system of review undertaken by scrutiny, how it was received and considered by Cabinet and the respective outcomes and actions.

#### Half Year Assessment for 2021/22

15. The process outlined above was followed to develop the Half-Year Assessment. The Half-Year Self-Assessment was formally considered by Performance Panel on 6 December 2021, formally received by the Policy Review and Performance Scrutiny Committee on 14 December 2021 and agreed by Cabinet on 16 December 2021.
16. The Performance Panel formally responded to Cabinet, making 31 comments in total, with 6 direct recommendations and 15 observations with suggested actions. All 6 recommendations and all 15 observations with suggested actions were accepted. A total of 11 amendments were made to the Half-Year Performance Assessment itself.
17. The Governance and Audit Committee has direct oversight over a number of the processes which provide the evidence base for the Self-Assessment, such as the Council's Risk Management Framework and Compliments and Complaints Process. The Committee are invited to note the comments of the report.
18. The Cabinet Report summarises the process followed, the progress made against the Council's policy agenda, strategic risks and challenges identified by the self-assessment process and priorities for the period ahead. This is supported by the appendices, with the Half-Year Assessment providing detailed assessment by Wellbeing Objective. A copy of the Cabinet Report, Half-Year Self Evaluation Report, Scrutiny Letter and Cabinet Response can be accessed below:
- [Cabinet Report](#)
  - [Half Year Self-Assessment](#)
  - [Scrutiny Performance Panel Letter](#)
  - [Cabinet Response](#)

#### **Legal Implications**

19. The report sets out the statutory requirements as set out in The Local Government and Elections (Wales) Act 2021. Members are merely asked to note the contents of this report. There are therefore no additional legal implications in this report.

#### **Financial Implications**

20. The financial implications (if any) arising from this report have been contained within the body of the report.

## **RECOMMENDATIONS**

21. That the Committee considers and notes the contents of the report.

**Gareth Newell**  
**Head of Performance and Partnerships**