

MID-YEAR ASSESSMENT OF PERFORMANCE 2022/23

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

AGENDA ITEM: 5

Reason for this Report

1. The report enables the Cabinet to consider the Council's mid-year assessment of performance in 2022/23.

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 2022/23 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 2022-25. 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 [Corporate Plan 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 2022/23 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 Cabinet and the Council's Senior Management Team; and
 - Consideration by the Policy Review and Performance (PRAP) Scrutiny Committee.

8. The PRAP Scrutiny Committee is due to consider the mid-year assessment of performance 2022/23 at its meeting on 17 January 2023. The Governance & Audit Committee will also consider the mid-year assessment at its meeting on 24 January 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 2022-25 commitments to date in 2022/23.
 - The Council's submission to UNICEF to gain Child Friendly City status was completed in September 2022, with Cardiff on track to become the first city in the UK to achieve accredited status.
 - The Council is delivering the Passport to the City programme in partnership with Cardiff University, which provides an expansion of extra-curricular activities for all children and young people in the city.
 - The Interventions Hub has been launched in Children's Services, which is working well to coordinate integrated support for children and families.
 - The "Cardiff Working towards an Age-friendly City" campaign was launched on 7 June 2022.
 - The Dementia Friendly Volunteer Programme was launched on World Alzheimer's Day on 21 September 2022.
 - Work on the Addison House development to deliver 44 care-ready apartments in Rumney is progressing well in 2022/23, with handover scheduled for July 2023.
 - Establishment of a Cost-of-Living Task Force to share best practice and raise awareness of the support available, including council services and partner organisations such as Citizens Advice, C3SC (Cardiff Third Sector Council), Department for Work and Pensions (DWP), Welsh Government, Cardiff Foodbank and Registered Social Landlords.
 - Cardiff's status as an accredited Living Wage City has been renewed for the next three years and the Cardiff Living Wage City Partnership won in the Public/Private Partnership category at the 2022 Local Government Chronicle (LGC) Awards in July 2022.
 - The Council is making good progress to deliver 1,000 new Council homes, despite difficult market conditions and significant inflationary pressures.
 - The Council is working in partnership with Cardiff & Vale University Health Board to deliver new, integrated facilities that will enhance community health and wellbeing provision at key locations around the city, including the Maelfa Health & Wellbeing Hub which opened in July 2022.
 - The delivery of wraparound support for Afghan nationals at two bridging accommodation settings has continued, including commissioning additional support services and delivering Cardiff's resettlement quota. A strong partnership approach is in place with Ministry of Defence, Home Office, Council departments, Health Board and voluntary sector, and the work of the service was

recognised with the award of the UK Housing Hero Awards 2022 'Team of the Year' Award.

- Footfall in Cardiff city centre has recovered to just under pre-pandemic levels and is outperforming a number of comparator cities. Recovery is also continuing across the commercial sector, with data for the first half of 2022 showing that office take-up in Cardiff reached 215,000 sq.ft, which is the highest half year take-up since 2016, according to a recent report by property consultancy, Savills.
- In October 2022, the Council published a new Socially Responsible Procurement Strategy (2022-2027), which has a number of key objectives, including contributing to the aim to be a carbon-neutral city by 2030 and increasing the community benefits delivered through council contracts.

'Stronger, Fairer, Greener' Policy Statement

10. Following the local council elections in May 2022, the Leader of the Council launched the new administration's policy agenda for the next five years, entitled 'Stronger, Fairer, Greener', on 19 July 2022, which was also considered by both the Cabinet on 14 July 2022 and by Council on 21 July 2022. The new Corporate Plan 2023-26, which is due to be considered by Cabinet and Council in late February/early March 2023, will translate these policy priorities into clear organisational objectives with associated delivery milestones, key performance indicators and the necessary resources to ensure progress.

Areas of Strategic Challenge and Corporate Improvement Priorities

11. The mid-year assessment highlights a number of performance challenges that will be the subject of corporate focus in Quarters 3 and 4 of 2022/23:
 - **Financial Pressures:** The Council faces significant in-year and medium-term budgetary challenges due to a combination of the legacy of the pandemic, energy pricing, pay pressures and the impact of the cost-of-living crisis. Though the indicative budget gap of £53m identified in October 2022 has been reduced to £23m following the Welsh Government's Provisional Financial Settlement 2023/24 on 14 December 2022, the financial pressures facing the Council remain significant. Ongoing corporate oversight will be required with financial discipline at every level of the organisation and continued effective planning to manage areas of high or escalating cost. A sharp focus will also need to be placed on the capital position. Construction cost inflation, resulting from increased tender activity, material availability and labour shortages represents a delivery and affordability risk to projects to remain within estimated budgets. Directorates must continue to allocate sufficient capacity and resources to ensuring that projects progress in line with the timescales intended, and robust business cases continue to be essential.

- **Demand Pressures in Children’s Services:** Children’s Services continue to face high and rising demand and increases in case complexity. This demand pressure is reflected throughout the child’s journey, including increasing demand on services to address children’s mental health and emotional well-being. At the same time, the service is facing challenges in the supply of residential placements for children and young people, with the market for children’s placements not able to meet current demand levels. The service is also facing challenges with the recruitment of social workers and an insufficiency of placements to meet the assessed need. A programme of service, cross-Council and partnership interventions have been put in place leading to some demonstrable improvements in demand management and in the recruitment and retention of social workers. A new Children’s Services Strategy 2023-26 has also been developed, which sets out the vision for directorate and highlights the key priorities over the next three years to ensure that the demand on services to meet the increasingly complex needs of children and families in Cardiff can be met. This is due to be considered by Cabinet on 19 January 2023.
- **Delivering a Partnership Response to Demand Pressures in the City’s Health and Social Care System:** In Cardiff, as is the case across the UK, the social care sector is facing acute pressures through rising demand and increasingly complex service requirements. While the supply of care has improved significantly over the year, the care market remains fragile due to an ongoing shortage of care workers. Recruitment and retention of social workers and occupational therapists is a significant issue, and this is placing severe pressure on an already stretched social care system. The Council continues to work in close partnership with Cardiff & Vale University Health Board and the care sector to support older people live independently at home for as long as possible and to ensure that people are discharged from hospital as soon as it is safe to do so. Given the pressures on the health and social care system, this will continue to be a strategic priority for the Council and its partners over the winter and into 2023/24.
- **Responding to the Cost-of-Living Crisis:** The cost-of-living crisis is having an impact on many households with inflationary pressures making essential day-to-day items more expensive. Coming so soon after the Covid-19 pandemic, this crisis has compounded the pressures that many people face and deepened inequalities. In response, the Council has established an enhanced programme of advice and support for citizens, supported by a communications and engagement campaign. Despite seeing a significant increase in demand, the Council’s Advice Services are continuing to be delivered effectively. Similarly, the Council’s Into Work Services are responding effectively to rapid increases in demand. Concerns remain however regarding the volume of demand and the scale of challenges individuals and households face given the nature of the cost-of-living crisis.

- **Workforce Pressures:** The Council continues to face a number of workforce challenges in ensuring sufficient capacity, appropriate skills and in recruiting and retaining staff, particularly given the level of competition for some professions. For example, Children's Services is dealing with ongoing difficulties in recruiting and retaining social workers, particularly experienced social workers, with a current heavy reliance on agency staff. Similarly, recruitment and retention of social care workers remains a challenge which is contributing to the severe pressures across the health and social care system. Discrete initiatives are in place to respond to pressures in social services, which are leading to a demonstrable improvement in recruitment and retention. While particularly acute in social services, workforce pressures are being felt across all council services. In response, an enhanced approach to workforce planning at a corporate level has been put in place.
- **Housing:** The pressure on the housing market, especially the cost and lack of availability of homes in the private rented sector, is causing significant demand and cost pressures in housing and homelessness services and across numerous council services, including social services, advice services and refugee and asylum seeker support. Waiting lists to enter temporary accommodation have doubled over the last six months and hotels are now being used as temporary accommodation for some families. A programme of immediate actions has been put in place, including additional support packages to support those at risk of becoming homeless and for those struggling to pay their rent or mortgage. Over the longer term, the ongoing delivery of the Council's ambitious house building programme, working with Welsh Government and other partners, and which has included a number of innovative developments, is serving to accelerate the availability of housing in the city. Given the scale of the challenge and the cross-service and cross-city impacts of the issue, this is likely to remain a strategic priority for the Council for the remainder of the year and beyond.

Reason for Recommendations

12. To provide Cabinet with a mid-year assessment of the Council's performance in 2022/23.

Financial Implications

13. 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 17 November 2022 with a further monitoring report for Month 9 to be considered in late February/early March 2023.

Legal Implications

14. 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.
15. 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.
16. 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.
17. 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.
18. 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-governance-of-principal-councils.pdf>

HR Implications

19. This report sets out an assessment of performance against a number of performance criteria and the recommendations do not have any direct HR implications.

Property Implications

20. The report does not contain any property specific recommendations.
21. The strategic management of the Council's land and property estate is integral to the delivery of the Council's performance objectives. The Corporate Property Strategy 2021-26 sets out a five year plan aligned to the Council's budget requirements and Corporate Plan. Property performance is reported Annually via the Annual Property Plan. The Council's Property Asset Management governance ensures alignment of the estate with corporate performance and service requirements.

RECOMMENDATION

Cabinet is recommended to 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 2022/23, and the actions being taken to ensure the effective delivery of the Corporate Plan 2022-25.

SENIOR RESPONSIBLE OFFICER	Paul Orders Chief Executive
	13 January 2023

The following appendix is attached:

Appendix A: Mid-Year Assessment of Performance 2022/23