

CABINET MEETING: 13 JULY 2023

ANNUAL WELL-BEING REPORT 2022/23

**LEADER (COUNCILLOR HUW THOMAS) AND CABINET
MEMBER FOR FINANCE, MODERNISATION & PERFORMANCE
(COUNCILLOR CHRIS WEAVER)**

AGENDA ITEM: 2

Reason for this Report

1. This report is the Council's annual performance report, providing an assessment of the progress made in the delivery of the administration's priorities as set out within the Corporate Plan 2022-25. This report also enables the Council to discharge a number of statutory obligations, including a self-assessment of performance as required by the Local Government and Elections (Wales) Act 2021 and the publication of a statutory Annual Well-Being Report, as required by the Well-Being of Future Generations Act (Wales) 2015.

Background

2. The Council's Corporate Plan translates the administration's political priorities into deliverable organisational objectives. The Council's budget is also developed in tandem with the Corporate Plan on an annual basis to ensure alignment between the Council's budget and corporate priorities.
3. The Well-Being of Future Generations (Wales) Act 2015 requires the Council, as a public body, to publish Well-Being Objectives and how it plans to achieve them. These Well-being Objectives were set out in the Council's Corporate Plan 2022-25 as follows:
 - Cardiff is a Great Place to Grow Up
 - Cardiff is a Great Place to Grow Older
 - Supporting People out of Poverty
 - Safe, Confident and Empowered Communities
 - A Capital City that Works for Wales
 - Cardiff Grows in a Resilient Way
 - Modernising and Integrating our Public Services
4. The Annual Well-Being Report 2022/23 is a statutory annual review and self-assessment of performance in line with the commitments set out in the Council's Corporate Plan 2022-25 and includes:

- A strategic self-assessment of the Council’s performance for the reporting year 2022/23 against each of the Well-being Objectives (Appendix 1);
- A detailed update – with RAG (Red/Amber/Green) ratings – against the Key Performance Indicators (KPIs) included within the Corporate Plan 2022-25 and a detailed narrative update – with RAG ratings – against the Steps included within the Corporate Plan 2022-25. Updates against the Steps and KPIs in the Corporate Plan 2022-25 can be accessed via the [Corporate Performance Dashboard](#) (Appendix 2).

Self-Assessment of Performance: The Council’s Planning and Performance Framework

5. The Cabinet approved a strengthened Planning and Performance Framework on 24 February 2022, which responds to the new performance requirements set out in the Local Government and Elections (Wales) Act 2021.

6. Part 6, Chapter 1 of the Local Government and Elections (Wales) Act 2021 places a new duty on local authorities to keep performance under review. The Act also places a duty on principal councils to report on performance through the production of a self-assessment report in respect of each financial year. The Act, and associated Welsh Government guidance, sets out the expectations and purpose of the self-assessment, which is summarised as follows:

“...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.”

7. The self-assessment report must set out its conclusions on the extent to which the Council 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. This duty is discharged through the publication of the Annual Well-being Report.

8. The Council’s strengthened approach to self-assessment draws on a number of sources of performance information to assess progress against Well-being Objectives, including:

- Progress against the Council’s Key Performance Indicators;
- Progress against the Steps under each Well-being Objective;
- Regulatory assessment;
- Surveys and citizen feedback;

- Annual complaints report;
 - Financial monitoring – the Council’s Outturn Report 2022/23 serves to inform the Council’s financial position in respect of the year ending 31 March 2023;
 - 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.
9. These sources of performance information are reviewed annually to enable the Council to develop a rounded picture of the Council’s improvement journey over the year, which is set out in the Annual Well-being Report. The report provides a balanced assessment of performance for each Well-being Objective, recognising areas of progress, risk, as well as identifying specific areas of improvement and performance challenge, which will require further attention in the year ahead. This approach supports a more nuanced evaluation of the Council’s performance and a more constructive performance discussion than the previous categorisation of performance for each Well-being Objective.
10. 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 performance;
 - Assurance sessions with each Director that are convened by the Chief Executive and Section 151 Officer to consider performance, risk & financial challenges and priorities;
 - Assurance sessions with the Chief Executive and the Council’s Senior Management Team that are convened by the Cabinet;
 - Consideration by the Council’s Governance & Audit Committee in accordance with the requirements of the Local Government and Election (Wales) Act 2021.
 - Performance Panel Review, convened by the Chair of the Policy Review and Performance Scrutiny Committee, and involving the Chair of each of the Council’s Scrutiny Committees;
 - Consideration by the Policy Review and Performance Scrutiny Committee.
11. The Performance Panel, which brings together the Chairs of the Council’s five Scrutiny Committees and representatives of the Policy Review and

Performance Scrutiny Committee, considered the Annual Well-being Report 2022/23 on 26 June 2023. The Performance Panel Chair's letter, the Performance Panel's recommendations and observations, together with the response provided to the recommendations are included as Appendix 3a and 3b respectively.

12. The Council's Governance & Audit Committee is due to consider the draft Annual Well-being Report 2022/23 on 11 July 2023. Any letter received from Governance & Audit Committee following that meeting (Appendix 4a – *to follow*) will be circulated at the Cabinet meeting on 13 July 2023. If available, a response to any recommendations or points raised by the Governance & Audit Committee will be included as Appendix 4b to this report (*to follow*).
13. The Policy Review and Performance Scrutiny Committee is also due to consider the draft Annual Well-being Report 2022/23 on 12 July 2023. Any letter received from the Scrutiny Committee following that meeting will be circulated at the Cabinet meeting on 13 July 2023 (Appendix 5a – *to follow*). If available, a response to any points raised by the Policy Review and Performance Scrutiny Committee will be included as Appendix 5b to this report (*to follow*).

Areas of Progress and Improvement

14. The Council continues to evidence a broad pattern of year-on-year improvement across a range of council services, with clear progress being made in the delivery of Corporate Plan commitments in 2022/23:
 - Following the local council elections in May 2022 the new administration's policy agenda for the next five years - 'Stronger, Fairer, Greener' - was approved by the Cabinet in July 2022. These priorities have been translated into the Council's Planning and Delivery Framework with associated delivery milestones, key performance indicators and the necessary resources to ensure progress. Audit Wales also concluded that the Council has effective arrangements in place for setting corporate objectives, *using sustainable development principle to drive the setting of its well-being objectives including good use of data and a strong collaborative approach*.
 - The transition to hybrid working continues to be managed successfully, with the Council's assets, digital infrastructure and HR policies seeking to enable new models of service delivery whilst unlocking financial efficiencies, delivering service improvement, and providing greater flexibility for staff.
 - Education outcomes are positive with attainment above the Welsh average and school inspection results generally positive.
 - Good progress has been made in Children's Services with implementation of the Accommodation Strategy, embedding both the

intervention hub and reviewing hub and progressing work to shift the balance of care.

- Within Adult Social Services, the care market has been stabilised with domiciliary care requirements being met and pathways out of hospital have been improved through more effective joint working with Cardiff & Vale University Health Board.
- Progress has been maintained with the Council's housebuilding programme despite difficult market conditions.
- The Ageing Well Strategy continues to be progressed with joint working across directorates.
- A new Recycling Strategy has been approved with recycling rates in Quarter 1 achieving the statutory target.
- An extensive pipeline of One Planet Cardiff projects - including the District Heat System - continues to be progressed and a further £50m has been secured to deliver Cardiff Crossrail as part of the Council's broader transport strategy.
- The Council has become a top 100 employer in the Stonewall Workplace Equality Index survey, the highest placed Local Authority overall and retained the Gold Award.
- The Race Equality Taskforce has completed its programme of work and each of its recommendations have been accepted.

Corporate Improvement Priorities

15. The Annual Well-being Report 2022/23 highlights a range of performance challenges, which need to remain the subject of corporate focus over the year ahead:

- **Managing sustained increase in the complexity and scale of demand across Council services:** The fundamental changes in the scale and complexity of service demand post-Covid look likely to be long lasting and are being felt across multiple services. 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.

Demand challenges are particularly evident in services for children and young people, with children's services facing a significant rise in both the number and complexity of cases. In addition to this, workforce supply challenges and a shortage of accommodation places have resulted in serious service and budgetary pressures. In the Education system intermittent attendance and persistent non-attendance represents a significant concern in many parts of the city

which will require concerted focus from the Council and school leaders over the year ahead.

Similarly, the adult social care sector continues to face ongoing pressures through rising demand and increasingly complex service requirements. Though the supply of care in Cardiff has improved significantly, unlike in many other local authority areas, the fragility of the care market remains a concern due to an ongoing shortage of care workers. Given the ongoing pressures on the health and social care system, this will continue to be a strategic priority for the Council and its partners in 2023/24.

The number of people who are becoming homeless and the demand for emergency and temporary accommodation has increased substantially, with high waiting lists across all homeless gateways. Around 8,000 people are on now the council house waiting list and the rental rate in the private rented sector is at unprecedented levels. The shortage of housing of all tenures is creating pressure across many council services, and the need to rapidly extend access to housing, through building and securing additional affordable housing, represents a corporate priority.

- **Responding to new risks and issues:** In addition to the sustained rise in demand on services the Council has, alongside its partners, responded to several un-anticipated yet substantial risks and issues during the year. These include the response to the cost-of-living crisis which has disproportionately impacted some of the city's most vulnerable people and communities, as well as the wider economy. The emergence of the energy crisis brought severe cost pressures that seriously impacted the cost of running Council venues and have had clear implications for the Council's capital programme. The Ukraine refugee crisis also necessitated the rapid mobilisation of a cross service-area response. In each case, the Council convened an effective response, often involving cross service-area working and collaboration with public service partners, the private sector and the third sectors. Looking ahead, the Council must continue to anticipate and respond, at speed and in partnership, to new risks and issues as they emerge.
- **Workforce pressures now impacting on all council services:** Over recent years the Council has identified challenges in relation to recruitment and retention of staff in children's social services and adult social care. Whilst these challenges remain, the Council is now facing workforce challenges which are having an impact across all directorates. The primary concern relates to the recruitment and retention of appropriately skilled individuals with the Council facing competition from other sectors in attracting professionals, making it difficult to fill key positions. As is the case nationally, workforce challenges are having an impact on the Council's capacity to deliver services, as well as key projects. In response, the Council's new 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.

- **Ensuring continued financial resilience:** Despite a more positive than anticipated financial settlement for 2023/24, the Council faces significant immediate and medium-term budgetary challenges. The Budget Update Report presented to Cabinet in July 2023 set out an indicative Revenue budget gap of £36.7 million for 2024/25 and a £119.2 million budget gap across the period of the Medium- Term Financial Plan. These pressures are due to a combination of increased complexity and scale of demand on services (particularly in Children’s Services, Adult Social Care, Additional Learning Needs and Homelessness), inflationary pressures driven by employee related costs, the costs of goods and commodities purchased by the Council (such as energy, food and fuel) and the cost of construction, materials and commissioned services. Continued post-pandemic pressures in income recovery in some services also remains an issue. To ensure the Council’s ongoing financial resilience, a proactive approach to identifying and implementing savings will continue. This includes a review of all directorate budgets and the identification of baseline efficiencies across all services. Given the wider economic environment characterised by high inflation, rising interest rates and labour and supply chain challenges, a sharp focus will also need to be placed on the Council’s capital position and the development of its medium- and longer-term programme.

Reason for Recommendations

16. To enable the Annual Well-Being Report 2022/23 to be considered and approved by Council on 22 July 2023 and published thereafter.

Financial Implications

17. The Annual Well-being Report is a self-assessment of the performance of the Council and a commentary on its governance framework. A summary of the financial pressures that are facing the Council are set out in paragraph 15. The Annual Well-being Report contains targets and objectives with actions that need to be consistent with the budget framework and Medium-Term Financial Plan. Proposals should be subject to detailed reports each accompanied by a robust business case where relevant and should include sufficient financial detail in order to set out the full and robust financial implications as well as be fully informed of associated risks and uncertainty.

HR Implications

18. The trade unions have been consulted on this report. As identified within the report there are a number of workforce pressures that the Council is experiencing and the Workforce Strategy 2023-27 sets out some actions to address these issues which are detailed in the body of the report.

Legal Implications

19. The Well-being of Future Generations (Wales) Act 2015 ('the WBFG Act') places a 'well-being duty' on public bodies aimed at achieving seven national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible. As required under the WBFG Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals, which are set out in the annual Corporate Plan. When exercising its functions, the Council is required to take all reasonable steps to meet its well-being objectives.
20. Section 13 of WBFG Act requires Councils to prepare and publish an Annual Well-Being Report on the progress made on meeting its well-being objectives during the preceding financial year.
21. The Local Government and Elections (Wales) Act 2021 ('the 2021 Act'), Part 6, Chapter 1, establishes a new performance and governance regime for local government, which includes a duty for Councils to review the extent to which they are fulfilling the 'performance requirements', that is, the extent to which:
 - i. the Council is exercising its functions effectively;
 - ii. it is using its resources economically, efficiently and effectively; and
 - iii. the Council's governance is effective for securing points 1 and 2 above.
22. The Council must consult a wide range of stakeholders and local people about the extent to which it is meeting the 'performance requirements'. Scrutiny Committees play a key role in offering constructive challenge in relation to performance. The Council is required to produce and publish an annual Self-Assessment Report setting out its conclusions on the extent to which the Council has met the 'performance requirements' during the preceding financial year and any actions it will take, or has already taken, to increase the extent to which it meets the 'performance requirements' (under section 91 of the 2021 Act).
23. The Governance and Audit Committee must review the draft Self-Assessment Report and may make recommendations for changes to the conclusions or actions the Council intends to take. If the Council does not make a change recommended by the Governance and Audit Committee, it must include the Governance and Audit Committee recommendation in the Self-Assessment Report with an explanation of the reasons why the Council did not make the change.
24. As noted in the body of the report, the Annual Well-Being Report is to discharge the Council's statutory duties in respect of:
 - (i) the Annual Well-Being Report required (under section 13 of the Well-Being of Future Generations (Wales) Act 2015) on progress made

during the preceding financial year on meeting its Well-Being Objectives, which are set out in the Corporate Plan 2022-25; and

- (ii) the Self-Assessment Report required (under section 91 of the Local Government and Elections (Wales) Act 2021) setting out its conclusions on the extent to which the Council has met the 'performance requirements' set by the Act during the preceding financial year.
25. In each case (for the Annual Well-Being Report and the Self-Assessment Report), the report must be published and the Council must comply with the detailed statutory requirements set out in the relevant Act, and have regard to the statutory guidance:
- Statutory Guidance on the Well-Being of Future Generations (Wales) Act 2015: [spsf-2-individual-role-public-bodies.pdf \(gov.wales\)](#), in particular, the section on 'Annual reporting' in paragraphs 24 to 29 inclusive; and
 - Statutory guidance on Performance and Governance of Principal Councils, Part 6, Chapter 1, of the Local Government and Elections (Wales) Act 2021: [Performance and governance of principal councils: Statutory guidance on Part 6, Chapter 1, of the Local Government and Elections \(Wales\) Act 2021, in particular, the section on 'Self-assessment report', in paragraphs 2.28 to 2.32 inclusive.](#)
26. Both sets of statutory guidance make clear that the Council may take an integrated approach to reporting and specifically indicate that the Annual Well-Being Report may be integrated with the Self-Assessment Report, as long as the statutory requirements in respect of each report are fully met.
27. The decision maker must be satisfied that the draft Annual Well-Being Report 2022/23 meets the requirements referred to above.

Equality Requirements

28. In considering this matter, the decision maker must have regard to the Council's duties under the Equality Act 2010. Pursuant to these legal duties Councils must, in making decisions, have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: (a) Age, (b) Gender reassignment, (c) Sex, (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation (i) Religion or belief – including lack of belief.
29. When taking strategic decisions, the Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010). In considering this, the Council must take into account the statutory guidance issued by the Welsh Ministers ([WG42004 A More Equal Wales The Socio-economic Duty](#))

[Equality Act 2010](#)) and must be able to demonstrate how it has discharged its duty.

30. The decision maker should also have regard to the Council's obligations under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.
31. Under the Article 4 of the Constitution, the Self-Assessment Report is included in the Policy Framework of the Council, and as such, must be approved by full Council.

Property Implications

32. There are no property implications in respect of this Annual Well-being Report 2022/23 report. Where there are property transactions or valuations required to deliver any proposals, they should be done so in accordance with the Council's relevant Asset Management process and in consultation with appropriate service areas.

RECOMMENDATIONS

Cabinet is recommended to:

1. Note the contents of the report and its appendices, including the observations and any recommendations made by (i) the Performance Panel (**Appendix 3a**); (ii) the Governance and Audit Committee (**Appendix 4a**) and (iii) the Policy Review and Performance Scrutiny Committee (**Appendix 5a**);
2. Delegate authority to the Corporate Director (People & Communities), in consultation with the Leader of the Council and Cabinet Member for Finance, Modernisation & Performance, to make any consequential changes to the draft Annual Well-being Report 2022/23 arising from recommendation 1 above; and
3. Recommend the Annual Well-being Report 2022/23, including any agreed amendments under recommendation 2 above, to Council for approval.

SENIOR RESPONSIBLE OFFICER	Sarah McGill Corporate Director (People & Communities)
	7 July 2023

The following appendices are attached:

Appendix 1: Annual Well-being Report 2022/23 (Draft)

Appendix 2: [Corporate Performance Dashboard](#)

Appendix 3a: Performance Panel Letter, Recommendations and Observations

Appendix 3b: Response to Performance Panel Recommendations

Appendix 4a: Governance & Audit Committee Letter (*to follow*)

Appendix 4b: Response to the Governance & Audit Committee Letter (*to follow*)

Appendix 5a: Policy Review and Performance Scrutiny Committee Letter – Annual Well-being Report 2022/23 (*to follow*)

Appendix 5b: Response to the Policy Review and Performance Scrutiny Committee Letter – Annual Well-being Report 2022/23 (*to follow*)

The following background papers have been taken into account:

- [Cabinet Report, 24 February 2022: Performance and Planning Framework & Data Strategy](#)
- [Performance and governance of principal councils: Statutory guidance on Part 6, Chapter 1, of the Local Government and Elections \(Wales\) Act 2021](#)