

CABINET MEETING: 16 DECEMBER 2021

MID-YEAR ASSESSMENT OF PERFORMANCE 2021/22

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

AGENDA ITEM: 9

Reason for this Report

1. The report enables the Cabinet to consider the Council's mid-year assessment of performance in 2021/22, and the progress made in the delivery of the administration's Capital Ambition priorities as set out within the Corporate Plan 2021-24.

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 establishes 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. This ensures that performance is kept under regular review, there is collective understanding of progress as well as areas of challenge and, crucially, 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 2021/22 is attached as **Appendix A** to this report. The assessment provides a performance update for each of the Council's eight Well-Being Objectives, as set out in the Corporate Plan 2021-24, with a focus on progress made, challenges and risks, and next steps. The assessment draws on a number of sources of performance information to assess progress against the Well-being Objectives, including:
 - Progress against the Steps under each Well-being Objective (**Appendix A**);
 - Progress against Key Performance Indicators (**Appendix B**);
 - 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 2021/22 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;
 - Consideration by 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 the PRAP Scrutiny Committee;

- Consideration by the PRAP Scrutiny Committee.
8. The 2021/22 mid-year assessment of performance was considered by the Performance Panel on 6 December 2021, and the letter received by the Panel following the session is included as Appendix D. The Panel made a number of recommendations, suggestions and observations, the response to which is included in Appendix E. The panel made 6 formal recommendations, all of which were accepted. A further 11 observations made suggestions to amend the mid-year assessment, which were also all accepted.
 9. The PRAP Scrutiny Committee considered the various observations and recommendations/requests of the Performance Panel, together with the response to these, at its meeting on 14 December 2021. The Governance & Audit Committee will also consider the mid-year assessment at its meeting on 25 January 2022.

Ongoing delivery of Capital Ambition

10. The Council continues to evidence a broad pattern of year-on-year improvement across a range of Council services, with clear progress having been made in the delivery of key Capital Ambition projects:
 - Plans to build 1,000 new homes by December 2022 are progressing, with 591 houses having already been completed.
 - A new multi-disciplinary assessment centre, Falconwood House, opened in August 2021 as part of the approach to increasing in-house residential provision.
 - Despite significant challenges, rough sleeping is still low (20), with good progress being made on all the new homeless projects such as the assessment centre, family homeless centres and the leasing scheme.
 - 124 paid opportunities were made available for apprentice or trainees at the end of Quarter 2, against an annual target of 125.
 - All three targets from Cardiff's Living Wage City Action Plan were achieved ahead of schedule. The total number of workers employed by accredited real Living Wage employers in the city currently stands at 61,183 against a target of 48,000 by 2022, meaning that almost 8,000 workers have received a pay rise to at least the real Living Wage in Cardiff.
 - The Into Work Service has expanded to meet demand and employment mentors have assisted 700 people into secure employment since April 2021, many of which in high-demand sectors.
 - Comprehensive support was mobilised at pace to provide newly-arrived Afghan nationals with joined-up access to services, including health screening and education provision.
 - As part of the approach to secure the long-term sustainability of cultural venues, the New Theatre has been successfully transferred to a third party operator, with other venues having now re-opened and experiencing good patronage.
 - Major projects such as the Indoor Arena, International Sports Village (ISV), Central Quay and Canal Quarter are progressing well.

- One Planet Cardiff was launched in October 2021 following a comprehensive carbon audit of Council activities.
- Rapid expansion of the cycle network with over 11km of dedicated cycle lanes having been delivered. In addition, the Healthy Streets pilot and roll-out of 20mph speed limits in residential areas is making transport in Cardiff safer, cleaner and healthier.
- Over 50 million items of PPE have been sourced and distributed since the start of the pandemic to ensure that staff and service users are safe.
- Home and hybrid working continues to be supported effectively, with high levels of productivity and well-being reported.

Progress against the Recovery and Renewal Priorities

11. In May 2021, the Cabinet agreed an approach to recovery and renewal, which set out how the Council would adapt to the challenges and opportunities of the new operating environment as the city emerged from the Covid-19 pandemic. A comprehensive programme of work has been therefore progressed over the last six months, which has been focused on a Child Friendly Recovery, City Recovery and Organisational Development, as set out below.
12. **Recovery and Renewal: Child Friendly Recovery** – the Council recognises that the lives of all children and young people have been disrupted by the pandemic, with more vulnerable children particularly impacted. The Council is committed to putting the voice, needs and rights of children and young people at the heart of the recovery and renewal programme. A series of short, medium and long-term actions were therefore identified for delivery and key areas of progress include:
 - Supporting the safe restart of schools: Work has continued to maintain the health, safety and well-being of children and young people. Support for schools has enabled the continuity of learning, and communication and collaboration with partners has been strengthened.
 - ICT Investment Programme: £3.8m has been invested in 2021/22 to deliver an improved device ratio and enhance connectivity outside of school.
 - School Leavers: Cardiff Commitment partners and the Youth Service have collaborated to offer a range of support and virtual activities to support school leavers in the summer of 2021. Low levels of young people not in education, employment or training (NEET) have been sustained. Of the 2021 school leavers, a 2.1% rate for 'NEETs' is projected.
 - 'Summer of Smiles': The children and young people's summer festival was successfully delivered in July-August 2021 and funding has also been secured for the 'Winter of Well-being'.
 - School Organisation Programme (SOP): The largest schools investment programme in Wales has gained momentum with 13

Cabinet decisions taken over the past year, following a review of delivery pressures and demographic challenges. The value of spend on the asset renewal programme has also increased.

- Children's University: The Children's University has been launched with 12 schools and Cardiff University. An extensive range of opportunities are available, beginning with the 'Passport to the City'.
- Rights Respecting Schools: The number of Rights Respecting Schools in Cardiff has increased to 74. Preparation for UNICEF Child Friendly City accreditation is underway, with assessment due in late spring 2022.
- Vulnerable Learners: A programme of work is underway, in partnership with Children's Services, to support vulnerable learners.

13. **Recovery and Renewal: City Recovery** – the report to Cabinet in May 2021 identified the actions that the Council and its partners would take to ensure the safe and successful restart of the city economy. Key areas of progress include:

- 'Greener, Fairer, Stronger': Consultation has been completed with the public and stakeholders. A subsequent report is also being considered by the Cabinet on 16 December 2021.
- Reanimating the City Centre: City centre recovery has progressed well with footfall returning to pre-pandemic levels. The economic situation is stable, but remains vulnerable to shocks during the winter. The risks to be managed over the months ahead include:
 - cost of living increases (food, fuel, and staff);
 - recruitment issues in the foundational economy (including care, hospitality, and HGV skills);
 - events recovery – the events pipeline appears strong (in city and Council venues), but will require close monitoring;
 - the implementation of city centre transport schemes; and
 - the nature and impact of any further, yet unknown, Covid restrictions.
- Mobility & Movement: Bus and rail patronage is returning, albeit slowly, while car usage is at, or above, pre-pandemic levels.
- Major Projects: Progress is being made on the Indoor Arena, ISV, Metro Central/Central Square, Canal Quarter, and Westgate Street/Wood Street projects.
- Business Support Funding: Further short-term funding of £4.2m has been made to businesses, with support also provided for the Council's Into Work Service.

14. **Recovery and Renewal: Organisational Development** – the Council has recognised that local public services need to change in response to the new

operating environment created by the Covid-19 pandemic. Key areas of progress include:

- County Hall: A managed return of key members of staff to County Hall has taken place, with a focus on health and safety. Home working for most staff will remain until spring 2022.
- Hybrid Working: A programme of staff and Trade Union engagement has been completed and positive feedback has been received from Audit Wales. The courtyard in County Hall is currently being converted into a 'touch down space' in order to test and promote new ways of working.
- Digital Priorities: A programme of work on service automation has commenced.
- Assets & Accommodation: Work to develop a business case for the future of the Council's workplace accommodation has commenced, which includes the planned approach to core offices.
- Workforce Planning: A greater focus has been placed on more effective workforce planning, including identifying what key skills will be required post-pandemic. This links into the efficiency agenda and wider considerations around pay and grading options.

Managing the Impact of Covid-19

15. Over the past two years, the Council and its partners have led the response to the Covid-19 pandemic, preventing the spread of the virus, whilst ensuring the continued delivery of key frontline services and the protection of the city's most vulnerable people.
16. With Covid-19 considered to be in a transition phase – from pandemic to endemic – the general policy direction is slowly moving towards accepting Covid-19 as a vaccine-preventable disease. The approach is complemented by isolation and testing of symptomatic individuals, surveillance and a risk-based response to incidents and outbreaks of the infection, meaning that the Test, Trace, Protect (TTP) service remains of critical importance.
17. Cardiff's TTP service, therefore, continues to play an essential role. Given the continued pressure on the service, the TTP service has adapted its operating model with tracing activity being prioritised to focus on those within high-risk settings. In addition, given the scale of the current pressures, the service must be kept under constant review to ensure that capacity can be maintained to respond to variants of concern or local outbreaks.
18. Work to deliver the mass vaccination programme continues, with the Council providing logistical support at vaccination centres in the city. As of 7 December 2021, 893,064 total vaccinations have been given in the Cardiff and Vale University Health Board area. The Council continues to investigate and manage sporadic cases and incidents of Covid-19, as well as other

communicable diseases, in care homes and domiciliary care providers across the region. PPE continues to be issued to staff and care providers, and PCR and Lateral Flow testing processes are in place for Council and partner staff.

19. Looking ahead, it is clear that the Council is facing a challenging winter period. With widespread community transmission, and social mixing returning to pre-pandemic norms, it is expected that 2021/22 will be the first winter in the UK when seasonal influenza virus and other respiratory viruses will co-circulate alongside Covid-19, adding substantially to the winter pressures faced by the Council and the NHS.

Areas of Strategic Challenge and Corporate Improvement Priorities

20. The Annual Well-being Report 2020/21 highlighted a range of performance challenges, which have remained the subject of corporate focus in 2021/22:

- Adult Social Care

Recent months have seen a surge in demand for social care. There has been a 15.55% increase in referrals for Domiciliary Care compared to pre-pandemic levels and, since June 2021, the number of referrals is over 28% higher than in 2019/20. This increase in demand is compounded by a national shortage of care workers. As a result, care providers who have provided much needed services throughout the pandemic are now struggling to provide the capacity that the system needs to support some of the city's most vulnerable people. Whilst this is a national challenge, the situation facing the Council in the winter of 2021/22 is as difficult as at any point during the pandemic.

Enhancing care and professional capacity in the immediate term will be challenging and, therefore, the Council has taken steps to safeguard and focus the care that is available on personal care only and on those people who are most vulnerable and in greatest need of support.

Looking to the months ahead, the possible closure of care homes and domiciliary agency failure over the winter period is now a real possibility. Contingency planning work is being undertaken to mitigate the risk and prepare for any such scenario.

An in-year financial allocation has been made by the Welsh Government to address the challenges facing adult social care; however, this must be spent by 31 March 2022. The funding will be used to improve resilience in the care market, grow the workforce and supporting people to stay independent at home.

- Children's Services and Outcomes for Vulnerable Children

Service improvements have progressed, including the embedding of the locality working approach across Children's Services and Education. Recruitment and retention of the Children's Services workforce has been a notable area of improvement. At Quarter 2, the vacancy rate was 22.1%, against a target of 26%; this demonstrates the positive impact

of the market supplement, though recruiting more experienced social workers remains a challenge.

The encouraging trends, which indicate a shift in the balance of care, have continued. For children looked after, a shift towards in-house fostering in pre-school and primary age children is being achieved, although issues remain in residential placements for teenagers with complex needs.

However, Children's Services continues to face high and increasing demand, as well as increases in case complexity. This demand is reflected in the caseloads from the first point of contact, through to the Child Protection Register and the number of children looked after, including increasing demand on services to address children's mental and emotional health (based on school and hospital referrals). This situation is likely to become more challenging over the months ahead.

The Council is reviewing business continuity plans in recognition of the scale of the challenges that it is facing, which are likely to create additional and sustained financial pressures. Work is underway to understand projections for future demand levels in order to inform future budget requirements.

- Waste Management and Street Scene Services

Strengthened operational management arrangements are now in place, providing greater internal control. The introduction of the four-day week has eliminated bank holiday disruption. Productivity has also improved, with each shift now working nine hours per day and collecting two pick-ups. Rounds are being completed five hours faster, so litter is being taken off the streets much sooner and the teams are now working 90-100% of their contracted hours.

The scale of the service change in waste, and the associated disruption, led to a significant rise in complaints. A reduction in complaints is anticipated as the service changes bed in. As has been the case across the UK, the national shortage of HGV drivers, which is expected to continue throughout the winter, is impacting the delivery of recycling and waste collection services. A media campaign has been designed to promote working for the service and internal training of officers wanting to become HGV drivers is ongoing.

Meeting the statutory recycling target set by the Welsh Government remains a significant performance challenge and financial risk. A new Recycling Strategy, which is also being considered by the Cabinet on 16 December 2021 ahead of public consultation, will set out a number of strategic measures to significantly improve recycling performance in Cardiff. Additionally, the glass recycling pilot is progressing and is anticipated to run on time. The service adaptations to the Household Waste Recycling Centres have increased recycling rates from 80% to 85%, amongst the highest in Wales.

Street cleanliness levels vary across the city, with inner-city wards most impacted. An approach to targeting street cleansing resources to the areas of greatest need will be implemented. The integration of waste, street cleansing and enforcement services will also strengthen the Council's ability to respond to this issue.

- Sickness Absence

Significant improvements were recorded in sickness absence levels throughout 2020/21. Over the past quarter, sickness has again increased, correlating with the Welsh Government's move to Alert Level Zero and subsequent easing of Covid restrictions in Wales. The Quarter 2 sickness absence result shows that the Council is currently above target at 10.76 working days/shifts lost per full-time equivalent (FTE) Local Authority employee, against a target of 9.5. Much of this increase relates to a large number of staff absent due to Covid-19, with the forecasted result dropping to 9.77 FTE days if Covid sicknesses are removed, only slightly above target.

Sickness absence is not uniform across the Council, with sickness particularly high in Street Scene and Adult Services. A targeted approach will continue to be applied to improve performance. Furthermore, a continued focus is being placed on reducing long-term sickness absence, with additional corporate support being provided for the management of complex cases.

- Financial Resilience

The Covid-19 pandemic continues to have a significant financial impact on the Council. This is being evidenced through both additional expenditure pressures and reduced income generation across services. In response to these financial pressures, the Welsh Government has continued to support Covid-19 impacts, through the Covid-19 Hardship Fund, and has committed to continue funding arrangements across Wales for 2021/22 in areas where the pandemic continues to demand additional expenditure or result in lost income.

Over and above the Covid-19 crisis, some service areas continue to face long-standing and significant financial pressures, with ongoing challenges relating to the planning and delivery of departmental efficiency savings. There are particular pressures evident in Children's Services, Economic Development and Education & Lifelong Learning, with smaller, but not insignificant, overspends within Planning, Transport & Environment, and Governance & Legal Services. Enhanced service planning and tight budget monitoring is needed to ensure clear accountabilities, metrics and targets.

Regulator Assessment

21. Audit Wales has conducted a review of the Council's Modernisation Programme, providing a positive assessment of the shift to hybrid working and organisational recovery. The overall finding was that: *'The Council is harnessing the positive change in working practice arising from the pandemic to inform its future operating model for its workforce. In a short period of time*

it has developed a high level vision and has embarked on a wide ranging engagement programme to understand staff needs. At this early stage, it recognises that its governance arrangements are underdeveloped including strengthening the links to its medium-term financial plan and key decisions for change have yet to be made involving all staff, partners and service users.'

22. In addition, Audit Wales' Financial Sustainability Assessment Report, published in August 2021, concluded that *'the Council faces a number of key financial risks and has a significant medium-term budget gap but has arrangements in place to manage its financial sustainability'*.
23. Estyn undertook an inspection of education services between 29 November and 3 December 2021. The final report is expected to be published on 9 February 2022 and will form a substantive part of the Council's assessment of education performance. The Council also received a positive report on support for schools during Covid-19, citing its *"sustained strategic leadership"* and noting that *"a strength of Cardiff's response to providing support for children and young people...was its collaboration with partners in the public and private sectors."* School inspections have been suspended until 2022.
24. The HM Inspectorate of Probation (HMIP) follow-on inspection of the Youth Justice Service (YJS) is expected imminently. Following improvements in strategic governance, partnership working, management and intelligence, the Youth Justice Board for England and Wales agreed in October 2021 to de-escalate the YJS in Cardiff from stage 3 to stage 1 priority, in recognition of the progress made in the improvement journey.

Reason for Recommendations

25. To provide Cabinet with a mid-year assessment of the Council's performance, including an update on the delivery of Capital Ambition priorities as set out in the Corporate Plan 2021-24.

Financial Implications

26. This report considers the current position regarding performance and action being taken to ensure the effective delivery of Capital Ambition. The 2021/22 budget allocated resources sufficient to deliver Capital Ambition and in the event where there have been changes in assumptions that require further financial resources, then these need to be identified before progressing with the intervention.

Legal Implications

27. 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.

28. 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.
29. 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.
30. 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 28 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.
31. 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: [Statutory guidance \(gov.wales\)](https://gov.wales/statutory-guidance)

HR Implications

32. There are no HR implications directly related to this report.

Property Implications

33. There are no specific further property implications in respect of the 2021/22 Mid-Year Assessment of Performance. It should be noted that the Strategic Estates Department has assisted and advised where necessary on any property issues and certain relevant matters referred to in this report will also be reflected in the Corporate Property Plan 2021-26.
34. The Strategic Estates Department will assist where necessary in supporting relevant property related delivery in areas such as the Covid Response, Hybrid Working, Heritage Buildings and One Planet Cardiff, as well as delivery of Capital Ambition, Major Projects and School Organisational Programmes. Where there are property transactions or valuations required 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 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 2021/22, and the actions being taken to ensure the effective delivery of Capital Ambition and the Corporate Plan 2021-24.

SENIOR RESPONSIBLE OFFICER	Paul Orders Chief Executive
	10 December 2021

The following appendices are attached:

- Appendix A:** 2021/22 Mid-Year Assessment of Performance Report – High level summary by Well-being Objective
- Appendix B:** Update against Corporate Plan Key Performance Indicators, Quarter 2 2021/22
- Appendix C:** Update against Corporate Plan Steps, Quarter 2 2021/22
- Appendix D:** Performance Panel Letter
- Appendix E:** Response to Performance Panel Recommendations & Observations