



Report of the Cabinet Member for Corporate Service & Performance

Council – 2 March 2023

Annual Review of Performance 2021/22

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| Purpose: | To present a draft of the Council's Annual Review of Performance 2021/22, which meets the statutory requirements to publish an annual self-assessment report and annual well-being report under Part 6 of the Local Government & Elections Act (Wales) 2021 and Well-being of Future Generations (Wales) Act 2015 respectively. |
| Policy Framework: | Corporate Plan 2021/22 <i>Delivering a Successful and Sustainable Swansea</i> . |
| Consultation: | Access to Services, Finance, Legal. |
| Recommendation(s): | It is recommended that: 1) the draft Annual Review of Performance 2021/22 ("the Review") be approved for publication. |
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1. Introduction

- 1.1 The Council is subject to two pieces of legislation that guide how Councils in Wales approach performance in Wales: Part 6 of the Local Government & Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015.
- 1.2 Part 6 of the Local Government & Elections (Wales) Act 2021 sees Councils as "Self-improving organisations through a system based on self-assessment and panel performance assessment"

1.3 The Local Government & Elections (Wales) Act 2021 introduces 5 new statutory duties on local authorities. The first duty is to:

- keep performance under review; that is, the extent to which the Council is meeting the performance requirements, which are:
 - exercising its functions effectively;
 - using its resources economically, efficiently and effectively;
 - its governance is effective for securing the above.

1.3.1 The other duties are:

- to report on performance through self-assessment;
- consult on performance;
- arrange a panel performance assessment;
- respond to a panel performance assessment.

2. Self-assessment and annual reporting

2.1 Councils must undertake self-assessment each year on the extent to which they are meeting the performance requirements.

2.2 The self-assessment should be an integrated and continuous process, which is corporate and not service based. It should be honest and open and be owned and led at a strategic level. Scrutiny should be involved in the process and the self-assessment should identify areas for action that can be used to inform improvement.

2.3 The Council must publish the outcome from the self-assessment through an annual self-assessment report. The self-assessment report should address the following questions:

- How well are we doing?
- How do we know?
- What and how can we do better?

2.4 Councils must also publish an annual well-being report under the Well-being of Future Generations (Wales) Act 2015.

2.5 The annual well-being report must set out progress meeting the 'steps' described in the Corporate Plan to achieve our Well-being Objectives established through the Well-being of Future Generations (Wales) Act 2015 and how, in doing so, it is working sustainably and maximising its contribution to the national goals established by the Act.

2.6 The Annual Review of Performance 2021/22 ("the Review") discharges both of these statutory and annual reporting requirements. A copy of the Review is attached at Appendix B.

3. Process for self-assessment

- 3.1 The Council's approach to undertaking its self-assessment has been based on the principle of utilising and developing existing frameworks. This includes:
- the modification of the Future Generations Commissioner's Self-Reflection tool to support an integrated approach to the gathering of evidence, which was used to determine progress against the Council's well-being objectives;
 - enhancement of the Council's Annual Governance Statement process into a Self-Assessment and Management Assurance process, which was used to help assess both the effectiveness of governance arrangements and the use of resources. This involved each Director completing a Self-Assessment and Management Assurance Statement;
 - a desk-top review of a range of evidence, such as committee and performance reports, to help inform the self-assessment report;
 - a new integrated planning, performance and risk management software solution, which is being developed and is planned to assist in embedding and enabling self-assessment.

4. First year of self-assessment

- 4.1 There were a number of things that went well during the first year of the self-assessment process and some things that will need to be improved in subsequent years.
- 4.1.1 The Self-reflection tools and Self-Assessment and Management Assurance Statements provided a useful framework for a consistent approach to self-assessment and provided core evidence to inform the self-assessment report. After their first use during the self-assessment, they will need to be reviewed to see if their use and application following the first self-assessment can be improved, including the level of challenge.
- 4.1.2 Audit Wales undertook in 2022 a review of the Council's self-assessment arrangements. They identified several positive attributes, which were reported to the Governance & Audit Committee on 27th September 2022. They also identified the need to try and improve the response rate to the public consultation on the self-assessment, which has been included within the Review as an area for continued improvement.

5. Content

- 5.1 Part 1 of the Review represents a report on the progress the Council has made undertaking the steps it set out in its Corporate Plan 2021/22 to work towards meeting each well-being objective. It provides a self-

assessment on the extent to which the Council is exercising its functions effectively. The Council is exercising its functions effectively when:

- It is meeting the steps set out to achieve its well-being objectives.
- It is maximising its contribution to its well-being objectives and National Goals.
- When it is working sustainably (in line with the 5 ways of working).

5.1.1 For each well-being objective:

- Why this is a well-being objective and what does success look like?
- How well are we doing - and how do we know?
- What and how can we do better (now and for the long-term)?
- Conclusion – the extent to which the Council is exercising its functions effectively:
 - Progress meeting the steps to deliver the well-being objective.
 - Contributing to the achievement of all the national well-being goals.
 - Working sustainably when taking steps to meet this well-being objective.

5.1.2 This first part of the report assesses the extent to which the Council is exercising its functions effectively using a modification of the Future Generations Commissioner’s Self-Reflection Tool to support an integrated approach to the gathering of evidence to determine progress against the Council’s well-being objectives and to fulfil its new self-assessment responsibilities.

5.1.3 An assessment on progress is made against the following criteria:

- **‘Getting started’** means this is a new objective or a change in direction. This could also mean the Council has faced challenges or barriers to progress.
- **‘Making simple changes’** should be quick and easy to implement. They’re often actions that are ‘low hanging fruit’ that have been tested by others and have a low risk of failure.
- **‘Being more adventurous’** involves stepping out of a ‘business as usual’ mind-set and acting to change how things are currently done. Signalling early progress to wider change, this might involve a change in strategy or team approach to doing something and could involve more departments and organisations than a ‘simple change’.
- **‘Owning our ambition’** can be a similar stage to ‘being more adventurous’ with initiatives developing and more people becoming involved. The Council will be taking more well-managed risks, reaching out to other sectors to make progress and collaborating on funding or staffing. The Council defines its approach as ambitious and staff feel empowered to work across sectors and influence change.

- Those that are **‘Leading the way’** may be the first people or Council to be taking these actions and are a guide for others to follow. This is a systemic, transformational change to how things have always been done and will require reallocating resources, time to put the changes in place and collaboration with other bodies. Actions are innovative, inspirational and collaborative, putting the Act into practice across larger portfolios to achieve the Council’s priorities. This way of working becomes embedded in the Council and good practice is shared with others.

5.1.4 Case-studies are also included in the full Review to better show the impact the steps are having.

5.2 In Parts 2 and 3 of the Review, the Council undertook a self-assessment and assurance of the effectiveness of its use of resources and governance arrangements in place. The assessment looked at what arrangements were in place during 2021/22, how effective they were and the evidence – using the following criteria:

| | Evidence & effectiveness of delivery | Extent of evidence & effectiveness |
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| 1 | Not in place | No evidence of effective delivery. |
| 2 | Limited application and effectiveness | Some evidence of application, but the effectiveness of delivery is limited. |
| 3 | Mixed Application and effectiveness | Mixed evidence of effective application, with some good evidence and some gaps in application or evidence. |
| 4 | Strong Application and effectiveness | Clear evidence of effective application. |
| 5 | Embedded | Clear evidence of effective and embedded application |

5.3 Part 2 of the Review demonstrates the extent to which the Council is using its resources effectively. The Council has a duty to the public to use its resources wisely. This means making economic, efficient and effective use of the resources at its disposal. In other words, providing value for money to the public; but it also means doing so in a way that is fair and sustainable so that services are available to all without compromising the needs of future generations.

5.3.1 When we talk about the ‘resources’ that are at the Council’s disposal, we are generally referring to the Councils budget, its workforce and its other assets, such as buildings. The Council is using its resources economically, efficiently and effectively when:

- It is minimising the resources used (Economic).
- The intended results correspond to the actual results (Effective).
- There is a positive relationship between the resources used and outputs / outcomes, i.e. both the economic and effective criteria are met (Efficient).

- There is equitable access to services and needs are met without compromising the needs to future generations (Equity and sustainability).

5.3.2 These resources are used through the following areas:

- Financial Planning.
- Workforce Planning.
- Procurement.
- Performance Management (and benchmarking).
- Asset management.

5.3.3 This part of the Annual Review of Performance is an assessment on the extent to which the Council is using its resources economically, efficiently and effectively. It does so by critically reviewing and evaluating how these resources were used through financial and workforce planning, procurement, performance management and asset management. Part 1 of this assessment, which looks at how effectively the Council is delivering its functions, is also a measure of the effective use of resources, i.e. the extent to which the intended results correspond to the actual results and should also be read as such.

5.4 The third part of the Review is an assessment of the effectiveness of the Council's governance arrangements to secure the above. The Council is required by the Accounts and Audit (Wales) Regulations 2014 to undertake a review of its governance arrangements, at least annually. The review is intended to show how the Council has complied with its Code of Corporate Governance.

5.4.1 The review of governance is brought together in the Annual Governance Statement (AGS) which is to accompany the Council's Annual Statement of Accounts. The AGS is a key document informed by a number of both internal and external assurance sources.

5.4.2 This part of the Annual Review of Performance is not meant to replicate the AGS but should be read in conjunction with it. This part of the Review is intended to assess and evidence the effectiveness of the Councils governance arrangements in helping to deliver its functions and provide value for money.

5.4.3 The Council has effective governance when it effectively applies the core principles of good governance are set out by CIPFA / SOLACE in *Delivering Good Governance in Local Government*:

- A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- B – Ensuring openness and comprehensive stakeholder engagement.
- C - There is a positive relationship between the resources used and outputs / outcomes, i.e. both the economic and effective criteria are met (Efficient).

- There is equitable access to services and needs are met without compromising the needs to future generations (Equity and sustainability).
- D – Defining outcomes in terms of sustainable economic, social and environmental benefits.
- E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F – Managing risks and performance through robust internal control and strong public financial management.
- G – Implementing good practices in transparency, reporting and audit to deliver effective accountability.

5.4.4 These core principles are applied in the Council through the following governance arrangements:

- Vision, strategy and performance.
- Organisational Governance, Ethics and Values.
- Organisational leadership.
- Customer & Community Engagement and Involvement.
- Risk Management and Business Continuity.
- Partnership / collaboration governance.
- Internal Control Environment.
- Fraud & Financial Impropriety.
- Programme and Project Assurance.
- Innovation & Change Management.

5.5 Each part of the Annual Review of Performance 2021/22 ends with an assessment made against the criteria and identifies areas for continued improvement.

6. Publication and accessibility

6.1 The Annual Review of Performance 2021/22 as required by the statutory guidance is a wide-ranging assessment that covers a large number of topics, contains substantial amounts of information and refers to significant quantities of evidence.

6.2 An Executive Summary has been produced (attached at Appendix A) to précis the overall findings of the assessment so that they are accessible for the casual and general reader.

6.3 In addition, consideration will be given going forward to the possibility of producing an easy read version or alternative.

7. Scrutiny and Governance & Audit Committee

7.1 The Service Improvement and Finance Scrutiny Performance Panel and the Governance & Audit Committee met to discuss the Annual Review of Performance 2021/22 on 8th November 2022 and 14th December 2022 respectively. The Governance & Audit Committee proposed the

following, which have been implemented or, where relevant, will be implemented in the 2022/23 Review:

- Consider the methods and methodologies for 2022/23 in parts 1, 2 and 3. This will be addressed in the 2022/23 assessment.
- Linking the performance and risk assessments for 2022/23. This will be addressed in the 2022/23 assessment.
- Recognizing improvements that would need to be articulated within the report around stronger analysis. This has been acknowledged within the Review and will be addressed as an ongoing area for improvement starting in 2022/23.
- Correlation between parts 1, 2 and 3, ensuring they are all in harmony prior to the report being presented to Council and if they are not in harmony, outlining the reasons why. The different parts of the assessment are congruent and there is some cross-over between them, although with differing emphasis.
- Ensuring the report is proof read prior to being presented to Council. This has been completed.
- Improving the links between consultation engagement / stakeholder reference. This will be addressed in the 2022/23 assessment.

8. Integrated Assessment Implications

8.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

8.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

8.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

8.1.3 This report meets our duty to report on progress in 2021/22 meeting the 'steps' described in the Corporate Plan to deliver our well-being objectives and on the extent to which a local authority is: exercising its functions effectively; using its resources economically, efficiently and effectively, and; is governing itself effectively in securing the above – as required by the Well-being of Future Generations Act 2015 and Part 6 of the Local Government & Elections Act 2021 respectively; so there is no direct impact on people or communities.

9. Financial Implications

9.1 The financial resources required to implement all the actions and achieve the specified performance targets in 2021/22 were provided in the approved budget. Any additional financial implications that arose from the pursuance of the priorities in the Corporate Plan would have been dealt with as virement within the normal financial procedures.

10. Legal Implications

10.1 None.

Background Papers: None

Appendices:

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| Appendix A | Executive Summary Annual Review of Performance 2021/22 |
| Appendix B | Annual Review of Performance 2021/22 |
| Appendix C | IIA |