



**CABINET – 22 NOVEMBER 2019**

**ANNUAL DELIVERY REPORT AND PERFORMANCE COMPENDIUM**  
**2019**

**REPORT OF THE CHIEF EXECUTIVE**

**PART A**

**Purpose of the Report**

1. The purpose of this report is to present the draft Annual Delivery Report and Performance Compendium for 2019 which set out the Council's performance over the past year. The Delivery Report itself (Appendix A) focuses largely on delivery against County Council priorities as set out in the Council's Strategic Plan 2018-22 and other main service strategies. The Performance Compendium (Appendix B) includes information on comparative funding and performance, savings plans and transformation requirements, service pressures and risks.

**Recommendations**

2. It is recommended that:
  - (a) The overall progress during 2018/19 in delivering on the Council's Strategic Priorities, securing transformation, and mitigating the impact of national funding reductions, as set out in the draft Annual Delivery Report, be noted;
  - (b) The current comparative funding and performance position, service pressures and risks set out in the Performance Compendium be noted;
  - (c) It be noted that whilst the provision of resources through the business rates retention pilot in 2019/20 and extra resources for 2020/21 is welcomed, the delay in implementing the national fair funding system has created significant uncertainties in the medium term with risks to being able to address the many service challenges and priorities facing the County;
  - (d) The Council continues to press its case for a fairer funding settlement and pursue other major savings initiatives;
  - (e) The Chief Executive, following consultation with the Leader, be authorised to make any amendments to the draft Annual Delivery Report and Performance Compendium prior to its submission to the County Council on 4 December 2019 for approval.

### **Reason for Recommendations**

3. It is best practice in performance management, implicit in the LGA Sector-Led approach to local authority performance and part of the Council's Internal Governance Framework, to undertake a review of overall progress at the end of the year and to benchmark performance against comparable authorities. It is also good practice to produce an annual performance report and ensure that it is scrutinised, transparent, and made publicly available.
4. The Council is poorly funded in comparison with other local authorities and this, until addressed, will continue to impact on delivery, performance and council tax levels.
5. The draft Report and Compendium may be modified to reflect comments made by the Cabinet as well as to include any final national comparative data which becomes available prior to its consideration by full Council.

### **Timetable for Decisions (including Scrutiny)**

6. The draft Annual Delivery Report and Performance Compendium 2019 were considered by the Scrutiny Commission on 30 October. The views of the Commission are set out in Part B of the report. The Annual Delivery Report and Compendium is scheduled for consideration by the County Council at its meeting on 4 December.

### **Policy Framework and Previous Decisions**

7. The Annual Delivery Report and Performance Compendium 2019 forms part of the County Council's Policy Framework. The information outlined in the report provides performance data which will help the Council and its partners to ensure services continue to meet standards, provide value for money, and that outcomes are being achieved for local people.
8. The five priority outcome themes in the Council's Strategic Plan encompass a number of supporting outcomes which together form the overall Single Outcomes Framework which set clear priorities for the Authority and enables more effective deployment and targeting of resources. The Annual Performance Report includes an assessment of progress in relation to the Outcomes Framework.

### **Resource Implications**

9. The report has no direct resource implications.

### **Circulation under the Local Issues Alert Procedure**

None.

**Officers to Contact**

Tom Purnell, Assistant Chief Executive

Tel: 0116 305 7019

Email: [tom.purnell@leics.gov.uk](mailto:tom.purnell@leics.gov.uk)

Andy Brown, Operational Business Intelligence Team Leader

Chief Executive's Department

Tel: 0116 305 6096

Email: [andy.brown@leics.gov.uk](mailto:andy.brown@leics.gov.uk)

Richard Wilding, Business Intelligence Business Partner

Corporate Services and Performance

Chief Executive's Department

Tel 0116 305 7308

Email: [richard.wilding@leics.gov.uk](mailto:richard.wilding@leics.gov.uk)

## **PART B**

### **Background**

10. The draft Annual Delivery Report and Performance Compendium appended to this report cover County Council delivery over the last 12 months or so. They draw largely on 2018/19 data, although older data and benchmarking is included where more up to date information is not available. In some cases, the data is more recent, such as the summer 2019 school examination results.
11. The assessment of performance has been divided into two parts – the Annual Delivery Report, the first part, is narrative, describing delivery, progress with implementing agreed plans and strategies, and achievements over the last 12 months. It largely focuses on performance against County Council priorities for community outcomes as set out in its Strategic Plan 2018-22 and other main service strategies.
12. The second part is the ‘performance compendium’ which contains information on:
  - Current inequality in funding and the Council’s Fair Funding campaign and proposals;
  - Current savings plans and future transformation requirements;
  - National and local service pressures and corporate risks;
  - Comparative performance, cost and service benchmarking 2017/18 including lower comparative performing areas;
  - 2018/19 end of year performance figures and a summary of progress towards the 2018/22 Strategic Plan outcomes.
13. Comparative data is sourced from a range of acknowledged data sources including the Local Government Association (LG Inform) national data system, Public Health and Adult Social Care Outcomes Framework data, OFSTED and Department for Education data sets, national highways survey, statutory returns, and Chartered Institute of Public Finance and Accountancy (CIPFA) data. There is some comparative data still to be published - notably some educational attainment and children’s social care data, which are due to be published by December 2019. The overall Council benchmarking position for 2018/19 will be updated at that point.
14. The appended Annual Report is a draft document and will continue to be developed to incorporate points made by the Cabinet as well as the inclusion of any final national comparative data which becomes available prior to its consideration by the County Council on 4 December. The final Annual Report will be published on the County Council website (<http://www.leics.gov.uk>) together with a shorter summary version.

## Delivery Narrative Summary

15. Overall analysis of the narrative shows some strong examples of both delivery across the theme outcome areas and transformation to meet savings requirements. There are good plans, financial management and governance in place supporting delivery and improvement.
16. The Council has established a Strategic Plan Delivery Group at officer level in order to coordinate the commissioning of activity to ensure maximum delivery against the new Outcomes Framework. A number of outcome advisory boards with chief officer champions, lead officers and delivery groups also support the work.
17. The report has substantial sections on economy and transport, housing, health and wellbeing and safer communities, children and families' delivery, reflecting a range of work going on to meet priority outcomes in these theme areas.
18. The report also includes a full section on delivery of the communities' outcome priority (including environment and culture work), drawing on work taking place in relation to the refreshed Communities Strategy and supported by the corporate Communities Team, communities' section of the Adults and Communities Department and Public Health activity such as local area coordinators. A separate shorter section covers key corporate services and enablers.

## Performance Data Analysis

19. Initial analysis of 2018/19 end of year data shows that out of 178 metrics (excluding schools and crime), 84 service metrics improved, 39 saw no real change, and 55 got worse. For 11 service metrics the 'direction of travel' cannot be determined, usually due to changes in indicator definitions or due to the addition of new indicators. A detailed summary of progress on the indicators is set out in the Performance Compendium along with the actual detailed data and dashboards.
20. Based on current comparative analysis, out of 150 indicators 39 are top quartile, 48 second quartile, 34 third quartile and 29 fourth quartile. In late 2018 the Council was identified by the consulting firm iMPower as the most productive council using a range of performance and spend measures.

## Fair Funding

21. The report analysis identifies that low funding remains the Council's Achilles heel. Leicestershire remains the lowest-funded county council in the country with greater risks to service delivery as a result. If it was funded at the same level as Surrey it would be £101m better off. London Boroughs are particularly prevalent at the top of the funding league table. An analysis by PwC found that councils in London had a surplus in funding of £2.4bn between 2015 and 2020.
22. The list of county authorities with serious financial issues continues to grow including Northamptonshire, Somerset, Lancashire, East Sussex, Norfolk,

Buckinghamshire, West Sussex, Suffolk and Surrey – with some counties moving towards providing services only to the statutory minimum level.

23. Last year the Council published a new simplified funding model based on factors that drive demand for local services. It allocates money fairly based on need and narrows the gap between the highest and lowest funded councils. If implemented, the model would unlock up to an extra £47m for Leicestershire. The extent of service reductions made has already affected most areas of service delivery and some areas of performance, and further cuts will put other areas at risk.
24. Rising demand means that over the period of the Medium-Term Financial Strategy, growth is required due to pressures related to child placements, school places, learning disabilities, support for children with Special Educational Needs and Disabilities (SEND), waste disposal, and the ageing population. As a result, the Council needs to save a further £55m, £20m of which is as yet unidentified. The current transformation programme and areas of service reduction are highlighted in the appended report and will require difficult decisions to continue to be taken.

### **National and Local Service Demands and Pressures**

25. In March 2018, the National Audit Office (NAO) issued a report on the financial sustainability of local authorities. The report found that the financial position of the sector had worsened markedly, particularly for authorities with social care responsibilities with signs of real financial pressure and trends that would not be sustainable over the medium term. 10.8% of single tier authorities and counties had less than three years' worth of reserves left at the current rate of use, with enhanced risks to services. The trajectory for local government was moving towards a narrow core offer increasingly centred on social care. The NAO also found the Government lacked a long-term funding plan for local government and noted the absence of monitoring of the impact of funding reductions.
26. CIPFA and the Institute for Government also reported on the performance of public services. The report (Performance Tracker) raised serious concerns about the quality of prisons, adult social care and libraries, with growing recruitment and retention difficulties across a range of services. National spending on health was crowding out other spending and locally spending on social care was following the same pattern, at the expense of other services such as libraries, waste and trading standards, with more costs being passed to citizens.
27. The Care Quality Commission, in its annual report on health and care, highlights continuing challenges around demand and funding, coupled with significant workforce recruitment/retention pressures. Workforce problems were having a direct impact on people's care and the adult social care market remained fragile with providers continuing to close contracts. People did not always have good experiences of care and had difficulties in trying to get care and support. Sometimes people did not get the care they needed until too late and things had seriously worsened for them. Locally 17% of adult social care providers require improvement, as well as the service looking to increase overall satisfaction with social care as reported through the social care user survey.

28. In relation to children's services, there continues to be a range of demands and pressures including on prevention budgets, increased numbers of children coming into care and placements, more child mental health issues (fuelled partly by social media), qualitative improvements to meet higher regulatory practice standards, SEND high needs block pressures and Education Health and Care Plans and wider family pressures related to welfare provision and homelessness. Low comparative funding for public health and trading standards also creates additional risks to the delivery of priority outcomes.

29. The service pressures section of the compendium highlights a number of reports this year that continue to identify pressures on county services, residents and continued good outcomes in addition to the paragraph above, including passenger transport, air quality, knife crime, community cohesion, climate change, emergency management and workforce recruitment, and wellbeing.

### **Improvement Plans Delivery**

30. Given the significant financial challenges, demand, and delivery pressures facing the Council there is a need to maintain the strong delivery focus and take forward a number of agreed strategies and improvement plans. There is also some time lag in the performance data and from actual delivery on the ground. Areas for continued focus include: -

- The Fair Funding Campaign, other major savings initiatives and seeking more sustainable funding for local services.
- Continuing to implement the Strategic Plan and Outcomes Framework, and associated strategies relating to housing delivery and communities, the Medium-Term Financial Strategy and Strategic Change Programme.
- Taking forward actions arising from the Climate Emergency Declaration and a refreshed Environment Strategy.
- Progressing the continued delivery of improvements to meet demand pressures on children's social care and SEND.
- Maintaining the good progress on health and care integration and pressing for a government solution to the challenges in adult social care.
- Implementing a new Local Industrial Strategy and the new Growth Unit to ensure effective management of major growth projects to enable the benefits to be achieved.
- Delivering on strategies to address current and new public health challenges such as obesity, diabetes, physical activity, child and adult mental ill health, and issues associated with poor air quality.
- Continuing partnership working with the Police and Crime Commissioner to pursue improvements in overall crime rates.

- Championing educational excellence and improved outcomes in targeted areas.
- Maintaining the focus on supporting workforce health and wellbeing and helping to reduce staff sickness absence.
- Continuing to enhance business intelligence, performance and contract quality monitoring, and feedback processes so that any service quality issues are detected and addressed at the earliest opportunity.

### **Views of the Scrutiny Commission**

31. The report was considered by the Scrutiny Commission at its meeting on 30 October 2019. The Commission generally welcomed receipt of the report and its usefulness in tracking progress and identifying possible areas for scrutiny attention. In particular, the Commission felt that it was helpful to have an overview of key delivery items during the year together in one place. The Commission also felt that the widening of the report's content over the last year or two to include a broader range of information on service funding, pressures and risks had provided a more balanced over-view of service delivery and performance issues.
32. The Commission raised a number of particular points including the need to ensure that the increased (17%) of care homes requiring improvement locally and work to tackle this were given attention, whether there was sufficient homeless provision outside of the 30 places based in Loughborough, some of the implications of clients managing their own personal budgets and care, whether significant infrastructure plans which had not yet been fully delivered should actually be included in the report and a couple of factual changes related to an independent living scheme. The later point has been amended in the revised report attached.

### **Equality and Human Rights Implications**

33. There are no equality and human rights implications directly arising from this report. The draft Annual Delivery Report and draft Performance Compendium incorporate the progress of the County Council against key equalities commitments and indicators.

### **Background Papers**

Report to the Scrutiny Commission – 30 October 2019 -

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=6064&Ver=4>

Leicestershire County Council Strategic Plan 2018-22

<https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>

National Audit Office Report – Sustainability of Local Authorities

<https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/>



Care Quality Commission – The State of Health Care and Adult Social Care in England – 2017/18 and 2018/19

<https://www.cqc.org.uk/publications/major-report/state-care>

CIPFA/Institute for Government – Performance Tracker 2018. A data driven analysis of the performance of public services

<https://www.instituteforgovernment.org.uk/publications/performance-tracker-2018>

Local Government Association: LG Inform Benchmarking System

<https://lginform.local.gov.uk/>

### **Appendices**

Appendix A - Draft Leicestershire County Council Annual Delivery Report 2019

Appendix B - Draft Performance Compendium 2019

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