



SCRUTINY COMMISSION – 9 NOVEMBER 2022

ANNUAL DELIVERY REPORT AND PERFORMANCE COMPENDIUM 2022

REPORT OF THE CHIEF EXECUTIVE

Purpose of the Report

1. The purpose of this report is to present the draft Annual Delivery Report and Performance Compendium for 2022 which set out the Council's progress and performance over the past year. The views of the Scrutiny Commission are sought on the Annual Delivery Report and Compendium, prior to submission to the Cabinet on 25 November and full County Council on 7 December 2022.

Policy Framework and Previous Decisions

2. The Annual Delivery Report and Performance Compendium 2022 form part of the County Council's Policy Framework. The documents provide 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.
3. The five priority outcome themes in the Council's new Strategic Plan, approved by the County Council in May 2022, encompass a number of supporting outcomes which together form the overall Single Outcomes Framework which sets priorities for the Authority and enables more effective deployment and targeting of resources. The Annual Performance Report outlines initial progress in relation to the Outcomes Framework.

Background

4. 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.
5. The National Audit Office last year issued best practice guidance for annual reports highlighting that the annual report is a key mechanism for

transparent disclosure of an organisation's in-year performance and governance matters. The report should discuss how the entity has performed in the year, including areas where performance has deteriorated or is below expectations, and the other key risks.

6. The Annual Delivery Report and Performance Compendium (appended to this report) covers County Council delivery over the last 12 months or so. It draws largely on 2020/21 comparative data, although older benchmarking and other data is included where more up to date information is not available. In some cases, the data is more recent.
7. The report is divided into two parts – the first part is narrative, summarising delivery and achievements over the last 12 months. It largely focuses on performance against County Council priorities as set out in the Council's Strategic Plan 2022-26 and other main service strategies.
8. The second part, the 'Performance Compendium', contains information on:
 - Current inequality in funding and the Council's Fair Funding campaign and proposals.
 - Comparative performance, cost and service benchmarking 2020/21 including lower comparative performing areas.
 - 2021/22 end of year performance figures, where available; and
 - Main corporate and service risks.
9. The reports are draft documents and will continue to be developed to incorporate points made by the Scrutiny Commission and Cabinet as well as the inclusion of any final national comparative data which becomes available prior to its consideration by the County Council on 7 December. The final Annual Delivery Report will be properly formatted and published online via the County Council website (<http://www.leics.gov.uk>).

Delivery Narrative

10. Overall analysis of the narrative shows some good examples of initial delivery across the theme outcome areas. The report has substantial sections on economy, transport and skills, health and wellbeing, safer communities and children and families, clean and green environment and stronger communities, reflecting a range of work going on to meet priority outcomes in these theme areas.
11. There remain good planning arrangements, financial management and governance in place supporting delivery, including new Outcome Delivery Boards for each theme of the Strategic Plan.

Performance Data Analysis

12. In late 2019 the Council was identified by the consulting firm IMPOWER as the most productive council using a range of performance and spend

measures. The Council's own more detailed benchmarking shows that it was the third best performing county in England on a wide range of performance measures in 2020/21, despite being the lowest funded. The final position for 2021/22 will be confirmed early next year.

13. The lower performing areas identified in the **2020/21** benchmarking are set out below, together with commentary and any recently published performance results.

Adult Social Care

- **Adult social care satisfaction and quality of life** (7 metrics): these indicators are derived from nationally required surveys of people in receipt of social care services. The results have displayed relatively lower performance compared to other local authorities for a number of surveys, although for some indicators the spread of results across authorities is relatively narrow. Overall satisfaction of people who use services with their care and support has increased from 59.9% in the previous survey (2019/20) to 63.4% in the latest survey. Satisfaction and quality of life are included as an ambition in the Vision and Strategy for the Adults and Communities Department 2020-24. Lower survey areas include quality of life, social contact, finding information, and feeling safe.
- **Care homes rated good/outstanding**: in November 2021, the result was 77.5%. Of 169 care homes, 3 were rated outstanding, 128 were good, 35 required improvement and 3 were rated inadequate. An action plan is in place to drive improvement across care homes, which are run independently.
- The % of **adults in contact with secondary mental health services who live independently** was 11%, while the % in employment was 3% in 2021/22. Leicestershire Partnership NHS Trust is the lead delivery partner.

Children/Families

- The % of **looked after children having dental checks** was an area of above average performance prior to 2020/21, when Covid-19 impacted access to local dental services. There has since been improvement from 28% in 2020/21 to 58% in 2021/22. An Oral Health Needs Assessment will be brought forward next year.
- The % of **looked after children having health checks** was 83.9% during 2021/22, slightly lower than 86% in 2020/21. Senior officer oversight is in place.
- The % of **looked after children offending** was 4% in 2020/21 but does vary from year to year due to the small numbers involved. In previous years, performance has been average or better than average.
- The % of **troubled families achieving continuous employment** was an area of high performance prior to 2020/21. There have been some reported issues with obtaining DWP data to verify employment status.

- The % of children achieving a **good level of development aged 2-2.5 years** was 70.3%, in 2020/21 which is below the England average of 82.9%. Various actions in the Strategic Plan 2022-26 are intended to address this.
- The % of children achieving a **good level of development aged 5 years** that are eligible for free school meals was 48.7% in 2018/19 (data was not collected during the pandemic). This is below the England average of 56.5% and has remained below average since the indicator was first published in 2012/13. Various actions in the Strategic Plan 2022-26 are intended to address this.
- The % of 19-year-olds with a **SEND statement or EHCP that are qualified to Level 3** has improved slightly from 9.6% in 2019/20 to 10.1% in 2020/21. SEND improvement plans are progressing.

Public Health

- Health: self-reported wellbeing – % **adults with a low satisfaction score** is derived from the Office for National Statistics Annual Population Survey. The result for 2020/21 was 6%. The spread of results for counties was from 3.8% to 7.2%. Mental health is a focus of the new Health and Wellbeing Strategy.
- Excess under-75 **mortality in adults with severe mental illness** was 493% in 2018-20, which is above the England average of 390%. A Suicide Group is in place as part of work on mental health.

Environment/Waste

- The fraction of mortality attributable to **particulate air pollution** in 2019 was 5.3%, above the England average of 5.1%. New plans are expected from government on air quality and monitoring.
- The % of **municipal waste landfilled** has improved over the past 2 years with the negotiation of an increase in the amount of waste delivered to alternative disposal points and was 25.3% in 2021/22. The average for county councils was 5.5% in 2020/21. The Resources and Waste Strategy 2022-2050 is under development. National targets are for 65% recycling by 2035 and 5% landfill by 2025.
- Housing energy performance: the % of **existing domestic properties with Energy Performance Certificate rating C+** has now improved from 36.4% to 41.4% and is now in the third quartile. Support has been provided for applications to improve energy efficiency; however progress is largely dependent on government policy and funding.

Economy/Planning

- The % of **major planning decisions within 13 weeks** was 82% in 2020/21 due to a small number of applications where an applicant was not prepared to agree to an 'extension of time agreement', as sometimes happens for complex applications. Performance improved to 85% (3rd quartile) in 2021/22 and remains above the government target.

- The **unemployment rate** improved from 5.4% last year to 3.3% in the most recent data and is now in the second quartile compared to other counties.
14. Looking at previous years benchmarking exercises 6 bottom quartile indicators have shown significant improvement in relative performance including new birth visits completed in 14 days, municipal waste landfilled, 3-year business survival, disabled residents finding it easy to access key facilities via transport (National Highways and Transport Survey), offences against vehicles and Ombudsman complaints upheld.
15. Initial analysis of **2021/22 end of year data** shows that of 202 performance metrics, 91 improved, 38 showed no real change and 73 worsened. Direction of travel cannot be determined for 19 indicators, due to the absence of previous data or changes to indicator definitions. Clearly the impact of the pandemic has continued to be felt, affecting outcomes in a number of areas, and some of these issues are flagged in the associated dashboards. A summary of progress on the indicators is set out in the Performance Compendium along with the actual detailed data and dashboards.
16. Looking at the main differences year on year across the dashboards and indicators a number of things stand out:
- Economy overview – some indicators have unsurprisingly declined due to the Covid lockdowns (Gross Value Added, new business creation, Free School Meals) – the first two focus on 2020 and have a longer time lag in data reporting.
 - Strong Economy – Employment and Skills – a general improvement due to economic recovery post-Covid (Employment/Unemployment measures)
 - Transport – some decline in satisfaction and road safety results, both probably linked to increased network activity following the lockdowns. However, in relative terms the National Highways and Transport survey results have improved.
 - Health and Care/Better Care Fund – some decline in performance, partly linked to more people coming through the system post-Covid.
 - Safeguarding children - decline in performance across 8 indicators. Some likely to be Covid related with more pressure on families and services.
 - Great communities - an improved picture due to reopening of facilities such as museums/libraries post lockdowns.
 - Enablers - decline in performance across 7 indicators.
 - Police and Crime – decline in performance (i.e., rising crime). However, an improvement in comparative/relative terms with other areas. This is opposite to what we saw last year when Covid reduced crime rates/opportunities.

Fair Funding

17. 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 Kensington and Chelsea it would be £413m better off. London Boroughs are particularly prevalent at the top of the funding league table.
18. The list of authorities with serious financial issues continues to grow with some counties having moved towards providing services to the statutory minimum level. The Council has published a new simplified funding model for local government 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 by the Government, the model would unlock up to an extra £47m for Leicestershire.
19. 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. These pressures have been further exacerbated by the financial and service implications arising from the demand impact of Covid-19, as well as pressures arising from the cost-of-living crisis and inflation.
20. The service risks section of the Compendium highlights a number of the areas of risk, which are subject to additional monitoring. Some of the key service risks include: -
- The ability to deliver savings through service redesign/transformation to meet the MTFs, the impact of the living wage, legal challenges and demand/cost pressures in adults/children's social care.
 - Covid-19 pandemic/demand pressures and cost of living pressures.
 - Child social care demand and cost pressures and Troubled Families Programme funding risks. SEND demand increases. Unaccompanied asylum-seeking children. Implementing Ofsted improvements.
 - Sustainable and integrated health and care system, health backlogs and increased demand on care services. Maintaining a sustainable and quality social care market. Implementing care reforms.
 - Delivering infrastructure. Operationalising the Freeport and maintaining an effective public transport network.
 - Embedding the response to climate change in services. Ash dieback impact.
 - Recruitment, retention and supporting staff health and wellbeing.

Areas for Continued Focus

21. Given the significant financial challenges, demand, and delivery pressures facing the Council, areas for focus include: -
- Continuing to implement the new Strategic Plan and Outcomes Framework, Medium Term Financial Strategy and updated Strategic

Change Programme, including more digital delivery and the new Workplace Strategy.

- Taking forward actions arising from the Climate Emergency Declaration, the Environment Strategy and Net Zero commitment.
- Continuing to maintain the Fair Funding Campaign, pursue savings initiatives and cost mitigation measures and seek more sustainable funding for local services.
- Progressing the continued delivery of improvements to support vulnerable children and families and meet demand pressures on children's social care and SEND.
- Maintaining the good progress on health and care integration, implementing a new Public Health and Health and Wellbeing Strategy and public health preventative measures, and pressing for an effective government solution to the challenges in Adult Social Care.
- Implementing economic recovery and skills plans and measures to support those affected by the cost-of-living crisis.
- Continuing partnership work with the Police and Crime Commissioner to pursue targeted crime areas such as domestic violence.
- Maintaining the focus on supporting workforce health and wellbeing and tackling recruitment and retention pressures.

Proposals/Options

22. It is intended that the Cabinet on 25 November will be asked to consider the following recommendations, that: -

- (a) The overall progress in delivering on the Council's new Strategic Priorities as set out in the draft Annual Delivery Report 2022 be noted and welcomed.
- (b) The Council's current low comparative funding, good performance position, and financial pressures and risks now facing the Authority set out in the Performance Compendium be noted.
- (c) In light of the pressure on the Council's financial sustainability arising from continued service demand and cost pressures, that have been compounded by the Covid-19 crisis, the Council continues to press its case for a fairer funding settlement, noting that the delay in implementation has created significant uncertainties as to how the Council can now address the many service challenges and priorities it faces; and

- (d) 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 7 December 2022 for approval.

Resource Implications

23. The report has no direct resource implications.

Timetable for Decisions

24. The views of the Scrutiny Commission will be reported to the Cabinet on 25 November. The Annual Delivery Report is scheduled for consideration by the County Council at its meeting on 7 December 2022.

Background Papers

Leicestershire County Council Strategic Plan 2022-26

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

CIPFA/Institute for Government Performance Trackers 2021 and 2022

<https://www.instituteforgovernment.org.uk/publications/performance-tracker-2021>

<https://www.instituteforgovernment.org.uk/publications/performance-tracker-2022>

Local Government Association: LG Inform Benchmarking System

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

Circulation under the Local Issues Alert Procedure

None.

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Appendices

Appendix A - Draft Leicestershire County Council Annual Delivery Report 2022

Appendix B - Draft Performance Compendium 2022

Equality and Human Rights Implications

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

Crime and Disorder Implications

26. The Report highlights progress against key community safety priorities and targets.

Environmental Impact

27. The Report includes progress against a number of environmental priority areas.

Partnership Working and associated issues

28. The Report considers progress in relation to the key priorities of key County partnerships.

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