



CABINET – 22 NOVEMBER 2024

ANNUAL DELIVERY REPORT AND PERFORMANCE COMPENDIUM 2024

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 2024 which sets out the Council's progress and performance over the past year. The Delivery Report itself (attached as Appendix A to this report) focuses largely on delivery against the County Council priorities as set out in the Council's Strategic Plan and other main service strategies.
2. The Performance Compendium (attached as Appendix B) includes information on comparative performance and 2023/24 performance outcome results, low overall funding for Leicestershire and the current associated risks.

Recommendations

3. It is recommended that:
 - (a) The overall good progress in delivering on the Council's Strategic Priorities and Outcomes, as set out in the draft Annual Delivery Report 2024 be noted;
 - (b) The Council's current low comparative funding, good but under pressure performance outcomes 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, 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 for approval to the County Council on 4 December 2024.

Reason for Recommendations

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 has 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 County Council is poorly funded in comparison with other local authorities and this, until addressed, will continue to affect delivery, performance, risks, and Council Tax levels.
7. The draft Annual Delivery Report and Performance 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 the County Council.

Timetable for Decisions (including Scrutiny)

8. The draft Annual Delivery Report and Performance Compendium 2024 was considered by the Scrutiny Commission on 6 November and its comments are set out in Part B of this report.
9. The Annual Delivery Report and Performance Compendium is scheduled for consideration by the County Council at its meeting on 4 December 2024.

Policy Framework and Previous Decisions

10. The Annual Delivery Report and Performance Compendium form 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.
11. The five priority outcome themes in the Council's Strategic Plan, approved by the County Council in May 2022, encompass a number of supporting outcomes. Together they form the overall Single Outcomes Framework which sets priorities for the Authority and enables more effective deployment and targeting of resources. The Annual Delivery Report and Performance Compendium includes an assessment of progress in relation to the Outcomes Framework.

Resource Implications

12. The report has no direct resource implications.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

13. The draft Annual Delivery Report and Performance Compendium, appended to this report, cover County Council delivery over the last twelve months or so. They draw largely on 2023/24 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.
14. 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 twelve months. It largely focuses on performance against County Council priorities for community outcomes, as set out in the Strategic Plan and other main service strategies.
15. The second part is the ‘Performance Compendium’ which contains information on:
 - Current inequality in funding and the Council’s Fair Funding work and proposals.
 - Comparative performance, cost, and service benchmarking 2022/23 including lower comparative performing areas.
 - 2023/24 end-of-year performance figures, where available.
 - Service and corporate risks.
16. There is some comparative data still to be published, some of which is due to be published by December 2024. The overall Council benchmarking position for 2023/24 will also be updated at that point. The latest benchmarking shows the Council to be the most cost-effective County Council in England.
17. 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 properly formatted and published on the County Council website (<http://www.leics.gov.uk>).

Delivery Summary

18. Overall, analysis of the narrative shows good examples of delivery across the theme outcome areas. The Delivery Report has substantial sections on economy, transport, skills, public health and wellbeing, adult social care, safer communities and children and family services, clean and green environment and stronger communities, reflecting a range of work which is on-going to meet priority outcomes in these areas.
19. There remain good planning arrangements, financial management and governance in place supporting delivery of the Strategic Plan.

20. Examples of some of the delivery highlights from the priority themes are included in Appendix C to this report.

Performance Data Analysis

21. 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 sixth best performing county in England on a wide range of performance measures in 2022/23, despite being the lowest funded. The final position for 2023/24 will be confirmed early next year. A new cost-effectiveness benchmarking analysis suggests the Council remains **the most cost-effective County Council** in England.
22. Initial analysis of 2023/24 end-of-year data shows that of 201 outcome metrics, 106 improved, 32 showed no real change and 63 worsened. Direction of travel cannot be determined for 9 indicators, due to the absence of previous data or changes to indicator definitions. The impact of low funding and inflation as well as service demand pressures, 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.

Fair Funding

23. 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 London Borough of Camden it would be £630m better off. London Boroughs are particularly prevalent at the top of the funding league table.
24. The list of authorities with serious financial issues continues to grow, with some counties having moved towards providing services only at the statutory minimum level. The Council has in the past 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.
25. In October 2024 new research by the County Councils Network (CCN), PwC, and Pixel Financial Management Ltd. found a £54bn funding shortfall over the next 5 years and that 16 county and rural unitary authorities could be at risk of declaring effective bankruptcy in the next two years. Much of the shortfall comes from a forecast rise of £26bn in additional costs between 2022 and 2030. 83% of the increase was from adult social care, children's services and home to school transport. The report asks for deep and fundamental reform in children's services, special educational needs (including transport) and adult social care.
26. 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 service demand and cost increases, including the legacy of the Covid pandemic.

27. The service risks section of the Compendium (Part 3) highlights a number of areas of risk which are subject to additional monitoring.

Areas for Continued Focus

28. Given the significant financial challenges, demand, and delivery pressures facing the Council, areas for focus include: -

- Continuing to implement the Strategic Plan and Outcomes Framework, Medium Term Financial Strategy and Strategic Change Programme, including more digital delivery.
- Continuing to maintain awareness of Leicestershire's unfair funding position, pursue savings initiatives and cost mitigation measures and seek more sustainable funding for local services.
- Progressing improvements to SEND (Special Educational Needs and Disabilities) services.
- Maintaining progress on health and care integration, implementing the 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.
- Continuing to implement economic, transport and skills plans and measures to support and grow the economy.
- Taking forward actions arising from the Environment Strategy and Net Zero Strategies.
- 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, equalities, recruitment issues, staff turnover and customer satisfaction/complaints.

Views of the Scrutiny Commission

29. The Scrutiny Commission considered the draft Annual Delivery Report and Performance Compendium at its meeting on 6 November 2024. The receipt and contents of the report were generally welcomed. Members found it useful to have the wide range of statistical data to refer to when considering scrutiny topics as well as to report on progress to local groups.

30. Members noted the progress made in delivering on the Council's Strategic Outcomes Framework and service improvements during the year, such as the excellent Ofsted rating for Children's Social Care.
31. It was noted that Leicestershire was still toward the very bottom of the core spending power per head league table, despite considerable efforts to achieve fairer funding over recent years. It was important to continue to make the case to the new Government, as a new Council funding approach was likely to be considered for future years.
32. It was important that local cost of living pressures, the costs of service delivery in rural areas, local pockets of deprivation and low levels of core funding power, as well as considerable service demands, were recognised in any new settlement.
33. Low funding and generally strong outcome performance meant the Council was ranked as the more cost effective in the report, but this made further savings harder to achieve. The Committee recognised there were a range of areas under service delivery pressure and that its low level funding meant it faced an accelerated level of risk in trying to address these.
34. The Commission had noted in the previous item the financial, demand and service pressures related to children's social care and SEND and the work underway to seek to mitigate the pressures. It also noted that adult social care performed well in relation to a range of operational metrics but less well on some survey-based satisfaction ratings. The Committee commented that this was linked to the Council's low level of funding which restricted its ability to provide the same level of service as those provided by other, better funded authorities. This was still, however, an area the Department was focused on. The Council was also due a CQC Inspection in the coming months and this would shine a light on any further areas for improvement as well as areas of good practice.

Equality Implications

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

Human Rights Implications

36. There are no human rights implications arising directly from this report.

Background Papers

Report to the Scrutiny Commission on 6 November 2024 - Annual Delivery Report and Performance Compendium 2024

<https://politics.leics.gov.uk/documents/s179460/Annual%20Delivery%20Report%20And%20Performance%20Compendium%202023.pdf>

Leicestershire County Council Strategic Plan 2022-26

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

Local Government Association: LG Inform Benchmarking System

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

CIPFA/Institute for Government Performance Tracker 2023/4 -

<https://www.instituteforgovernment.org.uk/publication/performance-tracker-2023/cross-service-analysis>

Oflog Data Explorer - <https://oflog.data.gov.uk/>

<https://www.countycouncilsnetwork.org.uk/> - Outlook for Council Finances – County Councils Network Report

Appendices

Appendix A - Draft Leicestershire County Council Annual Delivery Report 2024

Appendix B - Draft Performance Compendium 2024

Appendix C - Summary Delivery Progress