

Ceredigion County Council Panel Performance Assessment

October 2024



1.0 Introduction and Background

- 1.1 In accordance with the performance duties under the Local Government & Elections (Wales) Act 2021, Ceredigion County Council commissioned a Panel Performance Assessment (PPA) via the Welsh Local Government Association (WLGA).
- 1.2 The onsite assessment was completed over a four-day period concluding on 3rd October 2024 with a feedback presentation provided to the Council outlining the key findings detailed within this report.
- 1.3 The assessment was undertaken based on the Council's agreed scoping document and the WLGA's PPA methodology, which was developed with the sector. The WLGA PPA methodology provides an overarching framework: the lines of enquiry are not prescriptive but provide guidance to the Panel on the areas that could be explored to meet the statutory duty. However, the extent to which the Panel explores those areas should be proportionate to the Council's scope but sufficient to enable the Panel to form a conclusion.
- 1.4 In accordance with the statutory guidance the PPA is not an audit or an inspection and does not seek to duplicate work undertaken by regulators and other bodies. Whilst the Panel has undertaken a corporate assessment, this assessment was not in-depth and should be considered alongside other sources of assurance such as the Council's own self-assessment, internal audit reviews, external audit, and regulatory reviews.
- 1.5 In preparing for the PPA, the Council scoped their requirements to maximise the value and impact of the assessment to the Council. The specific areas of focus identified by the Council are reflected in paragraph 3.2.
- 1.6 This report provides a summary overview of the conclusions of the Panel.

2.0 The Panel

- 2.1 The following peers were commissioned by the WLGA to undertake the assessment. Selection of the peers was agreed and at the discretion of the Council, based on suitability of skills and experience:
 - Independent Chair: Steve Phillips, Management Consultant, and former Chief Executive of Neath Port Talbot Council.
 - Senior Member Peer: Councillor Robin Wyn Williams, Deputy Leader (Ynys Môn). Portfolio: Deputy Leader and Finance.
 - Senior Officer Peer: Jenny Williams, Strategic Director for Social Services and Education, Conwy Council.
 - Wider Public, Private, or Voluntary Sector Peer: Nesta McCluskey, Clinical Director of Allied Health Professionals, Betsi Cadwaladr University Health Board, Maelor Hospital in Wrexham.
- 2.2 The Panel was supported by Cerith Thomas (Improvement Officer) and Emily Griffiths (Senior Programme Support Officer) from the WLGA's Improvement Team.

3.0 Scope and Approach

3.1 The Panel was required to assess the extent to which the Council:

- Is exercising its functions effectively.
- Is using its resources economically, efficiently, and effectively; and
- Has effective governance in place for securing the above.

3.2 The Council identified the following specific areas where Panel insight would be valued as part of the assessment:

- Funding and Resources
- Capital and Asset Management
- Innovation for long-term sustainability of the Council with specific emphasis on:
 - New ways of working
 - The set up of Well-Being Centres

3.3 In undertaking the assessment, the Panel conducted a desktop review of the Council's documents, data, external reports, and other relevant intelligence. The onsite stage of the review involved a series of individual meetings and focus groups with the following stakeholders:

- Leader of the Council and Cabinet Members
- Elected Members
- Chief Executive Officer and Corporate Director
- Corporate Lead Officers
- Chairs of Overview and Scrutiny Committees
- Chair: Governance & Audit Committee
- Chair and Vice Chair: Ethics and Standards Committee
- Chair: Democratic Services Committee
- Leader of the Independents Group
- Corporate Manager Internal Audit
- County Director Ceredigion at Hywel Dda University Health Board
- Police and Crime Commissioner for Dyfed Powys
- Chief Inspector Dyfed Powys Police
- Chair of Public Services Board and Chief Executive of Ceredigion Association of Voluntary Organisations (CAVO)
- Chief Executive of Powys County Council – Mid Wales Corporate Joint Committee (CJC)
- Deputy Chief Fire Officer Mid and West Wales Fire and Rescue Service
- Director of Communications, Aberystwyth University
- Provost, University of Wales Trinity Saint David Lampeter Campus
- Chief Executive of Carmarthenshire County Council
- Staff focus group
- Trades Union - UNISON
- Local food groups
- Citizens Advice

- Business Community Members
- Dyfodol Dwyieithog Forum Member
- Youth Forum representatives
- LGBTQ+ Group representatives
- Well-Being Centre Lampeter – Peer visit
- Hafan-y-Waun Residential care home for adults – Peer visit
- Penmorfa Centre for Independent Living – Peer visit

Executive Summary

4.0 Overall Conclusion

- 4.1 The Panel concluded that considering the current high service demands and very challenging financial pressures, Ceredigion County Council is a well-run local authority.
- 4.2 The Council has clear and effective leadership with strong relationships across the political and officer executive and wider structures and that the Council is delivering its functions effectively in light of the significant financial, strategic, and operational pressures it is dealing with on a daily basis.
- 4.3 The Council has effective governance and reporting arrangements in place. To ensure the ongoing viability of the Council and to ensure its future autonomy and identity, a greater consensus across the Council chamber needs to be achieved by improving every elected member's understanding of, and engagement with, the extent and reality of the financial challenges that Ceredigion faces.
- 4.4 The Council has established and is developing areas of innovation including Well-Being Centres, ICT, hybrid working and these are covered in the report under section 10.
- 4.5 Opportunities for improvement have been identified, which will enhance the arrangements in place, to support effective communication, relationship management and collective ownership of current and future challenges. The opportunities for improvement are captured within text boxes under the relevant sections of the report.

5.0 Local Context

- 5.1 Ceredigion County Council is situated in the west of Wales, covering an area of 1,900km². It is bordered by Gwynedd to the north, Powys to the east, Carmarthenshire, and Pembrokeshire to the south. To the west it has 80 km of coastline on Cardigan Bay.
- 5.2 The economy of Ceredigion is fairly typical of that of many rural and coastal areas. A high proportion of jobs are in the tourism industry (12.9%), wholesale and retail (12.9%) and human health and social work activities (12.3%). Education is the

largest sector in the county, employing around 4,300 people and accounting for around 13.9% of jobs in the county.

- 5.3 Unlike other rural and coastal areas Ceredigion has two universities at Aberystwyth and the University of Wales Trinity Saint David Campus at Lampeter, with a combined total of 8,350 students. The National Library of Wales is located in Aberystwyth.
- 5.4 At the last local elections in May 2022, Ceredigion residents returned 38 councillors in 34 wards across the County. The current administration is a Plaid Cymru majority with 21 councillors, along with an independent group of 9 members (8 independent and 1 Gwlad), 7 Welsh Liberal Democrats and 1 non-affiliated independent member. The Leader of the Council is Councillor Bryan Davies.
- 5.5 There have been several changes to the Council's senior management team since 2022, due to a combination of retirements and some restructuring of services.

6.0 Strengths and Areas of Innovation

- 6.1 The Panel noted several areas of strength across the Council and its administration, highlighted below.
- 6.2 The Council is acutely aware of the drivers of rural de-population and the impact it has on the area in terms of its economy, workforce, demand for its services, culture, language, and the demographics of the County.
- 6.3 The Council has good working relationships with neighbouring local authorities, Powys in particular and to a lesser extent with Carmarthenshire and Pembrokeshire.
- 6.4 The Council has demonstrated it has made effective and efficient use of resources to date. There is a clear thread between the corporate strategy and financial resources.
- 6.5 The Council has been able to provide significant additional funding for the provision of social care, but it will need to consider how sustainable this is going forward given the potential financial pressures.
- 6.6 There are positive examples where the Council has demonstrated innovation and good practice to optimise the use of its resources. The Council's Well-Being Centre in Lampeter was visited by the Peers who were very impressed with the facility which aims to incorporate services that consider and improve the physical, mental, and social aspects of an individual's well-being. The Peers also noted that some of the benefits from asset management strategies are being achieved, examples included the, Hafan-y-Waun – Residential Care home for adults with personal care and, the Penmorfa Centre for Independent Living. Further details on each of these examples are set out in section 10.4.
- 6.7 The Council has effective governance arrangements in place, including:
 - Working relationships between executive members and senior officers which are good.
 - Strong leadership at Member and Senior officer level.
 - Effective democratic services and internal audit arrangements, including good

support from officers.

- 6.8 The Panel noted that the Council had consulted on its Strategic Equality Plan 2024- 28 and subsequently in March 2024, it was approved by Cabinet including the actions to deliver it. This process itself recognised that whilst the Equality Objectives remained valid, a review of the actions was necessary to ensure their effectiveness. The Panel emphasises the importance of regular reviews of the specific actions undertaken by the Council to achieve the desired equality outcomes. These reviews are crucial to ensure that the Equality Plan remains relevant, effective, and responsive to the evolving needs of both the Council and the community.

7.0 National and Local Challenges

- 7.1 Ceredigion Council like other local authorities across Wales is facing difficult financial pressures daily particularly through demand led services. The Authority received an unqualified audit opinion for its 2022/23 accounts which is positive. The 2023/24 position saw significant variances due to elevated Pay awards and particularly in Social Care including out of county children's placements and demands increasing in various areas and agency staff cost pressures – all of which were largely offset in-year through Treasury Management savings and effective budget management, resulting in a very small overspend of £10k.
- 7.2 The Council has set a balanced budget for 2024/25 that will require it to make savings of around £7.3m (being £5.8m of Budget Reductions and £1.5m in relation to capping the Delegated Schools Budget at a 3.1% increase) whilst managing existing demand. As at quarter one, the Council was facing an in-year pressure of £101k, which excludes certain risks being managed around the delivery of budget reductions. The Council's 2023 Medium Term Financial Strategy (MTFS) over 3 years identifies budget pressures of around £36.4m up to year 2026/27. After assumed increases in Council Tax, specific grants and Welsh Government settlement, this figure reduced to a pressure of £11.9m over the next 3 years, a significant challenge for the Council to manage. The Council has recently (24/10/24) updated its MTFS which shows budget pressures of £28.3m and a net Budget shortfall of £14.3m over the next 3 years to 2027/28.
- 7.3 The Panel was made aware of repeated frustrations by Members and officials about the difficulties persuading Welsh Government Ministers and officials to appreciate the different context of rural challenges. There was a sense of "*urban policies imposed on rural Ceredigion*" and evidence was provided to support this contention e.g. the Flying Start programme. The Panel heard a consistent view that if Welsh Government wanted to support rural and urban areas equitably then something has to change.
- 7.4 Ceredigion has a population of 71,466 and is the second most sparsely populated county in Wales. It is an overall declining and ageing population. The area's population life expectancy is higher compared to the average across Wales and older people from across the UK are retiring to Ceredigion, which brings the Council its own financial and operational challenges.

- 7.5 The 65+ age group represent 25.6% of its population and is predicted to increase to 30.2% by 2031, presenting challenges for the provision of services such as health, social care, and housing needs. In contrast the working age population (16-64) is projected to decrease by 8.2% by 2039.
- 7.6 Ceredigion's younger population has decreased and are leaving the area in search of higher education opportunities, career and social opportunities and higher salaries. This is despite the Council's successful record of ensuring stable and high-quality educational services over an extended period. A recent Estyn report in June 2024 concluded the authority has a good track record of maintaining and improving the provision and achieving good outcomes for the children and young people of Ceredigion. The Panel noted that connectivity and availability of affordable housing were highlighted as key factors to retaining younger people in Ceredigion. The Council has identified that in order for the local economy to thrive it must reduce the existing trend of young people leaving the area and be able to retain and attract talent by creating new high value employment opportunities.
- 7.7 The Panel is aware that across the UK's public sector there are well documented challenges with the recruitment and retention of staff across a range of professions, including those working in social care. The Panel recognised that the Council faces additional challenges associated with recruiting staff. The rurality and remoteness of the county meant the Council did not have the same opportunity to attract staff, in a competitive environment, on the same scale as other Councils who benefited from a greater road and transport infrastructure.
- 7.8 There are a number of persistently difficult to fill positions including qualified social workers, occupational therapists, developers, engineers, planners, fleet technicians and occupational training advisors. The Panel understood that social worker agency staff were travelling from as far afield as Manchester to Ceredigion. The Panel also understood that salary scales for social workers were also lower compared to other Councils.

Overview of Findings

8.0 Funding and resources

- 8.1 The Council has identified their own financial challenges and considers that it is disadvantaged by some elements of the funding formula, financial reporting, and the inconsistent application of funding floor mechanisms. The Panel recognised this position and other Councils that are in a seemingly similar situation across Wales.
- 8.2 The PPA Scoping document refers to a projected population decrease of 2.3% for Ceredigion by 2039. That is based on a population for the area of 71,475, 2021 census. We note that 2022 mid-year population estimates this decline may be less than anticipated.
- 8.3 The Council is aware that Local Authorities across Wales are facing financial challenges, and this is highlighted by the Council as its biggest challenge. The Council considers these challenges are compounded locally because of:
- The rurality of the area.
 - Policy decisions by UK and Welsh Governments.
 - Increased demand for services (particularly social care).
 - Staff pay awards.
 - Overall declining population (including an ageing population (65+), a reducing working age population (16-64) and reducing pupil numbers).
- 8.4 The Council has a workforce plan in place to address the issues associated with recruitment, retention, and effective succession planning. The current age profile of the Council's workforce shows that 46% are over 50 years of age.
- 8.5 The Council recognises that it may not have the medium-term funding needed to sustain itself in its current form and it may have to make more difficult decisions because of the likely financial pressures. There is strong evidence that the Council is prepared to tackle contentious issues in this regard.
- 8.6 The Leadership Group has taken a corporate and collective approach in drafting budget options for wider political consideration.
- 8.7 The Council has a track record of setting and achieving a balanced budget, and it is currently in a financially resilient position.
- 8.8 The Panel noted that the Council's accounts for 2022/23 have been audited and an unqualified audit opinion was issued in February 2024 by Audit Wales.
- 8.9 The provisional local government revenue and capital budget settlement is expected in November following the publication of the Welsh Government draft budget. That is followed by a statutory consultation period before the Council will know its final budget settlement. Although largely beyond its control, the authority is considering

the implications of its budget setting process as it is anticipated that it will receive less funding than previously thought from Welsh Government, as is likely.

- 8.10 The Panel recognise that this will apply to all Welsh Councils. However, in recognition of the challenges around effective communication and meaningful consultation identified in section 9 and the whole Council ownership at a political level of the financial challenge, there is an opportunity to take prompt action to have a clear and supported budget for 2025/26. This may include early considerations about how the Council should respond to the anticipated financial pressures both internally, at member and officer level, and externally to ensure collective ownership of the process.

1.	<p>The Council will need to consider how best to consult on potential budget cuts given the narrow timetable for consultation due to the statutory budget setting deadlines.</p> <p>Having worked internally, both politically and professionally to identify a range of potential budget savings options based on the Council's forecasted funding pressures, consideration could be given to early public consultation on that range of budget savings options.</p>
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9.0 Capital and asset management.

- 9.1 The Council recognises that there are challenges in relation to how it maintains its property portfolio and asset rationalisation given the financial pressures.
- 9.2 The Panel recognised the depth of feeling within the Council and public opinion when facilities were either closed or relocated. There was a sense from stakeholders of a *fait accompli*. The Panel noted this in relation to the proposed relocation of the library from a building in the centre of Aberaeron to Penmorfa; the proposed closure of 4 rural schools with low pupil numbers and the proposed closure of the 9-bed hospital facility at Tregaron (although a local Health Board decision, it would impact on partnership working and services provided by the Council), and the public consultation about the library move in Lampeter (if the move is proposed for approval)
- 9.3 The importance of meaningful consultation and more importantly, effective communication was evident so that residents understood why the changes were being considered and felt a part of the process. This is likely to be more important for all Councils as the financial outlook becomes more challenging. The Panel is aware that the Council has a small communications team of 3 people, and it will be a challenge to respond to issues arising from financial pressures.

10.0 Innovation for long-term sustainability of the Council.

New Ways of Working

- 10.1 The Council has been innovative in its approach to new ways of working and the Panel heard evidence that its approach to ICT, asset management, and hybrid

working have been effective. These areas remain work in progress but there is already evidence of positive outcomes being achieved.

10.2 Hybrid working has been accepted and welcomed by staff and there is no expectation that they must attend the office on set days. There was some feedback that increased remote working was impacting on the ability to build relationships. The roll out of full fibre and superfast broadband has been impressive and the connectivity has made it a viable option for the Council's workforce and users of its services. The Panel recognise that broadband coverage does not provide 100% coverage and some properties in more remote areas have yet to be connected.

10.3 Similarly livestreaming of meetings of the Council, Cabinet and planning committees have made access to democratic processes more transparent and accessible.

Well-Being Centres

10.4 The Peers also visited three facilities and were extremely impressed by the Council's approach at:

- **Hafan-y-Waun** – Residential care home for adults with personal care. A 90-bed care facility that offers short term, temporary, permanent and respite placements. It was recently taken over by the Council from a private care provider. The care home aims to work in partnership with Hywel Dda University Health Board to support hospital discharge and lengths of stay. As an example of the partnership working, "Y Bwa- Hafan-y-Waun," initiative was a temporary measure to accommodate patients displaced by a ward closure at Bronglais Hospital while emergency repairs were made to the roof. The senior serving officer peer visited the care home and was very impressed with the facility in terms of how it was performing with regards to effective leadership; a knowledgeable, passionate manager and deputy; the physical environment of the building and its facilities, the well-being of the residents and the level of care and support they receive. That was in accord with the findings of the Care Inspectorate Wales (CiW) findings following its inspection in September 2024.
- **Penmorfa** – Centre for Independent Living – The vision for the centre is to empower individuals to live independently at home for longer. It is committed to suggesting practical solutions to all age groups, such as preventative health measures, social prescribing services and strategies for achieving long-term efficiencies by preventing people from escalating to requiring expensive care packages. The peers were impressed with the facility including the use of digital technology in partnership with local businesses and in the context of local services.
- **Lampeter Well-Being Centre** – Two of the Peers visited the Lampeter Well-Being Centre and were very impressed with the facility and the focus of the strategy on the health and well-being of the population. The Peers were encouraged by the ethos of upskilling and promoting staff from within the local community. Feedback from the staff and users of the centre was positive and valued.

10.5 The Panel consider the Well-Being Centre is an innovative approach, and the Council should be encouraged by this when introducing two further Well-Being

Centres in the North and South of the County. Instead of solely relying on GP referrals, Well-Being Centres will move towards proactively addressing the needs of vulnerable people through targeted support and preventative measures. They will incorporate through-age health and well-being services, including, mental health support, skills and employment advice, hardship and housing support, services for young people and support for carers as well as facilities provided by a traditional leisure offer. The Centres also provide increased access to Information, advice, and assistance for residents on all Council services. The Council's aim, by providing these services to residents in their communities, is to ensure that they're provided with support at the earliest opportunity, which will prevent cases from escalating through to statutory services.

10.6 The Panel was impressed with the approach of the Council at these facilities given the challenging financial climate. The Panel recognise that the Council's ability to continue to provide additional funding for social care is likely to become more difficult.

2.	The Council has, to date, been able to provide significant additional funding for the provision of social care, and it will need to consider how sustainable this is going forward given the financial pressures.
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11.0 The extent to which the Council is exercising its functions effectively.

11.1 There is strong evidence that the Council discharges its functions effectively. The Panel was able to evidence this from a variety of sources including on-site interviews, focus groups and regulators reports by Audit Wales, Care Inspectorate Wales (CiW) and the recent Estyn Inspection report. In doing so the Panel noted the continued and consistent level of performance achieved in previous years.

11.2 The Council has excellent working arrangements with the Public Service Board (PSB) partners including Hywel Dda University Health Board (UHB), the Police and Crime Commissioner for Dyfed-Powys and Dyfed Powys police, Mid and West Wales Fire Service, the business community, and others. This was a uniform view from the discussions with partners.

11.3 The Panel acknowledge the positive work of the Regional Partnership Board (RPB) and the various areas of work that are being undertaken regionally that support developments in Ceredigion, such as, regional capital programmes including, Health and Social Care Integration and Rebalancing Capital Fund, the Housing with Care Fund and the regional alignment of community equipment stores. There are a number of partnership schemes in place and others are being planned with the Hywel Dda UHB use of Y Bwa in Hafan-y-Waun and Canolfan Rheidol, the Sexual Assault Referral Centre development with Health and Dyfed Powys Police, and strong partnership working in relation to Delayed Pathways of Care and supporting the whole community care system in the county.

11.4 Several references were made about the direct lines of communication with the Leader and Chief Executive which were viewed as a positive enabler of successful partnership working.

11.5 External partners and stakeholders, including the third sector, want to get involved with the work of the Council.

3.	The Council should consider the opportunities for further partnership working. The Council has good working relationships with neighbouring local authorities, notably with Powys supporting Ceredigion Social Work students and, to a lesser extent, with Carmarthenshire and Pembrokeshire. There may be more opportunities for shared services, and these should be explored further, particularly the provision of social care.
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11.6 Bilingualism and the ability to live and work through the medium of Welsh has been positively consistent. The contribution of “Fforwm Iaith,” the Welsh language forum, provided a positive reassurance of the Council’s commitment to a bilingual service.

12.0 The extent to which the Council is using its resources economically, efficiently, and effectively.

12.1 Overall, the Council makes effective use of its resources; but faces similar challenges to other local authorities in Wales. The Panel’s principal concern was with regard to the development of the social care workforce as noted below – both in terms of the financial implications and the operation of the service itself.

12.2 The Council’s objective of securing a resilient social care workforce by 2027 appears to be largely based upon a training programme to be provided by Aberystwyth University; but this programme is not yet up and running so achieving the objective appears unlikely. However, it should be noted that whilst on site the Panel was unable to triangulate some of the discussions that had taken place with the University due to the unavailability of individuals. There was evidence shared by the Director of Social Care of wider ‘grow your own initiatives but the high cost and use of agency was a concern, and the authority are not able to take advantage of the All-Wales Pledge owing to unique local attraction at certain pay rates.

12.3 The Council described the current training opportunities to be via the Open University and other external Universities; it isn’t possible to ascertain how many students will return to Ceredigion once suitably qualified.

4.	There is an urgent need for the Council to revisit whether their current strategy for social work recruitment is effective and to explore alternatives.
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12.4 The principle of “Clic”, the customer services contact centre for handling initial enquiries for a range of services across the Council, is sound and it is in its infancy, but we heard from several sources that issues are not always resolved in a timely fashion from the perspective of service users and are sometimes unaware of the outcome. The Panel heard some comments that Clic is a cumbersome tool for elected members to seek feedback, they felt disconnected from Corporate Lead Officers as per point **5** highlighted in bold below. There are similar issues in relation to consultations; but this is not unique to Ceredigion. The principle of community connectors is equally sound however it needs further work to develop its potential – there is evidence that the role is not fully understood.

5.	The Council should consider how to address a recurring theme of ineffective communication across the authority, including elected Members and particularly with partners and residents, and the effectiveness of “Clic.”
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13.0 The extent to which the Council has effective governance in place.

13.1 The Panel concluded that overall, the Council has effective governance arrangements in place, and considers the suggested actions set out at 13.5 will assist the Council to further develop its current arrangements.

13.2 The Council had recently adopted a new overarching Governance Framework that set out its governance arrangements. It is based on the Framework for delivering Good Governance in Local Government (CIPFA/ Solace, 2016) and the seven key principles for achieving good governance. The Council’s Annual Governance Statement 2022/23 showed how it had performed during the year across the seven key principles.

13.3 The Council has effective democratic services and internal audit arrangements, including good support from officers.

13.4 The Council has strong leadership at Member and Senior officer level and the Panel heard positive feedback about the good working relationships between executive members and senior officers.

13.5 The Panel consider the following suggested actions would assist the Council to further develop its current governance arrangements.

6.	There is something of a disconnect between backbench Members and the executive/senior leadership teams which need to be addressed. This is in the context that all Members are committed to serving their population and largely leave their "politics at the door". However, this is an issue for all Members, not solely those in executive positions.
7.	The relationships between scrutiny function and the executive needs to be further developed.

8.	The performance management system is comprehensive but there needs to be more of a focus on outcomes.
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14.0 Improvement Support

If you would like to discuss any further improvement support, please contact Jo Hendy, WLGA Head of Improvement.

15.0 Acknowledgements

The Panel and the WLGA would like to extend their thanks to the Performance and Research Team for the support in coordinating documentation requests, responses to queries, arranging meetings and workshops and providing onsite support.

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Alison Hodgson – Corporate Performance and Improvement Officer and

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