

LGA Corporate Peer Challenge

Chelmsford City Council

3 – 6 December 2024

Feedback report



Corporate Peer Challenge



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1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending four days at Chelmsford City Council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

2. Executive summary

Chelmsford is one of the largest district councils in the country, situated 30 miles from London with a population of over 181,000, 79,000 homes and 9,500 businesses.

Since the last corporate peer challenge in 2013, Chelmsford has navigated its way through remarkable change and growth, and in 2019 the new administration set out a clear strategic direction through [Our Chelmsford, Our Plan](#). The plan is focused on achieving the following outcomes: to become a fairer, greener, safer, and well-connected city. The council's next all-out elections are in May 2027.

Chelmsford is ranked as one of the least deprived areas in England, with the lowest average proportion of households in poverty within Essex. Chelmsford scores high in the Thriving Places Index 2024 on mental and physical health, socioeconomic equality, and human environment connection.

The council from the outset has used the corporate peer challenge process as an opportunity to learn, self-reflect, obtain an external perspective and basis for ongoing future improvement. The council's culture embraces learning and improvement.

'Our Chelmsford, Our Plan' is supported by strong political and officer leadership. The plan provides a clear organisational focus and purpose. The strategic direction, political objectives and target outcomes were widely understood by members, staff, and partners.

There is a relentless effort by the council to deliver positive outcomes for communities. There are visible positive working relationships between members and officers, working in collaboration and focused on delivering the Our Chelmsford, Our Plan objectives. Partners find working with the council easy and there are well formed relationships (e.g. One Chelmsford Partnership Board) that have resulted in positive outcomes, for example supporting health and wellbeing, public safety, and the cultural offer. The cultural offer also has further benefited the council's economy and is the driver for inward investment in the city; of particular note is the work on the cultural compact with partners such as Anglian Ruskin University seeing this as a key element of their vision to make Chelmsford a University City and to relocate campuses in the future. The spend on Cultural Services may be viewed by some as discretionary but in this context the benefits of the funding for this compact add to the council's place shaping agenda and its future sustainability.

The council has engaged in further impressive place shaping activity such as the Chelmsford Garden Community. The Chelmsford Garden Community is an area incorporating six new neighbourhoods and once complete will deliver 10,000 homes with employment opportunities, new schools and community infrastructure, in addition [Beaulieu Park Station](#), the first new railway station on the Great Eastern main line in more than 100 years.

The council has recently developed a Power BI (Business Intelligence) performance management system which connects key performance indicators and outcomes to Our Chelmsford, Our Plan. There are good working practices between portfolio holders, directors, and service managers with ownership for improvement and delivery. The council is self-aware that the performance management system needs further embedding and development to ensure a wider organisational view is achieved, allowing greater scrutiny and oversight by members.

The council should seek to further strengthen the approach to governance relating to provision of information, member involvement, decision-making and reporting. The opposition group could further benefit from the engagement and briefing by officers being formalised to further support improvement in governance arrangements at the council.

The council is delivering commendable outcomes for the people of Chelmsford, albeit quietly and modestly. The council should consider being more outward about its delivery, further demonstrating their value to communities, partners, regionally and nationally. Although the council engages the community through specific consultations, for example the statutory requirement of the Local Plan, the council should increase resident engagement and consultation about local priorities and use of resources, particularly as setting the annual budget is becoming increasingly challenging.

The outcomes of the resident survey would provide members with an up-to-date evidence base when navigating future decision-making. Peers recommend that members and officers are prepared for the challenges ahead and are clear about what is achievable and politically acceptable.

Staff at all levels were engaged with their work and highly passionate about Chelmsford. Many staff live in the city and surrounding areas and are motivated personally to deliver positive outcomes for communities.

Peers met many officers with commendable long-service. Turnover is comparably lower than the sector average and some roles and organisational structure is developed around individual people, their skills, leadership, and personal

experiences. The council's delivery and outcomes are positive, although with a culture and organisational values that support collective accountability, it is sometimes not obvious to colleagues or members who is the senior responsible officer (SRO) for specific priorities or areas of work.

Throughout the peer challenge there was frequent reference to a succession planning risk. There is a high degree of openness when senior officers plan to retire and work has already commenced to understand the future profile of future senior management. Peers recommend the council should develop, formalise, and implement a workforce plan that ensures structure, skills and capacity are fit for the future to meet challenges and priorities. With the devolution white paper and prospect of local government reorganisation, there is a perceived increased risk to the stability of the workforce and timing of senior management retirements.

The culture of the organisation is well developed and can be described as collaborative, empowering, informal with a collective, can-do attitude. The culture and values of the organisation were evidenced in practice through the conversations peers had with staff regarding their roles, accountabilities, and outcomes. Peers could actively see the council's values in action and many examples shared by staff clearly demonstrated the values of accountability, creativity, learning and encouraging, collaboration and trust.

Regardless of team, operation or function, there was a consistent understanding of the challenges the council has with housing, homelessness, and temporary accommodation. Staff and members were able to clearly describe the issues and know this is a significant corporate risk and impacting the council's revenue budget.

Impressively, the council has coalesced around the housing challenges and taken a one-team corporate approach. The organisation recognised the housing service was under considerable pressure since declaring a housing crisis in 2022. For the last 18-months the council has stood up a cross-departmental 'Housing Action Group'. The temporary accommodation pressures are well understood, officers have a grip through monitoring and data analytics and have a developed understanding of the external drivers and risks.

As the complexity within the council increases, this drives an increased emphasis on the robustness of decision-making. There is broad internal agreement that the [‘Overview and Scrutiny’](#) function needs a full review to ensure it continues to evolve and adapt to the council’s decision-making environment. Peers recommend engaging the Centre for Governance and Scrutiny (CfGS) to undertake a review detailing strengths and areas for improvement. The review should be conducted alongside the review of the council’s ‘Chelmsford Policy Board’. Peers heard there was some confusion around the role of the policy board and its relationship with Overview and Scrutiny. Some members had thought the board was no longer meeting. Including the Policy Board within the CfGS review will determine if there is a need for a separate board pertaining a scrutiny function.

3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team’s key recommendations to the council:

3.1 Scrutiny Effectiveness

Commission the Centre for Governance and Scrutiny to review and strengthen overview and scrutiny and wider governance.

3.2 Policy Development

Alongside the above recommendation, review the council’s approach to policy development.

3.3 Strengthening Governance

Strengthen your approach to governance relating to the provision of information, member involvement and decision-making and reporting.

3.4 Opposition Engagement

Formalise briefing and engagement of opposition members by officers.

3.5 Performance Management and Assurance

Ensure there is an organisation-wide approach to corporate assurance and

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performance management, including reporting to members.

3.6 Future Challenges

Ensure that members and officers are prepared for the challenges ahead and are clear about what is achievable and politically acceptable.

3.7 Member Training

Deliver a programme of external member training and development to support continuous improvement in decision-making, governance, and accountability.

3.8 Workforce Planning

Develop, formalise and implement a workforce plan that ensure structure, skills and capacity are fit for the future to meet challenge and priorities.

3.9 Resident Engagement

Increase resident engagement and consultation about local priorities and use of resources.

4. Summary of peer challenge approach

4.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- Lead Member Peer: (Lib Dem) **Cllr Rowena Hay**, Leader, Cheltenham Borough Council
- Lead Officer Peer: **Mark Stone**, Chief Executive, South Oxfordshire District Council and Vale of White Horse District Council
- Member Peer: (Con) **Cllr Kelham Cooke**, Lincolnshire County Council
- Officer Peer: **Jen Taylor**, Director of Communities and Housing, Malvern Hills and Wychavon District Councils
- Officer Peer: **Liz Elliott**, Deputy Chief Executive, Harborough District Council

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Chair: Councillor Louise Gittins

Chief Executive: Joanna Killian

President: Baroness Grey-Thompson

- Officer Peer: **George Shouls**, Graduate Trainee (on LGA Impact) placed at West Northamptonshire Council
- Peer Challenge Manager: **James Mehmed**, Senior Regional Advisor, Local Government Association

4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - **Does the council have a grip on its** current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every Corporate Peer Challenge includes a strong focus on financial sustainability, performance, governance, and assurance.

4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at Chelmsford City Council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent four days onsite at Chelmsford City Council, during which they:

- Gathered evidence, information, and views from 48 meetings, in addition to further research and reading.
- Spoke to circa 130 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

5. Feedback

5.1 Local priorities and outcomes

Since the last corporate peer challenge in 2013, Chelmsford has navigated its way through remarkable change and growth, and in 2019 the new administration set out a

clear strategic direction through [Our Chelmsford, Our Plan](#). The plan is focused on achieving the following outcomes: to become a fairer, greener, safer, and well-connected city.

'Our Chelmsford, Our Plan' is supported by strong political and officer leadership. The plan provides a clear organisational focus and purpose. The strategic direction, political objectives and target outcomes were widely understood by members, staff, and partners. There was a good understanding of the whole systems nature to public services and the inter-connection between partners and different policy areas the council is accountability for.

Everyone the peer team engaged with was very proud of and invested in Chelmsford and passionate for the locality. Staff care about Chelmsford and are working hard to deliver the Our Chelmsford, Our Plan priorities and outcomes which are clearly defined as a strategy and starting to be better embedded in the council's refreshed performance management system.

The council has a [Local Plan](#) which is currently under review. Cabinet members are well informed and engaged on the Local Plan. The revised plan will set a blueprint for the district's growth up to 2041. The draft plan is reflective of community feedback and responds to changes in technology, social and environmental challenges.

The Local Plan will be used to deliver outcomes in the Our Chelmsford, Our Plan ensuring growth is supporting the objectives of greener, fairer, safer, and more connected community.

The council declared a housing crisis in February 2022, at that point over 300 families and individuals were homeless. Since declaring the housing crisis, the number has increased, although demand has slowed down through the council taking a number of improvement actions. The temporary accommodation demand pressure is the council's biggest risk which is owned corporately with a strong grip at officer level. The housing challenges are clearly articulated and consistently understood across the organisation and among staff and members.

The council has a robust understanding of the housing challenges and provided peers with a recent [infographic](#) detailing a comprehensive analysis of Chelmsford's housing context, ensuring that related future decisions are underpinned by evidence and local context. This information is readily available and accessible to the public. The council has also developed accurate forecasting models used for planning and operational decision-making. The number of families or individuals requiring housing

is forecasted at 600, double the number declared at the start of the housing crisis.

Recognising the nature and magnitude of the challenge and associated impact on the housing team, the council formed a 'Housing Action Group', with genuine cross council ownership and delivery. Peers met with the team who are working hard to improve the housing outcomes. All staff were fully committed to improving the related outcomes and could clearly describe the work they are undertaking to enable improvements, for example the building of temporary modular homes.

Peers were informed that the housing team now remain motivated, having once thought to be blamed for the housing crisis, this is now seen as a corporate issue. Turnover in the housing team is low, providing continuity for learning and further development of skills and capabilities required to deliver the complexities of the evolving service.

The council has a focused housing improvement action plan and closely monitors the impacts of the plan. There is strong local leadership through the portfolio holder ensuring housing is championed and supported within the cabinet, throughout the administration and cross-party.

An example of the impact of this work and how this contributes to local priorities was perfectly illustrated through an example shared with peers concerning the withdrawal of supported accommodation funding from the County Council involving 26 members of the community with additional support needs. As a result of the widely understood housing needs the decision-making resulted in a sensible outcome for Chelmsford City Council to fund the continuing support needs, avoiding the unnecessary stress and impact to the residents and potential use of costly temporary accommodation.

There are many other examples where the council is either leading activity or working closely with partners to respond to local priorities. For example, there is an effective approach to safer communities through joint working, drawing on the evidence and data across the participating partners. For example, the council is an active partner in monthly operational tasking involving multi-agency staff from housing, health, police to identify and resolve issues and improve outcomes. Peers heard how a range of data sources are driving targeted action, from monthly BI data on serious violence to the strategic needs assessment.

Peers met with staff and partners working on a place-based health and wellbeing strategy. The council has a [health and wellbeing plan](#) and is focused on improving the health and wellbeing of communities living in the city and wider district. The plan

is designed to understand the needs of residents and remove any barriers they experience in pursuing a healthy life, such as housing, aging well, loneliness and isolation and health inequalities. The plan has been informed by consultation and data collected in the joint strategic needs assessment. Across the different partners, it is understood that health is everyone's business. Partners and the council play a critical collective role.

The council is using the many different levers at its disposal to influence positive health outcomes from using its highly regarded cultural offer to run a dementia choir and encouraging inclusion to keep people well. The council's museum is also actively involved in supporting dementia friendly activities, such as a memory camp. Peers recommend the council continues to work with the Cultural Compact partners to secure a sustainable future for the diverse cultural offer.

The council have also implemented through planning and new housing developments an accreditation scheme (Livewell Development Accreditation Scheme and Essex Design Guide) for developers to deliver sites that are activity friendly, safe and with provision of green space. The council's leisure centres play an active part in supporting health and wellbeing by providing a health and wellbeing coach in a deprived area helping the community to understand the many options to be active and improve their health outcomes.

The leisure centres also run a sport for confidence group, breaking down barriers for people that would not normally get involved in physical activity. Peers heard how the leisure centres are working across the four sites on health prevention, taking pressure off the NHS; support includes cardiac rehabilitation and exercise classes specifically for people that are undertaking treatment and recovering from cancer. The impact can be measured pre and post, with reduction in the length of hospital stay, reducing cost to the NHS and improving outcomes to the patients. The staff working on the health agenda were able to demonstrate the value and the impact of their work through the range of measures and monitoring.

The council is delivering commendable outcomes for the people of Chelmsford, albeit quietly and modestly. The council should consider being more outward about its delivery, demonstrating their value to communities, partners, across the region and nationally. The council should make more impactful use of social media, actively seeking to reduce the current 50 active accounts with those that have limited engagement and output. Communication should be improved with members and residents on the delivery of outcomes in Our Chelmsford, Our Plan using

performance information and measurement.

Although the council engages the community through specific consultations, for example the statutory requirement of the Local Plan, the council should increase resident engagement and consultation about local priorities and use of resources. Peers were informed the last residents survey was conducted circa five years ago. A refreshed residents survey would help the council make decisions regarding resource allocation, whilst understand the feedback from residents on what needs improving, perceptions of value for money and satisfaction with services. The residents survey would benefit from being benchmarkable to ensure the council was evaluating its performance and outcomes to an appropriate comparison group.

Given the emerging development on devolution and local government reorganisation peers believe it would be helpful to the council having an up-to-date residents survey detailing feedback and from communities.

5.1.1 Performance

Performance management is the responsibility of all staff. The organisational values of accountability, learning and encouraging support the culture where all staff take ownership for performance and outcomes.

The organisation does not have a central corporate performance management role; peers were informed that performance management is the responsibility of all staff.

The council has refreshed how they collect and use data to manage the overall organisational performance and have recently overhauled the key performance indicator (KPI) system, rationalising it and introducing a new IT system with better tracking functionality. Peers were informed of a new Power BI performance management system which links all performance indicators back to the Our Chelmsford, Our Plan objectives, and outcomes. This approach clearly shows the relationship between service KPIs and the achievement of key political outcomes.

The council have reviewed the KPIs to make the most of the data now available. There is recognition that more needs to be done to fully establish use of this system across the organisation, however it is already supporting the council to review progress against action plans on climate change, homelessness and more.

Overall progress against the Our Chelmsford, Our Plan action plan is then reported to the Overview and Scrutiny Committee every year in November. Portfolio holders also choose key priorities to report on quarterly to the policy leadership team. Throughout the year, the committee also receives a programme of presentations that are more focused on specific areas of council activity.

Peers were informed that each service area has local performance management systems in place that then get manually keyed into Power BI. Further investment should be made in fully automating the system, which would provide real time access to performance information to members, staff, and residents.

Peers met with several service managers who described the culture and discipline of each service area owning local performance, whilst being fully empowered to make agile and iterative local improvements. There were many strong examples where performance and customer service has been improved, informed by the provision of performance monitoring data; for example, scheduling of leisure programmes and timing of road sweeping.

Peers were impressed with the real time nature of service improvements with agile, quick incremental changes to improve performance and the customer experience for residents.

Operational service areas delivering the council's leisure offer, museum, theatre, housing service and Hylands Estate are not subject to a specific operating model. There is informality around how services are delivered and good ownership of performance management between staff, service managers, directors, members, and the senior management team. Peers were informed that service managers regularly meet to discuss service improvement and share learning from customer feedback and engagement. Taking a wider organisational view of performance outcomes would support the council in identifying trends, joining up on improvement activity and assessing any performance dependencies across the service areas.

Housing and temporary accommodation challenges as the council's biggest risk area is subject to more rigorous performance meetings with the portfolio holder engaged alongside representatives from finance to regularly update members and be agile in responding to trends or issues identified during the monitoring of data and performance information. This was seen as notable good practice given the

corporate focus on housing, risk to the revenue budget and requirement to mitigate associated risks.

The council's performance is available on [LG Inform](#) and can be accessed by the council, public and partners. Focussing on housing as a key corporate risk, LG Inform details total revenue expenditure of housing services per head of population as a significant outlier with the council spending £101.93 per head of population, significantly above the CIPFA nearest neighbour's average of £40.00, further demonstrating the pressure the council is under to fund housing services.

Continuing with housing performance, LG Inform details the council as an outlier for the time taken to process housing new benefit claims with an average of 15 days compared to the comparison group average of 7 days. However, in discussing this with the council there is a sound reason for being outside of the benchmarked average. Unlike comparable councils, claimants are given an increased window of time and in doing so has seen the number of application errors reduce and benefit claims more accurately processed.

The council where appropriate includes external stakeholders in performance management, for example progress is reported against the [health and wellbeing action plan](#) to [Livewell Chelmsford](#) every year.

The council has reviewed their equality, diversity and inclusion (EDI) performance against the [LGA's 15 key elements](#) and concluded that they perform well in most areas. The chief executive attends the EDI Champions quarterly meetings, where projects and policies are discussed.

5.2 Organisational and place leadership

'Our Chelmsford, Our Plan' is supported by strong political and officer leadership. The plan provides a clear organisational focus and purpose. Members provide effective leadership by setting a clearly articulated, achievable and prioritised vision for officers to follow that puts place and local people central to all activities. The strategic direction, political objectives and target outcomes were widely understood by members, staff, and partners.

Peers engaged with staff, members and partners and there was a consistent and well-developed understanding of the council's political priorities and ambition for place. The Our Chelmsford, Our Plan was frequently cited by staff, members and partners and is providing all with clarity around purpose, objectives, the actions needed to deliver the key outcomes and indicative performance measures to successfully evidence delivery.

To deliver the ambition for place, the council works with many partners. Partners consistently cited the council as easy to work with and provided positive feedback regarding the political leadership of the council alongside the chief executive, cabinet, senior managers, and staff. Partners enjoy working with the council.

The leader and chief executive work well together and there is mutual trust and respect for each other and the roles each of them plays in delivering successful outcomes for Chelmsford. The leader has set a clear political roadmap in the Our Chelmsford, Our Plan and has worked hard to ensure the plan is embedded throughout the council, ensuring key messages are frequently repeated and understood.

The chief executive is focused on aligning the resources of the council and the organisational culture to deliver the Our Chelmsford, Our Plan outcomes in the most efficient and effective way, to ensure robust delivery whilst managing risks and securing value for money. As well as providing an internal leadership role, both roles actively face outwards to engage partners and to influence regional and sub-regional agendas e.g. District Council Network (DCN) Temporary Accommodation Spokesperson, North Essex Economic Board, One Chelmsford Board, Homes England.

The chief executive is from Chelmsford, along with many other staff. The passion and commitment for the city and surrounding district is tangible, staff really want the best for Chelmsford and work hard to deliver effective public services and place shaping projects that improve people's lives. This includes the Chelmsford Garden Community, an area incorporating six new neighbourhoods and once complete will deliver 10,000 homes with employment opportunities, new schools, and community infrastructure. In addition, [Beaulieu Park Station](#), the first new railway station on the Great Eastern main line in more than 100 years and funded by the government, South Essex Local Enterprise Partnership (SELEP) and developer funding.

The council has been very successful with a number of high-profile place shaping

and infrastructure projects, for example the Chelmsford North-East Bypass due to be completed in Spring 2026 and Chelmer Waterside where 450 homes are already complete. Some other growth enabling infrastructure projects are pending decision-making to be announced in 2025 including the A12 widening, and junction 19 which peers were informed are critical dependencies for a further 6500 homes to be built.

Peers engaged with a comprehensive sample of members, from the leader, the cabinet, specific one to ones with portfolio holders, opposition group leaders and members representing the administration and the opposition. There is a positive mutual respect between members and across all the political groups.

Members work well with staff and provide leadership and advocacy for their work and service areas. Portfolio holders shared with peers how they work in partnership with staff to ensure service areas deliver the best possible outcomes and place shaping and partnership work has strong and effective political leadership. For example, there was clear evidence from meetings with portfolio holders that the close working relationships with staff is resulting in a clear joint understanding of the key issues, risks, and strategy for responding to challenges.

Staff are empowered by political and senior officer leadership to do what needs to be done. The organisational culture supports staff and empowers local decision-making; the speed in which some iterative improvements were being made was impressive. Peers checked with staff where the threshold of locally empowered decision-making stops and when decisions need to be made by members. The responses demonstrated that there was a clear understanding where members need to be involved. Staff use their political acumen, experience, and judgement to decide when member involvement or decision-making is required on any future changes to services that impact communities.

Although the culture empowers everyone, there were some examples where it was unclear who was ultimately accountable for key areas of delivery. In checking this out further with the chief executive, there are clear senior responsible officers assigned to key work areas and improvement projects, although these were not always clearly understood by staff and members. Communicating these arrangements more frequently will help members and staff identify who is accountable for all significant work programmes and help connect other work areas more informally.

Succession planning has been identified as a significant organisational risk, this is currently compounded by an informality around role design and areas of responsibility. Leadership and management are effective, although appears to be

structured around existing individuals, and should they no longer work at the council, it may be challenging to replace those skills, role, and function.

A workforce plan to mitigate this risk and to ensure continuity of performance and capacity to deliver is needed. Peers understand steps have been undertaken to evaluate the risk through meeting with all the top tier of management and using a profiling tool. Peers recommend the council to continue this work at pace.

5.3 Governance and culture

The leadership of the council have for many years influenced and developed an organisational culture where staff feel empowered to constructively challenge decisions and to foster genuine collaborative working arrangements between members and staff.

Peers were informed there are positive member to member relationships, cross-party collaboration and effective working relationships between members and officers and the cabinet with the senior leadership team. Since 2021 there has been a reduction in the number of standards complaints made from within the organisation from nine cases to 1 case per year for the last three years.

Within the last three years, the council has consistently met its target of 90 per cent of freedom of information requests responded to within the statutory timescale.

In the event of staff identifying service issues or potential risk of failure, staff shared how there is a culture of openness where views and opinions can be freely shared by anyone at any level of the council. The council has a staff forum which gives each representative a formal voice, where they can share their views and those collected from colleagues and to discuss with senior management. This is a positive organisational characteristic essential to providing good local governance arrangements.

The culture is caring of staff and has demonstrated this through achieving the highest level of reward by the [Essex Working Well Accreditation Scheme](#) for employee health and wellbeing. Staff can also access an employee assistance programme for a broad range of support and the council is a 'Mindful Employer' providing mental health

support for staff.

The chief executive and management team are visible to staff and actively welcome engagement. Staff shared with peers their perspective on organisational culture and values which support empowerment and accountability. Staff are trusted to get on with their jobs and are backed to do what is necessary.

The informality that comes with a highly trusted and empowered workforce, is that sometimes it may feel that accountability for specific outcomes or risks are dispersed with no one named accountable officer. Peers were not always able to identify a specific accountable officer (e.g. the lead on a new performance management framework) and checked this with the chief executive. They were assured there are specific named individuals for risks, work programmes and specific activities, however, more work to communicate these more effectively across the organisation is needed, as these were not widely known during meetings with staff. The council's risk management strategy does define roles and responsibilities for risk owners and a model is included within the strategy annex.

Peers could observe and hear the organisational values at play when meeting with staff, there is a high degree of trust and collaboration between staff and members. Cabinet members stand by officers and provide their leadership, support, and advocacy.

The council can measure the impact of the organisational culture through a questionnaire that goes to all new starters post six-weeks in their role including a three-word description of their team. The same words appear in staff exit questionnaires suggesting organisational values are embedded throughout the council.

The chief executive, monitoring officer, S151 officer and head of audit meet formally every fortnight for an open conversation on the council's performance and risks, ensuring between the statutory officers there are robust governance arrangements in place and are regularly reviewed.

The monitoring officer and S151 officer do not sit on the senior management team which is made up of three directors and the chief executive. Both statutory role

holders are free to attend any meetings they wish to attend and receive all the agendas in advance of meetings to inform their attendance. Where there are specific finance agenda items, the S151 officer will always attend. These arrangements appear to be working in practice; however, the peer team recommend the statutory officers should have a more proactive visible role in contributing to the decision-making process in line with best practice.

There are established systems and controls in place to manage risk, there is an increasing awareness of the importance of risk management across managers. Staff shared with peers how risks are identified and mitigated in regular performance management conversations between service area managers, senior management, and portfolio holders. Peers recommend a review and update of the risk management framework alongside the implementation of the 'Lighthouse' risk management tool and further potential integration with Power BI.

The council's risk management strategy recognises that risk management is an integral part of council activities. Central to the risk framework is the identification and management of the council's principal risks, aligned to Our Chelmsford, Our Plan objectives, each is assigned to a directorate lead. A full refresh was undertaken during 2023/24 and reported to management team and the audit & risk committee in March 2024.

The council's 'Audit and Risk Committee' have benefited from the addition of two external independent members, which is best practice and brings an outside perspective and challenge to the committee. There is a flow from the risk register to the forward workplan of internal audit. Risk management systems in place report risks to senior managers and members, including regular formal and public reports to the council's 'Audit and Risk Committee'. The focus of internal audit is approved by senior managers and the 'Audit and Risk Committee' resulting in an annual plan. The council's most recent Annual Governance Statement (AGS) cites that the annual internal audit report demonstrates that internal audit recommendations inform positive improvement across the council.

Peers conducted numerous discussions regarding the impact and arrangements in

place for the 'Overview and Scrutiny Committee'. The committee is chaired by an opposition member.

Feedback shared with the peer team has indicated that the role of scrutiny needs to be more robust with some external challenge to ensure the council is maximising the role and function of scrutiny and bringing effective challenge to council decision-making. There is a clear view that overview and scrutiny should be about continuous improvement and should deliver more open debate on key issues and areas of policy development.

The council's AGS refers to a programme of deep-dive performance reviews presented to the overview and scrutiny committee throughout the year, each focussing on a specific area of the council's activity.

The role and function of scrutiny needs a comprehensive understanding from members supported by training and development. Some members reflect that the voice of the public needs to be more prominent and more integrated in the scrutiny process. Some practices deployed at the scrutiny meeting make the role of scrutiny more challenging, for example receiving lengthy presentations and then a passive response from members with limited effective scrutiny taking place. These practices do not facilitate robust scrutiny or provide robust challenge.

Peers have recommended the council improves the culture and profile of scrutiny, along with processes to strengthen decision-making and enable robust debate amongst members. The council should commission the Centre for Governance and Scrutiny to review and strengthen overview and scrutiny and wider governance. The LGA can also support development, for example through the ['Leadership Essentials'](#) development.

The council can further improve governance arrangements by ensuring the opposition and group leaders are appropriately briefed and engaged by officers. Targeted training and support for members, including group leaders and opposition members should be put in place to improve governance and ensure there is a robust level of challenge and holding the council administration to account. The LGA can provide support through attendance at the ['Effective Opposition'](#) two-day learning

event.

The AGS for the year ended 31 March 2024 details a range of measures and actions that strengthen assurance arrangements. Peers were able to engage with council staff over some of the recommendations cited in the AGS areas for improvement such as the actions relating to improvement in cyber security, demonstrating a strong link between identified risk, improvement actions and practice.

The AGS also details an action owned by the audit services manager to undertake an audit with a view to identifying and making recommendations as to any improvement in internal controls. With recommendations to be actioned by the relevant person identified in the audit. The peer team can assess the progress and impact with this action when they return to conduct the progress review.

The internal audit annual report to the audit & risk committee confirms that an effective internal audit service is resourced and maintained and provides an annual opinion on the adequacy of the council's governance, risk management and internal control arrangements.

Peers reviewed a range of governance and assurance documentation. The work undertaken by the council during 2023/24 has enabled the audit services manager to form a reasonable conclusion on the council's control framework, risk, and governance arrangements. For the year-ended 31st March 2024, the opinion is that the adequacy and effectiveness of the council's arrangements is 'Moderate Assurance' – overall the council's systems for control, risk and governance are generally adequate with some improvement required.

The review of documentation concluded internal audit reached this conclusion because medium risk rated weaknesses identified in individual assignments are not significant in aggregate to the system of internal control, high risk rated weaknesses identified in individual assignments are isolated to specific system or processes, and none of the individual assignment reports have an overall classification of critical risk

and/or no assurance. The annual opinion given for 2022/23 was ‘Moderate Assurance’.

There is an established set process for inducting new members with front loaded training and support in governance, audit, finance and overview and scrutiny. The council has a group of cross-party member development champions to influence the training needs of all members.

Complaints to the ‘Local Government and Social Care Ombudsman (LGO)’ (2023/24) - Each year, the LGO writes to each authority to summarise the work of the commission in relation to that authority and its performance generally in comparison with other authorities. During 2023-24, the commission made decisions on seventeen complaints about the council. Seen in the context of complaints against other councils, Chelmsford City Council is neither better nor worse than other authorities of a similar size and with similar responsibilities.

The [Ombudsman’s Annual Letter](#) reveals no significant change in the number of complaints against the Council in 2023-24. The Ombudsman has expressed no concerns about the way in which the council handles complaints or about its internal processes in general.

5.4 Financial planning and management

The council has a clear understanding of its financial position and complexity of the challenge it faces. Responsible financial management is shared across every service. There is good, trusted working arrangements between the portfolio holder and the S151 officer. Members engage on the council’s financial planning through a range of forums, for example informal cabinet, cabinet and peers were informed members see budget proposals through the ‘Slack’ communication messaging platform that enables engagement and provision of feedback.

In January 2024 the council communicated externally in a statement that balancing the 2024/25 budget without more funding from central government, would be the last

time it will be able to balance its finances without making significant changes to its services.

The council's statement referred to identified cost pressures before funding of around £7.55m for the coming financial year, created by big increases in homelessness costs, pay and other inflation and expensive energy bills. Although the council has balanced the 2024/25 budget through "a mix of belt-tightening, an increase in fees and charges and some use of the council's rainy-day reserves, the report cautions that a tipping point has now been reached".

In September 2024 the council updated residents concerning next year's budget, detailing the options to tackle the budget gap. The [communication](#) referenced the council's [Annual Financial Review for 2024/25](#), being presented to [Cabinet on 8 October](#), which identified a £4m budget gap for the coming year and forecasts a total cumulative shortfall of £13m over the next five years (to budget year 2029/30), unless major changes are made.

Peers have reviewed the council's budget strategy which is congruent with the financial summary shared with residents. The council has taken a tactical decision to wait until the financial settlement is confirmed by government before deciding how it will approach balancing the 2025/26 budget. The chief executive and S151 officer are poised in readiness to take the necessary action and advise members once the impact of the settlement has been appraised. Peers heard from the leader and chief executive that balancing the budget will be possible through a mix of increasing fees and charges, reducing costs and making efficiencies and use of earmarked reserves which will give the council time for the development of more detailed plans and proposals to mitigate risks.

Peers could see how the medium-term financial strategy (MTFS) reflects the high-level funding position and gap and recommend this requires more robust modelling over the longer-term, ensuring any options for efficiencies are achievable and politically acceptable, for example further use and development of shared services. The council and members should be prepared for making potentially difficult decisions and choices in advance of needing to potentially take them.

The council has been explicit with residents in recent external communications concerning the financial climate, cost pressures, and high-level options for setting a balance revenue budget. Peers recommend consultation and engagement needs to be enhanced, especially when budget decisions directly impact residents, although the council shared with peers an example where the business community had been engaged over car park charging. Building on the need to further engage residents, financial reporting should also continue to be improved and formalised to be more accessible to the public and members.

The council first declared a housing crisis in February 2022. Housing cost pressures are identified as a key contributor to Chelmsford's continuing deficit, as experienced by other councils within the region and nationally. In this current financial year, the council expects to spend around £2.7m more than it budgeted for last year on temporary accommodation. The council forecast the figure to increase next year, and to provide emergency housing for almost 500 homeless households driving an unsustainable gap in the council's revenue budget.

The council does not have their own stock of council houses and where private rents are high, are particularly exposed. The council is however making longer-term procurement decisions buying temporary accommodation capacity over a two-year period. An example of another strategy to control housing costs is the deployment of modular units.

There is a strong corporate approach to tackling the housing challenges, with a joined-up team who have developed a comprehensive understanding of the issues and working together on a range of targeted workstreams to improve the outcomes and reduce the impact on the revenue budget in the short and longer-term. Staff from the finance team are also part of the corporate team and ensure there is robust financial monitoring, modelling, and controls in place to manage the housing specific financial risks. The peer team also saw a good working relationship with the main registered provider for the city, which is essential for a non-stock holding authority.

Service managers are responsible for their budgets and have access to the council's finance system providing a live view on raised orders, commitments, staff costs and forecasts. Support is available from the finance team and each quarter a review

takes place to assess financial performance and to forecast the remaining period to ensure there is robust budget management and oversight in place.

The revenue budget is reported in-year each quarter to the cabinet and at the end of each year to the audit committee. In between each quarter reporting period, there is regular discussion between service managers, directors, portfolio holders and the cabinet. The senior management team (the chief executive and directors) and the S151 frequently discuss the council's financial performance, assessing risk and taking the necessary in-year action to manage the revenue and capital budgets.

The council is prudent in its overall approach and has previously balanced the revenue budget for fifteen years without using reserves. The 2024/25 budget does use reserves and the 2024/25 budget paper states - The budget gap for 2024/25 has not been fully funded by budget reductions and new income, so £1.11m of unearmarked general balance reserve is being used to make good the unresolved budget gap in 2024/25. This means that the £1.11m unfunded 2024/25 shortfall is carried forward and the deficit in 2025/26 is £1.11m higher as a result at £5.284m.

The council held £64m in useable reserves at 31st March 2024 including £14.6m in general fund balances, £15m in earmarked reserves and £34.4m in capital reserves.

The council's capital programme is ambitious but prudent and there has been increased control over capital spending put in place. The budget report for 2024/25 (February 2024) details a full review by the senior management team of the schemes in the programme which have not yet commenced. The premise of this review was to delay or remove as much of the capital programme as possible to reduce the ongoing pressure on the revenue budget of the financing costs of the capital programme. The results of the review, a reduction of £14.7m, has been endorsed by informal cabinet.

The council has never undertaken vast financial borrowing to invest in schemes or purchased investment properties outside of the district. Peers recommend the council's risk appetite should be reviewed and made explicit; at the same time key frameworks need to be refreshed and updated, such as asset management and risk management.

The council's AGS details in the last 20 years the council has published its accounts in-line with statutory deadlines with one exception in 2022/23 where the accounts were two weeks late. The delay being a result of having to restate pension accounts due to the failure of the external auditor to complete the previous year's external audit in a timely manner. There have been no qualifications made by its external auditor in over 20 years. Peers understand that both sets of outstanding accounts were due to be signed off the week following their on-site work.

There was no evidence to support a conclusion of value for money due to the delays in external audit. Internal audit has given a moderate opinion but no concerns over governance and controls.

Peers heard consistently of the confidence in the S151 officer. It should be clarified that responsibility for all financial management sits with the S151 officer. Peers recommend reviewing the structure and capacity of the finance team to address the succession planning needs and release capacity for more strategic financial focus on the challenges ahead.

Further capacity to deliver on the operational business should be increased to help achieve challenging deadlines and support value for money, for example supporting the operational services with driving efficiencies and securing best value.

Peers reflected that the council could bring together a more holistic approach to budget, risk, and performance to provide a joined up corporate assurance of the whole organisation.

5.5 Capacity for improvement

The council experiences high levels of staff morale. Staff openly shared their experiences of working at the council and through talking about their work, job roles and teams, were able to clearly express how they model the organisational values. They describe the culture as collaborative, empowering, informal and a collective, can-do attitude.

Staff have a comprehensive understanding of the council's priorities and made

frequent reference to Our Chelmsford, Our Plan and can see how their work is relating to the achievement of the council's priorities. The council no longer has formal annual appraisals, these have been replaced by a new framework coproduced between staff and senior managers referred to as 'Our Conversation' and focuses on performance, personal development, and wellbeing.

Staff's wellbeing is supported by the council achieving the highest level of award offered by the ['Essex Working Well Accreditation Scheme'](#), as well as being a 'Mindful Employer' and have access to an Employee Assistance Programme should staff require external support.

When staff were describing their work and providing examples, there was a strong link between the way the organisational culture was described, and how staff approach their work and interact with members, staff, teams, and customers. The culture and values were visible to peers.

The council measures staff satisfaction with new starters at week two - three and week six – eight. The results shared with the peer team were positive with 98 per cent of new starters feeling comfortable to express themselves at the council and provided an average score of nine out of ten for their initial experience. Most staff surveyed have a good understanding within their first few weeks of the organisational values and other key employment policies. 73 per cent of staff reported that their experience could not be improved. Feedback from the surveys has improved more opportunities to spend time with other teams and improving the information for new starters on the intranet.

Some singular words that new starters reflected in their survey describe the council within the first eight weeks as collaborative, friendly, supportive, approachable, welcoming. Staff that leave the council and surveyed at the point of exit gave on average a rating of eight out of ten for their experience of working at the council.

The council's HR data states that on average staff stay for 9.7 years. When staff do leave or vacancies arise, 45 roles were successfully filled by internal staff.

Voluntary turnover for the most recent recorded year was 9.14 per cent, over a three-year period was an average of 10.92 per cent. Many of the staff the peer team

engaged with had long-service and spoke positively about their experience working at the council.

The council shared with the peer team detail on sickness absence, detailing a four-year trend; further benefit could be achieved from benchmarking sickness data to compare performance outside of the organisation with comparable councils. The LGA publish a range of [workforce data](#) that can be used for comparison and benchmarking.

Staff are actively encouraged and empowered to make iterative improvements within their service area. Examples were shared with peers where questionnaires were sent out to customers of the leisure centre and the theatre to collect satisfaction data. The data was assessed, and iterative changes were made to improve the service and customer experience. An example was shared involving a new booking management system (Spektrix) for the theatre which captures detail on any disclosed disabilities. As a result of installing the new system and capturing customer details, each time the customer or their carer makes a booking, only suitable seating and services are offered. This is also a great example of the council ensuring services are compliant with equality and inclusion standards.

In addition to the service managers for leisure, cultural services, housing, customer service centre and Hyland Estate meeting regularly to exchange information, share learning and experiences, peers recommend further work could be done to embed improvements and good practice more consistently across the organisation. There are strong commercial skills in service areas which could bring value to other functions.

The council is horizon scanning and looking ahead to understand the future skills and capabilities required. Succession planning was raised with peers frequently as an important workforce risk to manage. The council has made progress by meeting with each of the tier of management below the senior management team, using a diagnostic tool to map when vacancies are likely to arise and to begin to ensure there is a pool of talent with the right skills and organisational exposure to be ready for future roles.

Peers recommend the development of a workforce plan is further progressed and regularly reviewed to assess the organisations readiness of future talent and successors for key roles.

The council has a digital strategy which was last updated in 2021 which sets out the authorities digital and transformational vision. At that time the council decided not to set up a transformation team, instead encouraging the organisation to take local responsibility for transforming the way service areas work. There is a digital first approach, with the objective of delivering better services. Staff are curious in finding new ways to improve processes and are supported through a series of 'Buzz Days' where Microsoft funded workshops aim to upskill staff. Transformation was described as more local and opportunistic opposed to a more centralised corporate controlled programme. The digital services team has made positive use of apprenticeships and grown their own development capability providing value for money.

Cyber security remains a red corporate risk. The council deployed a cyber security 'Posture Review' which has identified areas for investment to strengthen resilience. Another review will take place next year, demonstrating the council's commitment to improve and strengthen arrangements for cyber security. Internal audit has confirmed the technical controls are very good and cyber security remains a risk and cited within the AGS with clear actions to progress. Peers were informed there is still more work to do to raise the profile of cyber security with members and staff, ensuring there is robustness in organisational ownership and accountability.

The council has benefited by being an active partner in the 'Essex Digital Partnership' which facilitates shared knowledge, resources and to reduce the cost of technology to each partner council. This was seen as a good example of partnership working with the benefit of sharing learning and reducing costs.

The council has demonstrated its resilience and agility in the way the organisation proactively responded to the declared housing crisis. Using strong political leadership and managers and staff from across service areas and teams were able to come together and form a 'Housing Action Group' to develop a shared narrative that has driven cross-discipline workstreams to manage the risks and service demands in a collegiate way. In a case study prepared by the council, the outcomes following this

approach have led to increased effective prevention, mitigating costs, acquiring a range of different types of accommodation. The impact has been flattening the curve, preventing 213 families becoming homeless, households entering temporary accommodation has slowed down. The housing team is providing a more efficient service with 42 days on average (May 2023) to validate a housing register application reducing to 20 days in September 2024.

The council plays a key role in attracting talent to the council and other local business through its [annual skills festival](#), where 1200 year eight pupils were inspired around the range of jobs and careers within the locality; this was seen as positive by the peers supporting the next generation to consider future careers at the point they select GCSE options.

6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss, and reflect on these findings. The LGA will continue to provide on-going support to the council. Following publication of CPC report you need to produce and publish an Action Plan within 5 months of the time on site. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

The date for the progress review at Chelmsford City Council will be circa October 2025.

In the meantime, Rachel Litherland, Principal Adviser for the East of England Region, is the main contact between your authority and the Local Government Association. As outlined above, Rachel is available to discuss any further support the council requires. rachel.litherland@local.gov.uk, 07795 076834.