

LGA Corporate Peer Challenge

Castle Point Borough Council

3rd to 5th September 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 involved a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending three days at Castle Point Borough 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

Undertaking the corporate peer challenge is a key moment for the council and the Administration and Chief Executive deserve credit for having commissioned it.

There is widespread recognition internally and externally of significant change and improvement having taking place around what Castle Point Borough Council stands for, how it functions and the culture of the organisation. People are also very cognisant of the poor state and reputation of the organisation a few years ago and the related legacy that the council is still contending with.

The Administration has emphasised the importance of "working collectively with our

communities, so that we can achieve more for our residents” and is committed to putting people at the front of decisions and being transparent in decision-making. Elected members are steeped in their communities and are embodying a council being ‘community-led’, not least in relation to the Local Plan. Strong political leadership is being shown by the Administration.

The council and Administration have been taking difficult decisions and addressing major issues and challenges and there will be more of these going forward, including in relation to the Local Plan; addressing the housing challenges facing the borough; and meeting the council’s financial challenge. In wrestling with such issues and challenges, key tests of relationships across the senior political and managerial leadership will inevitably emerge and it is therefore important to invest further the time and effort necessary to continue to develop and strengthen what are relatively new relationships. Maintaining mutual trust and confidence is crucial.

The space and opportunity has been created in recent months that enables open and frank dialogue across the senior political and managerial leadership and this stands the council in good stead. There would be benefit in ensuring that the enhanced engagement that is taking place develops greater shared understanding and informs more consistent messages for the wider organisation and stakeholders.

The move to a four-yearly all-out electoral cycle provides welcome opportunity for enhanced strategic thinking and medium-term planning in the council. This is reflected in the intention to establish a Corporate Plan covering the years ahead, although when and how this will be developed is not yet documented. The proposed timetable and process needs to be set out and communicated within a few months.

Under the leadership of the Chief Executive, the council embarked upon a change programme entitled ‘Transforming Together’. This has delivered a major restructure at both Director and Assistant Director level and this is important both as a means and a symbol of change. Staff at various levels described an organisation in which “the walls have broken down”, with more engagement across the organisation and joint working between teams. They also talked about an organisation that is increasingly keen to learn and in which ideas are now welcomed.

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It is widely recognised that there is still a lot to do to restore the council to 'good health', place it on a sound financial footing and ensure resilience. Additional issues and challenges are regularly emerging and this is likely to continue to be the case in the months and years to come. With everything that it is contending with and what may still emerge, the council is subject to a wide range of both known and unknown risks. This emphasises the importance of the council further developing its risk management capability.

Whilst the council has worked to enhance its approach to risk management and performance management, we see the need to strengthen the approach further in order to ensure a more comprehensive corporate overview at the senior managerial level of key issues. This in turn should inform enhanced reporting to elected members.

The council is seen to be engaging more effectively with partners, both locally and more widely in Essex; linking more with Government; and increasingly drawing in external funding. Partners both locally and regionally highlighted enhanced leadership from the council. It is important for the council to continue to 'horizon scan' potential changes linked to devolution in Essex and to position Castle Point effectively to capitalise upon opportunities as they emerge.

The council is emerging from a difficult past in terms of its governance and culture. Recent months have seen some of the key basics being put in place in relation to enhanced governance but such activity represents an on-going 'work in progress'.

The fact that there is no political opposition on the council places the emphasis upon the Administration to maximise the opportunities for effective scrutiny and challenge that can be seen by the public. Fulfilling the Administration's stated commitment to transparency is crucial if public trust and confidence in the council is to continue to be enhanced and maintained. A strong Overview and Scrutiny function becomes fundamental in that context.

The council has traditionally delivered within budget. However, the scale of the anticipated financial gap for the years ahead is increasing. The council's strategy and plan for addressing the gap is unclear and the proposed timetable needs to be

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set out and communicated internally before the budget-setting process commences. It is also important for there to be greater collective ownership across the senior political and managerial leadership of the council's financial position.

The council's 2020/21 accounts were given a 'Disclaimed Audit Opinion' in relation to a historical governance issue. This has contributed to a situation in which the accounts for each of the subsequent years have not yet been signed off by the External Auditor. Again, the approach and timescale to addressing this is not clear as a result of uncertainty in the national audit market and this needs to be addressed as quickly as possible.

The council is investing in its staff and has developed a range of people-based initiatives. Levels of staff morale across the council are understandably mixed. This is in a context of people having experienced change within the organisation in different ways, with probably the most significant factor here having been Job Evaluation.

A set of Service Reviews is currently being undertaken and what emerges from them may well represent the most major level of change yet for the council. As the organisation continues to be revised and to adapt, the development of a clear and shared narrative around future business change would be beneficial for the wider organisation.

The agenda of further change and improvement in the council is significant and we welcome the widespread recognition that it can't deliver everything all at once. In this context, we recommend the development of a clear business change programme. There will be a requirement to establish the necessary capacity to undertake both the programme management of this and support and deliver effectively specific change and improvement activities.

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 Recommendation 1

Clarify quickly the council's strategy and plan for addressing the financial gap of future years. The proposed timetable and process needs to be set out and communicated internally before the budget process commences.

3.2 Recommendation 2

Develop a clear business change programme and narrative and establish the related programme management capacity in order to ensure focus and delivery and support benefits realisation

3.3 Recommendation 3

Clarify the approach and timescale for developing the Corporate Plan – with there being a need to move quickly in creating it. The proposed timetable and process needs to be set out and communicated within a few months.

3.4 Recommendation 4

Invest further the time and effort necessary to develop the relationships and establish greater shared understanding across the senior political and managerial leadership – which, in turn, informs more consistent messages for the wider organisation and stakeholders

3.5 Recommendation 5

Strengthen the approach to risk management and performance management in order to ensure a comprehensive corporate overview at the senior managerial level of key issues – which, in turn, informs enhanced reporting to elected members

3.6 Recommendation 6

Maximise the opportunities for effective scrutiny and challenge of the Administration that can be seen by the public

3.7 Recommendation 7

Address the gap that has emerged for partners in the voluntary and community

sector around a council operational lead in engaging and involving them

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:

- Gordon Mitchell, LGA/SOLACE Associate and formerly Chief Executive of Bracknell Forest Borough Council and Nottingham City Council
- Councillor Jo Beavis, Braintree District Council (Independent)
- Councillor Jewel Miah, Leader, Charnwood Borough Council (Labour)
- Darren Knight, Deputy Chief Executive, Warwick District Council
- Phillip Horsfield, Assistant Director, Legal, Elections and Registrars and Monitoring Officer, Rotherham Metropolitan Borough Council
- Chris Bowron, LGA Peer Challenge Manager

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 Castle Point Borough Council and what the peer team should focus on. It also included an 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 three days onsite at Castle Point Borough Council, during which they:

- Gathered evidence, information, and views from more than 25 meetings, in addition to further research and reading.
- Spoke to more than 100 people including a range of council staff together with elected 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 elected members.

5. Feedback

5.1 Local priorities and outcomes

There is widespread recognition internally and externally of significant change and improvement having taking place around what Castle Point Borough Council stands for, how it functions and the culture of the organisation. People are also very cognisant of the poor state and reputation of the organisation a few years ago and the related legacy that the council is still contending with.

The Administration has emphasised the importance of “working collectively with our communities, so that we can achieve more for our residents” and is committed to:

- Putting people at the front of decisions
- Being transparent in decision-making
- Promoting pride of place in Castle Point
- Carrying out a residents' survey

Staff at various levels described an organisation in which “the walls have broken down”, with more engagement across the organisation and joint working between teams. They also talked about an organisation that is increasingly keen to learn and in which ideas are now welcomed. Partners both locally and regionally highlighted the enhanced leadership from the council as a key aspect of the improvement that has taken place. The Leader is trusted and valued by them and by colleagues within

the council and the Chief Executive is widely held in high regard and seen as a driving force of change.

Elected members are steeped in their communities, recognising their sometimes changing nature, such as the growth of the Charedi Jewish community. They are embodying a council being 'community-led', not least in relation to the Local Plan. Strong political leadership is being shown by the Administration. A clear example here is the recent decision to purchase Abbeyfield House to provide increased temporary accommodation facilities. The purchase was made to help reduce the social impacts on those involved and ease the financial pressures on the council. The fact that misunderstandings emerged in the local community about the objectives and what was happening saw local councillors further demonstrate effective community engagement and leadership, easing tensions that had emerged.

With Castle Point comprising several distinct communities, including an island (Canvey Island), the Administration is keenly aware of the importance of balancing focus and investment across the borough and its different geographies. Investment can be seen to be being made in key areas both within the borough and the organisation. Such investment within the borough includes work refreshing and improving parks and open spaces; the redevelopment of The Paddocks Community Centre; the opening of the new Thorney Bay Pavilion; and the creation of a local events programme, including hosting the Thames Estuary Festival next year.

Investment internally includes enhancing capacity in functions such as communications and community engagement (reflecting the Administration's related commitment and enabling the establishment of 'Castle Point Together' as a publication going to all households twice a year); economic development; Planning policy; emergency planning; procurement and HR. External expert capacity has also been sourced, for example to support the development of the analysis and business case around a new customer relationship management (CRM) system and community consultation and engagement activity around both the new Local Plan and the approach to the waste service.

The move to a four-yearly all-out electoral cycle provides welcome opportunity for enhanced strategic thinking and medium-term planning in the council. This is

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reflected in the creation recently of the 'Meeting the Castle Point Challenge – A Community Commitment' document which outlines the changing organisation and ten priorities for the Administration. The council intends to build on this document by developing a Corporate Plan for the years ahead. This will be important in providing all stakeholders with a clear outline of Castle Point's vision and direction both as an organisation and a place. There is, however, uncertainty around when and how the Corporate Plan will be developed. With a need to move quickly in the Administration's new term in office to create it, we recommend clarity is established around the timescale and approach, including how the Corporate Plan will sit with the Place narrative. The proposed timetable and process needs to be set out and communicated internally within a few months.

It can clearly be seen that the council and Administration have been taking difficult decisions and addressing major issues and challenges. There will be more of these going forward, including:

- Developing the Local Plan (the Castle Point Plan)
- Determining the way forward in relation to what emerges from the waste service community engagement exercise
- Addressing the housing challenges facing the borough
- Meeting the council's financial challenge
- Responding to the current review of fees and charges, including car parking
- Maximising the benefits from the council's strategic assets

There is no issue at present but, going forward, navigating such challenges effectively will require elected members and officers retaining full awareness of, and respect for, respective roles and responsibilities. Officers will be fulfilling their roles appropriately in providing the professional advice essential in informing the decision-making of elected members but, ultimately, the responsibility for taking the relevant lawful decision/s sits with councillors and they are the ones who are accountable.

As the council continues to progress by delivering change and improvement and wrestles with the types of issues and challenges outlined above, key tests of

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relationships across the senior political and managerial leadership will inevitably emerge and it is therefore important to invest further the time and effort necessary to continue to develop and strengthen them. Navigating such tests effectively and successfully will be challenging for what are, relatively speaking, newly formed relationships. The space and opportunity has been created in recent months that enables open and frank dialogue across the senior political and managerial leadership and this stands the council in good stead to mature these relationships over the coming years. Maintaining mutual trust and confidence is crucial.

There would be benefit in ensuring that the enhanced engagement that is taking place across the senior political and managerial leadership develops greater shared understanding and informs more consistent messages for the wider organisation and stakeholders. Examples would be ensuring shared narratives around future business change in the organisation (including the current Service Reviews); the approach to addressing the council's financial challenge (detailed later in this report); and the approach and timescale for the development of the Corporate Plan.

5.1.1 Performance

Performance reporting to Cabinet has been adapted to focus it on the council's priorities. This is reflected in an emphasis being placed upon a set of key performance indicators that link with those priorities, which are:

- Overall satisfaction with the local area
- Satisfaction with the maintaining of parks and open spaces
- The percentage of council housing meeting the Government's Decent Homes standard
- Customer satisfaction with the council
- People who agree there is a strong sense of community in their area
- The proportion of people who feel safe after dark
- The number of affordable homes delivered

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- The number of businesses operating in Castle Point

The most recent Cabinet performance report indicated more than 70% of indicators were meeting the target. The council's Position Statement developed to inform our work does, though, highlight issues in relation to some of the key performance indicators:

- Homelessness prevention – 45% of those approaching the council have been supported into accommodation relative to a target of 65%
- Perceptions of safety (from the Essex Residents' Survey 2023) – 43% of respondents in Castle Point felt safe after dark compared to an Essex average of 51%
- Physical activity (from a Sport England Active Lives Survey) – 54% of residents undertook at least 150 minutes of physical activity per week in 2023/24, representing a reduction from 61% the previous year
- New homes – a reduction in the net number of new homes in the borough, from 200 in 2022/23 to minus 53 in 2023/24

Looking at a broader set of measures, drawing on the 'LG Inform' data and performance information system which the Local Government Association hosts on behalf of the sector, it is feasible to see the following for Castle Point when compared to the other councils in its CIPFA 'family' grouping of similar authorities, using the most recently available data:

Where Castle Point is amongst the better performers:

- Lower number of households on the housing waiting list
- The timeliness of processing minor Planning applications
- The timeliness of processing 'other' Planning applications
- Higher rate of new businesses being registered in Castle Point
- Higher percentage of household waste being sent for reuse, recycling and composting

Where Castle Point is less high performing:

- Higher number of households living in temporary accommodation per 1,000 households

Where performance in Castle Point is around the average:

- The percentage of council tax not collected as a percentage of council tax due
- The percentage of non-domestic rates not collected as a percentage of non-domestic rates due
- The percentage of vacant dwellings as a percentage of all dwellings in the area
- The time taken to process housing benefit new claims and change events
- The timeliness of processing of major Planning applications
- The amount of residual household waste per household

The following is a link to the 'Headline Report' for Castle Point in the LG Inform system:

https://lginform.local.gov.uk/reports/view/lga-research/lga-research-report-headline-report-bar-charts?mod-area=E07000069&mod-group=CIPFA_Near_Neighbours&mod-type=comparisonGroupType

As the council seeks to progress to a “steady state” and then “better and best”, as articulated by the Chief Executive, we see benefit in it comparing its’ performance more to others. Currently, the extent to which this happens is very limited, with only a small proportion of performance indicators being set in a comparative context and, where this does happen, it essentially being limited to an average for Essex. We also see benefit in the council shifting in due course to reporting performance, budget and risk together.

5.2 Organisational and place leadership

Under the leadership of the Chief Executive, who commenced in role in July 2022, the council embarked upon a change programme entitled ‘Transforming Together’. This has delivered a major restructure at both Director and Assistant Director level,

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involving significant change in personnel. This is important both as a means and a symbol of change. It is seen to have injected energy and capacity and “up-skilled the organisation” and Assistant Directors indicated they feel that they have the “mandate to get on with the job”.

This is crucial in a context of it being widely recognised that there is still a lot to do to restore the council to ‘good health’, place it on a sound financial footing and ensure resilience. The scale of what still needs to be delivered is fully and jointly recognised by the council’s political and managerial leadership. Additional issues and challenges are regularly emerging and this is likely to continue to be the case in the months and years to come. With everything that it is contending with and what may still emerge, the council is subject to a wide range of both known and unknown risks. This emphasises the importance of the council further developing its risk management capability.

The commissioning of a Health and Safety audit, which has been undertaken independently and is due to be reported soon, and covers such areas as the waste service, leisure services and housing, is an important element of this. Whilst the council has worked to enhance its approach to risk management and performance management, we see the need to strengthen the approach further in order to ensure a more comprehensive corporate overview at the senior managerial level of key issues. This in turn should inform the Cabinet performance report. An example would be certain challenges being faced in the housing service linked to the focus of the Regulator of Social Housing, such as the undertaking of gas servicing, which do not appear in the corporate risk register or performance report. This example concerns something that is fundamental to the safety of citizens and has very significant implications and therefore must be visible to the senior managerial and political leadership.

A set of Service Reviews, led for their area by each of the respective Assistant Directors, is being undertaken this calendar year and is intended to identify and then deliver the next stage of change in the organisation. The direction and ambitions of the Service Reviews will need to be carefully managed in order to ensure they fulfil the key priorities that they are intended to deliver. These priorities include improving

service delivery and the approach to the customer; helping to address the medium-term financial challenge facing the council; and enhancing joint-working across the organisation, including the development of a 'business partnering model' around the way in which corporate functions, such as finance, legal and HR, support frontline service areas.

Our understanding is that the Service Reviews are intended to model a ten per cent reduction in budget, or an equivalent increase in income, by the end of the financial year 2026/27. Ensuring this challenge is met will require the careful management of expectation in a context of an organisation that is enthused by the investment currently being made to address key aspects of the 'hollowing out' that took place of key areas of the council.

What emerges from the Service Reviews may well represent the most major level of change yet for the council, given the focus on approaches to service delivery and the customer and that they are looking at the wider workforce below Assistant Director level. As things move forward, it will be crucial for the council's political and managerial leadership to continue, fully and jointly, to recognise the scale of what is required to restore the organisation to where it needs to be. As the organisation continues to be revised and to adapt, the development of a clear and shared narrative around future business change (including the Service Reviews), and what such change is seeking to achieve, plus the drivers for it, would be beneficial for the wider organisation.

The council is seen to be engaging more effectively with partners, both locally and more widely in Essex; linking more with Government; and increasingly drawing in external funding. Examples include:

- £2m being secured from Sport England to increase physical activity levels in the borough
- More than £200,000 being accessed for the borough through Essex County Council's Public Health Accelerator Bid, focused on transforming recreational facilities into 'Active Wellbeing Hubs' and supporting 2,500 residents in enhancing their mental and physical health

- A successful bid with Southend City Council and Essex Police for over £1m to fund additional CCTV cameras
- Being nominated by Government for £20m of Towns Fund monies intended for Canvey Island (although now subject to review following the change in Government)
- Starting to work closely with 'Visit Essex', 'Film Essex' and the 'Greater Essex Business Board' to provide Castle Point with the opportunity to help shape tourism and the visitor economy
- Engagement from the Chief Executive in the Mid and South Essex Integrated Care Board

Something for the council to be mindful of is what local partners, particularly in the voluntary and community sector, highlighted in the way of a gap that has emerged following changes in the organisation regarding a council lead in engaging and involving them. This needs to be addressed given the crucial contribution this sector has to make.

The council is already engaged in a number of shared initiatives and functions with other councils in Essex. This includes:

- The Joint Committee of the Association of South Essex Local Authorities (SEC – South Essex Councils) involving seven councils working together to promote prosperity and wellbeing in the region
- The South Essex Parking Partnership, controlling all street-based parking and undertaking related enforcement, under the auspices of a Joint Committee
- Castle Point and Rochford Community Safety Partnership
- Castle Point and Rochford Health and Wellbeing Board

It is important for the council to continue to 'horizon scan' potential changes linked to devolution in Essex and to position Castle Point effectively to capitalise upon opportunities as they emerge under the new Government. Also, whilst the Leader is integral to the council's engagement within Essex and partners at all spatial levels value his input, he can't undertake it all. This provides an opportunity to develop capacity within the elected membership in order to maximise partnership

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engagement, spread the responsibilities to ensure they are manageable and secure continuity.

5.3 Governance and culture

Castle Point Borough Council is emerging from a difficult past in terms of its governance and culture. The extent of the difficulties is exemplified by the council's accounts for 2020/21 receiving a 'Disclaimed Audit Opinion' from the External Auditor, the context for which was a historic issue, identified through Internal Audit, concerning unlawful transactions. The fact that such transactions could take place reflected significant governance failures and weaknesses.

Recent months have seen some of the key basics being put in place in relation to enhanced governance in the council. This includes a review of the Constitution having been undertaken; training being provided for officers and elected members to develop and enhance understanding of what good governance looks like and how effective decision-making takes place; and decisions being taken to appoint independent persons to the Audit and Governance Committee and Standards Committee. The latter is scheduled for formal decision by Full Council in October 2024. The activity to improve governance in the council represents an on-going 'work in progress' and needs to be built upon, with this being aided by the commencement in post in recent months of a new Monitoring Officer.

Within this, there is a need to tailor governance arrangements and approaches to reflect the council's current context. A specific factor here is the absence within the elected membership of any political opposition. The May 2024 elections returned a council of 39 elected members (reduced from 41 previously following a Boundary Review), comprising 24 People's Independent Party members and 15 Canvey Island Independent Party councillors. The two parties have entered a new power sharing arrangement which builds on their two previous years (2022 to 2024) of collaboration, in which they formed the Administration and had a Conservative Opposition.

The fact that there is no political opposition on the council places the emphasis upon the Administration to maximise the opportunities for effective scrutiny and challenge

that can be seen by the public. Given the difficult governance and cultural past of the organisation, fulfilling the Administration's stated commitment to transparency is crucial if public trust and confidence in the council is to continue to be enhanced and maintained. A strong Overview and Scrutiny function becomes fundamental in that context and positive initial steps are being made by the new Chair of that Committee.

Elected members that we met indicated that they had experienced an "intense" induction programme following the elections in May. Whilst this was demanding, what was undertaken was felt to be a significant improvement on what had been delivered in previous years. Councillors are keen to see this being built on through the development of a comprehensive on-going elected member training and development programme. Our understanding is that the Standards Committee is gearing up to lead on this.

5.4 Financial planning and management

The council has traditionally delivered within budget and has even underspent regularly in recent years. The situation has been aided by both a VAT refund of over £3m in 2022/23 and higher amounts of interest being received than was planned for. In recent years, areas of service underspend and/or greater levels of income than was anticipated include licensing; homelessness and housing; refuse and recycling; leisure and halls; and Planning and regeneration. Demand pressures have been seen in temporary accommodation; car parking; and staffing costs relating to interim and agency use.

The financial gap for the years ahead is formally identified as £285k next year and £852k in 2026/27 but we understand further pressures have now been identified which amount to an additional £400k over these two years. We also understand that a further £1m is likely to be required in 2027/28. This is in a context of a net revenue budget for the council in the current financial year of £15.6m.

Whilst the council's reserves are relatively high, with it being at the low end of risk according to the CIPFA resilience index, we are anticipating that the plan is not to rely upon them to address the financial challenge. However, the council's strategy

and plan for addressing the financial gaps that are emerging is unclear and the proposed timetable needs to be set out and communicated internally before the budget-setting process commences. In determining the ways in which it will be achieved, we would encourage an emphasis to be placed upon approaches that encourage collective responsibility and joint working. If we take, as an example, what we outlined earlier regarding the Service Reviews each being intended to model a ten per cent reduction in budget, or an equivalent increase in income, we wonder the extent to which services trying to identify the means to achieve this from just within their immediate sphere both constrains thinking and risks missing potential avenues at the corporate level or through collaboration. There may also be a risk of change in one area causing unintended demand or cost pressure in another.

In a similar vein, it is important that there is greater collective ownership across the senior political and managerial leadership of the council's financial position. The fact that there is quarterly reporting on the council's finances to Cabinet is positive. However, awareness of the financial position within the council seems very limited and there is a strong sense of the budget being the domain of only two or three people at the leadership level. This needs to be addressed.

The council's capital programme is generally within budget, with no major variations. However, drawing up and publishing a capital plan, which outlines what expenditure is planned to be seen when and on what, would contribute to the council delivering on its commitment to transparency.

As outlined earlier in this report, the council's 2020/21 accounts were given a 'Disclaimed Audit Opinion' in relation to a historical governance issue. This has contributed to a situation in which the accounts for each of the subsequent years have not yet been signed off by the External Auditor. Again, the approach and timescale to addressing this is not clear as a result of uncertainty in the national audit market and this needs to be addressed as quickly as possible.

5.5 Capacity for improvement

Much of this report so far has focused on matters of change and improvement within the council. This leaves a few areas still to highlight in this section of the report and then an overall conclusion around the council giving itself the best chance of success in continuing its story of progress and delivering the necessary further change and improvement.

The approach to internal communications is seen to be improving, encouraging more engagement across the organisation and joint working between teams and contributing to that feeling that “the walls have broken down” and that it is an organisation in which ideas are now welcomed. Whilst only part of the picture here, the monthly staff newsletter is felt to be accessible and beneficial.

The council is investing in its staff and has developed a range of people-based initiatives. This includes a leadership development programme; the launch of the ‘Workplace Champions’ staff recognition scheme; the creation of a scheme supporting and enabling staff to volunteer locally; and the development of a set of organisational values and behaviours. The ‘Key Change Champions’ network across the organisation has been instrumental in helping to shape much of this.

Levels of staff morale across the council are understandably mixed. This is in a context of people having experienced change within the organisation in different ways. Probably the most significant factor here has been Job Evaluation, which has been a huge undertaking but finally sees the council putting itself in the same position as all other councils nationally in implementing it this month.

In recognising the scale of the change and improvement agenda facing the council, staff that we met indicated a desire to see more ‘quick wins’ being identified and implemented in order both to enhance the sense of progress and momentum and address some of the issues and frustrations that they experience. They identified such ‘quick wins’ as including delivering the action plans that have emerged in response to the findings from the staff survey; implementing the new office environment; and establishing a clear organisational policy around hybrid working.

Our overall conclusion around the council giving itself the best chance of success in continuing its story of progress and delivering the necessary further change and improvement, is in a context of the significant scale of that agenda and the widespread recognition, which we welcome, that it can't deliver everything all at once. This leads us to recommend the development of a clear business change programme, and related narrative, which clearly define:

- The priorities and objectives for change and improvement and benefits realisation
- The timescales for delivery (recognising that prioritisation will involve some things being identified for earlier delivery than some others)
- Ownership and accountabilities
- The various workstreams
- The governance arrangements to track progress and support successful implementation

Putting this in place, supporting it, monitoring progress and tracking the realisation of anticipated benefits will require the establishment of the necessary programme management capacity. It is also vital to ensure the necessary capacity is drawn in to support and deliver effectively specific change and improvement activities, such as the development of the proposed new CRM system.

6. Next steps

It is recognised that the council's 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. 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 the 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 a day and a



half.

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. She is available to discuss any further support the council requires and can be contacted via rachel.litherland@local.gov.uk

Appendix 2 – Corporate Peer Challenge Draft Action Plan

	Recommendation	Action	Timescales
1	Clarify quickly the council's strategy and plan for addressing the financial gap of future years. The proposed timetable and process needs to be set out and communicated internally before the budget process commences.	As part of the Council's ongoing commitment to transformation and modernisation, every service area of the Council is being reviewed to improve the customer journey and experience, to identify opportunities for invest to save projects which will improve outcomes and efficiency and to take a more commercial approach to maximising our assets. This includes a zero-based budgeting exercise which will give officers and members transparency as to the total cost of the service, including social return on investment where relevant. Work has already started to undertake this work and will be completed in time to feed into the usual budget cycle. This will be communicated both internally and externally, with a briefing session for members. The aim of this activity is to create a robust medium term financial strategy (MTFS) which will set out the financial gaps in future years matched with identified strategies for filling those gaps. It is likely that the Government's Comprehensive Spending Assessment, planned for Spring 2025 will have a significant impact on the MTFS which will then need to be reviewed and adjusted accordingly.	The budget development plan will be completed and approved by the end of October 2024, with communications and briefing completed by the end of November 2024. The usual budget setting and Council Tax setting will take place in February 2025. The date for the reporting of the Comprehensive Spending Review has been given as "Spring" and no date has yet been set.
2	Develop a clear business change programme and narrative and establish	When the Transforming Together (TT) Programme formally closed in March 2024, the	The next phase of our change programme will be defined and launched by the end of

	Recommendation	Action	Timescales
	the related programme management capacity in order to ensure focus and delivery and support benefits realisation.	ongoing delivery of the transformation and modernisation agenda became part of “business as usual”. What the CPC has revealed, however, is that the profile, interest and cogency of the TT Programme should be replicated for this next phase of the Council’s change journey so that staff, members and residents can identify these activities and understand that they are part of how the Council is changing. This requires us to embrace the various activities which we are undertaking as part of the transformation and modernisation agenda into a defined business change programme, A revised changed programme will be developed, and the additional capacity required for delivery will be identified within the Policy, Performance & Customer service review.	2024/25, with recruitment to new capacity complete by Q1 2025/26
3	Clarify the approach and timescale for developing the Corporate Plan – with there being a need to move quickly in creating it. The proposed timetable and	Creation of a new Corporate Plan is necessary as the current plan expires this year. However, it was always our intention to do this after May 2024 given that the Corporate Plan runs for a	Work will start in October 2024 with development of a proposed outline for the format and content on the new Corporate Plan.

	Recommendation	Action	Timescales
	process needs to be set out and communicated within a few months.	four-year period and the local elections were for the same duration. The new administration has created its Community Commitment which sets out its priorities for the four-year term of office and that allows the Corporate Plan to be built on the foundations of those commitments. We will engage with members, partners and the public to develop and draft a new Corporate Plan, encompassing our priorities and next steps over the course of the current administration, including financial priorities and pressure, place narrative and commercial strategy.	Senior management and member engagement will comment in November 2024. A draft plan will be presented to Cabinet in January 2025. We will consult Castle Point residents on this draft plan in February 2025. This consultation will be communicated as a main feature in the December 2024 Castle Point Together Magazine, distributed to all households. The Corporate Plan presented to Full Council for sign off by March 2025.
4	Invest further the time and effort necessary to develop the relationships and establish greater shared understanding across the senior political and managerial leadership – which, in turn, informs more consistent messages	As the pace of Council business continues to increase and the impact of change becomes more widespread it is absolutely recognised that meaningful and timely engagement between officers and members is vital to success. There is an opportunity to enhance	As part of the established rhythm of meetings of the senior political and managerial leadership (known as Political Leadership Team), more of a workshop approach to significant strategic pieces of

	Recommendation	Action	Timescales
	for the wider organisation and stakeholders.	existing relationships between senior political and managerial leadership through key pieces of work such as the approach to addressing future financial gaps as well as the development of the new corporate plan. A lot of work has been undertaken in terms of the Council's external communications and now there needs to be a focus on internal communications so that members – especially back-benchers – are constructively and positively engaged in the future direction of the Council. This will help us understand how the Council can best support members in the delivery of their duties and in representing their communities.	work will be established, starting with the corporate plan in November 2024. From November onwards, there will be a more sustained focus on internal communications, supported by additional capacity from the communications team at Essex County Council.
5	Strengthen the approach to risk management and performance management in order to ensure a comprehensive corporate overview at the senior managerial level of key issues – which, in turn, informs enhanced reporting to elected members.	Through the transformation process, we have identified that the assurance framework has structural deficiencies which have caused historical challenges which the Council is now putting right. An overhaul of the Council's approach to risk and performance management – linked to finance - is needed. As part of the creation of the Corporate Plan	This will be delivered through the Policy, Performance & Customer service review, signed off early October 2024. Consultation on the proposal will take place over November, with recruitment to any vacant post starting in December.

	Recommendation	Action	Timescales
		we are critically examining what we are measuring and reporting against; how we are using data to improve performance and manage risk and ultimately, what that means in terms of cost to the Council. All of this will improve robustness in terms of evidence-based decision making by members. As part of the Council's approach to modernisation we are investing in project and performance management capacity and capability to ensure the discipline is embedded throughout the organisation. Once the new Corporate Plan is adopted, we will roll out new risk, performance and financial measures to create a robust assurance framework.	Project and performance management capacity and capability will be in place no later than Q1 2025/26. Enhanced reporting will be delivered from Q1 2025/26.
6	Maximise the opportunities for effective scrutiny and challenge of the Administration that can be seen by the public.	The review of the Council's Constitution implemented a number of enhancements to the Council's scrutiny committees – Overview & Scrutiny, Climate Policy & Scrutiny Sub-Committee, Audit & Governance and Standards. These will continue to be strengthened by the development of workplans, live-streaming of public meetings and recruitment of Independent Persons to ensure we openly communicate council activity, so	Live-streaming has been increased to include Overview & Scrutiny, Climate Policy & Scrutiny Sub-Committee, Audit & Governance Committee and Standards Committee, building on existing live streaming of other committees, and the recruitment of Independent Persons will be complete by the end of 2024, along with the development of the full programme of work.

	Recommendation	Action	Timescales
		residents have every change to be informed & involved. The Overview & Scrutiny Committee will undertake an annual review of the Constitution as a standing item on its workplan – working with the Monitoring Officer to ensure that the Constitution remains a living document and is up to date.	Communications plans to ensure greater openness and encourage resident participation in council meetings will be developed and implemented by the end of November 2024
7	Address the gap that has emerged for partners in the voluntary and community sector around a council operational lead in engaging and involving them.	We recognise that as part of our transformation programme that some of our partners will not be familiar with new faces. The Assistant Director, Housing Health & Partnerships has only been in post since May 2024 and he has the lead responsibility for the voluntary and community sector and he is recruiting to new partner facing roles which will provide the operational bridge.	We will contact and engage with partners by the end of 2024, starting with sharing of our Community Commitment, and ensure we continue the successful relationships and engagement already in place, clarifying main contact for each of the key partnerships in question.

	Recommendation	Action	Timescales
		We will launch our Community Commitment with partners and ensure we clarify routes to contact our Council.	