Chelmsford City Council

ANNUAL GOVERNANCE STATEMENT 2025/26

Executive Summary

Purpose of the Annual Governance Statement

This Annual Governance Statement (AGS) summarises the outcome of the Council's review of the effectiveness of its governance arrangements for the year ended 31st March 2026. The Statement provides assurance on how the Council has applied the principles of good governance in practice and explains the conclusions reached following the annual review.

Overall Conclusion

The annual review considered the Council's governance framework, Local Code of Governance and core governance arrangements, drawing on a wide range of assurance sources. Based on this review, while governance arrangements remain broadly effective and are sufficient to support the delivery of the Council's objectives and statutory responsibilities, the Council recognises that some areas may require management attention to ensure they remain fully fit for purpose.

The governance framework that underpins this conclusion, together with the assessment of its effectiveness and the detailed governance assurances, is set out in the remainder of this Annual Governance Statement.

Governance Strengths

The review identified a number of governance strengths, including:

- Clear leadership and decision-making arrangements supported by the Constitution
- Strong financial management and budgetary control arrangements
- Established scrutiny and audit arrangements providing effective oversight
- A clear ethical framework and access to statutory officer advice

Governance Issues

The annual review also identified some governance issues that require ongoing management attention. These issues relate to:

- **Local Government Reorganisation** - LGR represents a significant change to the authority's governance, operating model and risk profile. The Council will continue to prepare for the transition, ensuring that appropriate governance, risk management and internal control arrangements are in place to support continuity of services and compliance with statutory requirements.
- **Cyber Security** – The Cyber Security Posture Review 2025 reviewed the effectiveness of the Council's cyber security governance arrangements. It concluded that since CSPR 2021, cyber awareness has greatly improved, with benefits of training, the transparency in handling incidents and the increased confidence in staff identifying and reporting phishing emails and other anomalies. Although cyber security governance is currently active, enhancing the rigour of oversight would benefit the Council by increasing the perceived relevance of cyber security in routine business operations while preserving collaboration and trust within the organisation.

- **Data Retention** – Records Management is acknowledged as a key cyber and information governance risk. The Information Governance team is working with services going through key components of their information assets and retention periods. Services will be required to highlight those datasets which are not deleted in line with retention periods and provide reasons why they are unable to do so. Records Management also needs to be considered in line with LGR, as improved record keeping will assist with any future transition.
- **Contract Management** - to ensure the Council are in the best position for LGR going forward, the Councils Procurement Team are currently undertaking a Council wide review of the contracts register and Council spend compliance. This exercise has many benefits and will enable the Council to have a better understanding of potential collaboration opportunities and ensure compliance with transparency reporting regulations
- **Performance –** Due to staffing changes, the Council faces a risk that performance management arrangements may not consistently provide timely, accurate and meaningful information to support effective decision-making, accountability and continuous improvement. Consideration of how performance will be integrated into the new Council under LGR, as each constituent Council will currently have different arrangements and targets.

These matters may have a potential impact on governance effectiveness or the achievement of outcomes. Actions to address these issues are set out in section 9 in this Statement.

Forward-Looking Governance Considerations

The Council recognises that governance arrangements must continue to evolve in response to future challenges and opportunities. Key areas that are expected to influence governance in the coming years include:

- **Local Government Reorganisation** - the scale and complexity of LGR presents an ongoing governance challenge and opportunity. The transition requires continued focus to ensure clear accountability, effective decision-making and the maintenance of robust internal controls throughout the reorganisation period. The Council will keep its governance framework under review to ensure it remains proportionate, effective and resilient in the face of these challenges.
- **External Audit** - Ongoing delays in the completion of the external audit of the Council's accounts present a governance risk, as they restrict the timely provision of independent assurance over the Council's financial statements. Although the delay arises primarily from capacity and resourcing pressures within the external audit regime, the Council recognises the importance of completing audits as promptly as possible and continues to engage proactively with its auditors to support audit completion and maintain transparency.

Certification

The Council is committed to strengthening governance and addressing the issues identified in this Statement. An action plan has been agreed (see section 9), with clear ownership and timescales, and progress will be monitored through senior management and member-led governance arrangements.

To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year. We did not find any matters that needed addressing during our review other than those that were previously identified and have been progressed.

Signed:	Signed:
Leader of the Council	**Chief Executive: Nick Eveleigh**
Date:	Date:

Review of Effectiveness

1. Scope and Purpose of the Annual Governance Statement

1.1. Chelmsford City Council ('the Council') has a duty under the Local Government Act 1999 to make arrangements that ensure continuous improvement in the way it works in terms of economy, efficiency and effectiveness. This includes a responsibility to ensure that Council business is conducted in accordance with the law and that public money is safeguarded and properly accounted for.

1.2. This Annual Governance Statement (AGS) is a requirement of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015 and summarises the outcome of Chelmsford City Council's "open and honest self-assessment" review of the effectiveness of its governance arrangements for the year ended 31st March 2026. The review assesses whether the Council's governance framework, which reflects the CIPFA/Solace Delivering Good Governance in Local Government Framework, is operating effectively and supporting the achievement of the Council's objectives.

2. Review of Effectiveness of Governance Arrangements and Overall Conclusion

2.1. The review drew on a range of assurance sources, including member and officer oversight, the Head of Internal Audit's annual opinion on governance, risk management and internal control, external audit findings, risk management arrangements, and other relevant assurance activity.

2.2. The review concluded that the Council has appropriate governance arrangements in place and in many areas, these arrangements are operating effectively. However, the review also identified some areas where governance effectiveness could be strengthened. These weaknesses do not indicate a failure of the overall governance framework but require targeted improvement to ensure continuing effectiveness.

3. The Governance Framework

3.1. To fulfil its responsibility, the Council must put in place proper arrangements for the governance of its affairs and carrying out its functions and its Governance Framework comprises the system by which the Council is directed, controlled and held to account. It supports effective leadership, sound decision-making, accountability, and the delivery of the Council's objectives in accordance with statutory requirements and good practice.

3.2. The framework brings together the Council's constitutional arrangements, organisational culture, policies, procedures, and processes for managing risk, decision-making and compliance. It is designed to ensure that the Council conducts its business lawfully, ethically, and in the public interest.

3.3. It also enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The system of internal control is also a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, evaluate the likelihood and impact of those risks being realised, and manage those risks efficiently, effectively and economically.

3.4. The Council has adopted a Local Code of Governance, which is consistent with the CIPFA/Solace *Delivering Good Governance in Local Government Framework*. The Local Code sets out how the Council applies the following seven principles of good governance in practice and identifies the core arrangements that support each principle. It also provides the basis for reviewing the effectiveness of governance on an annual basis:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of intended outcomes
- Developing the entity's capacity, including the capability of its leadership and individuals
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

4. Core Governance Arrangements

The Council's core governance arrangements include the following key elements:

4.1. **Members and Leadership**

- A clear governance and decision-making structure set out in the Constitution
- Defined roles and responsibilities for elected members, Cabinet, committees and scrutiny
- Member codes of conduct and standards arrangements

4.2. **Officers and Statutory Roles**

- Clear officer responsibilities and delegated authority
- Statutory roles, including the Head of Paid Service, Section 151 Officer and Monitoring Officer, with defined responsibilities and access to independent advice

4.3. **Committees and Accountability**

- Oversight and assurance provided through Audit and Risk Committee, Governance Committee, and Overview and Scrutiny arrangements
- Transparent reporting and challenge mechanisms supporting effective accountability

4.4. **Internal Control and Assurance Environment**

- Risk management framework and Principal risk register
- Financial management and budgetary control arrangements
- Internal audit, external audit and other inspection arrangements

4.5. Together, these arrangements form an integrated governance framework which supports the Council in achieving its objectives, managing risk, and maintaining public confidence.

4.6. The effectiveness of these governance arrangements has been reviewed as part of the annual governance review process. The results of that review are set out in the remainder of this Annual Governance Statement.

5. Chelmsford City Council Key Governance Elements 2025/26

Good Governance Principle	Chelmsford Council Key Elements 2025/26
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	✓ Member and Officer Code of Conduct form part of the Council's Constitution. The latest version of the Local Government Association's Model Code of Conduct for Councillors was approved and adopted as Part 5.1 of the Constitution by Full Council in July 2022. ✓ All serving city councillors have attended code of conduct training. Two vacancies arose in March 2025 and the new city councillors elected on 2/5/25 were provided with training as part of their induction. The recommendation made by the Committee on Standards in Public Life Best Practice which suggested that senior officers should meet with Group Leaders was also re-instated during 2023. ✓ The Employee Code of Conduct was reviewed in light of the changes to the Member Code of Conduct to establish whether changes are necessary to bring the Employee Code of Conduct into alignment. The employee code was already similar to the LGA Model code, and no changes were considered necessary (as reported to Governance Committee in January 2023). There are some minor changes to be made to the Employee Code of Conduct to reflect the updated approach to the various declarations made by officers planned for 2026. ✓ Following approval by Full Council in July 2022 of the reviewed and refreshed Council's Financial Rules which form part of the Constitution, corresponding Practice Notes were updated in 2023. A review of the rules and practice notes was undertaken in 2025 and approved by Council. No further material reviews will be made before the new Council is formed in April 2028 but changes will made as needed. ✓ Policies and procedures on Member and Officer declarations of interests and of gifts and hospitality are available, with interests remaining a standing item on all Committee, Cabinet and full Council meeting agendas. Governance Committee received an update from the Monitoring Officer in June 2025 relating to declaration of interests and gifts and hospitality. The online officer register of interest's forms was rolled out across both category 1 and category 2 officers as per the Employee Code of Conduct. Annual updating of members and officer declarations is also now in place. These arrangements continue to be overseen by Governance Committee. ✓ The Council's Counter Fraud Policy was updated in November 2025 and ensures the Council approach to the prevention and detection of fraud is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally as well as assisting the Council in demonstrating its compliance with Economic Crime and Corporate Transparency Act (ECCTA) which introduced a new criminal offence of 'Failure to Prevent Fraud' (FTPF) (effective from September 2025), designed to hold organisations to account if they profit from fraud committed by their employees. It encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in

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	response to fraud and corruption. Actions required to deliver and implement the Strategic Counter Fraud objectives were set out in the Counter Fraud Strategy 2025-27. The risk of fraud is also monitored via the Council's Principal Risk Register. The Council also participates in mandatory NFI exercises. ✓ The whistleblowing policy is available to staff, key stakeholders and the general public via the Council's website. A review of the Whistleblowing Policy was undertaken by the Monitoring Officer and reported to Governance Committee in January 2023 which confirmed the current policy is compliant with legislation. An Annual Whistleblowing Report was provided to Governance Committee in March 2026 which noted that both staff and members of the public are willing to raise concerns. The policy is part of staff induction training and is easily accessible on the Council's website. ✓ During 2024/25, a training and awareness programme covering Whistleblowing and Anti-bribery and Corruption was rolled out across the Council to all PC based staff. These training modules provide a good basis of understanding and a good opportunity to publicise the Council's refreshed suite of Counter Fraud documents and remind all staff of their role and responsibility in preventing, detecting and reporting any suspected theft, fraud, bribery or corruption, which forms a key part of the Council's Counter Fraud and Corruption Strategy. The programme is also now included as part of new starter's mandatory induction training and will be repeated for all staff in 2027/28. In addition, all Members received an LGA Councillor Workbook on Bribery and Fraud Prevention and wider Council awareness through a poster campaign was rolled out across Council sites for non-PC based staff. ✓Service-related complaints and complaints about a Councillor can also be reported online. Governance Committee continues to monitor complaints and investigations under the Standards regime and received the annual review of Complaints to the Local Government and Social Care Ombudsman in October 2025. Members were also informed of the new Complaints Handling Code which would be taken into account from April 2026. The Council made several policy updates to align with the Code, with one further report required annually to Cabinet which is scheduled for 2026. ✓ The Council's Modern Slavery and Human Trafficking Statement sets out the actions to understand all potential modern slavery risks related to our services and puts in place steps to eliminate acts of modern slavery and human trafficking in the Council's services, businesses and supply chains. The Chelmsford Against Slavery Partnership (CASP) continues to work closely in partnership with law enforcement, charities and the voluntary sector in order to pledge to make Chelmsford a slavery free city. The Council will continue to raise awareness of, and disrupt, Modern Day Slavery practices within the Council's area, operations and supply chain. The CASP Steering Group provides updates to the One Chelmsford Board and Overview and Scrutiny Committee on its progress. ✓ The Council has a responsibility to ensure that all commissioning and procurement supports the Council's Our Chelmsford Our Plan principles within the legislative framework for public procurement and the Council's own internal rules and procedures, as well as promoting sustainable and ethical sourcing,

Good Governance Principle	Chelmsford Council Key Elements 2025/26
	procurement, commissioning and contract management wherever possible. This is set out in the Council's Social Value Procurement Policy and Strategy 2020-25. The Social Value Procurement Policy and Strategy will be reviewed for LGR and the existing strategy will remain in place until vesting day on 1st April 2028. The Annual Procurement Report was provided to Audit & Risk Committee in January 2026, which provided an update on the implementation of the Procurement Act 2023, with procedures, documentation and training updated in line with the new requirements and several procurements already delivered under the new regime. Additional transparency and reporting duties will come into effect from 2026. ✓ The Articles of the Constitution, define the Monitoring Officer's role to ensure that all decisions comply with statutory requirements and are lawful. ✓ Ethical Governance training was undertaken in relation to the adoption of the Model Code of Conduct during late 2022 and this was repeated during member induction post local elections in 2023 and on an ad hoc basis for new members as necessary as part of their induction. Decision-Making Awareness Training was undertaken in October 2025.
Principle B: Ensuring openness and comprehensive stakeholder engagement	✓ Effective stakeholder engagement has been a key element of the Council's preparations for Local Government Reorganisation (LGR). The authority has continued to engage with members, staff, partners, government bodies and residents to support transparency, manage expectations and ensure continuity of services during the transition. ✓ The LGA Corporate Peer Challenge in December 2024 noted that the Council is delivering commendable outcomes for the people of Chelmsford but 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 CPC recommended that the Council increases resident engagement and consultation about local priorities and use of resources. The Council has developed an action plan in response to the CPC recommendations. The CPC Progress Review was completed in January 2026 and noted that within the context of LGR, the council has prioritised strengthening engagement with residents, businesses and harder to reach groups on local priorities and the implications of future governance changes. Significant consultation activity has taken place, including pre-submission local plan engagement, participation in the Greater Essex unitary proposal consultation and the ongoing community governance review. The council evidenced their approach to wider community engagement through initiatives such as the women's safety charter and communications work that has raised the Council's profile locally and nationally. ✓ The Council has an FOI publication scheme on its website and also publishes certain information in line with the Local Government Transparency Code 2015. A review of the Council's compliance with the

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	Transparency Code was undertaken during 2024 by the Corporate Governance Group. The Council also updates its FOI requests relating to Business Rates quarterly. ✓ To comply with its duty set out in the code of practice for local authority publicity to tell taxpayers about what the Council does on their behalf, the services the council provides, important announcements, like public health information, decisions that affect the area and how residents can get involved in those decisions, the Council maintains the Chelmsford City Life website. ✓ The Council also have official social media profiles and accounts on Facebook, Instagram, Twitter, Nextdoor, LinkedIn and YouTube governed by the Council's social media house rules. ✓ The Information Governance Annual Report 2025 noted that It was reported that the number of data breaches had reduced from 38 in 2023/24 to 23 in 2024/25, with the majority relating to email and enveloping errors. No cases were referred to the ICO. The Committee also heard about continued work to strengthen cyber security, including completion of the Virtual Chief Information Security Officer contract, the introduction of a new Security Operations Centre contract, and ongoing training for staff and councillors, such as phishing simulations and awareness exercises. Data retention remains an ongoing high risk. ✓ The Council's Annual Statement of Accounts is published online. The Council's accounts were authorised for issue on 24 February 2026 and the audit opinion issued on 25 February 2026 to meet the 27 February backstop date, as required by the Accounts and audit regulations. Ernst & Young could not complete the full audit due to national audit backlog impacting on audit resources, resulting in a disclaimed audit opinion. Further Ernst and Young cannot formally conclude the audit and issue their certificate until the National Audit Office as group auditor has confirmed that no further assurances will be required from EY as component auditor for the Council. ✓ Comprehensive Council Tax information is available online ✓ Council, Cabinet and Committee meetings are open to the public and guidance on attending and speaking at public meetings is available online. ✓ A calendar of meetings ensures that timely reports are submitted to, published by and distributed by Legal and Democratic Services to ensure Members' information needs, and relevant statutory deadlines, are met. ✓ Notices of Key Decisions, Executive Decisions and Urgent Decisions are also issued in advance/made available online (as appropriate). ✓ Further detail on stakeholder engagement is available in the Council's Consultation and Engagement Strategy.

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	✓ The Monitoring Officer continues to provide guidance and training for Parish tier Councils on the standards regime.
Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits	✓ The LGA Corporate Peer Challenge in December 2024 noted that 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. ✓ Our Chelmsford, Our Plan was updated in February 2024 and is available online setting out the Council's medium-term strategic priorities to improve the lives of residents, focussing on sustainable economic, social and environmental goals, aligned to the Local Plan where appropriate. A progress report was presented to Overview and Scrutiny Committee in September 2025 outlining the progress made to date in implementing the strategic actions that support the delivery of the ambitions and priorities set out in 'Our Chelmsford Our Plan'. It was noted that overall, the Council has made significant progress in delivering the key activities and strategic actions identified in the Plan, despite a challenging financial climate. The LGA Corporate Peer Challenge noted that it is supported by strong political and officer leadership, provides a clear organisational focus and purpose, and that the strategic direction, political objectives and target outcomes were widely understood by members, staff, and partners. ✓ The Council's Local Plan was adopted in May 2020. This sets outs sustainable development objectives, policies and a Spatial Strategy to accommodate new development growth in the period to 2036. A new Officer team was formed in July 2022 to deal with all planning matters relating to Chelmsford Garden Community which is the largest development allocation in the adopted Local Plan. In accordance with national policy, a review of the plan is required at least every five years. To this end, a review of the Local Plan commenced in 2022. An Issues and Options consultation ran until October 2022 to review the amount and potential locations for new development of homes, jobs and infrastructure, and areas for protection, such as open space and sites for wildlife which will cover the period to 2041. A Preferred Options Consultation stage extended to June 2024 followed by two Pre-submission consultation stages in Spring 2025 and Winter 2025/2026. The timeline and programme for the review of the Local Plan is set out in the revised Local Development Scheme which was approved by Cabinet in October 2025 Consultation feedback documents have been published after each stage of consultation after consideration by the Council's Chelmsford Policy Board. After full consideration of the consultation feedback, the review of the Local Plan is anticipated to be submitted for Independent Examination.

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	✓ In order for the Council to keep its CIL Governance arrangements up to date and in line with the adopted Local Plan, from time to time the Council reviews and updates its Allocating and Spending CIL framework and publishes the document online. During 2023/2024 revised arrangements for spending CIL in the nine unparished wards and within the Garden Community were agreed at Cabinet. Spending arrangements will be kept under review, taking into account any changes to Government legislation. ✓ The Council's Community Funding Scheme is available to voluntary or community organisations who work for the benefit of Chelmsford residents. There are three different grant schemes: Discretionary Fund Grant (revenue grants for voluntary and community organisations); Neighbourhood Community Infrastructure Levy (CIL) Grant in unparished wards (capital grants for community infrastructure); and Greener Chelmsford Grant (capital grants which support "green" community initiatives to help local groups deliver elements of the Climate and Ecological Emergency Action Plan). Additional Council grants include Active Chelmsford (for projects or work aimed at engaging inactive residents of the Chelmsford district) and other CIL grants to external organisations that deliver the strategic infrastructure required to deliver the objectives of the Local Plan. During 2023/2024, 2024/2025 and 2025/2026, Rural England Prosperity Fund grants were made available via Government funding to business and community organisations in the rural area. In 2026/2027 an Urban Business Grant Scheme is being introduced to support small businesses in the urban areas. ✓ The Council in response to a Notice of Motion - Standing Against Racism and Discrimination, resolved to adopt the All-Party Parliamentary Group (APPG) on British Muslims definition of Islamophobia; continue focus groups and meetings to find out more about how we support our diverse communities and expectations of the Council as a whole; improve knowledge and understanding by using our museums, theatres, festivals and outside events to showcase the diversity of our city; monitor the figures relating to hate crimes and action taken via the Community Safety Partnership; support the work of the Working Group on Connectivity and Local Democracy to tackle discrimination, encourage participation and open up community discussion and; report back regularly to all councillors. The Council has also adopted the IHRA definition of antisemitism. The Council's activities in this field are monitored by the Anti-Racism Working Group which meets from time to time. ✓ In line with the Public Sector Equality Duty, the Council publishes equality information (including workforce and gender pay gap data) and has set equality objectives to continually improve services to ensure equal access for all customers, work effectively with under-represented communities, promote equality and diversity through working practices and recruit and retain staff with the right skills and behaviours to work for the benefit of all sectors of our local community.

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Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	✓ The LGA Corporate Peer Challenge (CPC) in December 2024 considered five areas which are critical to councils' performance and improvement: Local priorities and outcomes, Organisational and place leadership, Governance and culture, Financial planning and management, and Capacity for improvement. Following publication of the CPC report, an action plan was produced, and a progress review was undertaken by the LGA Corporate Peer Challenge team in January 2026 where the Council reported to peers on the progress made against each of the CPC's recommendations, discussed early impact and learning and received feedback on the implementation of the CPC action plan. ✓ Directors meet regularly with both their Cabinet Members and the Chief Executive to discuss progress in their respective areas of responsibility. Informal Cabinet sessions are also held regularly and the Chief Executive hosts regular all-Member Briefings. ✓ The Mid-Year Financial Review 2025/26 outlines the Council's overall financial outlook for current and future years. The financial planning takes account of Our Chelmsford, Our Plan objectives which informs the annual budget setting. The budget report to February 2026 Full Council updates the forecast deficits for five-year period for revenue and capital and identifies how the reserves and deficits will be managed. ✓ Financial monitoring arrangements ensure that budget information is readily available to a variety of stakeholders to inform decision-making – including senior managers, Management Team and Cabinet Members, alongside formal reporting to Audit and Risk Committee at outturn, annual (mid-year) financial review to Cabinet and regular reporting to Cabinet members. ✓ The Council undertook a self-assessment against the seven standards in CIPFA's Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to Audit and Risk Committee in September 2023. The actions are being monitored by the Council's S151 Officer. ✓ The Council developed a Power BI (Business Intelligence) performance management system in 2024 to connect performance indicators and outcomes to Our Chelmsford, Our Plan. The LGA Corporate Peer Challenge noted that there are good working practices between portfolio holders, directors, and service managers with ownership for improvement and delivery. The performance management system needs further embedding and development to ensure a wider organisational view is achieved, allowing greater scrutiny and oversight by members. This is also impacted by a resource gap following the retirement of a director role who had responsibility for OCOP and Climate performance reporting. ✓ A progress report was presented to Overview and Scrutiny Committee in September 2025 outlining the progress made to date in implementing the strategic actions that support the delivery of the ambitions and priorities set out in 'Our Chelmsford Our Plan'. It was noted that overall, the Council has made significant progress in delivering the key activities and strategic actions identified in the Plan, despite a challenging financial climate.

Good Governance Principle	Chelmsford Council Key Elements 2025/26
	✓ A programme of deep-dive performance reviews is presented to Overview & Scrutiny Committee throughout the year, each review focussing on a specific area of Council activity. In 2024/25, these included: Annual Presentation by Safer Chelmsford Partnership and Essex Police, Annual Report on Housing Delivery and Theatre Inform and Debate. Call In Decisions included: Chelmer Waterside Inform and Debate and Community Infrastructure Levy Governance Update. The LGA Corporate Peer Challenge noted that the Overview and Scrutiny function may benefit from 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 and that the review should be conducted alongside review of the Chelmsford Policy Board and its relationship with Overview and Scrutiny. A progress review to monitor actions taken since the LGA Corporate Peer Challenge was undertaken in January 2026. It noted that the Council has conducted a comprehensive review of its overview and scrutiny arrangements to ensure members, particularly scrutiny and opposition members are fully equipped to participate effectively. The review included targeted training for chairs, vice chairs, and all committee members, as well as consideration of increased pre-scrutiny activity and a reassessment of the call-in process. ✓ 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 LGA Corporate Peer Challenge noted that 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 and partners and the council play a critical collective role. ✓ Chelmsford Garden Community Delivery Board is in place to oversee specific elements of the development of proposals for Chelmsford Garden Community. ✓ A Community Liaison Group is in place for Chelmsford Garden Community which allows local community groups and residents to be updated on progress of the development and provide their feedback on new projects and proposals. ✓ In 2024, Chelmsford City Council implemented a Project Management Toolkit to support good project management practice across all areas of the council. The main purpose of the toolkit is to create consistency and ensure the successful delivery of Chelmsford City Council's projects through effective communication. The toolkit incorporates an easy-to-follow project management framework that's supported by a set of Project Management document templates. ✓ A core change management team has been implemented to assist the Council with LGR with established workstreams (HR, learning & development, digital solutions, communication and continuing ambition).

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Principle E: Developing the Council's capacity, including the capability of its leadership and the individuals within it	✓ Succession planning has been identified as a significant organisational risk further impacted by Local Government Reorganisation. The LGA Corporate Peer Challenge recommended that 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. The Progress Review completed in January 2026 noted that succession planning remains a core priority, especially in the context of LGR. Following the retirement of a director role, the Council took the decision to create two new assistant director roles to support leadership development, whilst creating additional capacity for directors. The Council is also actively creating opportunities to grow management and leadership capacity, for example several officers are now undertaking leadership and management apprenticeships. ✓ The LGA Corporate Peer Challenge in December 2024 noted that staff have a comprehensive understanding of the council's priorities and can see how their work is relating to the achievement of the council's priorities. The Council does not undertake formal annual appraisals, instead utilise a framework coproduced between staff and senior managers referred to as 'Our Conversation' which focuses on performance, personal development, and wellbeing. ✓ The Council works to ensure the physical and mental health and wellbeing of its staff through Workplace Health Champions events, Mental Health First Aiders, the Employee Assistance Programme, Wellness action plans and weekly Our News articles. The LGA Corporate Peer Challenge noted that 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'. ✓ The Council participates in a number of partnerships, including Safer Chelmsford, South Essex Parking, and works closely with Essex County Council on a number of initiatives: Mid Essex Children's Partnership Board, Essex Safeguarding Adults Board, Mid Essex Alliance and Chelmsford Youth Strategy Group. ✓ Both the Governance Committee and Audit and Risk Committee have at least two appointed independent persons each in line with best practice. ✓ All serving city councillors attended code of conduct training. Two vacancies arose in March 2025 and after the by elections have filled those vacancies the new city councillors are provided with training as part of their induction. Senior officers also meet with Group Leaders on an ad hoc basis as recommended by the Committee on Standards in Public Life Best Practice. ✓ All staff with PC Access received Inclusion, Equality & Diversity training via TED e-learning which provided an understanding of the Equality Act, how it affects them as an employee and the business as an employer. Two half day classroom-based sessions were also delivered in March 2024. New starters with PC access are invited to complete the e-learning module within 2 months of joining. In addition to this staff can access further training on Equality at Work via the intranet and e-learning modules offered via Peninsula our H&S consultants.

Good Governance Principle	Chelmsford Council Key Elements 2025/26
	✓ During 2024/25, a training and awareness programme via TED e-learning covering Whistleblowing and Anti-bribery and Corruption was rolled out across the Council to all PC based staff. These training modules provide a good basis of understanding and a good opportunity to publicise the Council's refreshed suite of Counter Fraud documents and remind all staff of their role and responsibility in preventing, detecting and reporting any suspected theft, fraud, bribery or corruption, which forms a key part of the Council's Counter Fraud and Corruption Strategy. Going forward, the programme will be used for all new starters and Members as part of their mandatory induction training. In addition, all Members received an LGA Councillor Workbook on Bribery and Fraud Prevention and wider Council awareness through a poster campaign was rolled out across Council sites for non-PC based staff. ✓ Cyber Security and Information Governance eLearning training is delivered to all computer-based staff on annual basis. The Information Governance Annual Report 2025 noted that for 2025, the Council achieved a completion rate of 90% (down 2% on last year; up 7% on two years ago). ✓ The Council's Health and Safety Annual Report 2025 noted that the core training courses of Managing Safely, Working Safely and Peninsulas Health & Safety Awareness continue to underpin the health and safety training provided by the Council, with additional specific training provided depending on the job role. The majority of roles within the Council are required to carry out one of these three training courses: Managing Safety for managers and supervisors, Working Safely for frontline operatives and Health & Safety Awareness for low-risk operatives. The Managing and Working Safely courses are accredited by the Institute of Occupational Health & Safety (IOSH).
Principle F: Managing risks and performance through robust internal control and strong financial management	✓ The Council's Risk Management Framework was updated in 2025 and recognises that to be effective, it should assist the Council to identify, understand and manage risks to achieving its objectives, provide risk information to support decision-making, improve compliance with policies, procedures, laws and regulations and stakeholder expectations and provide assurance to internal and external stakeholders that the Council is well-managed. ✓ The Principal Risk Register is central to the risk management framework, owned by Management Team and covers the Council's strategic risks which require regular oversight at senior level to ensure that, where necessary, action is taken to further mitigate risks outside the Council's indicative risk appetite. Corporate Risk Management liaise with nominated Risk Owners, Service Managers and Directors to update each Principal Risk, and report bi-annually to Management Team and Audit and Risk Committee to facilitate their monitoring and oversight. A full detailed update of the Principal Risk Register was undertaken twice during 2025/26 (September 2025 and March 2026) to ensure it is up to date and reflects the current risk profile and risk appetite. ✓ A Risk Management Strategy was also developed for 2025/26 which set out the actions required to achieve the Strategic Risk Management Objectives, ultimately supporting the council's vision for To

Good Governance Principle	Chelmsford Council Key Elements 2025/26
	embed a systematic approach to the identification, assessment, and mitigation of potential threats, empowering Chelmsford City Council to create a fairer, greener and more connected community through the application of proportionate, aligned, comprehensive, embedded and dynamic risk management principles. ✓ In Summer 2025, a horizon scanning document to capture initial thoughts on potential risks relating to LGR was developed. In January 2026, this was then developed into a more formal framework (LGR Transition Readiness RAID (Risks/Actions/Issues/Dependencies) log) to centrally capture the relevant risks and actions to support the Council in being safe and legal to operate from 1st April 2028. The process for monitoring and updating the LGR Raid Log will be developed from April 2026. ✓ The Internal Audit Annual Report to Audit & Risk Committee confirms that an effective internal audit service is resourced and maintained and provides an annual opinion on the adequacy Council's governance, risk management and internal control arrangements. ✓ The risk-based Internal Audit Plan is aligned to Our Council, Our Plan objectives, the Council's Principal Risks and Fraud Risk Register. ✓ Updates from the Council's vCISO (Virtual Chief Information Security Officer) were provided to Corporate Governance Group during 2025/26, including the outcome of the Cyber Security Posture Review: CSPR 2025. Key findings included that since CSPR 2021, cyber awareness has greatly improved. Respondents noted the benefits of training, the transparency in handling incidents, and the increased confidence in staff identifying and reporting phishing emails and other anomalies. Proposed actions related to oversight, resource constraints, risk management and continuity and recovery. ✓ The Council introduced a new internal AI (Artificial Intelligence) policy in November 2025 and officially approved Microsoft 365 Copilot as the council's designated AI assistant for staff use to support staff in working more efficiently within a secure digital environment. The Policy was underpinned by the key principles of transparency, accountability, fairness and bias prevention, data protection and security, integrity and compliance. The new policy was also supported by the rollout of an AI Toolkit. ✓ The Council's S151 Officer makes regular reports to Members on the financial position, budget setting and monitoring, medium-term forecasts, the annual statement of accounts and any other financial matters as necessary. Financial risks included within the Principal Risk Register are refreshed in the light of changing financial circumstances. ✓ The Council undertook a self-assessment against the seven standards in CIPFA's Financial Management Code using the assessment criteria established by CIPFA. The outcome (i.e. that the Council is materially compliant with the CIPFA FM Code) was reported to Audit and Risk Committee in September 2023. The actions are being monitored by the Council's S151 Officer. The s151 believes that it is now appropriate to focus limited officer time on supporting the development of the new unitary, which

Good Governance Principle	Chelmsford Council Key Elements 2025/26
	creates a greater financial framework. No further reports on the CIPFA code in 2026/2 and 2027/28 will be made, unless essential. ✓ The Council's Counter Fraud Policy was updated in November 2025 and ensures the Council approach to the prevention and detection of fraud is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally as well as assisting the Council in demonstrating its compliance with Economic Crime and Corporate Transparency Act (ECCTA) which introduced a new criminal offence of 'Failure to Prevent Fraud' (FTPF) (effective from September 2025), designed to hold organisations to account if they profit from fraud committed by their employees. It encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Actions required to deliver and implement the Strategic Counter Fraud objectives were set out in the Counter Fraud Strategy 2025-27. The risk of fraud is also monitored via the Council's Principal Risk Register. The Council also participates in mandatory NFI exercises. ✓ During 2024/25, a training and awareness programme covering Whistleblowing and Anti-bribery and Corruption was rolled out across the Council to all PC based staff. These training modules provide a good basis of understanding and a good opportunity to publicise the Council's refreshed suite of Counter Fraud documents and remind all staff of their role and responsibility in preventing, detecting and reporting any suspected theft, fraud, bribery or corruption, which forms a key part of the Council's Counter Fraud and Corruption Strategy. The programme is also now included as part of new starter's mandatory induction training and will be repeated for all staff in 2027/28. In addition, all Members received an LGA Councillor Workbook on Bribery and Fraud Prevention and wider Council awareness through a poster campaign was rolled out across Council sites for non-PC based staff. ✓ Other processes which assist Internal Audit in detecting potential fraudulent activity include: • One of the criteria assessed when producing the risk-based annual audit plan is the risk of fraud as per the Council's Fraud Risk Register. In addition, all individual reviews are aligned to the Council's Fraud Risk Register to independently assess anti-fraud controls in place. • Data Analytics were used in 2024/25 to detect any anomalies with Accounts Payable and Payroll with a specific focus on anti-fraud tests. • Reviews of Council processes/walk throughs etc should highlight any gaps in control and areas that are vulnerable to fraudulent activity. • Additionally, where concerns of fraud have been highlighted, investigations are carried out and review of the control framework is undertaken to identify any gaps in control, establishing any lessons learned and recommendations to assist with the design of controls. ✓ The Counter Fraud Annual Report was presented to Audit and Risk Committee in June 2025.

Good Governance Principle	Chelmsford Council Key Elements 2025/26
	✓ Chelmsford City Council is committed to high standards of health and safety management within a risk management framework. This means having in place effective management arrangements within directorates to ensure the wellbeing of our staff, service users, members of the public and others affected by our organisation and services. The Council uses external health and safety advisors to assist in managing the Council's high-risk services. The Council has a Health, Safety & Welfare Forum that has senior level representation from across the organisation. The aim of the Health, Safety and Welfare Forum is to promote co-operation in instigating, developing and carrying out measures to ensure and improve the health, safety and welfare at work of all employees. Management Team are kept informed of issues as when they arise, and key policies are reported on and discussed as required, and an Annual Health and Safety Report was provided to Audit & Risk Committee in September 2025. ✓ The LGA's Introduction to Audit Committees E-Learning Module was rolled out to all Audit and Risk Committee Members in 2024/25 and a full self-assessment was undertaken in March/April 2025 to identify any further areas of improvement. ✓ The annual update to Members on RIPA arrangements was presented to Governance Committee October 2025. This is kept under review and reported to Governance Committee annually each autumn. ✓ An Information Governance Update was presented to Governance Committee in October 2025 to provide an annual update on the Council's approach to the assurance and management of information. The update covered the following areas: Statutory Requests, Data Breaches, Phishing Exercises, Training and Awareness, Cyber Security Review, Policies, Consents, Privacy Notices, Risk Management, Contracts and Records Retention. ✓ Records Management is acknowledged as a key cyber and information governance risk which led to the introduction of an email retention period of seven years in Microsoft Outlook in February 2025. Each summer, Management Team receives an annual Senior Information Risk Owner report. The focus for the next report will be the service review of data retention and information assets. The Information Governance team is working with services going through key components of their information assets. Retention periods are also being reviewed. Services will be required to highlight those datasets which are not deleted in line with retention periods and provide reasons why they are unable to do so. Records Management needs to be considered in line with LGR, as improved record keeping will assist with any future transition.
Principle G: Implementing good practices in transparency, reporting, and audit, to deliver effective accountability	✓ The LGA Corporate Peer Challenge final report is published on the Council's website. The Progress Review was completed in January 2026. ✓ As detailed above, a vast array of information is accessible to the general public via the Council's website in an understandable style appropriate to the intended audience.

Good Governance Principle	Chelmsford Council Key Elements 2025/26
	✓ To comply with its duty set out in the code of practice for local authority publicity to tell taxpayers about what the Council does on their behalf, the services the council provides, important announcements, like public health information, decisions that affect the area and how residents can get involved in those decisions, the Council maintains the Chelmsford City Life website. ✓ The Council also have official social media profiles and accounts on Facebook, Instagram, Twitter, Nextdoor, LinkedIn and YouTube governed by the Council's social media house rules. ✓ The Council has an FOI publication scheme on its website and also publishes certain information in line with the Local Government Transparency Code 2015. A review of the Council's compliance with the Transparency Code was undertaken during 2024 by the Corporate Governance Group. The Council also updates its FOI requests relating to Business Rates quarterly. ✓ The Council's Corporate Governance Group continued to meet regularly during 2025/26 and included reviewing and updating the Annual Governance Statement, reviewing progress against the AGS action plan, collaborating and sharing governance updates and best governance practice from across the Council. ✓ The Annual Governance Statement is presented to the Leader and Chief Executive, approved by Joint Audit & Risk and Governance Committee and published alongside the Statement of Accounts. ✓ Governance Committee, Audit & Risk Committee, and Overview & Scrutiny Committee report annually on their work to full Council. ✓ The Annual Internal Audit Report demonstrates that internal audit recommendations inform positive improvement across the Council.

Effectiveness of Other Organisations

5.1. The Council acts as lead partner in the South Essex Parking Partnership (SEPP) which carries out the on-street parking enforcement in Chelmsford, Basildon, Brentwood, Castle Point, Maldon and Rochford, on behalf of Essex County Council (ECC), the highways authority, through delegated responsibilities under a Joint Agreement first introduced in 2011 with a new agreement for a further term signed by all partner authorities in 2022. Signs and lines maintenance and new TRO's (Traffic Regulation Orders) are also provided by the Partnership. The Partnership has operated successfully, in accordance with the Traffic Management Act 2004 (TMA 2004), including timely production of an Annual Report and agreed Business Plan, and generation of a surplus during each year of operation.

5.2. The One Chelmsford Board acts as Chelmsford's Responsible Authorities Group under the Crime and Disorder Act 1998, which is a statutory function. There are a number of other statutory partners: Chelmsford City Council, Essex Police, ECC, Essex County Fire and Rescue Services, Probation Services and Health (ICB – Integrated Care Board). The current chair is Chelmsford Council's Chief Executive and our member representative is the Leader of Chelmsford Council, plus relevant cabinet members are invited to attend. The group has a terms of reference and presents a finance report annually.

5.3. The Council does not currently engage in commercial activities through trading subsidiaries or investment vehicles.

6. Internal Audit

6.1. The Council maintains an effective and independent internal audit function in accordance with the Global Internal Audit Standards (UK Public Sector). Arrangements for the governance of internal audit are consistent with the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government, effective from 1 April 2025.

6.2. Internal audit operates in accordance with a formally approved Internal Audit Charter, which defines its purpose, authority, and responsibility, and provides unrestricted access to records, systems, and officers. The Audit Services Manager is a senior officer with direct functional reporting to the Audit Committee and access to those charged with governance.

6.3. A review of the arrangements for the governance of internal audit, including a self-assessment against the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government was undertaken which concluded that the authority's arrangements are compliant with the Code and provide appropriate oversight, independence, and support for the internal audit function. No significant governance issues were identified in respect of internal audit during the year.

6.4. The Internal Audit annual opinion categories range from No Assurance, Limited Assurance, Moderate Assurance to Substantial Assurance. The work undertaken during 2025/26 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 2026, 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. 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 2024/25 was also Moderate Assurance.

6.5. Any residual risks arising from all 2025/26 audit reviews will be closely monitored through the Internal Audit follow-up process in 2026/27. Further detail on audit outputs is provided in the Internal Audit Annual Report.

7. External Audit and Inspectorates

7.1. 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. The Council's the previous and current auditors have been unable to complete their audit work since 2020/21, due to a national backlog of local government audits. The Council's financial practices or reporting are not the cause of the delays. Government and stakeholders have all recognised the need to make change at a national level to resolve the growing backlog, however there is no certainty that external auditors will be able to complete future audits. The Council's accounts since 2021/22 have been disclaimed by external auditors, which is national practice when auditors cannot complete their work. EY the current auditor are undertaking a risk assessment during 2025/26 audit to determine whether it is possible to complete a full audit before the Council is merged on the 1st April 2028. It remains the case, that the lack of a full audit creates a financial risk which is only partially alleviated by Value For Money (VFM) Assessments undertaken by external auditors. The Council's VFM assessment provides a clean bill of health.

7.2. The Building Safety Regulator carried out a statutory inspection of the Council's Building Control functions in late 2025/early 2026. Although improvements have been made to the service there are a number of pending operational standards contraventions that are required to be improved by 17 July. Work is underway to ensure compliance ahead of this deadline.

8. Governance Issues and Areas for Improvement or Monitoring during 2026/27:

8.1. The annual review identified the following governance issues which require ongoing management attention. These issues may have the potential to undermine the Council's ability to achieve its objectives, comply with statutory duties, or maintain public confidence if not addressed.

Ref	Area	Action to be taken in 2026/27	Responsible Officer
GOV26_1	**LGR** The Council recognises that Local Government Reorganisation (LGR) will continue to impact governance arrangements in the coming year. Work is ongoing to ensure that governance, risk management and internal control arrangements remain fit for purpose both during transition and within the successor authority.	Actions will continue to review and adapt governance, risk management and internal control arrangements to ensure they remain effective throughout the LGR transition and support the establishment of robust arrangements within the successor authority. The process for monitoring and updating the LGR RAID Log will be developed from April 2026.	All
GOV26_2	**Actions arising from Cyber Security Posture Review** **2.1** Although cyber security governance is currently active, it operates in an ad hoc manner dependent on upward reporting rather than executive oversight. Enhancing the rigour of oversight would benefit the organisation by increasing the perceived relevance of cyber security in routine business operations while preserving collaboration and trust within the organisation. **2.2** Resource constraints may affect the management of cybersecurity risk significantly. The challenges are particularly evident in the upkeep of physical and digital asset registers and the dependence on single individuals to act as system administrators for various central and local systems. **2.3** Risk management at the corporate level, especially concerning the supply chain, faces challenges due to key staff departures and reliance on suppliers for expertise. Additionally, it is affected by large mandated systems where the organisation has limited influence as a minor client. **2.4** Improving continuity and recovery planning and testing could bring significant benefits. Key areas needing attention include more frequent, smaller exercises for operational risks, better application of lessons learned, and enhanced experiential development.	The action plan provided in the Cyber Security Posture Review will be monitored through the Corporate Governance Group during 2026/27.	Michael Sage

Ref	Area	Action to be taken in 2026/27	Responsible Officer
GOV26_3	**Data retention** Records Management is acknowledged as a key cyber and information governance risk. The Information Governance team is working with services going through key components of their information assets and retention periods are also being reviewed. Services will be required to highlight those datasets which are not deleted in line with retention periods and provide reasons why they are unable to do so. Records Management needs to be considered in line with LGR, as improved record keeping will assist with any future transition.	Work is underway to update the Council's Record of Processing Activity (ROPA) with an aim to complete this by the Autumn 2026. This will focus on data held within services and actions arising from responses in the ROPA will be monitored. This should also improve datasets ahead of Local Government Reorganisation.	Lorraine Browne
GOV26_4	**Contract Management** To ensure the Council are in the best position for LGR going forward, the Councils Procurement Team are currently undertaking a Council wide review of the contracts register and Council spend compliance. This exercise has many benefits and will enable the Council to have a better understanding of potential collaboration opportunities and ensure compliance with transparency reporting regulations.	Once an up-to-date contracts register has been established a further review will be carried out on Council wide spend to help identify any non-compliance. The contracts register will help inform spend which has not gone through a compliant procurement process as required under the Procurement Act 2023.	Phil Reeves
GOV26_5	**Performance Management** The performance management system needs further embedding and development to ensure a wider organisational view is achieved, allowing greater scrutiny and oversight by members. This is also impacted by a resource gap following the retirement of a director role who had responsibility for OCOP and Climate performance reporting.	Consideration will be given to strengthening the effectiveness of performance management by improving the quality, consistency and timeliness of performance data, and enhancing management and Member oversight and challenge. Greater emphasis will be placed on the active use of performance information to support informed decision-making, identify underperformance at an early stage and drive continuous service improvement and value for money. Consideration will also be given to how performance will be integrated into the new Council under LGR, as each constituent Council will currently have different arrangements and targets.	Management Team

9. Progress Against 2024/25 Annual Governance Statement Actions

9.1. Good progress has been made in addressing the governance actions identified in the 2024/25 AGS. Key developments during the year include:

Ref	2024/25 AGS	Action taken in 2025/26 to address the issue
GOV25_1	**Follow up actions from 2024/25** • Completion of decision-making training • Adoption of complaint handling code	**COMPLETE.** Decision making training was provided to relevant officers and Members in October 2025 and the complaint handling code was adopted in April 2026.
GOV25_2	**LGR Risk Management** To continuously assess the emerging risks to the Council as a result of LGR, and ensure the Council is ready for the implementation of Devolution and LGR	**ONGOING (SEE GOV26_1).** In Summer 2025, a horizon scanning document to capture initial thoughts on potential risks relating to LGR was developed. In January 2026, this was then developed into a more formal framework (LGR Transition Readiness RAID log) to centrally capture the relevant risks and actions to support the Council in being safe and legal to operate from 1st April 2028. The process for monitoring and updating the LGR RAID Log will be developed from April 2026.
GOV25_3	**Governance-related Peer Review Actions** • To undertake a full review of scrutiny arrangements to equip scrutiny/ opposition members to fully engage in scrutiny activities. • To continue to enhance early engagement of members and develop a new member intranet site. • To complete decision-making training (programme being finalised for Autumn 2025). • Quarterly performance reports to be provided to Management Team.	**COMPLETE.** A progress review to monitor actions taken since the LGA Corporate Peer Challenge was undertaken in January 2026. In relation to the governance-related peer review actions, it noted that the council has conducted a comprehensive review of its overview and scrutiny arrangements to ensure members, particularly scrutiny and opposition members are fully equipped to participate effectively. The review included targeted training for chairs, vice chairs, and all committee members, as well as consideration of increased pre-scrutiny activity and a reassessment of the call-in process. The council has strengthened early engagement with members, including opposition members, through targeted briefings on major projects and training to improve understanding of executive and non-executive decision-making. Progress has been made, including the delivery of decision-making training for senior officers and members, and the near completion of a new members' hub on the intranet, which will provide a live enquiries tracker and self-service resources.
GOV25_4	**Actions arising from Committee on Standards in Public Life report** (published 25/3/25)	**COMPLETE.** This report was reviewed and reported to the Governance Committee in March 2026 within the Monitoring Officers Report.
GOV25_5	**Actions arising from Navigating risk in local government report** (LGIU Jan 2025)	**COMPLETE.** Following the restructure of the Risk and Insurance Manager role at the start of 2025, strategic responsibility for the function moved to the Audit Services Manager, with the Risk Manager role outsourced to Basildon Council, who have the dedicated resources, capacity, and skills for this purpose. The main activities completed to date during 2025

Ref	2024/25 AGS	Action taken in 2025/26 to address the issue
		included: update of the Council's Principal Risk Register, development of new Risk Management Strategy, updated and refreshed Risk Management Framework (this supports recommendations made in Cyber Posture Review and Peer Review), development of the Council's LGR Risk Register, and exploring options for the future of the Council's Risk System. A Risk Management page on the intranet will also be developed to improve risk management awareness, resources and contacts. Training and awareness activities are also being considered. These actions and the strategy going forward should help demonstrate how we are considering the Navigating risk in local government report.

9.2. Any actions not fully completed remain subject to monitoring through the Council's Corporate Governance Group.

10. Forward Look – Future Governance Challenges

10.1. The Council recognises that governance arrangements must continue to evolve in response to future challenges and opportunities. Key areas that will shape governance during 2026/27 and beyond include:

- **Local Government Reorganisation** - the scale and complexity of Local Government Reorganisation (LGR) presents an ongoing governance challenge. While appropriate arrangements have been put in place, the transition requires continued focus to ensure clear accountability, effective decision-making and the maintenance of robust internal controls throughout the reorganisation period. Risks include the following:
    - LGR will impact the Council's legal, democratic and governance arrangements. This may arise from the need to harmonise constitutions, schemes of delegation, committee structures, meeting procedures, and decision-making frameworks across predecessor authorities; uncertainty regarding statutory officer roles and responsibilities during transition; increased demand on legal and democratic teams; and delays in establishing robust governance arrangements for the new authority. Failure to manage this risk could result in unlawful or flawed decisions, reduced democratic accountability, challenges to decision-making, delays in implementing key policies or programmes, weakened scrutiny, and reputational damage to the new authority.
    - LGR will affect workforce stability, capacity, capability and compliance with statutory HR obligations. This may arise from uncertainty regarding future structures, roles and terms and conditions; the need to align differing HR policies, procedures and job evaluation schemes across predecessor authorities; potential loss of skilled or business-critical staff; increased pressure on HR services managing complex change processes; and delays in finalising new organisational, pay and workforce strategies. Failure to manage this risk could result in reduced service resilience, gaps in organisational

knowledge, inconsistent application of HR policies, employee relations issues, delays in recruitment and onboarding, increased turnover, and impaired ability of the new authority to maintain effective service delivery.

  - Section 24 Direction under the Local Government and Public Involvement in Health Act 2007 may delay or will constrain decision-making by predecessor councils, resulting in non-compliance, procurement or contractual slippage, missed deadlines for disposals or investments, and adverse financial or service impacts. This risk arises from additional consent requirements (e.g., for significant contracts, land disposals, and other material financial commitments) and the need to align governance, delegations and processes to obtain general or specific consents from the successor/shadow authority.
  - LGR may compromise the financial sustainability, financial management processes, and statutory compliance of the new authority. This may arise from uncertainty in future funding allocations; misalignment of financial strategies across predecessor councils; delays in integrating or establishing core finance systems; uncertainty regarding the set-up and operation of the new authority's bank accounts; inconsistencies in financial rules, procedures and delegated authorities; misalignment of VAT treatment and HMRC compliance; and incomplete reconciliation, transfer or validation of debtor and creditor balances. Failure to manage this risk could result in inaccurate financial reporting, disruption to income and payment processes, weakened financial controls, non-compliance with statutory and HMRC requirements, budget variances, and adverse impacts on the financial resilience and reputation of the new authority.

- **External Audit** - Ongoing delays in the completion of the external audit of the Council's accounts present a governance risk, as they restrict the timely provision of independent assurance over the Council's financial statements. Although the delay arises primarily from capacity and resourcing pressures within the external audit regime, the Council recognises the importance of completing audits as promptly as possible and continues to engage proactively with its auditors to support audit completion and maintain transparency.

10.2. The Council will ensure that its governance framework is reviewed and updated as necessary to remain proportionate, effective and responsive to these changes.