

# Directions under section 15(5) and (6) of the Local Government Act 1999

1. The Secretary of State for Housing, Communities and Local Government (“the Secretary of State”) has carefully considered the following in respect of Northamptonshire County Council (“the Authority”):
  - a. the Report of the Best Value Inspection of Northamptonshire County Council by Max Caller CBE of 15 March 2018 (“the Report”) published and given to the Authority on 15 March 2018;
  - b. the letter from Max Caller CBE to the Secretary of State dated 15 March 2018;
  - c. the representations made on 9 April 2018 by the Authority on the Report; and
  - d. the representations jointly made on 9 April 2018 by the District and Borough Councils within the area of the Authority; and
  - e. the representations made on 11 April 2018 by Voluntary Voices Northamptonshire.
2. The Secretary of State is satisfied that the Authority is failing to comply with the requirements of Part I of the Local Government Act 1999 (“the 1999 Act”).
3. The Secretary of State, having considered the representations made by the Authority as required by section 15(9) of the 1999 Act and those of the District and Borough Councils within the area of the Authority, considers it necessary and expedient, in accordance with his powers under section 15(5) and (6) of the 1999 Act, to direct the Authority as set out below in order to secure the Authority’s compliance with the requirements of Part I of the 1999 Act, in particular:
  - to rebuild the governance capacity of the Authority, addressing the current culture of poor governance – both from the political leadership team and the senior executive group – and discouragement of challenge and scrutiny, that is acting as a hindrance to compliance with the best value duty under Part I of the 1999 Act; and
  - to secure as soon as practicable that the Authority’s financial management is exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Northamptonshire.

4. Pursuant to his powers under section 15(5) and (6) of the 1999 Act, the Secretary of State directs:
  - i. the Authority to take the actions set out in Annex A to these Directions;
  - ii. that the functions of the Authority specified in Annex B to these Directions shall be exercised from the date of these Directions by the Commissioners acting jointly or severally; the Commissioners being persons nominated by the Secretary of State for the purposes of these Directions as long as those nominations are in force;
  - iii. that, from the date of these Directions, the Authority shall comply with any instructions of the Commissioners in relation to the exercise of the functions specified in Annex B, and shall provide such information and assistance as the Commissioners may require for the purpose of exercising the functions specified in Annex B.
5. These Directions shall remain in force until 31 March 2021 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.

Alex Powell

Senior Civil Servant in the Ministry for Housing, Communities and Local Government

Date:

## Action the authority is required to take

In this Annex, the following expressions have the following meanings –

“statutory officer” means any of: the head of paid service designated under section 4(1) of the Local Government and Housing Act 1989, the chief financial officer designated as having responsibility for the administration of the Authority’s financial affairs under section 151 of the Local Government Act 1972; the monitoring officer designated under section 5(1) of the Local Government and Housing Act 1989, (and the expressions “statutory officer” and “statutory office” are to be construed accordingly); and

“the Authority” includes the Leader of the Council, the Cabinet Members, any committee or sub-committee; and any other person who has responsibility for the matter in question.

The actions to be taken by the Authority are:

- (1) To refer to the Commissioners, together with any recommendation the Authority wishes to make, any matter where the Authority does not agree with any recommendation or part of a recommendation made to it by a statutory officer or where it does not comply with and implement any such recommendation within the period specified by the statutory officer in the recommendation;
- (2) To comply with and implement any decision or recommendation of the Commissioners following such a reference;
- (3) To comply with and implement any decision or recommendation of the Commissioners following a reference to the Commissioners by any statutory officer of a matter where the Authority has not complied with or implemented a recommendation by the statutory officer within the period specified by the statutory officer in the recommendation and the Authority itself has not complied with the obligation set out in (1) above to refer the matter to the Commissioners;
- (4) To refer to the Commissioners any and all proposals for in-year amendments to budgets;
- (5) To cease to pay or, insofar as may be agreed with the Commissioners, to reduce to a level that is commensurate with the extent of the functions that the Authority’s executive exercises from time to time, any special responsibility allowances that members of the Authority receive by virtue of them being members of, or otherwise connected with, the Authority’s executive;
- (6) To allow the Commissioners at all reasonable times such access as appears to the Commissioners to be necessary:
  - (a) to any premises of the Authority;

(b) to any document relating to the Authority: and

(c) to any employee or member of the Authority.

(7) To provide the Commissioners, at the expense of the Authority, with such reasonable amenities and services and administrative support as the Commissioners may reasonably require from time to time to carry out their functions and responsibilities under these Directions;

(8) To pay the Commissioners' reasonable expenses, and such fees as the Secretary of State determines are to be paid to them;

(9) To provide the Commissioners with such assistance and information, including any views of the Authority on any matter, as the Commissioners may reasonably request; and

(10) To co-operate with the Secretary of State for Housing, Communities and Local Government in relation to implementing the terms of these Directions.

## Functions of the authority to be exercised by the commissioners

In this Annex –

“statutory officer” means any of: the head of paid service designated under section 4(1) of the Local Government and Housing Act 1989; the chief financial officer designated as having responsibility for the administration of the Authority’s financial affairs under section 151 of the Local Government Act 1972; the monitoring officer designated under section 5(1) of the Local Government and Housing Act 1989, (and the expressions “statutory officer” and “statutory office” are to be construed accordingly); and

“the Authority” includes the Leader of the Council, the Cabinet Members, any committee or sub-committee; and any other person who has responsibility for the matter in question.

The Commissioners shall exercise –

- (1) All functions associated with the governance and scrutiny of strategic decision making by the Authority;
- (2) All functions associated with the strategic financial management of the Authority, to include:
  - (a) providing advice and challenge to the Authority in the setting of annual budgets for the Authority;
  - (b) scrutiny of all in-year amendments to annual budgets; and
  - (c) the power to amend budgets where Commissioners consider that those budgets constitute a risk to the Authority’s ability to fulfil its best value duty.
- (3) All non-executive functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as statutory officers, to include:
  - (a) the functions of designating a person as a statutory officer and removing a person from a statutory office;
  - (b) the functions under section 112 of the Local Government Act 1972 of –
    - (i) appointing and determining the terms and conditions of employment of an officer of the Authority, insofar as those functions are exercised for the purpose of appointing a person as an officer of the Authority principally in order for that person to be designated as a statutory officer; and

(ii) dismissing any person who has been designated as a statutory officer from his or her position as an officer of the Authority.