



Department for Levelling Up, Housing & Communities

Gavin Jones
Chief Executive
Essex County Council

Max Soule
*Deputy Director, Local Government
Stewardship*

***Department for Levelling up, Housing
and Communities***

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By email

2 September 2022

Dear Gavin,

I am writing to inform you that the Secretary of State for Levelling Up, Housing and Communities has nominated Essex County Council as Commissioner for the purposes of the Directions he has made today under section 15(5) and (6) of the Local Government Act 1999 (“the Act”) in relation to Thurrock Council, and has also in exercise of his powers under section 10 of the same Act appointed Essex County Council as a person to carry out an inspection of the compliance of the same Authority with the requirements of Part 1 of that Act.

In issuing the Directions and making this appointment, the Secretary of State has had regard to the scale of the financial and commercial risks potentially facing Thurrock Council. These are compounded by that Authority’s approach to financial management and the seriousness of the allegations that have been made by third parties about the processes that have been applied to the operation of that Authority’s commercial strategy; and the failure of that Authority to provide assurance to Ministers and the Department on the adequacy of the actions that they are taking to address the issues, taking account of the scale and pace of the response required.

Turning first to the appointment as Commissioner, I enclose the formal nomination document. Your Authority is nominated as Commissioner for the period from 2 September 2022 to 1 September 2025. As Commissioner, the Authority will have the roles and responsibilities set out in the Directions, a copy of which I enclose along with a copy of an Explanatory Memorandum. Under the Directions, your Authority is accountable to the Secretary of State in that the Authority has been nominated by him and can have the nomination withdrawn by him. I have also enclosed terms of engagement that you will need to acknowledge and return.

Your Authority will be entitled to a fee for each day you act as Commissioner. It will also be entitled to reasonable expenses. Under the terms of the Directions, it is Thurrock Council’s responsibility to meet these costs. The Secretary of State set the fee for a Commissioner at £1,100 per day, and your Authority will be paid the equivalent up to a maximum of 150 days per annum for each year. These limits should not be exceeded without prior approval of the Secretary of State. However, in light of the Commissioner role being given to the Council as an individual entity, rather than to a person acting as an individual, the Secretary of State appreciates that a different

approach may be required and is committed to keeping this under review. The guiding principle is ensuring value for the taxpayer and transparency. As to reasonable expenses, we would expect these to be in accordance with the rules for senior officers set out in the Council staff handbook.

The Secretary of State has asked for regular progress reports in relation to your Authority's role as Commissioner, on a six-monthly basis or at such other times as your Authority and he might agree, with the first report expected as soon as is practical and within the next three months.

Your Authority's appointment as Commissioner has the status of an office holder and not of an employee. Nothing in this letter shall be construed as, or taken to create, a contract of service or contract for services between your Authority and the Department for Levelling Up, Housing and Communities (DLUHC), the Crown, or Thurrock Council.

Turning now to your Authority's appointment as a Best Value inspector, the Secretary of State, in exercise of his powers under section 10 of the Act hereby appoints your Authority as the person to carry out an inspection of the compliance of the Authority known as Thurrock Council with the requirements of Part 1 of the Act in relation to that Authority's functions in respect of governance, audit (internal and external), risk management, overview and scrutiny functions of that Authority, and their impact on service delivery. This is in order to assess the extent of the failure of that Authority to comply with the Best Value duty, beyond the management of financial resources, and to make recommendations to mitigate the risk to service delivery that any further failure may have.

The Secretary of State also, in exercise of his powers under section 10(4)(b) of the Act, has given the following directions to your Authority in relation to it undertaking the inspection.

First, in undertaking the inspection in relation to Thurrock Council's functions specified above, and without prejudice to the scope of this inspection, you are directed to consider, in the exercise of those specified functions, whether that Authority has effective arrangements in place for securing Best Value in its governance, audit (internal and external), risk management, overview and scrutiny functions and their impact on service delivery.

Second, your Authority is directed to report the findings of the inspection to the Secretary of State by 3 January 2023, or such later date as the inspector may agree with the Secretary of State.

The Secretary of State may, following receipt of your Authority's report, or otherwise, issue further directions to Thurrock Council.

Section 12 of the Act provides that the Authority to be inspected must pay your Authority reasonable fees for carrying out the inspection. You will want to ensure transparency around those reasonable fees and take steps to ensure value for money for the taxpayers of Thurrock.

You will want to consider whether the way in which any activities or responsibilities of your Authority are delivered need to be reviewed to ensure that no conflicts of interest arise, and that appropriate delegations or arrangements are in place in relation to the exercise of the additional powers that your Authority now possesses following the

appointment as a Commissioner and Best Value Inspector and in light of the Directions issued under the Act. I envisage that you will work with Thurrock Council and provide an update to me on this work as soon as is practicable.

In addition to the administrative support you will be provided by Thurrock Council, the Department will make arrangements for further support from the civil service, and the Secretary of State may appoint assistant inspectors at your request.

I would like to take this opportunity to thank your Authority for assisting in this intervention. We are very grateful for your commitment to taking up this challenge to improve the performance of Thurrock Council so that it effectively serves and protects the people of the area.

Yours Sincerely,

Max Soule
Deputy Director, Local Government Stewardship

NOMINATION UNDER THE LOCAL GOVERNMENT ACT 1999 (DIRECTIONS UNDER SECTION 15(5) AND (6) OF THE LOCAL GOVERNMENT ACT 1999 TO THURROCK COUNCIL, 2022)

The Secretary of State for Levelling Up, Housing and Communities, in exercise of his powers under section 15 of the Local Government Act 1999 and in accordance with the Directions to Thurrock Council dated 2 September 2022 nominates Essex County Council as Commissioner for the period beginning on the date of the Directions and ending on 2 September 2025 or such earlier time as the Secretary of State determines.