



Department for Levelling Up,
Housing & Communities

Maxwell Soule
*Deputy Director, Local Government
Stewardship*

**Department for Levelling Up, Housing
and Communities**
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Theresa Grant OBE
Interim Chief Executive

By email

8 November 2022

Dear Ms Grant,

I wrote to Anne-Marie Lubsanski on 19 August 2022, inviting your Authority to make representations about proposed additional Directions to be issued as part of the intervention.

I am now writing to inform you that the Secretary of State for Levelling Up, Communities and Housing has today made additional Directions under section 15(5) and (6) of the Local Government Act 1999 (“the 1999 Act”). The Secretary of State, having considered the representations made by the Authority and others as required by section 15(9) of the 1999 Act, considers it necessary and expedient to issue additional Directions in order to secure the Authority’s compliance with the requirements of Part 1 of the 1999 Act and the Directions set out on 10 June 2021.

The new Directions transfer all executive functions associated with finance, all non-executive powers over resourcing, governance and scrutiny of strategic decision making by the Authority, and direct the Authority to undertake the specific actions outlined in Annex A to this letter. The Secretary of State has also appointed Stephen Hughes as Finance Commissioner to the Authority.

As the Secretary of State set out in their letter to the Lead Commissioner, the financial stability of the authority remains a concern. It is vital that urgent action is taken so that the whole council understands the progress that needs to be made and takes steps to prudently address the financial challenges and set a balanced budget for 2023/24, as part of a more robust Medium Term Financial Strategy.

The Secretary of State expects Stephen to fulfil this role of Finance Commissioner for three days a week. As you are aware the Directions require your Authority to take certain actions, including providing the Commissioners with such reasonable amenities, services and administrative support as the Commissioners may reasonably require to undertake their functions and responsibilities under these Directions. The

Directions also require your Authority to allow the Commissioners at all reasonable times access to any premises of your Authority, to any document relating to your Authority, and to any employee or member of your Authority. The Directions require your Authority to pay the Commissioners reasonable expenses and such fees as the Secretary of State determines to be paid to them. The Secretary of State is mindful of the need for Commissioner remuneration to represent value for money for local taxpayers. In recognition of the nature and scale of the intervention, he has determined fees of £1,100 per day for the Finance Commissioner. The Secretary of State also expects the Commissioners to be paid reasonable expenses.

I also enclose a copy of the new Directions, the Directions from June 2021 which also remain in force, and the Explanatory Memorandum. These will be published on gov.uk together with this letter, a letter to the Commissioners, and the representation received from the Authority.

In the representation the Department received from the Mayor and your predecessor, it was noted that your Authority accepted the proposed changes to the intervention and a request was made for a protocol setting out how the new powers would be used. The Explanatory Memorandum provides further detail where possible. However, it is for Commissioners to set out how they intend to undertake the duties of their role and use of any powers. It is expected that if powers are used that this is done so transparently.

I am copying this letter to your Authority's Interim Section 151 Officer, Monitoring Officer and the Commissioner's office.

Yours Sincerely,

Maxwell Soule
Deputy Director, Local Government Stewardship