

Gavin Jones Chief Executive Essex County Council Lee Rowley MP

Parliamentary Under-Secretary of State for Local Government and Building Safety

Department for Levelling up, Housing and Communities Fry Building, 2 Marsham Street London SW1P 4DF

www.gov.uk/dluhc

15 June 2023

Dear Gavin,

By email

BEST VALUE INSPECTION REPORT ON THURROCK COUNCIL

I am writing to you to make you aware that I have today published the Essex County Council's (ECC) Best Value Inspection report on Thurrock Council and have informed Parliament accordingly.

I have written separately to Tony McArdle, from ECC's Best Value Inspection team, to thank him and the wider team for their excellent report. Thank you for your leadership of this process.

The report lays bare the failings in Thurrock Council's finance, governance, and leadership functions. It makes clear that these failings are the result of a breakdown of political and managerial leadership; inadequate governance arrangements; and profound weaknesses in the Council's control environment.

I have noted the report's conclusion that, whilst individual officers and members of the Council made significant mistakes, particularly in relation to financial investments, the challenges facing Thurrock Council are attributable to deeper and systemic weaknesses. These weaknesses have allowed for repeated failures at the Authority over many years, and, in the case of the Councils' investment programme and delivery major projects in particular, have resulted in the loss of substantial sums of public money.

I am pleased to confirm that the majority of the report's recommendations pertaining to Thurrock Council or to its Commissioners have already been addressed by the expansion to the intervention I announced on 16 March. This provided you with the powers to drive forward change in Thurrock Council's finance, governance, and staffing functions, as well as all functions associated with the Authority's operating model, and the powers to lead a redesign of services to achieve value for money and financial sustainability, which I understand is underway. As part of the expansion, Thurrock Council was directed to address additional elements in its Improvement and Recovery Plan, including transparency, scrutiny, and its system of internal controls.

The report highlights the pressing need to strengthen the capability of the elected members of the Council. I share this concern, as the engagement and commitment of all members will be crucial to the Council's recovery. The report makes an additional recommendation that the Council should implement a programme of work to deliver a continuing member development programme, as well as a programme of work to encourage local residents to participate in local democracy, and to consider standing for election. This accords with the concerns about leadership and member training raised in the first Commissioner's report and the Best Value Inspection update letter, both received in December 2022.

The importance of this work cannot be overemphasised. I expect Thurrock Council to carefully consider this recommendation, and to work closely with you to explore how this can be taken forward, for example, by being incorporated into the Council's Improvement and Recovery Plan. I would expect that equally close attention is paid to the section of the report which focuses on the Council's delivery of major projects, where there are clearly lessons to be learnt.

In the updated and expanded Directions for the intervention issued on 16 March, Thurrock Council were instructed to prepare and agree an enhanced Improvement and Recovery Plan, to the satisfaction of Commissioners, by September 2023. This should draw upon the existing Improvement Plan produced in December 2022. On my behalf, I know that you will assure yourselves that all recommendations of the report pertaining to Thurrock Council will be included in the September iteration of the Improvement and Recovery Plan.

I would be grateful if you could provide an update on progress across the Council's finance, governance and staffing functions, as well as on steps taken by the Council to improve member development and engagement in local democracy, in your December 2023 report to the Secretary of State.

The report also recommends that Thurrock Council change its scheme of elections, from electing its members in thirds, to "all-out" elections, where all members are elected at the same time. The report recommends that if the Council does not make this change by 31 July, that the Secretary of State should consider making an Order under Section 86 of the Local Government Act 2000 to secure this.

Given the pressing need to bring stability to the Council, the Secretary of State has concluded that he wishes to seek representations on using his powers under Section 86 of the Local Government Act 2000 to bring about a move to whole council elections from May 2025. The May 2024 elections of one third of members will go ahead as planned to ensure residents have the opportunity to have their say.

It is important that Thurrock Council can express its view on this proposal before a final decision is made.

I have written separately to Leader of Thurrock Council, Councillor Andrew Jefferies, to notify him of the publication of the report, and in that letter, I have invited the Authority to make such representations as it wishes about the Secretary of State's proposal to move Thurrock Council to whole council elections. All such representations should be sent by email to interventions@levellingup.gov.uk or in hard copy to the address above marked for the attention of Max Soule, Deputy Director for Local Government Stewardship, so as to be received on or before 29 June.

I am copying this letter to members of the wider Commissioner team: the Section 151 Officer of ECC Nicole Wood, the Leader of ECC Councillor Kevin Bentley, and Dr Dave Smith in his capacity as Managing Director Commissioner.

Yours sincerely,

LEE ROWLEY MP