



Department for Levelling Up,  
Housing & Communities

Katherine Kerswell  
Chief Executive  
London Borough of Croydon

By email

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20 July 2023

Dear Katherine,

I am writing to inform you that the Secretary of State for Levelling Up, Housing and Communities has today made Directions, under section 15(5) of the Local Government Act 1999, in relation to your Authority. I enclose along with this letter a copy of the Directions and an accompanying Explanatory Memorandum, both of which will be published on gov.uk, together with supporting material.

The Secretary of State has issued Directions to direct your Authority to follow the advice of the London Borough of Croydon Improvement and Assurance Panel, chaired by Tony McArdle OBE, as a necessary and expedient action to secure compliance with the best value duty. The Directions move the Improvement and Assurance Panel to a statutory footing, so they are empowered to instruct rather than guide the Authority's improvement activities, should the Panel deem this to be necessary.

In light of the representation received from your Authority, the Secretary of State has revised the proposals published on 16 March to include finance, housing and transformation as three pressing areas of concern, and to remove risk management and commercial governance as individual priority areas. The Secretary of State notes the close working between your Authority and the Improvement and Assurance Panel, and the positive attitude of your Authority towards the required improvement as highlighted in the representation.

The exercise of these Directions should enable the Improvement and Assurance Panel to make sure that the transformation work currently being undertaken at your Authority is continued at pace and embedded fully. The Secretary of State is clear that he expects significant progress to be made over the next three months, building on what has already been achieved, particularly in relation to financial management, housing, and overall transformation and compliance with the best value duty.

The Directions require your Authority to take certain actions:

1. To continue to implement the London Borough of Croydon Renewal Plan to the satisfaction of the Improvement and Assurance Panel, and as a minimum, to implement the following components:

- To continue to address the culture of poor financial management of the Authority.
  - To continue to improve the capacity and capability of the Authority's housing service.
  - To continue to restore public trust and confidence in the Authority by transforming the Authority's activities, practices, and omissions to ensure that they are compatible with the best value duty.
  - To secure as soon as practicable that all the Authority's functions are exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Croydon.
2. To report to the Secretary of State on the delivery of the London Borough of Croydon Renewal Plan at six monthly intervals, or at such intervals as the Improvement and Assurance Panel may direct and adopt any recommendations from the Improvement and Assurance Panel with respect to the London Borough of Croydon Renewal Plan and its implementation.
  3. To allow the Improvement and Assurance Panel at all reasonable times, such access as appears to the Improvement and Assurance Panel to be necessary, including:
    - 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.
  4. To provide the Improvement and Assurance Panel, at the expense of the Authority, with such reasonable amenities and services and administrative support as the Improvement and Assurance Panel may reasonably require from time to time to carry out its functions and responsibilities under these Directions.
  5. To pay the Improvement and Assurance Panel reasonable expenses, and such fees as the Secretary of State determines are to be paid to them.
  6. To provide the Improvement and Assurance Panel with such assistance and information, including any views of the Authority on any matter, as the Improvement and Assurance Panel may reasonably request.
  7. To co-operate with the Secretary of State for Levelling Up, Housing and Communities in relation to implementing the terms of these Directions.

I appreciate that the Council has already started taking steps in relation to these actions.

The Directions will remain in force until 20 July 2025 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date.

As you will know, the Improvement and Assurance Panel are accountable to the Secretary of State in that they have been nominated by him and can have their nomination withdrawn by him.

You will wish to note that the Secretary of State has asked for six monthly reports from the Improvement and Assurance Panel, or at such other times as might be agreed with the Panel. The first report is expected as soon as is practicable within the first three months of the intervention. This will also inform the Secretary of State's consideration of whether to exercise his powers under the Local Government Act 1999, including the appointment of Commissioners.

I am copying this letter to the Authority's Section 151 Officer and Monitoring Officer.

Yours sincerely,

**Max Soule**

Deputy Director, Local Government Stewardship