



Ministry of Housing,
Communities &
Local Government

Daniel Mouawad
Chief Executive
Spelthorne Borough Council
By email

James Blythe
*Deputy Director, Local Government
Stewardship and Interventions*

**Ministry of Housing, Communities
and Local Government**
2 Marsham Street
London SW1P 4DF

www.gov.uk/mhclg

8 May 2025

Dear Mr Mouawad,

I am writing to inform you that after careful consideration, the Secretary of State for Housing, Communities and Local Government has today made Directions under section 15(5) and 15(6) of the Local Government Act 1999 ("the Act") in relation to your Authority. I enclose a copy of the Directions, together with an Explanatory Memorandum, which will also be published on gov.uk, together with this letter.

The Directions implement an intervention package which is described below. You will see in the Directions and Explanatory Memorandum that the Secretary of State has nominated Lesley Seary as Lead Commissioner, and Peter Robinson, Deborah McLaughlin and Mervyn Greer as Commissioners. These individuals are best placed to take up these roles directly, due to their knowledge and experience in authority leadership, decision-making, governance, finance, regeneration, property management, procurement and commercial investments.

The Secretary of State recognises the expertise of these appointees, particularly as they were inspectors for your Authority's Best Value Inspection, and is confident that they will be key to resolving Spelthorne Borough Council's issues as quickly and effectively as possible.

The intervention package is formed of actions that the Authority is directed to take and functions to be exercised by Commissioners, who have been appointed until January 2026. Given that councils in the Surrey area have been invited to submit proposals for unitary local government, the Secretary of State will keep the Directions and the Commissioners' roles and powers under review. The Commissioners will provide the requisite oversight, expertise and grip on Spelthorne's position. It remains for the Secretary of State to decide if changes are necessary to ensure that Spelthorne has the support required to accelerate recovery and protect the public purse.

The Directions will be in place for five years, reflecting the severity and size of the challenge at Spelthorne, in comparison to other intervention areas. The Commissioners are accountable to the Secretary of State in that they have been nominated by her and can have their nominations withdrawn by her. The Directions enable the Commissioners to exercise the following functions:

- those associated with the source of Spelthorne's failures – to strengthen the commercial decision-making, regeneration, property management and procurement functions of the Authority
- to deliver financial sustainability by closing any short or long-term budget gaps and reducing the Authority's exceptionally high level of external borrowing;
- those associated with any changes needed to the Authority's operating model and transformation of council services to achieve value for money and financial sustainability, taking account of any decisions relating to proposals for unitary local government in the Surrey area; and
- those that will ensure the Council has the right skills and structures to make ongoing improvements across the entire organisation – including governance and scrutiny of strategic decisions; and the appointment, dismissal and performance management for senior and statutory officer positions.

The Secretary of State considers that most decisions should continue to be made by the Authority, but with the oversight of the Commissioners: they will uphold proper standards and due process and recommend action to the Authority. The Secretary of State's intention is that the powers provided to the Commissioners be used to ensure that the Authority takes the necessary steps to achieve the best possible outcome for Spelthorne residents and the public purse. The Commissioners should not hesitate to exercise their functions if they determine it to be necessary to do so. The exercise of these functions should enable the Commissioners to make sure that the Authority has made sufficient improvement within the next five years to be able to comply with its best value duty on a sustainable basis.

The Directions require your Authority to take certain actions:

- To prepare and agree an Improvement and Recovery Plan within six months and update Commissioners on progress after the first three.
- To ensure the Council has sufficient skills, capabilities and capacity to implement the plan.
- To publicly report to the Commissioners on the delivery of the Improvement and Recovery Plan after three months, six months and thereafter at six-monthly intervals, or at such intervals as Commissioners may direct.
- To actively work with Commissioners on the work with other councils in the Surrey area on unitary local government and on implementing any such proposals later agreed upon.
- Within one month of the date of these Directions, initiate a full and open recruitment exercise for a suitable permanent appointment to lead the improvement work in the Authority and progress against these Directions.
- To allow Commissioners to appoint, where necessary, independent external advisors and to procure independent external advice.
- To fully co-operate with the Commissioners and undertake any exercise of functions that would avoid further failure in the opinion of the Commissioners.

The Directions also 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, she has determined fees of £1,200 per day for the Lead Commissioner, £1,100 per day for the Commissioners, and up to a total of 150 days annually for each individual. The Secretary of State also expects the Commissioners to be paid reasonable expenses in accordance with the rules for senior officers set out in your Authority's staff handbook.

The Directions also require your Authority to take certain actions, such as providing the Commissioners with such reasonable amenities, services and administrative support as the Commissioners may reasonably require when undertaking their functions and responsibilities under these Directions. In addition, the Directions 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 will remain in force until 31 May 2030 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date.

Finally, you will wish to note that the Secretary of State has asked for a report from the Commissioners within six months and thereafter at six-monthly intervals, or at such other times agreed with the Commissioners. This allows for a process for regular review of whether it would be appropriate for any function exercisable by the Commissioners to be returned to the Authority. The Secretary of State has not ruled out the possibility that further functions might be brought under the control of the Commissioners, or that further Commissioners may be appointed in the future.

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

Yours sincerely,

James Blythe
Deputy Director, Local Government Stewardship and Interventions