



Ministry of Housing,
Communities &
Local Government

James Blythe
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**Ministry of Housing, Communities &
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Katherine Kerswell
Chief Executive
London Borough of Croydon
By email

17 July 2025

Dear Katherine,

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. In this letter, “Commissioners” includes all Commissioners appointed by the Secretary of State, unless otherwise specified.

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 Gerard Curran as Lead Commissioner, and Debra Warren and Jackie Belton as Commissioners using powers under section 15(6) of the 1999 Act, and Cllr Abi Brown OBE as Commissioner (Political and Governance). The Secretary of State recognises the expertise of these appointees and is confident that they will be key to working with the London Borough of Croydon to help resolve the challenges the Council faces as quickly and effectively as possible. These individuals are best placed to take these roles, due to their knowledge and experience in local authority leadership, decision-making, governance and finance.

The intervention package is formed of actions that the Authority is directed to take and functions to be exercised by the Commissioners that have been appointed under section 15(6). 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 Croydon’s position.

It remains for the Secretary of State to decide if changes are necessary to ensure that Croydon has the support required to accelerate recovery and protect the public purse. 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are accountable to the Secretary of State in that they have been nominated by her and can have their nominations withdrawn by her.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 appointed under section 15(6) of the 1999 Act to exercise the following functions:

1. All functions associated with the governance, scrutiny and transparency of strategic decision making by the Authority, to include:

a) Overseeing the full range of the Authority's improvement activities, including its strategies to secure the medium to long term sustainability of the Authority; and

b) Its plans to transform front line services and the culture of the organisation.

2. All functions associated with the financial governance and scrutiny of strategic financial decision making by the Authority;

3. The requirement from section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Authority's financial affairs, and all functions associated with the strategic financial management of the Authority, to include:

a) Providing advice and challenge to the Authority to improve its financial stability and its ability to meet future commitments without additional borrowing, including advising upon credible budget planning;

b) Scrutiny of all in-year amendments to annual budgets;

c) The power to propose amendments to budgets where Commissioners consider that those budgets constitute a risk to the Authority's ability to fulfil its Best Value Duty;

d) Providing advice and challenge to the Authority on a sustainable scheme of delegations for financial decision-making; and

e) Ensuring compliance with all relevant rules and guidelines relating to the financial management of the Authority.

4. All functions associated with the Authority's operating model and redesign of the Authority's services to achieve value for money and financial sustainability;

5. All functions pertaining to the development, oversight and operation of an enhanced performance management framework for officers holding senior positions;

6. All functions relating to the appointment and dismissal of persons to positions, the holders of which are to be designated as statutory officers, and the designation of those persons as statutory officers, to include:

a) The functions of designating a person as a statutory officer and removing a person from a statutory office;

b) The functions under section 112 of the Local Government Act 1972 of appointing and determining the terms and conditions of employment of an

officer of the Authority, insofar as those functions are exercised for the purpose of appointing a person as an officer of the Authority principally in order for that person to be designated as a statutory officer; and

c) dismissing any person who has been designated as a statutory officer from his or her position as an officer of the Authority.

7. All functions to define the officer structure for the senior positions, to determine the recruitment processes and then to recruit the relevant staff.

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 appointed under section 15(6) of the 1999 Act be used to ensure that the Authority takes the necessary steps to achieve the best possible outcome for Croydon residents and the public purse. The Commissioners appointed under section 15(6) of the 1999 Act 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 two years to be able to comply with its Best Value Duty on a sustainable basis.

The Directions require your Authority to take certain actions:

1. To continue to develop and implement the London Borough of Croydon Stabilisation Plan and transformation programme to the satisfaction of Commissioners, and as a minimum, to implement the following components:

a) To continue to address the culture of financial management at the Authority, that remains poor in key respects.

b) To continue to restore public trust and confidence in the Authority by transforming the Authority's activities and practices, to ensure that they are compatible with the Best Value Duty.

c) 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's Stabilisation Plan and transformation programme after a six-month period, with a second report before summer 2026, or at such intervals as Commissioners may direct and adopt any recommendations from Commissioners with respect to the London Borough of Croydon Stabilisation Plan and transformation programme and their implementation.

3. To allow Commissioners at all reasonable times, such access as appears to the Commissioners 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 Commissioners, at the expense of the Authority, with such reasonable amenities and services and administrative support as Commissioners may reasonably require from time to time to carry out its functions and responsibilities under these Directions.

5. To pay the Commissioners reasonable expenses, and such fees as the Secretary of State determines are to be paid to them.

6. To provide the Commissioners with such assistance and information, including any views of the Authority on any matter, as they may reasonably request.

7. To co-operate with the Secretary of State for Housing, Communities and Local Government in relation to implementing the terms of these Directions.

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 and £1,100 per day for the Commissioners, up to a total of 150 days annually for each individual except the Commissioner (Political and Governance) which is up to a total of 120 days annually. 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 20 July 2027 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date. The Secretary of State will be reviewing the intervention after a year.

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 Intervention