

LONDON BOROUGH OF CROYDON DIRECTIONS UNDER SECTIONS 15(5) AND 15(6) OF THE LOCAL GOVERNMENT ACT 1999

1. The Secretary of State for Housing, Communities and Local Government (“the Secretary of State”) has carefully considered the following in respect of the London Borough of Croydon (“the Authority”):
 - i. The quarterly progress reports from the London Borough of Croydon Improvement and Assurance Panel (as published on Gov.uk) including the:
 - Eighth Progress Report and subsequent letter published on 12 December 2024
 - Ninth Progress Report published on 12 June 2025, which has referenced the previous progress
 - ii. The Local Government Association Corporate Peer Challenge Report of 6 January 2025.
 - iii. The meeting between Minister McMahon and the Mayor of Croydon on 27 January 2025.
 - iv. Representations received on the ‘minded to’ proposals announced on 12 June, including the representation from the London Borough of Croydon published on 17 July 2025, and all the information the Council provided alongside their representation and since their representation.
 - v. After the representation period all other correspondence received.
2. The Secretary of State is satisfied that the Authority is failing to comply with the requirements of Part I of the Local Government Act 1999 (“the 1999 Act”).
3. The Secretary of State, having considered the representations made by the Authority as required by section 15(9) of the 1999 Act, and those items listed above, considers it necessary and expedient, in accordance with her powers under section 15(5) and 15(6) of the 1999 Act, to issue new Directions to the Authority. These direct the Authority to work with Commissioners as set out below in order to transform the Authority so that it secures compliance with the requirements of Part I of the 1999 Act.
4. Pursuant to her powers under section 15(5) and 15(6) of the 1999 Act, the Secretary of State directs:
 - a) The Authority to take the actions set out in Annex A to these Directions.
 - b) That the functions of the Authority specified in Annex B to these Directions shall be exercised from the date of these Directions by the Commissioners appointed under 15(6) of the 1999 Act acting jointly or severally; the Commissioners appointed using powers under section 15(6) of the 1999 Act being persons nominated by the Secretary of State for the purposes of these Directions as long as those nominations are in force.
 - c) That, from the date of these Directions, the Authority shall comply with any instructions of the Commissioners appointed using powers under section 15(6) of the 1999 Act in relation to the exercise of the functions specified in Annex B, and shall provide such information and assistance as the Commissioners appointed using powers under section 15(6) of the 1999 Act may require for the purpose of exercising the functions specified in Annex B.

5. These Directions shall remain in force until 20 July 2027 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.

James Blythe

Senior Civil Servant in the Ministry for Housing, Communities and Local Government

Date: 17 July 2025

ANNEX A

ACTION THE AUTHORITY IS REQUIRED TO TAKE

In this Annex, the following expressions have the following meanings –

“the Authority” includes the Mayor of the Council, the Cabinet, any Cabinet Members, any committee or sub-committee of the executive, any committee or subcommittee of the Council, any officer of the Council or any other person who has responsibility for the matter in question.

“Commissioners” includes all Commissioners appointed by the Secretary of State

Directions to the Authority

The actions to be taken by the Authority are:

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.

ANNEX B FUNCTIONS OF THE AUTHORITY TO BE EXERCISED BY COMMISSIONERS

In this Annex –

“the Authority” includes the Mayor, the Cabinet, members of the Cabinet, any committee or subcommittee of the executive, any committee or subcommittee of the Council, any officer of the Council or any other person who has responsibility for exercising the function or other decision making in relation to the matter in question.

“Statutory Officer” means any of: the Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989; the Chief Financial Officer designated as having responsibility for the administration of the Authority’s financial affairs under section 151 of the Local Government Act 1972; the Monitoring Officer designated under section 5(1) of the Local Government and Housing Act 1989; and the Scrutiny Officer designated under section 9FB of the Local Government Act 2000 (and the expressions “statutory officer” and “statutory office” are to be construed accordingly).

“Senior positions” are defined as the Chief Executive, direct reports to the Chief Executive and their direct reports – tiers one, two and three.

“Commissioners” means the Commissioners appointed under section 15(6) of the Local Government Act 1999.

The Commissioners shall exercise:

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.