

Jim McMahon OBE MP Minister of State for Local Government and English Devolution 2 Marsham Street London SW1P 4DF

Cllr Lynn Worrall Leader of Thurrock Council By email

17 July 2025

Dear Councillor Worrall,

I am writing to inform you that after careful consideration of representations and all relevant information, the Secretary of State for the Ministry of 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. These Directions will come into effect immediately, and the Directions issued on 2 September 2022 (and updated on 23 March 2023) have been revoked.

Thank you for your representation dated 1 July 2025, following the announcement on 19 June. Having considered carefully all representations, the Secretary of State has confirmed the view that the Authority is not yet complying with the Best Value Duty, and has issued Directions extending the timeframe of the statutory intervention up to and including 30 April 2028.

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 Gavin Jones CBE as Lead Commissioner, Denise Murray as Finance Commissioner and Dr Dave Smith as Managing Director Commissioner. We consider that these individuals are best placed to be appointed to these roles, due to their knowledge and experience with the Council, in local authority leadership, decision-making, governance and finance. The Secretary of State recognises the expertise of these appointees and is confident that they will work collaboratively alongside you to support officers and members in continuing to resolve Thurrock Council's issues.

The intervention package is formed of actions that the Authority is directed to take and functions to be exercised by Commissioners. The Directions will be in place until 30 April 2028. As set out in the announcement on 19 June 2025, I plan to review these arrangements again by Summer 2026, when I would expect there to be further clarity on broader plans for devolution and local government reorganisation across Greater Essex.

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are accountable to the Secretary of State in that they have been nominated by her and can have their nominations withdrawn by her.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:

- 1. All functions associated with the governance, scrutiny and transparency of strategic decision making by the Authority.
- 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 on the preparation and implementation of a detailed action plan to achieve financial sustainability and to close any short and long-term budget gaps identified by the Authority across the period of its medium-term financial strategy (MTFS), including a robust multi-year savings plan;
 - b) providing advice and challenge to the Authority in the setting of annual budgets and a robust medium term financial strategy (MTFS) for the Authority, strictly limiting future borrowing and capital spending;
 - c) scrutiny of all in-year amendments to annual budgets;
 - d) the power to amend budgets where Commissioners consider that those budgets constitute a risk to the Authority's ability to fulfil its Best Value Duty;
 - e) providing advice and challenge to the Authority on the preparation of sustainable and affordable capital, investment and treasury management strategies; a strict debt reduction plan; and a revised minimum revenue provision (MRP) policy;
 - f) providing advice and challenge to the Authority on a suitable scheme of delegations for financial decision-making; and
 - g) 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 services to achieve value for money and financial sustainability.
- 5. 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; and
 - b) the functions under section 112 of the Local Government Act 1972 of:
 - i. 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
 - ii. dismissing any person who has been designated as a statutory officer from his or her position as an officer of the Authority.
- 6. All functions to define the officer structure for the senior positions at the Authority, to determine the recruitment processes and then to recruit the relevant staff to those positions. All functions pertaining to the development, oversight and operation of an enhanced performance management framework for officers holding senior 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 she is providing to the Commissioners be used to ensure that the Authority takes the necessary steps to achieve the best possible outcome for Thurrock 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 the Authority has made sufficient improvement within the time period of the Directions 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 implement and report on plans for the Authority's continuous improvement and recovery to ensure all required actions and changes are fully implemented to the satisfaction of the Commissioners, with resource allocated accordingly to drive, embed, and sustain improvements across governance, culture, partnership, use of resources and service delivery. This is needed in order 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 Thurrock. This should include as a minimum, actions to:
 - a. Ensure compliance with all relevant rules, guidelines and codes relating to the financial management of the Authority.
 - b. Strengthen the Authority's system of internal controls, notably risk management and internal audit, and embed governance and culture improvements across the organisation.
 - c. Ensure that the Authority has personnel with sufficient capability and capacity including access to appropriate specialist expertise where required, enabled by a strengthened corporate culture, a robust officer structure and an effective framework for performance management across the Authority.
 - d. Define and implement the Authority's proposed operating model. This should be backed by a fully resourced and strategic transformation plan, in line with the council's MTFS, Treasury Management Strategy, and Capital Strategy. The Transformation Plan must incorporate a robust multi-year savings plan, that enables financial sustainability and resilience, debt reduction and the delivery of core services and priorities.
- 2. To develop and maintain a revised Corporate Plan which incorporates and builds upon the enhanced Improvement and Recovery Plan and reflects the necessary work remaining to ensure the Authority's compliance with the Best Value Duty.
- 3. To take steps to ensure that the role of Accountable Body to the Thames Freeport is exercised to the satisfaction of the Commissioners.
- 4. To actively work with Commissioners on the work with other councils in the Greater Essex area for unitary local government and the Devolution Priority Programme on implementing any such proposals later agreed upon.
- 5. To report to the Commissioners on the delivery of all plans at intervals as Commissioners may direct.

- 6. To undertake in the exercise of any of its functions any action that the Commissioners may reasonably require to avoid, so far as practicable, incidents of poor governance, poor financial governance or financial mismanagement that would, in the reasonable opinion of the Commissioners, give rise to the risk of further failures by the Authority to comply with the Best Value Duty.
- 7. To allow the Commissioners at all reasonable times, such access as appears to the Commissioners to be necessary:
 - 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.
- 8. To provide the Commissioners, at the expense of the Authority, with such reasonable amenities and services and administrative support as the Commissioners may reasonably require from time to time to carry out their functions and responsibilities under these Directions.
- 9. To pay the Commissioners reasonable expenses, and such fees as the Secretary of State determines are to be paid to them.
- 10. To provide the Commissioners with such assistance and information, including any views of the Authority on any matter, as the Commissioners may reasonably request.
- 11. 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 require your Authority to pay 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, and up to a total of 150 days annually for each individual and 260 days for the Managing Director Commissioner. 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 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 remain in force until 30 April 2028 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 Councillor George Coxshall as Leader of the Main Opposition group, as well as to your Authority's Section 151 Officer, Monitoring Officer and Commissioners. To provide an update since my last letter on 19 June, I am also copying this to Council Leaders and Chief Executives across Greater Essex, together with MPs.

Yours sincerely,

JIM MCMAHON OBE MP

Minister of State for Local Government and English Devolution