



**Ministry of Housing,
Communities &
Local Government**

Jim McMahon OBE MP

*Minister of State for Local Government and
English Devolution*
2 Marsham Street
London
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Cllr Lynn Worrall
Leader of Thurrock Council
By email

19 June 2025

Dear Councillor Worrall,

With thanks for your letter of 22 May I am writing to inform you that I have today published the Thurrock Commissioners' fifth report, together with my response.

I would like to take this opportunity to put on record my thanks to the members and officers at Thurrock Council who are providing vital services for residents. Thurrock entered intervention in September 2022 at a crisis point and the subsequent Best Value Inspection found major points of failure across the authority – it is clear that the Council has made significant progress. I know that all members and officers have worked hard since the start of the intervention to address these issues and continue to deliver vital services for its residents.

Since the intervention started in September 2022, the Council has made significant improvements, for example, to its governance arrangements and financial management, with improvement activity driven forward by a clear commitment from the leadership, and an improved corporate capacity at the senior levels. However, the improvements have been made starting from a low base and the financial and systematic issues the Council faced in 2022 were vast.

The latest report makes clear that improvements to date remain fragile and there remain substantial areas in which Thurrock Council still needs to improve, embed and deliver before it can evidence it is meeting its Best Value Duty.

Commissioners consider that further improvements need to be delivered across a number of areas, which must then be sustained and embedded across the organisation. The Council still needs to evidence deliverable plans to make corporate transformational savings to secure sustainable services and there remains a need for it to strengthen its internal controls, especially across internal audit and risk management. Financial sustainability remains the biggest risk. A robust transformation plan is needed to deliver the Council's proposed operating model and meet savings targets.

We have communicated to you and other Greater Essex councils the government's current position on Thurrock Council's exceptional debt. This included the government's acceptance that Thurrock Council holds significant unsupported debt that cannot be managed locally in its entirety, and the government has indicated that we will provide an initial tranche of financial support for debt repayment for Thurrock Council in 2026-27 ahead of local government

reorganisation. We will continue to work with the Council to ensure that any support is value for money for local and national taxpayers.

The Secretary of State and I are satisfied Thurrock Council is not yet meeting its Best Value Duty and that further time is needed to implement and embed the necessary changes and improvements.

I am minded to exercise powers under section 15(5) and 15(6) of the Local Government 1999 Act to implement a new package that ensures the Council's compliance with its Best Value Duty. The proposal consists of issuing new Directions to the Authority until 30 April 2028 which require the Council to take actions to address the outstanding issues and priorities, as well as continuing to engage with Commissioners who would be able to exercise specific Council functions. It is my view that issuing new Directions to extend the intervention and appoint Commissioners would provide the additional support required by your Authority to secure compliance with the Best Value Duty and also would ensure that the intervention timetable reflects the broader context for the area and aligns it to the proposed timelines for local government reorganisation. This seeks to ensure there is external oversight and assurance of the Council's improvement journey as you prepare for any future arrangements, and provides flexibility to review the model of intervention throughout this period.

I would intend to review the proposed arrangements, if implemented, by Summer 2026 when I would expect there to be further clarity on broader plans for devolution and local government reorganisation across Greater Essex. I want to continue our dialogue and work in partnership with you, your officers and Commissioners to consider the next steps.

The Council is now invited to make such representations as it wishes about the Report and my proposal to issue Directions under section 15(5) and (6) of the 1999 Act as are set out in the Annex. All such representations should be sent by email to interventions@communities.gov.uk or in hard copy to the address above marked for my attention, to be received on or before 2 July. They will then be carefully considered before a final decision is taken and announced.

This government is committed to resetting the relationship with local and regional government and establishing partnerships built on mutual respect, genuine collaboration, and meaningful engagement. I trust that I can continue to rely on your engagement and continued support.

I am copying this letter to your Authority's Section 151 Officer, Monitoring Officer and Commissioners. Recovery will take a whole Council effort and accordingly, I am also copying this letter to Councillor George Coxshall, as Leader of the Main Opposition group.

Yours sincerely,

JIM MCMAHON OBE MP

Minister of State for Local Government and English Devolution

PROPOSED INTERVENTION PACKAGE

1. The Secretary of State is considering exercising powers of direction under section 15(5) and 15(6) of the Local Government Act 1999 (the ‘1999 Act’) in relation to Thurrock Council. The Commissioners’ Fifth Report sets out that, while progress has been made, their view is that the Authority has not achieved any of the Directions, and it has not yet demonstrated “*the capacity and capability to sustain its own journey of continuous improvement.*” The council still relies on government support to set a balanced budget and there remains an annual structural deficit, with the overall debt position estimated to rise to over £1.1 billion by the end of 2025-26
2. The Secretary of State believes there is sufficient evidence that Thurrock is not meeting its Best Value Duty, with failures identified in Continuous improvement, Service Delivery, Culture and Use of Resources. The Secretary of State is minded to issue new directions to continue a statutory intervention package, with updated directions as set out below. The Secretary of State believes this is necessary and expedient for the Authority to secure compliance with its Best Value Duty.
3. The Secretary of State has set out the proposals to assist the Authority to formulate any representations it may choose to make. The Secretary of State acknowledges that, save in cases of urgency, the Authority has a statutory right to make representations if the Secretary of State is considering making a Direction. The Secretary of State will carefully consider those representations in deciding whether to make any and, if so, what Directions. The Secretary of State specifically reserves the ability to make further or revised Directions after implementing this, or any, intervention package (if that is what the Secretary of State decides to do).

PROPOSED DIRECTIONS UNDER SECTION 15(5) AND (6) OF THE LOCAL GOVERNMENT ACT 1999

Annex A

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

“The Authority” includes the Leader, 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.

Directions to the Authority

The proposed Directions set out actions which the Authority must undertake to effect the changes needed as well as supporting and facilitating the work of the Commissioners.

The actions to be taken by the Authority are:

- 1) To continue to implement and report on the Improvement and Recovery Plan, 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, plans to:

- a. Ensure compliance with all relevant rules, guidelines and codes relating 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. All Authority plans, including the IRP, the Corporate Plan and Transformation Plan must be aligned and mutually supportive.
 - 3) To take steps to ensure that the role of Accountable Body to the Thames Freeport is exercised to the satisfaction of the Commissioners. This should be reflected in the Authority's Improvement and Recovery Plan.
 - 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.

Annex B

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

“The Authority” includes the Leader, Cabinet Members, any committee, or subcommittee; and any other person who has responsibility for 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, and their Group Managers – tiers one, two and three.

The Commissioners shall exercise:

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