

**EXPLANATORY MEMORANDUM TO THE NOTTINGHAM CITY COUNCIL  
DIRECTIONS UNDER SECTION 15(5) OF THE LOCAL GOVERNMENT ACT 1999**

1. The Secretary of State for Housing, Communities and Local Government (“the Secretary of State”) has exercised powers under section 15(5) of the Local Government Act 1999 (“the 1999 Act”) in relation to Nottingham City Council (“the Authority”) to secure its compliance with the Best Value Duty.
2. This memorandum is intended as a companion document to the Directions issued on 24 March 2026. It summarises the circumstances in which the Secretary of State has made the Directions, the reasons for this exercise of powers, and the implications of the Directions for the Authority.
3. The Directions remain in force up to and including 30 September 2027 unless the Secretary of State considers it appropriate to amend or revoke them at an earlier date. This Memorandum, together with the Directions and related material, is published on the Government website at [www.gov.uk](http://www.gov.uk).

**The context for the Directions**

4. Nottingham City Council has been under intervention since an Improvement and Assurance Board was appointed in January 2021. The intervention was escalated in September 2022, with the Board moved to a statutory footing, and again in February 2024 with the issuing of new statutory Directions and the appointment of Commissioners with powers to exercise certain council functions until February 2026.
5. The Commissioners’ latest report, submitted on 5 December 2025 and published on 4 February 2026, highlighted clear progress since February 2024 when the intervention was escalated and Commissioners appointed. Nottingham City Council has stabilised its finances and strengthened its financial management procedures, with a draft 2026/27 budget set without Exceptional Financial Support. New appointments to the leadership team have brought stability and ambition to improve, improved governance arrangements are in place, and the Authority has established the foundations for service improvement, including corporate and service specific Target Operating Models. However, Commissioners were clear that many changes remain ‘a work in progress’, with some achievements remaining fragile, implementation of service transformation remaining ‘embryonic’,

and that embedding many aspects of continuous improvement and reforms is still required. They recommended that the Commissioner model of intervention should end on 22 February as scheduled, and that all decision-making powers be returned to the Authority. To ensure that the Authority accelerates and embeds the necessary improvements, Commissioners also recommended that 'appropriate experts' are appointed to provide lighter touch support to the Authority and assurance to Ministers on progress moving forward.

6. The Leader of Nottingham City Council, Councillor Neghat Khan, also wrote to the Secretary of State on 5 December. The Authority also recommended an end to the Commissioner-led model of intervention as scheduled, with all decision-making powers returned to the Authority. They noted the constructive support and advice provided by the Commissioners to date, and that the improvements made will need time to embed across the whole organisation. The Authority committed to developing and delivering a Continuous Service Improvement Plan focused on key services, supported by targeted, proportionate 'expert external support'. They also proposed a future enhanced governance model including a public Improvement Committee and internal boards.
7. Having considered all the information, including both the Commissioners' report and correspondence from Councillor Khan, the Minister of State for Local Government and Homelessness published the Report alongside a letter from senior departmental officials to the Authority setting out a proposed statutory intervention package to secure the Authority's compliance with its Best Value Duty ('the minded to letter'). The Authority, and other interested parties, were invited to make representations on the report and proposed statutory intervention package by 11 February.
8. The minded to letter included a detailed description of the Directions that the Secretary of State proposed to make under section 15 of the 1999 Act. The proposed Directions required the Authority to take certain actions. This Memorandum explains the content of the Directions as finalised in light of representations received from the Authority and other interested parties, together with consideration of all other developments since the Secretary of State's 'minded to' proposals of 4 February 2026.

## **Representations**

9. Before making Directions, the Secretary of State is required under section 15(9) of the 1999 Act to give the Authority an opportunity to make representations about the proposed Directions. We received two representations on the intervention package proposed on 2 February 2026, including from the Authority, and an individual Councillor.
10. A representation from the Leader, Councillor Neghat Khan, broadly accepted the proposed intervention package, while preferring sector-led support to further ministerial intervention. The Authority acknowledged further improvement is needed in Continuous Improvement and Service Delivery, outlined steps already taken, and welcomed the 12-month review point with the possibility of earlier de-escalation subject to sufficient progress. It has committed to working constructively with post-Commissioner support, the Department, and sector partners. It has also requested that Ministerial Envoy fees be capped at 52 days per annum to manage cost to local taxpayers.
11. The individual Councillor, while remaining neutral about the proposals, did raise concerns regarding the historic financial position of Nottingham City Council.

## **The intervention package**

12. Having carefully considered the evidence, together with the representations received and all other developments, the Secretary of State is confident that there is a sufficient basis to conclude that the Authority is failing to comply with its Best Value Duty.
13. The Secretary of State considers it necessary and expedient, in accordance with powers under section 15(5) of the 1999 Act, to put in place an intervention package to secure the Authority's compliance with its Best Value Duty.
14. The intervention will consist of the appointment of Ministerial Envoys, alongside Directions to the Authority. The Secretary of State considers this package will address the failings identified above and those raised in the representation received from the Authority.

## **Ministerial Envoys**

15. The evidence presents a strong case for intervention and continued external support to deliver the improvements required. Therefore, the Secretary of State is appointing Ministerial Envoys for a period of 18 months to ensure that the Authority acts immediately to meet its duty under Part I of the 1999 Act. The Secretary of State has appointed individuals with significant experience and expertise in local authority governance, and transformation given the failings of the Authority described above.
16. On 24 March 2026, the Secretary of State appointed the following person as Envoy. It was announced that a second appointment will be made in due course.
  - a **Sharon Kemp as Ministerial Envoy.** Sharon is the former Chief Executive of Rotherham Metropolitan Borough Council, and was previously the Assistant Chief Executive for People and then Strategic Director (reform) at Manchester City Council. She was a Commissioner at Nottingham City Council from 2024-2026.
17. The Envoys are accountable to the Secretary of State, in that they have been appointed by them and can have their appointment withdrawn by them. The skills and experience of the Envoys mean that it is both possible and sensible to give them considerable levels of discretion over how they carry out their roles, in order for them to support the Authority to find the solutions most likely to lead to sustainable improvement.
18. The Envoys are appointed to provide support to the Authority in an advisory and mentoring capacity. In carrying out their role, the Envoys will attend meetings as they deem necessary, observe, provide ad hoc advice and challenge, oversee the Authority's improvement work and be available to Senior Leadership for support. The Envoys will, in so far as is possible and appropriate, seek to use and adapt existing improvement mechanisms and arrangements of the Authority.
19. The Ministerial Envoys will provide assurance to Ministers on progress and will report on a six-monthly basis. In the event that the Ministerial Envoys are dissatisfied with the progress, engagement or commitment of the Authority in relation to this intervention package, they will report this to the Secretary of State; upon which the Secretary of State will consider what further measures may be necessary to secure the Authority's compliance with its Best Value Duty. Equally,

if the Envoys are satisfied that the Authority is improving at a rate faster than anticipated, they will report this to the Secretary of State who will consider whether a de-escalation of the intervention is appropriate.

20. The Ministerial Envoys are appointed for the period 24 March 2026 to 30 September 2027 or at such earlier or later time as the Secretary of State determines.
21. The Directions provide that the Envoys' reasonable expenses and such fees as the Secretary of State determines are to be paid to them by the Authority. The Secretary of State is mindful of the need for Envoy remuneration to represent value for money for local taxpayers. In recognition of the nature and scale of the intervention, fees have been determined at £800 a day for each Ministerial Envoy, for a total of 150 days per annum (75 days for each Ministerial Envoy). It is expected that this limit will not be reached and that fewer days will be required as the intervention progresses.

### **Directions to the Authority**

22. To achieve and facilitate the objectives of the intervention, the Secretary of State has also directed the Authority to take the following actions;
  - a Working with, and to the satisfaction of Ministerial Envoys, establish a Continuous Improvement Committee (the Committee) including appropriate membership including external expertise to provide challenge and advice. Agree the Committee's Scheme of Work and meeting agendas with Envoys. Membership of the Committee should draw on existing Committee membership where appropriate and must include:
    - Independent external member as Adults Social Care Lead;
    - Independent external member as Children's Lead;
    - The Leader as Chair of the Committee;
    - At least two Opposition Councillors; and
    - The Ministerial Envoys.
  - b Within three months from the date of these Directions, to prepare and agree with the Ministerial Envoys a Continuous Improvement Plan (which may draw on any plans prepared before the date of these Directions), with

resource allocated accordingly. At a minimum, the Continuous Improvement Plan should include the actions and workstreams:

- To embed improvements in delivering financial stability across the Authority.
  - To embed improvements in the proper functioning of the Authority's scrutiny and decision-making processes.
  - To embed improvements in risk management and internal audit arrangements.
  - To continue to act to embed continuous improvement in all service areas, transforming front-line functions and the organisation's culture.
  - To continue to embed all improvements across the Authority and sustain a culture of continuous improvement and positive member-officer relationships.
- c To continue to work with other councils in the Nottinghamshire area for unitary local government and on implementing any such proposal later agreed upon, seeking the advice of Ministerial Envoys as required.
- d For the Direction period, to cooperate with the Ministerial Envoys appointed by the Secretary of State.
- e To have regard to and respond promptly and in public to any recommendations from the Committee with respect to the Nottingham City Council Continuous Improvement Plan and its implementation.
- f To allow the Ministerial Envoys at all reasonable times, such access as appears to the Ministerial Envoys to be necessary:
- to any premises of the Authority;
  - to any document relating to the Authority: and
  - to any employee or member of the Authority.
- g To provide the Ministerial Envoys, at the expense of the Authority, with such reasonable amenities and services and administrative support as the Ministerial Envoys may reasonably require from time to time to carry out their functions and responsibilities under these Directions.

- h To pay the Ministerial Envoys reasonable expenses, and such fees as the Secretary of State determines are to be paid to them.
- i To provide the Ministerial Envoys with such assistance and information, including any views of the Authority on any matter, as the Ministerial Envoys may reasonably request.
- j To co-operate with the Secretary of State for Housing, Communities and Local Government in relation to implementing the terms of these Directions.

### **Duration of the intervention**

23. The Secretary of State considers that any aspect of the Directions should only be in force long enough to achieve the stated objectives of the intervention. The Directions will remain in force until 30 September 2027, with a review point after twelve months. The Secretary of State may consider it appropriate to amend or revoke the Directions at an earlier date.
24. The Secretary of State has asked for an initial report from the Ministerial Envoys within the first six months, and thereafter at six-monthly intervals. This allows ongoing review of whether it would be appropriate to change any element of the intervention.