

<b>28 June 2023</b>		<b>ITEM: 12</b>
<b>Council</b>		
<b>Best Value Inspection Report</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> N/A	
<b>Report of:</b> Dr Dave Smith, Chief Executive and Managing Director Commissioner		
<b>Accountable Assistant Director:</b> N/A		
<b>Accountable Director:</b> N/A		
<b>This report is</b> Public		

## Executive Summary

The Best Value Inspection report into Thurrock Council was published on 15 June 2023. The report highlights the serious and significant failings and demonstrates a broad failure of the Council to discharge its Best Value duty.

### 1. Recommendation(s)

**That Council:**

- 1.1 Note the publication of the Best Value Inspection report on 15 June 2023.**
- 1.2 Agree to incorporate the recommendations of report within the Council's Improvement and Recovery Plan.**

### 2. Introduction and Background

- 2.1 On 2 September 2022, the then Secretary of State for Levelling-up, Housing and Communities made directions under section 15(5) and (6) of the Local Government Act 1999 to implement an intervention package for Thurrock Council. This package was in two parts: the first is that the Council's functions over managing its financial resources, exercise of the statutory requirement to arrange for the proper administration of the Council's financial affairs, and all functions associated with the strategic financial management of the Authority would be overseen by Essex County Council (ECC), in the role of Commissioner.
- 2.2 The second part appointed Essex County Council as a Best Value Inspector, to inspect the governance, audit (internal and external), risk management,

overview and scrutiny functions of the Council, and consider their impact on service delivery. This was to assess the extent of the failure to comply with the Best Value duty, beyond the management of financial resources, and to mitigate the risk to service delivery that any further failure may have.

- 2.3 Essex County Council appointed an inspection team and their work commenced on 26 September. Details of the inspection process can be found in paragraphs 22 to 24 in the Best Value Inspection report (appendix 1).
- 2.4 The report was submitted to the Department for Levelling Up, Housing and Communities (DLUHC) on 19 March 2023 and published on their website on 15 June 2023.

### **3. Issues, Options and Analysis of Options**

- 3.1 The report in full can be found at appendix 1, including the inspectors' findings, conclusions and recommendations.
- 3.2 Prior to the publication of the report, an update letter was sent to the Secretary of State on 13 December 2022 (published 24 January 2023) setting out the recommendations the Inspectors were able to make at that time.
- 3.3 DLUHC also published on the same day, alongside the Commissioners' first report, a proposed expansion to the intervention package, informed by both the first report and the update letter. Following a representation period, the expanded intervention package was confirmed on 16 March 2023.
- 3.4 The full list of recommendations made to the Secretary of State by the Best Value Inspectors can be found at paragraphs 10 to 12 of the report.
- 3.5 Recommendations 1 to 4 are reflected in the expanded intervention package confirmed in March and work is underway to enhance the Improvement and Recovery Plan (IRP) previously developed and submitted to DLUHC in December 2022 to reflect these recommendations.
- 3.6 Recommendations 5, 6 and 7 reflect additional recommendations to those included in the December update letter and, while they are made to the Secretary of State, Ministers have been clear they expect the Council to consider the recommendations of the report and so matters of transparency and member development will be strengthened further in our updated IRP.
- 3.7 Recommendations 8 and 9 reflect sector-wide issues relating to external audit and the role of statutory officers.

#### **4. Reasons for Recommendation**

4.1 The publication of the Best Value Inspection report is of significant importance to the Council.

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

5.1 Not applicable.

#### **6. Impact on corporate policies, priorities, performance and community impact**

6.1 There are no direct impacts as a result of this report. The contents and recommendations of the Best Value Inspection report published by DLUHC will be reflected in the Council's Improvement and Recovery Plan.

#### **7. Implications**

##### **7.1 Financial**

Implications verified by: **Jonathan Wilson**  
**Acting Director of Finance and s151 Officer**

The purpose of this report is to ensure there is full council oversight and discussion of the findings. The Council has developed an improvement and recovery plan developed in response to the Intervention which commenced on 2 September 2022. This will continue to evolve in light of the findings of the report and will extend the wide-ranging actions which are already agreed with Commissioners and are progressing to ensure the Council addresses all the concerns that have been highlighted to date. There are specific financial implications attached to the delivery of the improvement and recovery plan which will be considered by members alongside wider decisions that enable the improvements required to be delivered.

##### **7.2 Legal**

Implications verified by: **Gina Clarke**  
**Governance Lawyer & Deputy Monitoring Officer**

Section 15 of the Local Government Act 1999 ("the 1999 Act") permits the Secretary of State to intervene if a best value authority has failed to comply with its duties under Part 1 of the 1999 Act. The Secretary of State's powers include the power to direct the authority to carry out a review of specified functions and direct the authority to take any action which he considers necessary or expedient to secure its compliance with the requirements of this Part. Such direction can include that a specified function shall be exercised by the Secretary of State or a nominated person for a specified period and that

the authority shall comply with any instructions of the Secretary of State or his nominee in relation to the exercise of that function.

The Council is a best value authority by virtue of s.1 of the 1999 Act. S.3 sets out the general duty, which is for an authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The inspection report is addressed to, and has been published by the Secretary of State, and sets recommendations for the Secretary of State to consider to bring the Council back to delivering best value services. Once the Secretary of State has decided on the proposed response to the report, the decision will be communicated formally to the Council.

However, as the Council is subject to government intervention some of the recommendations set out in the inspection report are included in the Council's improvement plan which is discussed elsewhere on this agenda and which will continue to be developed.

### 7.3 **Diversity and Equality**

Implications verified by: **Becky Lee**  
**Team Manager - Community Development and Equalities**

There are no direct diversity and equalities implications as a result of this report.

All information regarding Community Equality Impact Assessments can be found here: <https://intranet.thurrock.gov.uk/services/diversity-and-equality/ceia/>

### 7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

None.

### 8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Letter to the then Chief Executive setting out the Intervention Package, September 2022 <https://www.gov.uk/government/publications/thurrock-council-letter-to-the-chief-executive-setting-out-the-intervention-package>
- BVI Update letter, December 2022 <https://www.gov.uk/government/publications/thurrock-council-best-value-inspection-update-letter>

- Commissioners' first report, December 2022  
<https://www.gov.uk/government/publications/thurrock-council-commissioners-first-report>
- Improvement and Recovery Plan, December 2022  
<https://www.thurrock.gov.uk/government-intervention/improvement-and-recovery-plan>

## **9. Appendices to the report**

- Appendix 1 – Best Value Inspection Report

### **Report Author:**

Dr Dave Smith

Chief Executive and Managing Director Commissioner