

Written Ministerial Statement – Secretary of State

‘Local Government’

For some time there have been concerns about financial management and governance at Northamptonshire County Council, and in recent months a number of reports have been published, which have led me to question whether the authority is failing to comply with its best value duty. Particular reports include the external auditor’s (KPMG) “adverse” value for money opinion in relation to the 2015/16 and 2016/17 accounts, publically available budget documents, and the September 2017 Local Government Association peer review into the council’s financial planning and management.

Having carefully considered the evidence available to me, I have today decided to exercise the powers granted to me by Parliament under the Local Government Act 1999 to appoint an inspector to carry out an inspection to better understand the authority’s compliance with its best value duty. The matters to be covered initially by the inspection will in particular relate to the authority’s corporate governance and financial management systems.

I have asked the inspector to report findings to me by 16 March 2018, or such later date as the inspector agrees with me.

This decision is not taken lightly. I hope it sends a strong signal that robust processes are in place to investigate allegations of failures in financial management and governance in local government.

I hope Hon. Members will appreciate that we cannot be drawn into more detail while investigations are ongoing. Once the inspection is complete, I will carefully consider the inspection report. If it shows that the council is in breach of its best value duty I will then consider whether or not to exercise my powers of intervention under section 15 of the 1999 Act.