



Department for
Communities and
Local Government

Mr Damon Lawrenson
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Via email: [REDACTED]

9 January 2018

Dear Mr Lawrenson,

As you will see from the attached letter, the Secretary of State has, in exercise of his powers under section 10 of the Local Government Act 1999, as amended by the Local Audit and Accountability Act 2014 (the 1999 Act), appointed Max Caller as the person to carry out an inspection of the compliance of the authority known as Northamptonshire County Council with the requirements of Part 1 of the 1999 Act in relation to the authority's governance functions, in particular the authority's functions under section 151 of the Local Government Act 1972.

In making this appointment, the Secretary of State has had regard to 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.

The Secretary of State has given certain directions to Max Caller in relation to his undertaking the inspection.

First, in undertaking the inspection in relation to the authority's functions specified above, and without prejudice to the scope of this inspection, he is directed to consider, in the exercise of those specified functions, whether the authority:

- has the right culture, governance and processes in place to make robust decisions on resource allocation and to plan and manage its finances effectively,
- provides clear, useful and sufficiently detailed information to councillors to inform their decision making,
- allows for adequate scrutiny by councillors,

- has strong processes in place to manage services within the budget constraints – within the council's finance department and also within service areas,
- has and shares appropriately the right data to support spending decisions and to support the management of services,
- is organised and structured appropriately to ensure value for money in delivery of its functions.

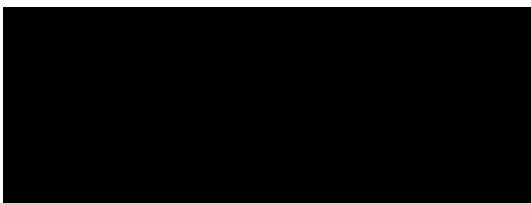
Second, he is directed to report the findings of the inspection to the Secretary of State by 16th March 2018, or such later date as he may agree with the Secretary of State.

The Secretary of State may, following receipt of Max Caller's report or otherwise, issue further directions to him.

Finally, section 11 of the 1999 Act provides that an inspector has a right of access at all reasonable times to any premises of the authority and to any document, including electronic documents, relating to the authority which appear to the inspector to be necessary for the purposes of inspection. Statute also provides that the authority shall provide the inspector with every facility and all information which the inspector may reasonably require for the purposes of inspection. In this context, you should ensure that, from the date of this letter, no documentation or records, whether electronic or paper, should be destroyed. The authority must pay the costs involved with conducting the inspection.

I am sure that you will ensure full co-operation with the inspection.

Yours sincerely,



Alex Powell

Deputy Director, Local Government Stewardship