



Department for  
Communities and  
Local Government

Alex Powell  
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Mr Max Caller CBE

Via email:

Tel: [REDACTED]  
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9 January 2018

Dear Max,

**APPOINTMENT UNDER SECTION 10 OF THE LOCAL GOVERNMENT ACT 1999**

For some time there have been concerns about financial management and governance at Northamptonshire County Council. In recent months a number of reports have been brought to the Secretary of State's attention, which have caused him to question whether the authority is failing to comply with its best value duty. On the basis of the evidence available to him the Secretary of State has decided to proceed with a best value inspection to better understand the situation in Northamptonshire.

I am writing to inform you that the Secretary of State, 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), hereby appoints you as the person to carry out an inspection of the compliance of Northamptonshire County Council with the requirements of Part 1 of the 1999 Act in relation to the authority's governance functions, particularly the authority's functions under section 151 of the Local Government Act 1972.

In making this appointment and the directions set out below, 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 also, in exercise of his powers under section 10(4)(b) of the 1999 Act, gives you the following directions in relation to your 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, you are directed to consider, in the exercise of those specified functions, whether the authority:

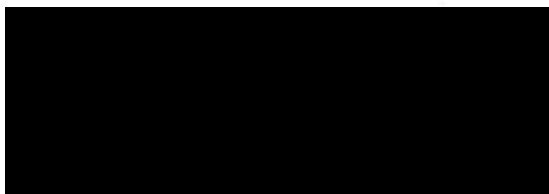
- has the right culture, governance and processes in place to make robust decisions on resource allocation and to plan and manage its finances effectively,
- provides clear, useful and sufficiently detailed information to councillors to inform their decision making,
- allows for adequate scrutiny by 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, you are directed to report the findings of the inspection to the Secretary of State by 16<sup>th</sup> March 2018, or such later date as you may agree with the Secretary of State. The Secretary of State may, following receipt of your report or otherwise, issue further directions to you.

Section 12 of the Local Government Act 1999 provides that the authority to be inspected must pay the Inspector's reasonable fees for carrying out the inspection.

As to practicalities of your appointment as inspector, we will provide you with an appropriate administrative team to support you in your role as inspector, and any assistant inspectors whom the Secretary of State may appoint at your request.

Yours sincerely,



Alex Powell  
Deputy Director, Local Government Stewardship