

---

# Liverpool City Council Commissioners

4th Floor Cunard Building | Water Street | Liverpool | L3 1AH

commissioners@liverpool.gov.uk

---

5 October 2021

Dear Secretary of State,

On 10 June 2021 we were appointed by your predecessor as Commissioners for Liverpool City Council. This followed the publication of a Best Value Inspection report by Max Caller CBE on 19 March 2021. Our responsibilities as Commissioners are set out in the Directions<sup>1</sup> made under section 15(5) and (6) of the Local Government Act 1999. We were asked to report to you on our first three months as a Commissioner team. This report fulfils that request.

The Directions require Liverpool City Council to: 'Rebuild the highways, regeneration and property management functions of the Authority, together with their interaction with planning functions and associated audit, scrutiny and governance arrangements, to address the serious failings in these areas over recent years and ensure conformity with the best value duty, thereby delivering improvements in services and outcomes for the people of Liverpool'.

In addition to the precise functions listed in the Directions, we have encouraged the Council to take a whole-council approach to improvement, with an expectation that the plans being developed will reflect this position. This will enable strategic as well as tactical improvement and move away from the silo working of the past.

We recognise the hard work and ambition from the dedicated and talented staff across the Council to begin to make the necessary improvements. We also recognise that the well-documented wrong-doing and failings have been keenly felt by dedicated public servants who are committed to providing high quality services for the people of Liverpool.

The first three months of the intervention have provided us with the opportunity to make an assessment of the specific functions defined in the Directions and to establish a clearer understanding of the cross-cutting issues on which we were asked to support the Council<sup>2</sup>.

We have structured this report by highlighting the common areas of concern we have encountered since our arrival in June: leadership, governance, prioritisation, organisational

---

<sup>1</sup> <https://www.gov.uk/government/publications/liverpool-city-council-directions-made-under-the-local-government-act-1999>

<sup>2</sup> <https://www.gov.uk/government/publications/liverpool-city-council-secretary-of-state-letter-to-lead-commissioner> The former Secretary of State asked Commissioners to have regard to the Council's submission to the Local Government Boundary Commissioner for England, the Governance Review, the financial position of the Council and wider delivery of services in so far as they may raise concerns for the Council's improvement journey.

planning, and financial resilience. We then comment on the areas and functions described in the Directions, provide some observations on the Council's enabling services, and set out our recommended priorities for the next six months. This report focuses on the functions and areas specified in the Directions and does not refer to wider service delivery. We were asked to consider wider council services and will provide our observations on these in our next report.

This report concludes that the Council is at the beginning of a long improvement journey and has a great deal to do in the next three years. In the first three months we have found that:

- Officers and councillors have been welcoming. Initially there was a lack of understanding and recognition of the significance of our role by senior officers which has hampered progress and impacted on officers ability to grasp the seriousness of the Intervention. This is being addressed by the chief executive.
- The Council and its leaders clearly desire change at pace. This has resulted in a somewhat frenetic rather than purposeful and targeted approach demonstrated in a lack of prioritisation and planning. The Council is actively working on and committed to addressing this – see section 12 for further recommended actions.
- As highlighted in the Best Value Inspection report, in addition to improving the property, highways and regeneration functions, there is a need to build the competence, capacity, efficiency and effectiveness of core corporate and support services including Governance, Finance, Legal and IT. They are the fundamental components of a well-run organisation and need to be in place if the Council is to improve to the standard required.
- We have been troubled by the standards of core competencies such as report writing, forward planning for decision making and customer service. We are pleased that the Council has developed plans for improvement in these areas.

We would like to extend our thanks to your civil servants, their support has been invaluable.

The Council Chief Executive is aware of this report and the findings have been communicated at regular meetings with him and his senior team over the last three months.

We look forward to discussing the contents of the report with you and thank you for your continued support.

Yours sincerely,

**Mike Cunningham, Jo Killian, Neil Gibson & Deborah McLaughlin**  
**Commissioners for Liverpool City Council**

# First report to the Secretary of State by the Liverpool City Council Commissioners: June to September 2021

## Contents

1.	Leadership.....	4
2.	Governance including scrutiny and audit .....	5
3.	Prioritisation and organisational planning.....	6
4.	Financial resilience .....	7
5.	Boundary Review .....	7
6.	Highways and Transport .....	8
	Highways Improvement Delivery Plan.....	8
	Highways Structure and Staff .....	8
	Business Planning and Projects.....	9
7.	Property and Regeneration .....	9
	Property Asset Management (PAM) .....	10
	Regeneration, including Housing and Planning .....	11
	Planning Processes, excluding Local Planning Authority functions .....	11
	Regeneration .....	11
	Property Transactions .....	10
8.	Organisation structure .....	12
9.	Review of Council Subsidiary Companies .....	12
10.	Enabling services.....	13
11.	Customer complaints and complaints handling .....	13
12.	Next steps .....	14

## 1. Leadership<sup>3</sup>

1.1 The Council is emerging from a difficult, somewhat toxic period that has led to police investigations. As a Commissioner team we recognise and applaud the courageous leadership decisions that have exposed wrong-doing. These decisions have initiated the beginning of a challenging and complex programme of improvement which will require ambitious, committed, forward looking and transformative leadership. The Council recognises that there is a need to build capacity and enhance capability, and the work to restructure the officer leadership team is designed with this intention in mind. There is also recognition from the Council leadership, which we support, that the transformation work would benefit from external assistance.

1.2 In the first three months of the intervention, we and the Council's political and senior officer leadership have established a shared understanding of the terms of the intervention, the requirements of the Directions and the scale of the improvement challenge. We have also developed a shared understanding of the respective roles of the Commissioners and Council leadership. This understanding needs to be cascaded throughout the organisation as an essential pre-requisite if the improvements across the whole of the Council are to be effective and enduring.

1.3 The Cabinet is comparatively new and with the exception of the Deputy Mayor, it has limited political leadership experience. The fresh eyes and renewed energy of this new Cabinet presents an opportunity for the Council and the City. To take full advantage of this opportunity, the Cabinet must use the next six months to focus on agreed critical priorities: making tough decisions, especially on budget and service delivery matters, and, above all, owning the intervention. This must be achieved through intensive support, development and challenge. Senior officers need to enable the Cabinet to be effective in their roles. The lack of capacity, capability and confidence in some parts of the Council means that advice is not consistent, options not thought through, and at times, officers are not enabling councillors to take difficult decisions with confidence. Reports written for Cabinet are not sufficiently robust and put both individual Cabinet members and the Cabinet collectively, at risk.

1.4 The Council, with our support, is developing a Council Plan and a Strategic Improvement Plan (SIP). These plans will set out the ambition for the Council and the forward-looking measures by which improvement will be assessed. We welcome the development of these plans, which will enable clearer prioritisation and better informed decision-making. It is recognised that these plans, alongside the developing Medium Term Financial Strategy and the officer restructuring process, need to be developed in a coherent way that makes explicit their relationship with the desired position the improvements are working towards. We comment further on this in Section 3.

---

<sup>3</sup> Relates to Directions 1, 2, 8 & 9

## 2. Governance including scrutiny and audit<sup>4</sup>

2.1. The Council needs to reset its governance functions and processes, and is working closely with the Local Government Association (LGA) and the Centre for Governance and Scrutiny (CfGS) on the significant programme of work that is needed to achieve this.

2.2. At the heart of governance sits the Council's Constitution which, despite being updated, remains difficult to access, read and use. In our opinion, the Constitution requires further improvement. In addition, there needs to be a significant step change in practice so that all councillors and officers recognise a modern, accessible Constitution as an enabling framework that permits the Council to deliver its agreed policy programme with the resources it has available. The Constitution should enable the Mayor and councillors to represent their communities and constituents in an appropriate way, as well as supporting the active involvement of local people in the process of setting the Council's priorities. It should enable local people to monitor the Council and its functions, as well as creating an effective means of holding decision makers to account. It must be a Constitution that councillors and officers adhere to, with clear principles, to ensure all decisions are lawful and made in the best interest of the communities they serve. This needs urgent agreement because it is critical to the effective running of the Council. Furthermore, we are clear that a fundamental review of the scrutiny process must be prioritised as part of this governance reset.

2.3. The Council has produced an Improvement Delivery Plan. This is a tactical document that sets out the many tasks required to deliver the necessary reform. It includes a new Code of Conduct for elected members (councillors) based on the model code produced by the LGA. In support of this, training is being delivered and activity is in hand to ensure that all councillors participate in the training modules. Scrutiny training has been offered to all councillors, and the Mayor and Cabinet have been offered mentors by the LGA to support them in the exercise of their duties. Complementary development for officers is planned. It is vital that councillors and officers take full advantage of the training and developmental opportunities. We shall update on progress in our next report.

2.4. The Council has established an independent Audit Committee, chaired by a member of the Liberal Democrat group. Two Independent Advisors have been appointed to the Audit Committee. These individuals have the potential to provide significant technical expertise, if they are empowered to do so. Assistance has been offered to the Committee by the Chartered Institute of Public Finance and Accountancy (CIPFA). Over the next few months, the Committee will need to develop a robust programme of activity in support of its objectives, as well as investing time in establishing good practice, culture and behaviours to enable it to fulfil its critical role in the Council's improving governance system. The new Chair is realistic about the scale of the challenge ahead of him, but the Committee needs to prioritise the work programme against the principal strategic risks, as well as follow the necessary regulatory practice. We are particularly concerned about the ability of overstretched Finance, Audit and Governance teams to provide the underpinning that this

---

<sup>4</sup> Relates to Directions 1, 2, 8 & 9

Committee requires, as well as the Council's ability to facilitate other high-quality advice that the Committee might need.

2.5. In March 2021, the Council introduced a checklist to be used when undertaking comprehensive due diligence of all potential development partners and prospective purchasers of Council land and buildings. This approach is welcome and we have suggested this internally designed checklist is compared with the industry standard Know Your Customer (KYC) checks to ensure best practice is adopted. Appropriate training must also be provided.

2.6. Over the last three months we have observed ongoing poor governance practices. For example, there is a lack of robust formal (and informal) Forward Planning processes which leads to an inability to prioritise, rushed tasks and inappropriate deadlines that cannot be met. Too many of the draft Cabinet reports in relation to Regeneration, Highways, Planning and Property require substantial challenge and revisions to meet basic standards of compliance. For reports on cross-cutting issues it is often not clear who is accountable. A number of reports have been submitted for our consent that have been presented incorrectly as being exempt from publication rather than available for the public to read. This goes against the Council's own policy and raises questions about transparency. The quality and propriety of advice from key corporate functions, including Legal Services, is inconsistent. The previous leadership did not value rigour or openness, resulting in poor quality reports to inform decision-making. The Council leadership recognise the requirement for improvements in this area and we are working with them to improve practices.

### 3. Prioritisation and organisational planning<sup>5</sup>

3.1. The Council is attempting to do too much too quickly, without the necessary strategic plan in place. It needs to pause, prioritise and define a clear set of ambitious and deliverable plans. This work is now in train and is essential so that the Council can focus on setting a sustainable long-term financial plan, improve corporate governance, deliver basic services well and meet the requirements of the Directions.

3.2. The Council is required 'to prepare and implement an Improvement Plan to the satisfaction of the Commissioners'. The process of developing a Strategic Improvement Plan (SIP) has begun. We are participating in this along with the Cabinet and the senior officer leadership team, it is being facilitated by the LGA. The SIP will be developed alongside the Council Plan and the requirement for coherence between both plans is recognised and accepted by all those involved in the development process. The SIP will be the primary document by which progress will be assessed at the newly established Improvement Oversight and Assurance Board, chaired by Mike Cunningham as the Lead Commissioner. Once the SIP is approved, the Council will revise its Improvement Delivery Plan to ensure alignment.

---

<sup>5</sup> Relates to Directions 1, 2, 8 & 9

## 4. Financial resilience<sup>6</sup>

4.1. The Council needs to make significant revenue savings over the next three years. We note that this is c£33m for 2022/2023. In year, the latest financial reporting indicates a pressure of £8.7m and a spending moratorium is in place to suppress expenditure. We are conscious that in addressing past commitments and practices in Regeneration, Property and Highways, significant capital commitments have been made over recent months, in some cases with major concomitant revenue charges that will be baked into future budgets. The Mayor has already started budget consultation with residents, staff and stakeholders about how the budget gap will be met next year. We recognise the importance of ensuring that resources support the provision of efficient, core frontline services for residents. However, the Council must also prioritise and invest in building the competence, capacity, efficiency and effectiveness of core corporate and support services.

4.2. CIPFA has recently undertaken a review of the financial management functions of the Council. We will track the recommendations and the delivery of actions required to achieve any reform needed through the development of the SIP. We have also asked CIPFA to review the Council's financial resilience, and we will report on this in our next report. We expect to see improvements to financial management across the Council feature prominently in the SIP.

## 5. Boundary Review<sup>7</sup>

5.1. The Directions require the Council: 'To consider and consult upon a new submission to the Local Government Boundary Commission for England as part of the current boundary review, which includes consideration of a proposal to reduce the number of councillors to those consistent with elections on a predominantly single-member ward basis and be approved by the Commissioners, thereby increasing accountability to the electorate in Liverpool.'

5.2. The Council has complied with the first part of this Direction. At the full Council meeting on 22 September 2021, a submission to the Boundary Commission was approved. This submission proposes a reduction in the number of councillors from 90 to 85 and, following detailed discussions and challenge, has our support as required by the terms of the Direction. On 1 October the LGBCE announced it was 'minded to' accept the proposal.

5.3. We were also asked to pay particular interest in the planned Governance Review<sup>8</sup>. We can confirm the Council are aware of the need to determine the future leadership model by 2022 and are considering options.

---

<sup>6</sup> Additional area of interest as outlined in the letter to the lead Commissioner, Mike Cunningham on 10 June 2021

<sup>7</sup> See Direction 3

<sup>8</sup> see letter to the lead Commissioner, Mike Cunningham on 10 June 2021

## 6. Highways and Transport<sup>9</sup>

6.1. The first three months have been dominated by urgent decision-making, a familiarisation of the baseline challenges and processes, and an understanding of the staff and suppliers involved.

6.2. There is full commitment at Chief Executive, Councillor and Officer levels to 'rebuild' the Highways and Transport function. Although the improvement journey has begun, we estimate it will take another 12 to 18 months to stabilise the service and to provide a firmer foundation for onward improvement.

6.3. The BVI identified several areas for concern in the Highways and Transport service:

- The Service had no coherent business plan, direction or forward vision.
- There was weak foresight of health & safety and works planning, leading to excessive compensation claims.
- There was a lack of structure and processes between core highways services and capital works.
- There were confused lines of leadership within the Service necessitating a restructure using best practice principles.
- There was an absence of a formal contract with Liverpool Street Scene Services Ltd (LSSL) and no benchmarking of rates.

### Highways Improvement Delivery Plan

6.4. The Council's Improvement Delivery Plan<sup>10</sup> sets out 21 immediate actions linked to Highways Service improvements. Key to progress was the appointment of the Interim Chief Highways Officer (ICHO) in May 2021.

6.5. We are confident that these actions are a suitable immediate phase one response to the issues identified in the BVI. We are also overseeing two additional actions:

- There was limited capacity and capability within the Highways Service and key enabling services to make the changes outlined in the Improvement Delivery Plan, coupled with the setting of unrealistic timescales. Consequently, additional interim capacity and capability has been agreed and is discussed further in para 6.9.
- There was a lack of clarity on the outcome these individual or collective actions will have on service users and the City of Liverpool. Work is in hand to establish clarity on desired outcomes and this will inform the SIP.

### Highways Structure and Staff

6.6. The ICHO will carry out a full-service review which will follow the Council's senior management restructure (to be concluded this autumn). We were concerned that the current operating model was insufficient to provide day to day services whilst also driving required improvement. Consequently, the ICHO has introduced an interim structure prior to

---

<sup>9</sup> See Direction 7

<sup>10</sup> See paragraph 2.3 for a description of the Improvement Delivery Plan.



a full service review in 2022. The interim service structure will strengthen senior leadership capacity and capability, bring teams more in line with best practice, and create a small 'task & finish' cross-cutting improvement team.

6.7. Despite the current revenue budget freeze, the ICHO is able to appoint to some priority vacancies which are needed to build the necessary capacity and capability in the service.

6.8. The more challenging improvement needed is to the culture within the service. This is characterised by weak forward planning, a siloed approach, a lack of staff appraisals and inadequate project/contract control. These are symptomatic of the poor leadership of the service in the recent past. The departure of senior officers within regeneration, planning and highways, combined with the appointment of the ICHO and additional interim divisional managers, provide opportunities for change. Recent whistle-blowing within Highways suggests that pockets of inappropriate behaviours still exist. We will continue working with the ICHO to undertake more staff events and 1:1s to give staff the confidence to expose any further inappropriate behaviours.

6.9. Following discussions with the Business Partners for HR, Finance, Legal and Procurement we are also concerned about the capacity of internal enabling services available to Highways. Without the dedicated support needed, the pace and quality of improvement in Highways will be affected. The Council has recognised this and recruitment is underway to strengthen these support teams. We will keep this under review.

### **Business Planning and Projects**

6.10. Until now there has not been a business plan for Highways for 2021/22. The plan is necessary to bring together the service's priorities, budgets, performance targets and customer standards for the benefit of staff, councillors and users. An in-year business plan is currently in draft. We expect that a full business plan will be developed for 2022/23.

6.11. A full review of Highways capital projects is underway to ensure that priorities are correctly identified; risks are properly assessed with appropriate mitigation plans developed; costs are accurately assessed; and suitable technical advice is available when required.

## **7. Property and Regeneration<sup>11</sup>**

7.1. During this initial three month period we have concentrated on building positive working relationships with the Council's Property and Regeneration officers. We are cognisant of the unprofessional and bullying culture in which many officers had been forced to operate previously.

---

<sup>11</sup> See Direction 4

## **Property Asset Management (PAM)**

7.2. The Council accepts there are significant weaknesses in property management and is addressing them by implementing a series of recommendations, developed in response to a CIPFA review in October 2020.

7.3. Under new leadership, and following the implementation of more effective controls, there have been improvements made to the management of property and assets in the Council. There is now a clear action plan for further improvement and progress is being made.

7.4. Priority must be given to those actions which will have a positive impact on the Council's finances, such as consolidating the operational property estate and strengthening the planned repairs programme to reduce the high levels of reactive repairs. We note that work is ongoing to address the backlog of rent and lease renewals but is hindered by a lack of staffing resource.

7.5. The team is under-resourced and carrying a number of vacancies to which they have been unable to recruit; those that have been advertised have often not attracted many candidates. We have advised the property team to look at alternative ways of covering vacancies in the short term such as secondment from other councils, partner organisations or drawing upon the expertise of private sector partners.

7.6. The PAM team is attempting to adopt more commercial principles to managing the property portfolio. It has taken steps to address the practice of granting 'peppercorn rent' to some 'community' leaseholders by introducing market rent to all properties, supported if necessary by grant funding from the relevant department for community uses. This will ensure there is a better understanding of the value of the property portfolio and that any subsidy to organisations is transparent and subject to review.

## **Property Transactions**

7.7. Best Value has not been achieved in a number of property transactions in the pipeline where officers are seeking our consent. We remain unconvinced that internal property valuations are aligned to market conditions and have requested that one in five valuations are conducted externally and subject to a franked Red Book Valuation<sup>12</sup> to provide a market comparator. We have found evidence of officers accepting invalid valuations which were close to their expiry date (three months) or valuations which were unsigned and it is not clear who provided the valuation.

7.8. We require better practice in terms of report writing to ensure greater transparency and evidence of a more commercial approach. The Council needs to better understand the context of decision-making to ensure it supports their priorities and aligns to Best Value principles.

---

<sup>12</sup> Royal Institution of Chartered Surveyors (RICS) best practice guidance

## **Regeneration, including Housing and Planning**

7.9. The recent appointment of the Interim Director of Regeneration and Economy is a positive step. There is much to do and there are significant capacity gaps in the team, exacerbated by poor record management.

### **Planning Processes, excluding Local Planning Authority functions**

7.10. The Planning team has been strengthened from a significantly under-resourced position. For some time there has not been a Head of Development Control or Enforcement, resulting in a considerable backlog of approximately 300 planning applications which is clearly constraining development in the City.

7.11. We have requested that the Head of Planning explores opportunities to outsource the straightforward applications to allow the team to focus on more complex planning applications and reduce the back log. Delays in planning are the subject of a high number of customer complaints. On-going problems in the implementation of a new IT system has further exacerbated frustration both for officers and members of the public.

7.12. Due to the lack of capacity, capability and financial resource in the Planning team, there is a lack of supporting policy framework and strategy documents to encourage good development. We have encouraged officers to work with partners and stakeholders, including housing associations, to co-fund and co-manage the delivery.

## **Regeneration**

7.13. Our focus to date has been to review major strategic projects requiring imminent decisions with support from an external legal adviser. It is evident that previous projects have been executed without a good commercial understanding, a lack of adherence to achieving best value and without a full understanding of risks. We are working with the team to assess these projects with a view to strengthening the Council position, exiting projects or revisiting the legal structure of a project where it is possible to do so. An update on progress will be provided in the next report.

7.14. Where we have identified failings resulting in further financial exposure, we have referred projects to Internal Audit (IA); in one case IA has required the Council Audit Committee to conduct a lessons learnt exercise.

7.15. The Regeneration team needs a complete rebuild and the Interim Director of Regeneration and Economy has a good understanding of the skills required. There is a lack of economic development strategy and commercial investment skills that are present in more modern approaches to regeneration. Specifically, the team needs to develop skills in financial analysis and appraisal, economic strategy and impact, and commercial acumen. To address these issues the Director has ensured his team participate in the Liverpool City Region Combined Authority's 12 month commercial and financial skills training programme

and is examining the potential to bring “Public Practice” to the city to help support both recruitment and skills development.

7.16. We have advised the Council to use HMT Green Book Appraisal methodology to provide a more robust approach to projects and programmes.

## 8. Organisation structure<sup>13</sup>

8.1 The Council is required ‘to consider and approve a suitable officer structure for the Authority which provides sufficient resources to deliver the Authority’s functions in an effective way, including the improvement plan and its monitoring and reporting within 6 months’. The Chief Executive is currently developing his proposals. A new Monitoring Officer has been appointed. We have approved the restructuring of the first level of officers, who report directly to the Chief Executive, and agreed the process for determining the officer structure below this tier which will follow the development of the Council Plan on a ‘form follows function’ basis. The Council currently has an aging and long serving workforce. We will report further on the restructuring process and efforts by the Council to increase diversity and attract talent in our next report.

## 9. Review of Council Subsidiary Companies<sup>14</sup>

9.1. The Council has several subsidiary companies. Some of these companies are wholly owned; others the Council is associated with or has invested in.

9.2. The Council’s Improvement Delivery Plan outlines the immediate actions that have already been taken to replace councillors on the the company boards. There is an intention to fundamentally review the structures, management and governance arrangements for all of these companies, including whether a wholly owned company is the most appropriate model of delivery for taxpayers.

9.3. The review is in two phases: wholly-owned companies are phase one, and associate companies, investments and loans are phase two. Local Partnerships have been contracted to undertake phase one between September 2021 and February 2022. We are content with the timetable and process the Council is following.

9.4. As the Liverpool Streetscene Services Limited (LSSL) review will not conclude until next year, we have agreed with the ICHO that the service-level agreement between the Highways Service and LSSL on the cost and performance of reactive repairs will have to be robust enough to see it through 2022/23.

---

<sup>13</sup> See Direction 6

<sup>14</sup> See Direction 5

## 10. Enabling services<sup>15</sup>

10.1. As recognised in the CIPFA Property Management review, there is an ongoing reliance on an under-resourced legal team for transactions, leading to delays in work tasks and also in providing commentary on property transaction approvals.

10.2. To provide necessary additional legal assurance, we have required the Council to procure independent legal advice to review existing major live projects that will be subject to request for our consent. This area will be reported on in more detail in the next report.

10.3. Other corporate services are very stretched. We have concern about capacity challenges in Finance, Democratic Services, Audit and HR. Elements of the IT infrastructure are dated and the slow introduction of new IT systems are affecting the progress of improvement in service areas. We recognise the budget challenges facing the Council and the requirements to make efficiencies and retain service delivery. We are concerned that overly reducing capacity and capability at the Council's corporate centre will be a risk to the required improvements. We expect to see the building of resilience in the enabling services as an important facet of the SIP. This will be achieved by changes to working practices as well as dealing with capacity challenges.

## 11. Customer complaints and complaints handling<sup>16</sup>

11.1. Complaint data provides a rich source of information for improving organisations. As such, this data should be valued and clearly understood, with themes of public dissatisfaction informing the prioritisation of improvement activity. The emphasis should be on learning and service improvement rather than on blame. Since the start of the intervention, we have received 59 complaints about the Council. Many of these concern property transactions; some have pre-emptive informal approvals by officers only to be retracted later; some refer to a lack of responsiveness from officers and many are as a result of the significant backlog of work due to insufficient capacity to address property transactions.

11.2. More generally, complaints are being addressed to us where there is evidence over many years of poor complaint handling that has led unnecessarily to escalation. In some cases there are reports of some councillors advising residents to contact us directly where they have not received timely responses to queries or complaints.

11.3. There is a lot to do to improve customer and stakeholder interaction, much of which was actively discouraged in the past. The Council recognises the need to improve customer service targets and produce simple consistent service standards and guidance, especially with regard to property activity. The management team at the Council has commissioned a plan to regain focus and improve service standards. We will continue to monitor progress in this important area.

---

<sup>15</sup> See Catherine Frances Directions covering letter 10 June 2021

<sup>16</sup> See Direction 1

## 12. Next steps

12.1 There is a huge amount of work underway and there is great deal to do over the next few years. There is an urgent need for the SIP to set out this work in a clearly prioritised way which recognises the capacity and capability challenges faced by the Council. This will allow for a future-looking and more structured and systematic approach to transformation, which will have a much better chance of implementing sustainable and durable change and modernisation. There are priorities for each of the functions identified in the Directions and we will update on progress in our next report.

To make progress and improve as required by the Directions we recommend that the Council prioritise the following actions over the next six months:

1. Develop and agree a Council plan.
2. Develop a Strategic Improvement Plan setting out desired outcomes and timescales.
3. Introduce a robust prioritisation process allowing the Council to optimise their use of limited resources.
4. Identify and address the capacity and capability gaps in Council corporate functions.
5. Develop a finance improvement plan to address weaknesses if identified in the CIPFA finance function review.
6. Produce an interim Medium Term Financial Strategy so the Council has a clearer view of the financial challenges ahead and can therefore agree, in the next three months, the strategic actions required to trigger the savings and transformation plans that will be needed over the next one, three and five years.
7. Develop a robust strategic risk register to enable the Audit Committee to develop an evidence-based programme of work.
8. Agree the scope of work to reform the Constitution, including a fundamental review of the scrutiny process.
9. Implement a Council-wide cultural survey to establish a baseline against which culture change can be established.
10. Continue to strengthen the Council leadership's capacity and capability to scrutinise decisions and focus on getting the basic elements right such as improving the quality of report writing, record keeping and provision of financial information.