



Liverpool
City Council

Tony Reeves
Chief Executive

24 May 2021

Catherine Frances
Director General, Local Government, Strategy
And Analysis
Ministry of Housing, Communities and Local Government
2 Marsham Street
London
SW1P 4DF

Dear Ms. Frances

Liverpool City Council at its meeting on 19th May, considered the 'Best Value' Inspection Report undertaken by Max Caller, Mervyn Greer and Viviane Geary and your letter dated 24th March 2021 setting out the Secretary of State's proposed intervention package for Liverpool. By unanimous agreement at Full Council, I have been instructed to send this letter outlining the council's response, together with the detailed tables attached at Annex A. The Mayor and Leaders from all opposition parties are clear in their commitment to collectively leading the Council's improvement journey and playing a full role in the design, implementation and monitoring of the Improvement Plan.

The report acknowledges our openness and co-operation with the inspection team as they conducted their work and I would equally like to put on record, our thanks for their professionalism and subsequent ongoing support, as we develop our response to the report and improvement plans.

As you will be aware, at our suggestion, we have consulted Max Caller on urgent property transactions. We are also doing so on the recruitment of a new City Solicitor and Monitoring Officer, resulting from the retirement of the current post holder. Max Caller has also been consulted on transitional arrangements for the Monitoring Officer position and either he or incoming Commissioners, will be involved in all further decisions leading up to the appointment of a new postholder. Working in this way will allow for a smooth transition and handover to the Commissioners and we hope this provides the Secretary of State with reassurance of our commitment to work constructively moving forward.

The inspection report made for difficult reading for both Members and Officers of the council. While there may be different views on the emphasis of some elements of the

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report, all of the findings are accepted and the council acknowledges that it has failed to comply with its Best Value Duty over a number of years.

It is our aim to rebuild the trust of our citizens, businesses and wider stakeholders and it is clear we have much to do to ensure that we consistently demonstrate the public service values of honesty, integrity and transparency. The council understands and accepts that the directions that you have set out are necessary to ensure that improvements are made. This will enable us to demonstrate that we can comply with our Best Value Duty on a sustainable basis. We share the Secretary of State's view that Directions to the Authority should operate for as long - and only as long - as necessary to ensure stability.

The proposed intervention package includes the appointment of Commissioners to oversee the improvement journey and to transfer to them, executive functions associated with regeneration, highways and property management, together with those relating to the appointment and dismissal of statutory officers and Assistant Director of Governance, Audit and Assurance. It is a matter of regret that this is necessary but the council is committed to working constructively and openly with Commissioners should they be appointed. As such we hope that the functions transferred to them are exercised as a last resort and that the council can continue to exercise those functions itself and lead the design and implementation of our Improvement Plan with the support of Commissioners.

In Annex A to this letter, we have detailed the work which has commenced for each of the proposed directions and the further intended work. In all areas, a series of immediate tactical responses have been made to mitigate risks and provide stability, with longer term actions being scoped out which will deliver sustainable improvements for the duration of the intervention period and beyond.

Alongside this summary response, a detailed Improvement Plan will be shared with Commissioners for review. It is our intention to do this at three months, at six months, with a reset of the Plan at the twelve month point. This allows us to assess the impact of our early actions, assess the feasibility and timeline of actions and to ensure issues that need to be prioritised or accelerated are delivered. The council is committed to delivering this Improvement Plan and will work collaboratively with our workforce, Elected Members, Trade Unions and key stakeholders to achieve this. We anticipate that at the end of year two, further actions will become part of our City Plan delivery and enhanced business planning processes.

The council will publish this Plan and make regular progress reports to appropriate governance committees including Cabinet, Full Council and the Audit Committee. We are committed to communicating our progress transparently and honestly with our employees, Members, citizens and wider stakeholders. A comprehensive communications plan will underpin this work and is crucial to rebuilding trust and demonstrating transparency and openness to scrutiny.

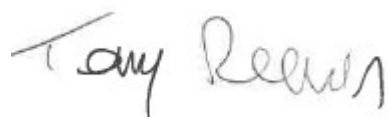
During this initial period, Liverpool City Council has accessed the support of the inspection team to prepare this Plan and is working closely with the LGA to secure sector support to deliver the actions. This includes the Local Government Association (LGA), the Centre for Governance and Scrutiny, Local Partnerships and the Chartered Institute for Public Finance and Accountancy (CIPFA). Additional support, in respect of social value policy and implementation is being sought from the Cabinet Office. This external support is valued both for the additional capacity it gives but also for the rigour and best practice it brings to the design of our improvement actions.

In relation to the proposed direction 14.b for electoral reform, the Council agrees to consider and consult upon a new submission to the Local Government Boundary Commission for England as part of the current boundary review.

Although this is one of the most difficult periods in the council's recent history, it is also an opportunity to reset the council as a leading local authority. It provides a platform to shine a light on, and remove, practices and behaviours of both officers and members which have no place in our council. There is cross-party commitment to this and a genuine desire to place Liverpool at the forefront of local government practice. Our work in leading the city and its citizens through Covid-19 pandemic has been seen as exemplary and we have worked hard, with our partners, to develop a comprehensive Economic Recovery Plan and a City Plan for Liverpool that expresses our continued and shared commitment to tackling all forms of inequality. Both of these set out our ambitions for the city moving forward and our Improvement Plan will strengthen our ability to achieve those ambitions.

The newly elected Mayor, Statutory Officers and I, are grateful for the support and encouragement of the Secretary of State and his commitment to supporting us wherever possible on our improvement journey.

Yours sincerely

A handwritten signature in black ink that reads "Tony Reeves". The signature is written in a cursive, slightly slanted style.

Tony Reeves
Chief Executive

Annex A

LIVERPOOL CITY COUNCIL

RESPONSE TO THE SECRETARY OF STATE'S PROPOSED INTERVENTION PACKAGE

INTRODUCTION

This document presents a summary of the Council's proposed Improvement Plan. It sets out those actions which have or are being taken immediately in response to the Best Value Inspection (BVI) report recommendations, together with a wider set of proposed actions to be delivered over a longer period of intervention. The proposed Directions include the requirement for a detailed improvement plan to be prepared by the Council for review by Commissioners. This plan is in draft and will be subject to review by Commissioners and the new Mayoral and Cabinet with approval by Full Council.

Throughout this period of significant challenge and change, we cannot lose sight of our vision to create a thriving, sustainable and fair city for everyone. We are committed to ensuring we continue to work with our partners to deliver this vision and address the fundamental challenges we face through our shared City Plan. The city's response to Covid 19 has been exemplary and together with partners, the City Council has developed comprehensive recovery plans to mitigate the health, social and economic impacts of the pandemic and ensure that existing inequalities are not magnified and enlarged. The Improvement Plan is an essential building block for us to achieve these plans and for the people of Liverpool who

rely on our Council to deliver much needed services, which address their needs in a well planned, efficient and effective way.

Our aims in delivering this Improvement Plan are to:

1. Rebuild the trust of our citizens;
2. Restore confidence amongst our partners who are working with us to tackle inequalities and improve the lives of people across the city - including government, businesses and stakeholders;
3. Demonstrate excellence and best practice in service delivery and standards of governance;
4. Demonstrate the highest standards of ethics and behaviours by our Elected Members and officers with a clear understanding of and respect for each other's roles;
5. Ensure our organisation is focused on delivering our City Plan and continues to lead the city's recovery from Covid 19;
6. Our leadership is collaborative, directional and open to challenge;
7. All levels of the organisation to have a consistent understanding of the Council's priorities and are accountable for performance;

Annex A

8. Embed a cultural change programme to reset behaviours and the cultural norms of the organisation, which values respect, diversity, inclusion and challenge; and
9. Return Liverpool City Council to self-governance as quickly as possible.

IMPROVEMENT PLAN GOVERNANCE AND DELIVERY

Our Improvement Plan must have the necessary capacity, governance and robust assurance systems in place in order to ensure confidence in our ability to implement our Plan alongside transparency of reporting.

Governance: The Council is committed to restoring trust and putting our communities at the heart of everything we do and deliver. As such, we will seek out ways in which we can effectively involve our citizens and stakeholders in the governance of our plan and evaluating our progress. We will communicate transparently and listen to a wide cross section of our citizens, businesses, partners, and wider stakeholders in order to guide implementation and challenge progress and inform future actions.

An Improvement Board has been created to oversee the development and delivery of the Improvement Plan. The Board is chaired by the Chief Executive and Members include the senior management team (Directors and City Solicitor) of the Council plus the Assistant Director Governance, Audit & Assurance, with Commissioners also in attendance. It will meet every four weeks, with additional meetings being able to be called if required.

Sitting underneath the Improvement Board is an Improvement Operational Group which will meet weekly and deal with the day-to-day activity required to deliver the Improvement Plan.

The Improvement Board will report monthly into Cabinet, into Full Council and into the Ministry for Housing, Communities and Local Government (MHCLG) through Commissioners. The Board will also report into Audit, Governance and Standards committees in line with their meeting cycles. An annual report will be produced for Full Council and for the public.

Role of Members: Critical to the design, implementation and monitoring of the Improvement Plan is the role of Elected Members within the Council. The Improvement Plan will indicate political leads for each of the key themes, and potentially the working groups around those themes, once they have been determined by the new Mayor.

The new Mayor and Cabinet and Commissioners will review the Improvement Plan with a final version to be submitted to a meeting of the Full Council. There will be robust and transparent scrutiny of the Plan through various committees, such as the Audit Committee, and a number of specific actions, which involve and will engage all Members, through the Constitutional Issues Committee together with the cross party working groups in respect of Member development and electoral review.

All Members are to undertake essential training to address specific matters raised within the BVI report and ensure that they receive appropriate guidance and development in relation to their roles as decision makers, scrutineers and local community champions.

Annex A

All decision making by the Improvement Board and through implementation groups will be undertaken in accordance with Local Government procedures and Liverpool City Council's Contract Standing Orders and Constitution.

The BVI Report highlighted the lack of clarity at times between Officers and Elected Members. The Council is proposing to review the member and officer protocol over the next twelve months as part of the fundamental review of the Constitution. This will be done in a collaborative way, building on the principles that Elected members set Council policy and priorities, make decisions in formal meetings such as Cabinet, Planning Committee etc, scrutinise decisions in Select Committees and other decision making processes and follow council procedures and processes. Officers advise and provide options for decision making, implement decisions, report to elected members and ensure legality in decision making processes.

Programme Management: All of the above is supported by a robust and fully resourced Programme Management Office (PMO) to ensure delivery and scrutiny of the Improvement Plan in line with the parameters set by MHCLG. This will be done through a rigorous monitoring process that focuses on delivery against milestones, risks, financial implications, and issues that need to be escalated to ensure the programme's success.

All areas of the Plan will have appropriate documentation, controls and performance management in place. The use of the PMO working closely with those officers leading themes, workstreams and their underpinning projects will provide assurance that the Plan

is being delivered, or if variances occur, that these are identified at the earliest opportunity and mitigation plans are developed to keep that work-stream on track. Each of the themes of this Improvement Plan will form programmes of work. Colleagues delivering these programmes will be responsible for delivering their work/projects and, with support from the PMO, making sure that the appropriate project documentation, controls and performance management frameworks are in place, to ensure that the work runs effectively.

This approach will provide assurance that the Plan is being delivered or that if changes are required, they are identified early and subject to appropriate change control and governance decisions. The Improvement Plan and underpinning projects will have a proportionate suite of supporting documents including a risk register, resource plan, register of interdependencies and statement of roles and accountabilities. The PMO will support Commissioners in their reporting requirements to the Secretary of State as required.

The Improvement Plan will need to be reviewed after the first 3 and 6 months of intervention and subsequently reset at 12 months for Year 2, taking into account the impact of the interventions made in the first 12 months. It is likely that other actions will be added to the Plan and removed once complete. This will be done using a clearly defined change control process and agreed as appropriate with Commissioners.

Resource Plan: A resource plan has been developed to ensure appropriate capacity is in place across several areas. This includes:

Annex A

- PMO resources to oversee delivery of the Improvement Plan;
- Additional resources required for the delivery of specific actions set out in the Improvement Plan;
- Key corporate services, such as Legal Services, Committee Services, Audit and Procurement, where it is recognised that sufficient resource is not in place; and
- Those services subject to the inspection which required immediate additional capacity, such as Highways, Planning and Building Control and Property Management.

This plan also records and monitors the external support the Council is utilising from partners, LGA and other bodies. This will be updated and monitored on a regular basis. Such external support is vital for additional capacity but also for the robust challenge, peer best practice and to improve credibility and transparency.

Monitoring of the Plan: Monitoring, assurance and scrutiny of progress with each theme of the plan will be undertaken by the corporate PMO assurance team with regular status reports produced for each theme/area of the Plan. The proposed approach is to measure progress with delivery of the Plan against the identified milestones and key deliverables by exception in order to ensure any variance from the original plan is understood, justified and approved. Progress will be reported into the Improvement Board on a four weekly basis and reported, as outlined earlier to Cabinet, Full Council and Audit Committee. A reporting timeline into Government will be determined to provide updates, as required, on progress with the overall Improvement Plan. A weekly

Improvement Plan Operational Group, consisting of the key leads for the Plan, will review progress, and deal with any blockages or requirements and report into the Improvement Board on progress.

Evaluation will be built into our actions and this is crucial in the delivery of our cultural change programme and Member and officer development programmes. We will evaluate the impact of those actions and create a feedback loop and appropriate support structure to ensure they achieve the outcomes we require.

Equality Impact: The Council is committed to tackling inequalities and equality and fairness are central to our work to continuously improve, both as an employer and service provider. The Council's Equality Impact Assessment (EIA) process will be undertaken throughout our improvement journey to systematically take equality impacts into consideration when there are changes to policies or services that could have disproportionate impacts on the protected groups covered by the Equality Act 2010 and including socio economic status.

An initial EIA has supported the development of draft Improvement Plan and this will be updated as the Plan progresses. EIAs will also be undertaken for individual projects and programmes within the Improvement Plan and these will be fed into the overarching EIA for the Plan so that cumulative impacts can be evaluated. All EIAs will published online.

BVI Recommendation 3:	
Direct LCC to prepare and implement an Improvement Plan to the satisfaction of Commissioners	
LCC Response: <i>Accountability: Tony Reeves, Chief Executive Political</i> <i>Lead: Mayor of Liverpool</i>	Timescale
<p>A comprehensive Improvement Plan has been drafted and will be subject to review by Commissioners. It is structured into seven themes as below, all BVI recommendations:</p> <ul style="list-style-type: none"> • Cultural Change; • Constitution; • Leadership and Capacity; • LCC Companies; • Corporate Support Services; • Highways; and • Investment, Capital Programme and Property Management. <p>The Plan also sets out the proposed approach to governance, assurance, delivery, risk management and monitoring.</p>	<p>Draft agreed by Full Council.</p> <p>With Commissioners, review at 3 and 6 months and reset at 12 months.</p>

Annex A

BVI Recommendation: 3a

In the first 12 months review and implement changes to the Council's Constitution which will:

- i. Improve the ethical governance framework to best practice incorporating the LGA model code and a fully functioning Standards Committee;
- ii. Constitute the Audit Committee as a stand-alone committee with a direct reporting line to Council and a right to have its recommendations considered by the Executive Mayor and Cabinet, with either an independent Chair or an Independent Technical Advisor;
- iii. To re-establish Scrutiny activity in line with Statutory Guidance ensuring that Councillor leadership of the activity is on a cross party basis and with appropriate officer support;
- iv. Introduce best practice Standing Orders and Regulations for contracts and property disposals;
- v. Review the scope, content and reporting of all delegated powers;
- vi. Establish a specific code of conduct for all Members in connection with dealing with Planning and Licencing matters;
- vii. Require mandatory training of Members in key activities, including behaviours, before participation in Council activities other than Full Council; and
- viii. Improve the content and updating of declarations of interests and gifts and hospitality, for both Members and officers.

Annex A

<p>LCC Response: <i>Accountability: Jeanette McLoughlin, City Solicitor and Monitoring Officer</i> <i>Political Lead: Cllr Dan Barrington, Cabinet Member for Climate Change and Environment</i></p> <p>Our actions below respond directly to the BVI recommendations above with a significant number being taken at the Council's AGM in order to ensure improvements at the start of the municipal year. This includes the Scheme of Delegation, specifically addressing consultation with ward councillors prior to decisions being taken, the transparency and scrutiny of Delegated Decisions.</p> <p>The Council is embarking on a review of its Constitution and within 12 months, all areas will have been reviewed with a fully revised Constitution agreed in May 2022. Each element will involve members in the review and design stages with ultimate approval at Full Council. The LGA and Centre for Governance and Scrutiny are supporting the Council in the implementation of the actions below.</p>	<p>Timescale</p>
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Annex A

<p>The following actions have been taken and/or decisions made at the Councils AGM on 24 May:</p> <ol style="list-style-type: none"> a. Incorporate LGA Model Code of Conduct and associated codes of practice, including mandatory training requirements in ethics and behaviours; b. Establish a Standards and Ethics Committee; c. Establish Audit Committee with direct reporting line to Council, independent Chair or technical advisor and right to have recommendations considered by Executive Mayor and Cabinet; d. Establish a Finance and Resources Select Committee; e. Review and revise scrutiny arrangements in line with statutory guidance, cross party basis and officer support: <ul style="list-style-type: none"> • Immediate revisions by May 2021 • Full review by May 2022 f. Revise Contract Standing Orders to best practice standards for contracts and property disposals: <ul style="list-style-type: none"> • Urgent revisions by May 2021 • Full review by May 2022 g. Revise financial regulations in line with amendments to CSO; h. Establish specific code of conduct for Members on licencing and planning matters; i. Review and clarify the roles and responsibilities of City Solicitor and Monitoring Officer; and j. Reduce the key threshold criteria for Key Decisions to £250k in Constitution and Scheme of Delegation. 	<p>24 May 2021</p>
<p>Additional short term actions by July 2021 are to:</p> <ol style="list-style-type: none"> k. From May 2021 roll out a revised amended delegated decision-making process, including a revised template, e-form, authorisation gateway, guidance for Members and officers and automatic publication process. Each Select Committee will receive a full list of Delegated Authority reports with access to the full documentation online and have the ability to consider how they manage scrutiny. In the areas subject to the BVI, further processes will be determined with Commissioners; l. Improve content and updating of declarations of interest and gifts and hospitality for Members; m. Improve content and updating of declarations of interest and gifts and hospitality for officers; and n. Introduction of electronic system ModGov for recoding and publishing of both Cabinet and officer delegated decisions. 	<p>July 2021</p>

Annex A

<p>Over a 12 month period, working with the LGA, Centre for Governance and Scrutiny the following actions will be implemented:</p> <ul style="list-style-type: none"> o. Review process for the Constitution to update, redraft and simplify the Constitution: <ul style="list-style-type: none"> • Process will start May 2021 and each section will be reviewed in turn and in line with appropriate Member and officer groups. • Including full review of scrutiny arrangements as referred to above • Full review of Contract Standing Orders as referred to above p. Establish a process for future updates of the Constitution; and q. Embed Constitution and decision-making pathways into Member and officer development programmes working with the LGA (key actions detailed in Culture Change theme of Improvement Plan). 	<p>May 2022</p>
<p>BVI Recommendation 3b: Require the consent of Commissioners before LCC at either Member or Officer level agree Heads of Terms for any property transaction and subsequent consent before any legally binding commitment is entered into.</p>	
<p>LCC Response: <i>Accountability: Mark Bousfield, Director of Regeneration and Economy</i> <i>Political Lead: Deputy Mayor, Cllr Jane Corbett</i> Currently, Max Caller is providing support to the Council where property transactions are required immediately or imminently. He is consulted on all transactions as required above, and records kept. A more substantial set of improvement actions are being implemented to address the report’s findings on investment and property issues, to ensure Best Value is clearly demonstrated.</p>	<p>Timescale</p>

Annex A

<p>The following actions have been taken:</p> <ul style="list-style-type: none">a. A period of pause and reflect is in operation for all property transactions;b. A forward plan of major projects and priority property transactions has been developed and will be discussed with Max Caller in lieu of Commissioners being in place as agreed by MHCLG;c. Complex transactions will require earlier sight by Max Caller or Commissioners. This process is ongoing;d. As Commissioners arrive, their consent will be built into the decision making pathway before reports are published for Cabinet; ande. In the light of the Best Value Inspection recommendations, officers are reviewing the approach and content of Cabinet Reports and Delegated decisions and ensuring that for complex and major projects, all reports recap	Completed
the principles of the deal or development, the current position is against that which was expected and risk and commercial issues are clearly set out.	

Annex A

<p>BVI Recommendation 3c:</p> <p>In the first 24 months, review the roles and case for continuing with each subsidiary company of LCC. For those companies that it is agreed to continue, ensuring that the Directors appointed by LCC are appropriately skilled in either technical or company governance matters to ensure each Board functions effectively under the terms of an explicit shareholder agreement and a nominated shareholder representative. For those companies which it is determined not to continue with in this form, to establish a plan to internalise, close or sell as appropriate.</p>	
<p>LCC Response:</p> <p><i>Accountability: Peter Casterton, Head of Finance</i> <i>Political Lead: Cllr Sarah Doyle, Cabinet Member for Development and Economy</i></p> <p>Local Partnerships will be supporting the Council in the implementation of phase 1 actions, capturing learning and recommendations for the wider sector to consider.</p>	<p>Timescale</p>
<p>Immediate actions to be taken– Phase 1:</p> <p>During the inspection period, Members were removed from all LCC Company Boards.</p> <p>Phase 1 actions will scope out the approach to the review and include:</p> <ol style="list-style-type: none"> a. Appoint a shareholder representative for all LCC Companies; b. Identify and agree companies in scope for review; c. Procure specialist external legal and financial advice; d. Commission Local Partnerships to support the review process and capture learning for the wider local government sector; e. Identify and action critical revisions to each council owned company in scope: <ul style="list-style-type: none"> □ Governance • Operational • Commercial / Financial f. Establish and agree company review parameters: <ul style="list-style-type: none"> • Governance process • Best Value Framework for an evidence-led assessment of the future of all companies • Timescale for completion of review for each company in scope 	<p>March 2021</p> <p>May AGM May 2021 June 2021</p> <p>May 2021</p> <p>Sept 2021</p> <p>Subject to (e) above</p>

Annex A

Phase 2 timeline for continuing with, internalising, closing or selling each company will be determined by the outcome of phase 1 together with an agreed timetable to deliver on each recommendation. Phase 2 will also include a review of the City Councils 2 Associate Companies and its investments and loans.

BVI Recommendation 3d:

To consider and approve a suitable officer structure for LCC which provides sufficient resources to deliver LCC functions in an effective way, including the Improvement Plan and its monitoring and reporting within 6 months.

LCC Response:

Accountability: Tony Reeves, Chief Executive

Political Lead: Mayor Joanne Anderson

Over the last 18 months, Liverpool City Council has developed a better understanding of its strengths and areas for development aligned to its strategic priorities set out in the City Plan and Covid 19 recovery plans and this has been further informed by the recommendations made by the Inspection Team. In order to deliver this Improvement Plan at pace and scale, the Council requires the appropriate capacity at a leadership level and in key areas and a clear focus on shared organisational priorities and a system of accountability and performance management.

There is a commitment at all levels of the organisation to a continuing programme of improvement and embedding the Council's priorities throughout the organisation with clear lines of accountability to individual members of staff. This will be built upon as part of the culture change programme.

Timescale

Nov 2021

Actions which have been taken:

A number of arrangements have been put in place to strengthen leadership and capacity, both prior and during the Best Value Inspection, including:

- Senior officer capacity in Highways and Regeneration has been strengthened through the secondment of three experienced senior managers from the Liverpool City Region Combined Authority;

Completed

Annex A

<ul style="list-style-type: none"> • The disciplinary process relating to the Director of Regeneration has been completed; • New appointments to Assistant Director for Asset Management and Director for People and Talent; • Recruitment has commenced for City Solicitor and Monitoring Officer and Interim Chief Highways Officer; • Development of a resource plan for the Improvement Plan; and • An Improvement Board has been created to oversee the Improvement Plan. 	
<p>Actions which are underway:</p> <ul style="list-style-type: none"> a. A management restructure has been scoped and the process for agreement and implementation will begin following the elections; b. Resource requirements for the PMO functions to support the improvement plan have been scoped and the recruitment process commenced; c. Recruitment has been agreed and is underway to key service areas: <ul style="list-style-type: none"> • Highways • Planning and BC • Property Management • Legal • Procurement • Committee Services • Audit d. A revised Council Performance Management Framework is being scoped together with a clear business planning process for Directorates aligned to the three year budget and City Plan, Improvement Plan and Covid 19 Recovery plan; and e. A programme of leadership development for Cabinet and Management Team supported by the LGA and with a focus on a shared set of council priorities, performance management and accountability, roles, responsibilities, and behaviours. 	<p>May 2021 – Nov 2021</p> <p>May 2021 – Aug 2021</p> <p>Apr 2021 – Oct 2021</p> <p>June 2021 – Oct 2021</p> <p>May 2021 – May 2022</p>

Annex A

BVI Recommendation 3e: To oversee a detailed structure and strategy for the Highways function in short and medium term	
<p>LCC Response: This recommendation is agreed.</p> <p>A priority is the recruitment of an interim Chief Highways Officer who can reset the service in the short term and begin the medium term redesign of the service. A series of tactical responses are also being implemented as outlined below</p> <p><i>Accountability: Karen Agbabiaka, Interim Chief Highways Officer</i> <i>Political Lead: Cllr Abdul Qadir, Cabinet Member for Neighbourhoods and Communities</i></p>	<p>Timescale</p>
<p>Phase 1 Immediate actions being taken include:</p> <ul style="list-style-type: none"> a. An interim Chief Highways Officer has been appointed, to provide forward vision and direction and to align with the management restructure of the Council; b. Progress the development of the Highways service business plan and City Transport Plan; c. Work with LSSL to secure greater value for money in the intervening period; d. Assess and identify a future operational model for Highways Core Maintenance. A review process is underway and continues in relation to the procurement and contractual relationship with LSSL. This review has identified the need for a full benchmarking review of rates be undertaken, along with identification of future delivery models; e. Review of staff competencies, ensuring experience and qualifications are fit for purpose. Key training needs have been identified through a review of roles and responsibilities, and gaps in the structure which include H&S and commercial support have been identified; f. Recruitment of a H&S advisor has commenced and a Quantity Surveyor post will be created; g. Reduce highways contract variations through more robust procurement approach, improved designs and improved contract management; and h. Raise awareness of the Construction Playbook, ensuring a clear understanding of its principles and how these are applied to highways projects, and the benefits this can bring. 	<p>Completed</p> <p>May 2021 – Nov 2021 May 2021 – June 2021</p> <p>Apr 2021 – Oct 2021</p> <p>May 2021</p> <p>May 2021 – Sept 2021 Ongoing</p> <p>May 2021- Sept 2021</p>

Annex A

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Annex A

<p>Additional actions planned under direction of Interim Highways Officer:</p> <ul style="list-style-type: none"> i. A review of the control and resilience of the highway network and test processes is planned to ensure there is clear knowledge of who, why and when contractors are on the network, with a particular focus on out of hours response. j. Establish a professional services Framework for Highways, which replaces current contracts, ensuring consistency, efficiency and best value; k. Enhanced monitoring of contractors to ensure effective delivery and performance, including clear and transparent processes; l. Ensure processes are in place to ensure robust management of both performance (KPIs) and value of suppliers, and LCC performance; m. Develop a short term plan for the disposal of materials management strategy, ensuring contract compliance and reducing financial and environmental risks; and n. Develop a long term materials management plan that assists the city’s net zero commitments. 	<p>May 2021</p> <p>May 2021- Oct 2021</p> <p>May 2021 – Dec 2021</p> <p>April 2021 – Dec 2021</p> <p>May 2021 – Dec 2021</p> <p>May 2021 – Dec 2021</p>
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Systems Process

BVI Recommendation 3f:
Establish a plan to deliver an effective file management system so that LCC can more easily comply with its statutory and managerial responsibilities

Annex A

<p>LCC Response: <i>Accountability: Mel Creighton, Director of Finance and Resources</i> <i>Political Lead: Cllr Tom Logan, Cabinet Member for Education and Skills and Cllr Harry Doyle, Cabinet Member for Culture and Visitor Economy</i></p> <p>a. The Council is ensuring compliance with existing records management policies in the immediate period. b. A task and finish working group is being established to:</p> <ul style="list-style-type: none"> • Review existing arrangements and utilise best practice across the Council; • Identify those areas where improvements need to be made; • For property instigate changes in working practices, necessary to create a single and complete record; □ Identify necessary ICT infrastructure necessary; • Review approach to record scanning and storage; and • Embed policies and processes in the cultural change programme. 	<p>Timescale June 2021 – Dec 2021</p>
<p>BVI Recommendation 3g: Devise and implement a programme of cultural change which ensures both Members and Officers understand their respective roles and the way in which the Council and its activities are regulated and governed and the way in which this is monitored, and breaches rectified</p>	
<p>LCC Response: This will be a core and substantial programme of work during the intervention period. A comprehensive and coherent cultural change framework is being committed to and will be scoped out and agreed in the short term, with clear deliverables in year one to gain momentum.</p> <p><i>Accountability: Tony Reeves, Chief Executive</i> <i>Political Accountability: Cllr Frazer Lake, Cabinet Member for Adults and Children’s Social Care</i></p>	<p>Timescale May 2021 – May 2022</p>

Annex A

<p>e. An officer development programme, agreed by the Council's Management Team and aligned with the Member</p>	
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Annex A

<p>development programme as appropriate, and including mandatory induction and re-induction;</p> <p>f. More rigorous ethical and compliance procedures embedded;</p> <p>g. Listening events across the organisation;</p> <p>h. 6 monthly Cultural Survey/Temperature checks designed to measure outcomes of programme;</p> <p>i. A communications plan to support these actions for staff, Members, public and wider stakeholders; and</p> <p>j. A series of actions to measure change in organisation (Members and officers) evaluate actions and feedback on cultural change programme is being designed and will be undertaken on a regular basis.</p>	
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Additional improvements identified by LCC as a result of BVI findings

Accountability: Mel Creighton, Director of Finance and Resources & Jeanette McLoughlin, Monitoring Officer

Political Lead: Cllr Tom Logan, Cabinet Member for Education and Skills and Cllr Harry Doyle, Cabinet Member for Culture and Visitor Economy

Procurement

The Corporate Procurement Service was recognised as having good policies and procedures but a number of improvements have been identified. Embedding these improvements into the culture change programme is a crucial interdependency for these actions.

- Implementing a new process pathway on exemptions with increased due diligence
- Greater control and oversight of below £5k transactions
- Implementation of improved contract management processes
- Development of a Hard FM framework
- Development of an updated corporate approach to procurement and social value, working with Government to take account of its recently set out reforms including through the new Social Value Model and Transforming Public Procurement Green Paper.

Timescale

May 2021 – Feb 2022

Annex A

<p>Legal Services</p> <p>The BVI report identified a number of issues relating to capacity, designation of the Monitoring Officer role, and oversight of outsourcing and reducing reliance on external firms for non-specialist matters.</p> <ul style="list-style-type: none"> a. The designation of the Monitoring Officer will be amended in the Constitution at the AGM; b. The recruitment to a City Solicitor and Monitoring Officer has commenced and transition arrangements are being considered, in consultation with Max Caller and MHCLG; 	<p>May 2021 – Oct 2021</p>
<ul style="list-style-type: none"> c. Additional capacity for legal services has been identified and recruitment is being progressed; and d. Contract Standing Orders will be amended at the AGM to include explicit consent and engagement of City Solicitor in all outsourcing of legal services. 	
<p>Resilience against fraud, bribery and corruption</p> <p>Work is underway to strengthen the Council’s resilience against fraud, bribery and corruption:</p> <ul style="list-style-type: none"> a. Continue and develop our programmes for Members and officers of mandatory and targeted training and awareness raising on fraud, bribery and corruption risks; b. Agree a data sharing agreement with Merseyside Police to reinforce co-operation protocols to focus on key risks of criminal activity to the Authority and its service users; and c. Systemisation of due diligence information and enhanced analytics to identify related parties to identified parties. 	<p>May 2021 – July 2021</p>