



Department for Levelling Up,
Housing & Communities

Andrew Lewis
Chief Executive
By email

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Dear Andrew,

I wrote to you on 13 December, inviting Liverpool City Council to make representations about the proposed changes to the intervention.

Thank you for your Authority's representation and the dialogue you have continued with the department and Commissioners.

I am now writing to inform you that the Secretary of State for Levelling Up, Housing and Communities has today issued Directions under section 15(5) and (6) of the Local Government Act 1999 ("the 1999 Act"). The Secretary of State, having considered the representations made by the Authority and others as required by section 15(9) of the 1999 Act considers it necessary and expedient to issue these Directions in order to secure the Authority's compliance with the requirements of Part 1 of the 1999 Act.

In making this decision, Ministers have asked me to confirm to you that they recognise that substantial progress has been made by your Authority, and the role you have played since joining in May 2023. Ministers also are aware that since the Commissioners' fourth report was written, as mentioned in your representation, you have appointed a permanent director of property, are seeking a technical partner in property services, and recruitment for a permanent Monitoring Officer has commenced.

The Secretary of State considers that the new Directions now constitute a reduced intervention package compared with the combination of the June 2021 and November 2022 Directions, which have been revoked. Certain functions, previously exercised by the Commissioners (on section 151 finance, highways and appointments of tiers 1-3), are now or will shortly be for the Authority to exercise, with oversight from Commissioners. The new, consolidated Directions do not include previous Directions which have been delivered and are considered "spent"; and the Directions now focus on certain issues where Commissioners consider improvements across the Authority are needed to secure the Authority's future and sustainable compliance with its Best Value Duty.

These 2024 Directions have no changes from the draft Directions which the Secretary of State said on 13 December 2023 he was minded to issue. The Directions specify the functions which the Commissioners will continue to exercise (which is a reduced set) and direct the Authority to undertake the specific actions outlined in Annex A to this letter. The effect is that the Secretary of State is returning functions currently exercised by Commissioners to the Authority in relation to appointments of posts at tiers 1 – 3 immediately, and highways and section 151 finance functions on 31 March 2024. Instead, Commissioners will have oversight of the ongoing improvements in financial processes through additional Directions to the Authority, and in highways and transport through the wider Directions. Commissioners will retain the appointment function over appointments

for the directors of property, HR/OD and statutory officers, and they will retain functions in relation to performance of staff, specifically the right to take part in the performance appraisal of the Chief Executive and any direct report to the Chief Executive (tier two). I understand that you objected to specific Directions in your representation. Ministers considered your concerns carefully but conclude the Directions are appropriate and necessary as they are a response to address issues raised in the Commissioners' fourth report, including in relation to the improvements needed on property services and certain corporate functions such as risk management and culture change, where they are identified as areas that are still in need of improvement. The Lead Commissioner has also confirmed that Commissioners support the Directions as initially proposed.

I also confirm that these new Directions are now the only Directions in place. The Secretary of State has revoked the Directions issued on 10 June 2021 and 8 November 2022. Outstanding actions have been retained in the new Directions issued today, and Commissioners will continue to exercise functions relating to governance, regeneration, property management and appointments (for directors of property, HR/OD and statutory officers and statutory officer positions). We expect these Directions to be reported on in the Commissioners' next report.

I enclose a copy of the new Directions and the Explanatory Memorandum. These will be published on gov.uk together with this letter, a letter to the Commissioners, and the representation received from the Authority.

I would also like to let you know that the Secretary of State has accepted the resignation of Joanna Killian as Commissioner, with effect from 18 March due to her appointment as the Chief Executive to the Local Government Association. He does not intend to make any further changes to the Commissioner Team he nominated previously and so the size of the Commissioner Team will reduce to four from 18 March 2024. This, together with the reality that each of the Commissioners are reducing their involvement, is in recognition of the progress being made by the Authority and intended to support a managed transition to reduce and ultimately end the statutory intervention.

I know that Commissioners and Ministers have confidence that you and the Authority will continue to work collaboratively with Commissioners in prioritising the areas of focus that the Commissioners and Secretary of State have set out, in order to support your Authority's ongoing improvement, and to provide the assurance that the Authority's improvements are stable and with a well set improvement trajectory.

I am copying this letter to your Authority's section 151 officer, Monitoring officer and the Commissioners' Office.

Yours sincerely,

Maxwell Soule
Deputy Director, Local Government Stewardship