

Max Soule
Deputy Director, Local Government Stewardship
Department for Levelling Up, Housing and Communities
2 Marsham Street
London
SW1P 4DF

2nd January 2024

Dear Minister,

Thank you for your letter of 13 December, and to Max Soule for his parallel letter to Andrew Lewis. We are grateful for the opportunity to comment on the measures the Secretary of State is minded to take in relation to the Best Value intervention for Liverpool. We are also grateful to the Lead Commissioner Mike Cunningham for his fourth report, which sets out a positive and optimistic assessment of the progress being made at the City Council, particularly over the last six months.

We endorse Mike's positive assessment of progress. Indeed, in the last month since his report was written, further substantial progress has been made. We continue to work closely with the Commissioners, providing regular updates on performance against the criteria they have set for their successful exit, reviewed through six-weekly Commissioner Oversight and Assurance Boards.

Max's letter provides a revised set of functions to be exercised by the Commissioners, and a set of Directions on the Council. We support the proposals for the revised Commissioner functions and welcome the proposal to hand back their powers over appointments, finance, and highways.

Turning to the draft Directions, we understand that your intention is to consolidate those issued in June 2021 and November 2022, remove the areas where Directions have been met, and produce a revised and reduced set of Directions for the period up to June 2024. We were therefore surprised to see some areas newly introduced into the Directions which haven't previously featured. Sections 13A(a), (f) and (h) include new elements not previously subject to Directions, while 13A(b) and (d) introduce financial Directions which run until June 2024 despite the intention to end the intervention on financial matters from March 2024.

While all these matters are being addressed by the Council in practice, we do not think it's appropriate to give them the status of new Directions at this late stage in the intervention process. The Lead Commissioner did not recommend an extension of the Directions, and Ministers have previously assured us they would act on his advice. We would therefore ask you to reconsider the scope of Directions in those areas.

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Once revised Directions are set, we will want to work with Commissioners to establish their clear priorities for their involvement with the Council in the final six months of their current mandate. Given the cost to the Council, it's important that their time is well spent, and focused on the remaining issues of concern. Where we and the Commissioners agree that adequate progress has been made in specific areas, we would expect the Commissioners to reduce their involvement in that area and enable the Council's own members and officers to exercise their proper responsibilities. This approach would help ensure an orderly process of exit from the intervention.

One area where we agree that sufficient progress has not yet been made is in the Council's Property functions, despite intensive work by the lead Commissioner and a great deal of commitment from our staff. We are pleased to have now successfully recruited a permanent Director of Property and are now also securing a technical partner to bring additional capacity from the private sector. We have also established a Property Improvement Board, which we expect to retain well beyond the end of the statutory intervention. We welcome the clarity of the Commissioners' priorities provided by their letter of 4th December and have built those actions into our improvement programme. We have some way to go to deliver the modern approach to our property assets that the city needs, but are confident that we can give you and the Commissioners confidence by June 2024 that the improvement of this service is well set.

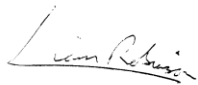
Finally, and separate from the consultation on the draft Directions, we note that the Commissioners have raised the option of intervention extending beyond the end of the current mandate in June 2024, albeit with a limited scope and for a short period of months. We recognise that the Commissioners will approach this issue cautiously and that, given the serious past governance failures that necessitated the original intervention, there may be a reluctance to conclude the intervention on its current timetable. However, as you and the Commissioners have acknowledged, significant progress is being made and will continue. Over the next period until the Commissioners' fifth report, we expect to demonstrate that further statutory intervention would be a disproportionate response to the remaining challenges faced by the Council. In line with DLUHC's *"Best Value Standards and Intervention, a statutory guide for best value authorities"*, we believe there are more appropriate and less interventionist options. We therefore welcome Mike Cunningham's commitment to determine the post-June 2024 position in consultation with the Council and will seek a solution that fits with Liverpool's significantly improved and stable position.

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This letter has been shared in draft with all the political groups represented on the Council and has their support.

Yours sincerely,



Cllr Liam Robinson

Leader of Liverpool City Council



Andrew Lewis

Chief Executive Liverpool City Council

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