



Department for Levelling Up,
Housing & Communities

Simon Hoare MP
Minister for Local Government

Department for Levelling Up, Housing and
Communities
2 Marsham Street
London
SW1P 4DF

Mike Cunningham CBE QPM
Deborah McLaughlin
Neil Gibson
Stephen Hughes
By email

www.gov.uk/dluhc

May 2024

Dear Mike, Deborah, Neil or Stephen,

Thank you for your fifth report dated 15 March 2024, and for the continued work that you have been undertaking in collaboration with Liverpool City Council.

We are publishing your report today, together with the government's response. The Secretary of State and I have considered carefully the findings and evidence presented in your report. We very much welcome the Council's continued progress which your report documents, including your considerable confidence in their political and officer leadership team, and their appetite and ability to drive the improvements needed. We have noted the Commissioners' conclusion and evidence in your report that more council corporate and service functions are already or are approaching stability and "on a well-set improvement trajectory", which were factors you agreed with the Council needed to be demonstrated for the Council to be meeting the best value duty. We also noted the significant improvements in the last 6 months, including: the stability in transport and highways; the arrival of new Directors for People and Organisational Change and Property; improvements in finance including collaborative agreement of the 2024/25 budget; and a new People Plan.

Having reviewed your report and all other relevant information, the Secretary of State is minded to consider that despite the significant improvement, especially over the last year, Liverpool City Council is not yet meeting the Best Value Duty. There are a number of areas which need further improvement, and the Council has not yet had sufficient time to demonstrate that improvements are fully embedded throughout the Council. He is therefore minded to extend the statutory intervention beyond the current scheduled end date of 9 June.

The Secretary of State and I have considered carefully the form that statutory intervention should take. We note that, in order to reflect the progress made, and because there is strong and committed leadership, your report recommended that this could take the form of a statutory panel which could provide oversight, advice, and challenge, underpinned by statutory Directions, instead of continuing with the current Commissioner-led model.

Having considered carefully your report and all other relevant information the Secretary of State is minded to make the following changes to the intervention. First, he is minded to exercise his powers under section 15 of the Local Government Act 1999 ("the 1999 Act") to extend the statutory intervention at Liverpool Council up to and including 31 March 2025 to enable focus on the improvements across the Authority and provide assurances on continuous improvement needed to meet the Best Value Duty. The Secretary of State is minded to change the statutory intervention to a statutory Assurance and Improvement Board (instead of Commissioners), which would provide oversight, advice, and challenge to the Council. Finally, the Secretary of State has proposed the new Directions he is minded to issue to the Council, should he decide ultimately to change the intervention in this way. These proposals are subject to the Council continuing to have a general positive improvement trajectory, securing Cabinet approval for a resourced Property Improvement Programme, and successfully implementing procedures that will ensure the quality and compliance

of decisions in Property, which I ask you to confirm by exception by 13 May 2024. These proposals are subject to sufficient progress being made, particularly in Property.

We are seeking representations on these proposals by 13 May, and will make and announce final decisions as soon as practicable.

The Secretary of State is also considering the composition of the proposed Assurance and Improvement Board; he notes the comments in your report about the importance of continuity and that Mike Cunningham has said he would be content to be appointed as Board Chair, if that were proposed by the Secretary of State. We will of course consider any representations made about the proposals outlined above before announcing a final decision and making any appointments beyond 9 June.

All interested parties are now invited to make representations to the Secretary of State about the reports and the intervention he is proposing by close of Monday 13 May 2024. Once received, the Secretary of State and I will consider carefully all the representations before making a final decision on whether to make the proposed changes to the intervention and issue new Directions to the Council, and on any appointments.

Thank you again for the work you are doing to restore the confidence of local democracy in Liverpool.

I am copying this letter to Liverpool City Council's Leader, Chief Executive, S151 Officer and interim Monitoring Officer, as well as Joanna Killian given her role in drafting the report.

A handwritten signature in black ink, appearing to read 'Simon Hoare', with a long horizontal flourish extending to the right.

SIMON HOARE MP
Minister for Local Government