

Mr James Blythe Deputy Director MHCLG 2 Marsham Street London SW1P 4DF

<u>James.Blythe@communities.gov.uk</u> <u>interventions@communities.gov.uk</u> Professor Steven Broomhead MBE Chief Executive

Town Hall Sankey Street Warrington WA1 1UH

20th May 2025

Dear Mr Blythe

Response to Best Value Inspection Report and Ministerial Recommendations and Direction

Further to your letter of 8th May and the Ministerial recommendations, please find our response.

Since the publication of the Best Value report and the Ministerial recommendations the Council has moved at pace and with determination regarding all the recommendations which the Council fully accepts.

The Council is working pro-actively, co-operatively and at pace to ensure all steps are made to fulfil the improvements detailed in the report and the letter. To evidence this pro-active approach, we have agreed to: —

- Create a new Council Committee (Improvement and Recovery) to oversee the production
 of an Improvement and Recovery Plan within the agreed timescales. The matter has been
 scheduled for the Full Council meeting on the 11th June 2025. We will liaise with you on
 its detailed membership and its Terms of Reference. We would support external
 membership of this committee to include the Envoys and the Local Government
 Association.
- We have agreed to appoint via an open competitive process an additional and new senior officer to lead the improvement and recovery work, and this individual will work closely with the Council's Improvement and Recovery Committee. This will be a permanent appointment. The job description and person specification are available if you wish to see, and the post will be externally advertised before the end of this month. We will also invest new and additional resources into the staff resource regarding governance, risk, audit and legal functions.

- Additional to the new senior officer role we are developing a needs assessment to identify skills, capabilities and capacity needed to deliver the Improvement and Recovery Plan and are in the process of restructuring the organisation to reflect the Councils new memberled core priorities of people, place and public service.
- The Council Leader made a public statement at our Cabinet meeting on the 12th May 2025, and this was also supported by a media release. Both are attached for your information (Annexe 1). All 58 Council Members have been briefed on the serious nature of the report and its recommendations. We have also met and discussed these issues with our Trade Unions. The Leader also made a statement at the Council meeting on the 19th May making it clear that the Council accepts the findings of the report and will move quickly on the recommendations in the Ministerial letter.
- At the Cabinet meeting on 12th May a new member led Corporate Strategy "A Plan for the Borough" was agreed. The plan has 3 core themes, People, Place and Public Service. It was also agreed to develop a new dedicated section of the plan to ensure that all aspects of our improvement and recovery effort, with the appropriate resources are fully recognised and form a central part of the delivery of the workload. The plan also demonstrates an ongoing shift to a more member led organisational culture. The plan also includes a commitment to deliver future financial sustainability including by closing any short or long term budget gaps and in a managed way and reduce the Councils high levels of borrowing. The plan also provides re-assurance to ensure that we improve our grip on risk management and strengthens commercial decision making. Should the Envoys be appointed we will work closely to ensure all elements of the plan are considered and in particular the need for us to demonstrate the duties of Best Value. If you require a copy of the Strategy, then I would be please to provide it to you.
- Also, at the Cabinet meeting on the 12th May we also agreed an action plan to address the recommendations of the DLUHC May 2024 review of the Council's capital risks. I attach the report for your consideration (<u>Annexe 2</u>). All of the DLUHC recommendations have been accepted and acted upon except the appointment of an Independent Investment Advisory Panel. We have for some time been waiting to agree the Terms of Reference of this with you but have not been successful. I would hope that we can move through on this with a potential discussion with the Envoys (<u>Annexe 3</u>).
- Also, at the same Cabinet meeting on the 12th May a report was agreed regarding our compliance against the Chartered Institute of Public Finance and Accountancy Financial Management Code. I attach a copy of the report which can be the basis for further discussion with yourselves/Envoys (<u>Annexe 3</u>).
- At the Full Council meeting on the 16th June there will be a report on the Best Value Inspection Report and the response to Ministerial recommendations. It will also include and undertaking to act on all the recommendations which will be progressed at pace and in co-operation with yourselves and the Envoys (if appointed).

- We have had good informal support with the Local Government Association which will continue as we move through our improvement and recovery process. We have agreed a timetable with the Local Government Association regarding the follow up to their Corporate Peer Challenge Report in 2024. The Peer Team will visit us in October 2025.
- We will work with you on the issue of the backlog of external audit. A timetable will be presented to you.
- We have agreed to appoint an independent person to Chair the Councils Audit and Corporate Governance Committee in line with your recommendation. The recruitment of this person is ongoing, and we would welcome your advice and support regarding this.
- To improve transparency and to add to our existing challenge processes it has also been agreed that a member of the Council's opposition (Liberal Democrats) will chair our Scrutiny Committee from May 19th onwards. We have gone further than the directions set out, taking action to improve our scrutiny function, transparency and challenge process.

For the avoidance of doubt, we fully support <u>all</u> the recommendations contained in paragraph 14 of your letter and the Directions section and each item will have a relentless focus to ensure we comply with the Best Value duty.

We have also agreed to allocate adequate resources to ensure that we are able to effectively meet all of these challenges over a sustained period.

Yours sincerely

Professor Steven Broomhead MBE

Chief Executive