

BEST VALUE PROGRAMME REVIEW BOARD QUARTERLY MEETING

SUPPLEMENTARY AGENDA

Tuesday, 24 January 2017 at 6.00 p.m.

Room MP702, 7th Floor, Town Hall, Mulberry Place, London, E14 2BG

This meeting is open to the public to attend.

Members:

Mayor John Biggs

Aisling Lyon

(Local Intervention and Europe Local Government Policy, Department for Communities and Local Government)

Alex Powell

(Deputy Director, Audit, Intervention & Improvement, Department of Communities and Local Government)

Sir Ken Knight

(Commissioner)

Max Caller

(Commissioner)

Chris Allison

(Commissioner)

Alan Wood

(Commissioner)

Will Tuckley

(Chief Executive)

Contact for further enquiries:

Matthew Mannion, Democratic Services

Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

Tel: 020 7364 4651

E-mail:

Web: <http://www.towerhamlets.gov.uk/committee>

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BEST VALUE PROGRAMME REVIEW BOARD QUARTERLY MEETING

TUESDAY, 24 JANUARY 2017

6.00 p.m.

4 .1 Best Value Plan Update

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Secretary of State letter dated 16 January 2017

Commissioners' letter dated 24 January 2017

Best Value Action Plan workshop action notes 17 January
2017

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Department for
Communities and
Local Government

Mayor John Biggs
Executive Mayor's Office
Tower Hamlets Town Hall
Mulberry Place
5 Clove Crescent
London
E14 2BG

16th Jan 2017

Dear Mayor Biggs,

LONDON BOROUGH OF TOWER HAMLETS: REVISED INTERVENTION PACKAGE

I am writing to inform you that the Secretary of State for Communities and Local Government has today made further Directions under section 15(5) and (6) of the Local Government Act 1999 ("the 1999 Act") in relation to your Authority. I enclose a copy of these Directions.

These Directions amend the Directions issued on 17 December 2014 and are consistent with the Secretary of State's 'minded to' letter of 2 December 2016 regarding the return of the grants-making functions to the Authority, subject to oversight arrangements, and to end the Commissioners' oversight of the processes and practices your Authority adopts for entering into contracts. In all other respects, the December 2014 Directions remain unchanged.

My letter of 2 December set out the context for those proposed Directions and the Secretary of State's reasons for making these proposals. My letter also invited your Authority to make such representations as it wished about the Secretary of State's proposals. On 15 December the Secretary of State received representations from you.

The Secretary of State is satisfied that the processes and practices your Authority adopts for entering into contracts, including how it implements its written procurement policies and procedures, are now compliant with the Best Value Duty. He has therefore decided to revoke the Direction issued to your Authority on 17 December 2014 (paragraph 7 of Annex A).

The Secretary of State is also satisfied that your Authority is now able to exercise functions in relation to the making of grants under any statutory power or duty, in compliance with the requirements of Part 1 of the 1999 Act. However the

Alex Powell
Deputy Director – Local Government Stewardship
Department for Communities and Local Government
2nd Floor North East Corner, Fry Building
2 Marsham Street
London SW1P 4DF

E-mail: alex.powell@communities.gsi.gov.uk

exercise of these functions should be subject to oversight arrangements to enable the Commissioners to advise and scrutinise the Authority and ensure its compliance with the Best Value Duty. The Secretary of State has therefore decided to revoke paragraphs 1 and 2 of Annex B to the 17 December 2014 Directions and to issue further Directions under section 15(5) and 15(6) of the 1999 Act in relation to Commissioner oversight arrangements.


The Secretary of State notes the comments you make regarding the importance of the Authority being able to undertake this function without the need for case-by-case approval from the Commissioners. He also notes your request for further clarification on this matter. The Secretary of State believes it should be a matter for the Commissioners, given their expertise in local government and specifically in Tower Hamlets, and the opportunity they will have to look closely at the details of these matters and how they will work in practice, to decide exactly what arrangements should be put in place. Likewise, it may be sensible for the Commissioners to grant block approval to certain types of grants; the Secretary of State believes that this is most appropriately decided by a discussion between the Commissioners and the Authority.

The Secretary of State welcomes your update on the by-election in the Ward of Whitechapel, held on 1 December, and your observation that it was well planned and well conducted. He also notes your appeal to reconsider his position on related Directions. The Secretary of State remains of the view that he is not minded to return functions in relation to the appointment of persons to and the removal of persons from the statutory offices of Electoral Registration Officer and Returning Officer for Local Elections (paragraphs 3 and 4 of Annex B to the 17 December 2014 Directions) to the Authority at this time. However he will consider this and related evidence in any future decisions he will take in respect of these Directions.

In recognition of progress made by the Authority over the past two years, the Secretary of State confirms that he intends to reduce the Commissioner team from four to three. He notes your concern regarding the cost of supporting Commissioners to local taxpayers. The Commissioners ensure that their time spent on Tower Hamlets business is proportionate.

The Secretary of State would like to take this opportunity to express his disappointment with having to cancel his visit to Tower Hamlets last month due to urgent parliamentary business. He hopes to reschedule the visit soon and his office will be in touch shortly to finalise arrangements.

I am copying this letter to your Authority's Chief Executive, Section 151 Officer, Interim Head of Legal Services, and to the Commissioners' office.

Regards,


ALEX POWELL

DIRECTIONS UNDER SECTION 15(5) AND (6) OF THE LOCAL GOVERNMENT ACT 1999 TO THE COUNCIL OF THE LONDON BOROUGH OF TOWER HAMLETS 2014

WHEREAS

1. The Secretary of State for Communities and Local Government (“the Secretary of State”) has carefully considered the following in respect of the council of the London Borough of Tower Hamlets (“the Authority”):
 - a. the Mayor of Tower Hamlets’ third six monthly report on progress against the Council’s Best Value Strategy and Action Plan, received by the Secretary of State on 20 September 2016;
 - b. the Tower Hamlets Commissioners’ report on progress with the intervention in Tower Hamlets, received by the Secretary of State on 11 October 2016; and
 - c. the representations made to him on 15 December 2014 by the Authority on the proposed revised intervention package.
2. The Secretary of State is satisfied that the Authority is able to exercise functions in relation to the making of grants under any statutory power or duty (paragraphs 1 and 2 of Annex B to the 17 December 2014 Directions), in compliance with the requirements of Part 1 of the Local Government Act 1999 (“the 1999 Act”). However the Secretary of State considers that the Authority’s exercise of these functions should be subject to oversight arrangements to enable the Commissioners to advise and scrutinise the Authority and ensure its compliance with the best value duty.
3. The Secretary of State is also satisfied that the processes and practices the Authority adopts for entering into contracts, including how it implements its written procurement policies and procedures, are now in compliance with Part 1 of the 1999 Act.
4. The Secretary of State, having considered the representations made by the Authority as required by section 15(9) of the 1999 Act, considers it necessary and expedient in accordance with his powers under section 15(5) and (6) of the 1999 Act, to direct the Authority as set out below in order to secure the Authority’s compliance with the requirements of Part 1 of the 1999 Act, including the specific requirements of the Directions under section 15(5) and (6) of the 1999 Act issued on 17 December 2014.

NOW THEREFORE

5. Pursuant to his powers under section 15(5) and (6) of the 1999 Act, the Secretary of State directs the Authority to take the actions set out in the Annex to these Directions.

6. These Directions remain in force until 31 March 2017.

Signed on behalf of the Secretary of State for Communities and Local Government.

A handwritten signature in black ink, appearing to read 'Alex Powell', with a horizontal line underneath.

Alex Powell

A Senior Civil Servant in the Department for Communities and Local Government

Date: 16 January 2017

ACTION THE AUTHORITY IS REQUIRED TO TAKE

In this Annex, the following expressions have the following meanings:

“the Authority” includes the Mayor, the Cabinet Members, any committee of sub-committee and any other person who has responsibility for the matter in question;

“the Direction Period” means the period beginning with the date of these Directions and ending on 31 March 2017;

“member of the Authority” includes the Mayor.

The actions to be taken by the Authority are:

- 1) For the Direction Period, subject to paragraph 2, to exercise under the direction of, and to the satisfaction of, the Commissioners all functions relating to the making of grants under any statutory power or duty, including any grants made pursuant to section 1 of the Localism Act 2011 (local authority’s general power of competence).
- 2) For the purpose of paragraph 1,
 - (a) paragraph 1 does not apply to grants made for the purposes of section 23 of the Housing Grants, Construction and Regeneration Act 1996 under section 24 of that Act (i.e. Disabled Facilities Grant);
 - (b) functions include any functions incidental or consequential to the making of grants other than any functions provided for by Chapter 3 of Part 1 of the Local Government Finance Act 1992.
- 3) The Authority will be obliged to continue to undertake the actions outlined in paragraphs 2, 3, 4, 5, 6, 8, 9, 10 and 11 of Annex A and paragraphs 3, 4 and 5 of Annex B to the 17 December 2014 Directions for the retained functions.

Enquiries to:

Tower Hamlets Commissioners
Tower Hamlets Town Hall
6th Floor Mulberry Place
5 Clove Crescent
London
E14 2BG

Commissioners@towerhamlets.gov.uk

www.towerhamlets.gov.uk

Mayor John Biggs and Will Tuckley, Chief Executive
London Borough of Tower Hamlets
Mulberry Place
5 Clove Crescent
London
E14 2BG

24 January 2017

Dear Mayor and Chief Executive,

Revised Intervention Package- New Direction on Grants

The Secretary of State, in his letter dated 16th January 2017, noted that how Commissioners would operate the Direction requirement to direct and be satisfied with the exercise of the Authority's functions with respect to Grants would be determined locally. This letter sets out the Commissioners initial views and approach.

On arrival in Tower Hamlets, Commissioners established a set of key principles which has modelled the way in which grants have been determined under the original Directions.

1. All decisions, as far as possible, would be taken in public and on the basis of a written report which is published in advance.
2. When emergency grant award decisions are required on the basis of the published scheme and which cannot wait for a scheduled meeting in public, the decision will be reported in public to the next scheduled meeting.
3. A cross-party group of Councillors should be established to scrutinise reports before each Decision Taking meeting in public with the right to provide advice on any element they consider appropriate. The Council has implemented this by setting up a Grants Scrutiny Sub-Committee of Overview and Scrutiny with appropriate terms of reference.
4. All decisions are guided by a published policy framework which has been subject to consultation before adoption.

Commissioners believe that these fundamental elements should be continued and as necessary enhanced. It will, of course be open to the Council to develop and adopt changes to its policy platform. However, decisions must

Sir Ken Knight CBE QFSM | Max Caller CBE | Chris Allison CBE

always be guided by the policy platform currently approved until it is formally changed. It follows that officer advice and recommendations can only be based on established Council policy and all reports, both for public decision making meetings and emergency decisions, should be prepared on this basis.

The Council has an established process for preparing and drafting reports destined for the grants determination meetings which involve Commissioners and have normally been attended by a Deputy Mayor. These should continue under arrangements to be established by the Mayor with a Commissioner present, which will enable any issues of non-compliance with policy to be identified and resolved.

Commissioners have taken a relatively restrictive view on delegation to officers and, when delegation has been agreed, to grant it on the basis that the results of decisions taken under delegated powers are reported on a regular basis so that both the individual decision and the cumulative impact can be made public. This has had the benefit of drawing both Members and the public's attention to often hidden parts of the Council's activity.

Commissioners have also required that grants are monitored with respect to geographic coverage of the Borough's area and achievement of the objectives sought and this should continue taking account of the observations of the Grants Scrutiny Sub-Committee.

Commissioners intend that the oversight function required by the new Direction will be exercised by Commissioner Max Caller CBE who should be in attendance at all relevant meetings.

On this basis there should not be any need to intervene on any specific decision at the new Cabinet Sub-Committee which will be attended by Mr Caller.

Yours sincerely,



Sir Ken Knight,
Lead Commissioner



Max Caller,
Commissioner



Chris Allison,
Commissioner

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE BEST VALUE ACTION PLAN WORKSHOP

HELD AT 13.30 ON TUESDAY, 17 JANUARY 2017

6TH FLOOR CONFERENCE ROOM, MULBERRY PLACE

Present:

Max Caller	(Commissioner)
Chris Allison	(Commissioner)
Will Tuckley	(Chief Executive)
Zena Cooke	(Corporate Director Resources)
Aman Dalvi	(Corporate Director Place)
Graham White	(Interim Corporate Director Governance)
Andreas Christophorou	(Divisional Director, Communications & Marketing)
Sharon Godman	(Divisional Director, Strategy, Policy and Equality)
Afazul Hoque	(Service Manager, Strategy and Performance)
Ann Sutcliffe	(Divisional Director, Property and Major Programmes)
Louise Stamp	(Elections Manager)
Louise Fleming	(Strategy Policy and Performance Officer, Corporate Strategy and Equality)

APOLOGIES FOR ABSENCE

Apologies for absence were received from Sir Ken Knight, Lead Commissioner.

1. WELCOME AND PURPOSE OF THE WORKSHOP

The Chief Executive welcomed those present and outlined the purpose of the workshop was to update on progress since the workshop on 6 December 2016; and ensure that the Commissioners have all the evidence they require to make their recommendations to the Secretary of State on the conclusion of the current Direction period.

The Commissioners added that they would need to write to the Secretary of State with their report by mid-February 2017. Therefore all the evidence would need to be in place by that point. For example, the timetable for the appointment of the Corporate Director

Governance would need to be brought forward in order that the longlisting exercise had taken place by mid-February.

The Chief Executive advised the workshop that the Secretary of State had written on 16 January 2017 discharging the Direction relating to Procurement and asked those present to focus on the remaining actions in the workshop.

ACTION:	LEAD:	DEADLINE:
Review timetable for recruitment to Corporate Director Governance to ensure that longlisting had taken place by mid-February	Interim Divisional Director HR and Transformation.	24 January 2017

2. APPOINTMENT OF MONITORING OFFICER – UPDATE

The Chief Executive advised that the recruitment timetable was being revised following comments previously received from the Commissioners to ensure that there was some flexibility in March. The Commissioners requested an update on the timetable to the Best Value Board on 24 January 2017.

ACTION:	LEAD:	DEADLINE:
Finalise timetable for recruitment to Corporate Director Governance; and report to the Best Value Board on 24 January 2017	Interim Divisional Director HR and Transformation.	24 January 2017

3. ELECTIONS

The Chief Executive and Returning Officer advised that the Secretary of State had stated in his letter that he did not feel able to discharge the Direction relating to the appointment of the RO and Deputy RO at this time. This arose because of the timing of the Whitechapel by-election.

The Government produced their response to Sir Eric Pickles' review in December 2016. Government supported Sir Eric's suggestion that pilot schemes should take place in local authority areas which had previously experienced significant cases of electoral fraud or which are considered to be at high risk of fraudulent activity. Tower Hamlets is one of the authorities identified in the response.

The pilots will look at how ID at polling stations could be implemented to test the impact of voter ID schemes on protection against fraud.

In evidence to the Pickles review the Council had previously argued that voter identification should be seriously explored. A meeting would be taking place with the Cabinet Office on 28th Feb 2017 to discuss the form that the pilot would take and what role the Council could play. The Council will also be attending the Electoral Integrity Summit in February 2017.

The Elections Manager tabled a briefing note setting out the preparatory work for the 2018 Mayoral and Council elections, including bespoke training and looking into options for pre-folded and colour coded ballot papers.

The Commissioners suggested that one option would be for a proposal be drawn up for a resident card or similar scheme, such as those operating successfully in other Boroughs, in preparation for the meeting with the Cabinet Office as there could potentially be Cabinet Office funding for such a scheme, which could be used in an ID pilot.

ACTION:	LEAD:	DEADLINE:
For the meeting with the Cabinet Office on 28 February 2017, prepare proposals for a scheme for use in an ID pilot.	Chief Executive / Elections Manager	Mid-February
Early engagement with new Met Police Commissioner to ensure continued Police support for the election planning and delivery.	Chief Executive / Elections Manager	tbc

4. COMMUNICATIONS

The Divisional Director Communications and Marketing presented on the progress against the remaining actions in the Communications Business Plan: a completed team structure; determining the cost of publications; ensuring the effective delivery of campaigns; and the resolution of the future of statutory public notices. All actions had been completed.

The Commissioners felt that it would be helpful to set out for the Secretary of State how the Council maintains editorial control over the columns submitted by the Group Leaders to ensure that they comply with the Code of Practice.

ACTION:	LEAD:	DEADLINE:
Include the guidelines for	Divisional Director	24 January 2017

political group leader columns as part of the Communications Update to the Best Value Board on 24 January 2017	Communications and Marketing	
Include the timeline for procurement for publication of statutory notices in the Communications Update to the Best Value Board on 24 January	Divisional Director Communications and Marketing	24 January 2017

5. PROPERTY

The Corporate Director Place gave a presentation setting out the progress against the remaining actions in the Property Best Value Action Plan.

ACTION:	LEAD:	DEADLINE:
Email timeline for redevelopment of Mellish Street to Commissioners	Divisional Director Property and Major Programmes	31 January 2017
Review the timetable for the governance review to ensure that evidence is available for Commissioners by mid-February	Divisional Director Property and Major Programmes	31 January 2017
Review timetable for asset reviews and service delivery plans and advise Commissioners, setting out what will be completed, by when and actions already completed	Divisional Director Property and Major Programmes	31 January 2017

6. GRANTS

The Corporate Director Resources advised that the Secretary of State had written to the Council on 16 January 2017 issuing a new Direction which handed decision making powers back to the Council, with Commissioner oversight of the process. The form which this oversight would take would be agreed between the Council and the Commissioners.

ACTION:	LEAD:	DEADLINE:
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Further discussion take place with the Commissioners to agree the form the oversight of the Grants Determination Sub-Committee process would take.	Corporate Resources	Director	31 st January 2017
Further discussion take place with the Commissioners on the restructure of the Third Sector Grants Team.	Corporate Resources	Director	31 January 2017

7. ORGANISATIONAL CULTURE

The Interim Corporate Director Governance gave a detailed presentation on the progress made with the Organisational Culture Best Value Action Plan.

ACTION:	LEAD:	DEADLINE:
Develop a Memorandum of Understanding between Group Leaders and Chief Whips to drive up standards of behaviour	Interim Corporate Director Governance	31 March 2017
Ensure that the recruitment consultants collate information and make recommendations within an agreed timescale to ensure longlisting can take place by mid-February for the Corporate Director Governance role.	Chief Executive / Interim Divisional Director HR and Transformation	24 January 2017
Factor in a Lessons Learnt report into the Clear Up Team schedule, to report to the appropriate Council committee(s) at the end of the process.	Interim Corporate Director Governance	June 2017
Prepare a position statement on the Clear Up Team work for mid-February	Interim Corporate Director Governance	Mid-February
Guidance document on the Clear Up Team to be circulated to the	Interim Corporate Director Governance	20 January 2017

Commissioners		
Consideration be given to an annual reminder for Members to review their Declaration of Interest form.	Interim Director Governance	Corporate Governance May - annually

8. NEXT STEPS

The Chief Executive thanked those present advised that the notes of the workshop would be circulated ahead of the Best Value Board on 24 January 2017.

ACTION:	LEAD:	DEADLINE:
Circulate action notes	Divisional Director, Strategy, Policy and Equality	24 January 2017

Workshop finished at 3.04pm