

# Human Resources Committee

**Thursday, 16 May 2024 at 6.30 p.m.  
Committee Room - Tower Hamlets Town Hall,  
160 Whitechapel Road, London E1 1BJ**

## Supplemental Agenda 4 – Transformation proposals

### 4.6 CEO Update on Council Transformation (Pages 3 - 30)

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<p>Non-Executive Report of the:</p> <p><b>Human Resources Committee</b></p> <p>16 May 2024</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Stephen Halsey, Chief Executive</p>	<p><b>Classification:</b> Part exempt</p>
<p><b>Overview of the Next Phase of the Corporate Restructure</b></p>	

<b>Originating Officer(s)</b>	Stephen Halsey, Chief Executive
<b>Wards affected</b>	All wards
<b>Exempt information</b>	<p>This report and/or its appendices include information that has been exempted from publication as the Monitoring Officer:</p> <ul style="list-style-type: none"> <li>• has deemed that the information meets the definition of a category of exempt information as set out in the Council’s Access to Information Rules; and</li> <li>• has deemed that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</li> </ul> <p>The exempt information is contained in</p> <ul style="list-style-type: none"> <li>• Appendices 2 and 3</li> </ul> <p>The exempt information falls into this category:</p> <p>3. Information relating to the financial or business affairs of any particular person (including the authority handling the information)</p>

**Special circumstances justifying urgency consideration / Reasons for urgency**

Work to complete this report took longer than expected. However, it is vital that the Committee notes the following restructure proposals at this meeting to ensure that members have the ability to inform and steer the Council’s transformation agenda.

**Executive Summary**

Following the appointment of the Chief Executive in July 2023, Tower Hamlets Council embarked on its ambitious ‘People First’ transformation journey. As covered in the ‘Transformation Journey’ paper considered at Cabinet on the 16<sup>th</sup> May, there has been significant progress made in these key areas:

- Fostering a more collaborative and performance-driven culture.
- Securing greater financial understanding, compliance & stability.
- Embedding a resident-centric focus.
- Demonstrated measurable progress across key performance indicators and achieved external recognition.

- Making significant strides in the delivery across all strategic priorities.
- Ensuring continued adherence to the Best Value Duty.

Moving the organisation to a new Target Operating Model is a key part of this Transformation Journey. This report: updates the HR Committee on changes made so far; sets out the strategic outline and timetable for the next phases of the corporate restructure and brings forward proposals to improve areas that need focused support now including:

- Strengthening core functions including HR, Procurement, and Scrutiny functions.
- Optimising the Corporate Centre to establish a leaner, but more effective central structure.
- Mainstreaming elements of the Mayor's Office to seamlessly integrate with the broader council operations.
- Addressing challenges in Housing and Regeneration, with a focused restructure of this directorate to address several pressing issues including new regulatory and consumer standards, a challenging external environment, and the insourcing of THH.

## **Recommendations:**

The Human Resources Committee is recommended to

1. Note progress on the organisation's transformation journey so far, the strategic framework and timetable for Phase 2 of the corporate restructure and proposals to strengthen HR, Procurement and Scrutiny functions.

## **DETAILS OF THE REPORT**

### **1. Phasing and Strategic Drivers for the Corporate Restructure**

**1.1** Tower Hamlets is committed to continuous improvement. This corporate restructure will move the council to a new Target Operating Model, supporting the council to:

- Deepen resident engagement with enhanced consultation
- Build on long-term financial strength for sustainable service provision
- Drive innovation and efficiency through empowered directorates
- Enable a highly skilled and motivated workforce

**1.2 Phase 1** (agreed in August 2023) split the Place Directorate into Communities and Housing and Regeneration, creating an additional Corporate Director role and built senior capacity to deliver insourcing commitments.

**1.3 Phase 2** of the corporate restructure will resolve key risks in the Corporate Centre and Housing and Regeneration Directorates that need focused, corporate attention now:

- a. The current HR Function is experiencing growing challenges and is not fully meeting the needs of the council. This is leading to frustration across the organisation and hindering efforts to achieve optimal performance. *Appendix 2* sets out the case for change and plans to resolve these issues.

- b. Procurement challenges and action being taken to mitigate these are summarised in *Appendix 3*.
- c. The Scrutiny function is an important part of the governance arrangements of the Council and a key element of the Council's arrangements to ensure continuous improvement and meet its statutory best value duty. A report going to Cabinet on the 16.05.2024 identifies areas for improvement in the Council's Scrutiny function and a set of dedicated actions to address them. It calls for Cabinet to note, endorse and or approve these actions. A Scrutiny Improvement Plan is being considered at Cabinet on the 16<sup>th</sup> May 2024, the paper is included for information as *Appendix 4*.
- d. The Corporate Centre will be redefined and the current hub and spoke model for provision of key transformation, improvement, performance and strategic support services revisited. This review will be completed within the next three months.
- e. Executive Support will move from being a centralised function to being directly accountable to Corporate Directors and Directors.
- f. The Mayoral Office structure was established to meet a need at a point in time. Mutual trust, confidence and effective working processes between the respective leadership teams creates an opportunity to disband the current arrangement and adopt a mainstreamed integrated approach to meeting the council's priorities. The plan to mainstream the Mayor's Office and future structure is set out in *Appendix 5*.
- g. With new regulatory and consumer standards, a challenging external environment and the insourcing of THH there is a need to restructure the Housing and Regeneration Directorate to: align functions currently sitting across different Director responsibilities and ensure we are set up to meet these challenges in the short to medium term.
- h. The new structure will also provide greater focus on key strategic objectives for Housing and Regeneration e.g. all activity related to the delivery of new homes will come under one Director.

**1.4 Phase 3** (from October 2024) will complete organisation's move to a new Target Operating Model. There are limited changes at this stage to Health and Adult Social Care, Communities and Children's Services Directorates. Following the appointment of new Corporate Directors these Directorates will be reviewed and structural changes considered as part of Phase 3 of the corporate restructure. Any additional structural changes considered necessary to bring the Council into full alignment with the new target operating model will also be made at this stage.

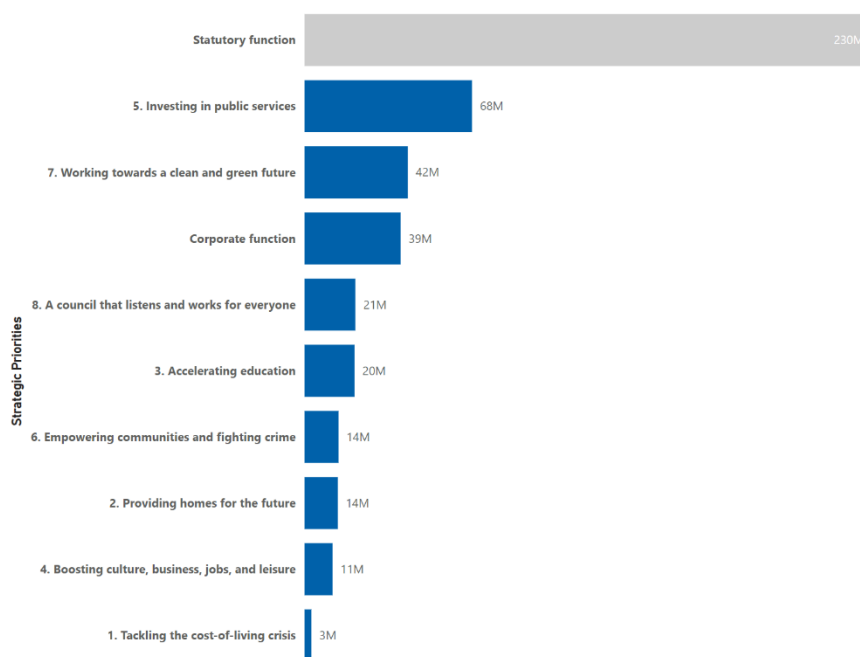
**1.5** The CEO will progress these changes as informed by the outcome of consultation, organisation change procedure and in accordance with the council's constitution.

## **2. Additional context and principles for the proposed restructure**

**2.1** The Tower Hamlets Strategic Plan (2022 – 26) embeds the Mayor's vision for the Tower Hamlets. It also sets out our ongoing work to improve the Borough and meet and exceed the standards we are held to account to deliver. The Strategic Plan sets out an ambitious delivery agenda across these 8 priorities:

- Tackling the cost-of-living crisis: with measures including freezing council tax for four years, and additional financial support for residents
- Providing homes for the future: By working with developers and housing associations to deliver a minimum of 1000 social homes for rent each year.
- Accelerating education: through a series of learning interventions and financial support, investing in youth services, and increasing opportunities for younger people to go into further education.

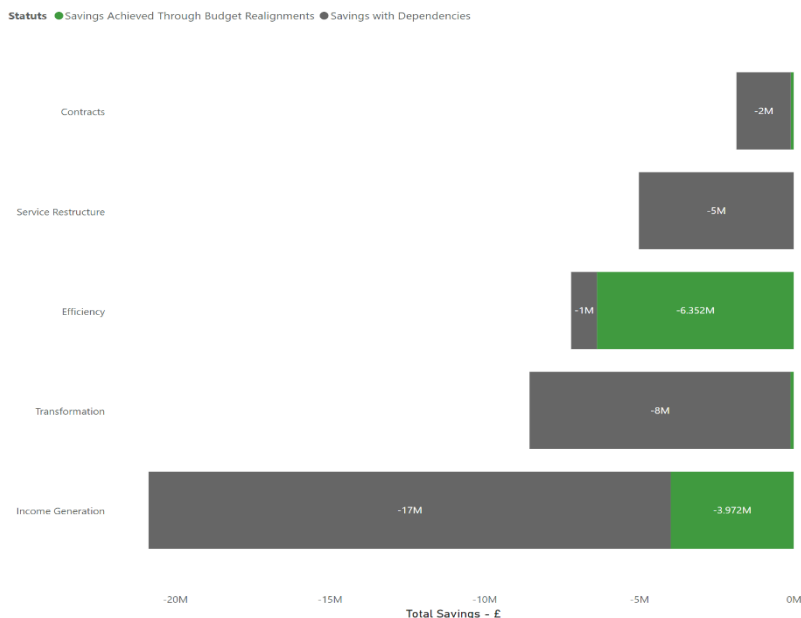
- Boosting culture, business, jobs, and leisure: with measures including supporting small businesses, start-ups, and markets; creating jobs and training opportunities; and one hour free parking at our markets.
- Investing in public services: for example by bringing outsourced services back into public hands.
- Empowering communities and fighting crime: for example by working with the police to have more uniformed officers on the streets.
- Working towards a clean and green future: by establishing a Mayor’s advisory board to guide our response to climate change and a host of green measures including green heating systems on housing estates and electric vehicle charging.
- A council that listens and works for everyone



**Diagram 1: Budget by priorities**

**2.2** The new TOM and structure the council is moving towards supports the delivery of these objectives, ensuring we have the skills, capacity and leadership to deliver on our ambitions.

**2.3** The objective of the departmental approved restructures agreed as part of the budget setting process was cost reduction, and these agreed changes will take place. The objectives of this wider organisational structure exercise are wholly service improvement focussed and do not relate to further savings requirements.



**Diagram 2: MTFS Savings by Directorate, secured and to deliver.**

### **3. New Target Operating Model**

**3.1** The new Target Operating Model was sufficiently developed to guide the structural changes that the council needed to make as part of phase 1 of the corporate restructure.

Development of the new TOM has included comprehensive engagement with all stakeholders, including staff, council members, the Young Mayor, community groups, and, most importantly, the residents themselves. Phases 2 and 3 of this corporate restructure will continue to move the organisation to this new TOM.

**3.2** The final version of the TOM, launching in October 2024, will be accompanied by a clear and accessible blueprint, developed in-house.

**3.3** The new TOM is built upon the following six core principles, that will guide decision-making and shape the council's new way of working:

- Value-driven and cost-effective: prioritises efficient resource allocation while maximising resident value.
- Community-led: places residents at the centre of decision-making processes, where it impacts them.
- Collaborative: promotes teamwork and knowledge-sharing across the council.
- Transparent: ensures clear communication and open access to information.
- Empowered to innovate: encourages directorates to lead creative solutions to improve resident services.
- Accountable: establishes clear lines of accountability for achieving resident-focused outcomes.



**Diagram 3: Draft new Target Operating Model (April 2024)**

**3.4** Alongside developing the new TOM the council has built the corporate capacity and created the governance needed to deliver this transformation programme, including a new Transformation Management Office, Transformation Dashboard, and governance framework that includes the external expertise of the Transformation Advisory Board, to support and steer the council’s transformation.

#### **4. Previous Structure and Operating Model:**

- 4.1** In 2022 there were five directorates including the Chief Executive’s Office: Resources, Place, Children and Culture and Health Adults and Community (see *Appendix 1*).
- 4.2** Early in the previous administration’s tenure the decision was taken to reduce the number of directorates from five to four. Services that sat within the Directorate of Communities Localities and Culture were shared out amongst the remaining Directors. A 2023 review of this structure found that some Directorates were demonstrably too large to manage effectively. Service adjacencies within some directorates lacked synergy and the original core focus of these directorates was diluted. With the commitment to insource: Tower Hamlet’s Homes, Waste, Leisure Services and the Youth Service, these Directorates would have become even bigger, making them still more complex and difficult to manage.
- 4.3** The previous Tower Hamlets TOM and blueprint were internally focused and financially driven, as opposed to customer driven and did not address some of the most pressing issues facing the borough, such as poverty, crime, and inequality (see 3.3.2 of the *Transformation Journey report, attached as Appendix 6 for information*).

#### **5. Phase 1 of the Corporate Restructure:**

- 5.1** The first phase of the restructure moved the Council to a 5 Directorate structure in August 2023 to assist the Council in developing more efficient and effective services and improving corporate grip and performance. Realigning services and strengthening senior oversight also enables the Council to better focus on its statutory obligations and compliance with



national policy and programmes. The current structure (including first phase changes) and previous structure are shown in *Appendix 1*.

- 5.2** Through this service realignment, the Directorate of Place became Housing and Regeneration. The Directorate of Children and Culture became Children's Services. The Directorate of Health, Adults and Community became Health and Adult Social Care.
- 5.3** The creation of the new Communities Directorate involved the transfer of Public Realm, Community Safety and Culture functions from the Place, Health Adults and Community and Children and Culture Directorates respectively. The Community Languages Service was transferred to the Director of Education.
- 5.4** In the case of the Housing and Regeneration Directorate Phase 1 structural changes supported the necessary focus on insourcing of Tower Hamlets Homes and responding to the Cost-of-Living Crisis. Phase 2 of the restructure builds on this work to fully integrate THH.
- 5.5** Now these structural changes have taken place:
- The Directorate of Children's Services can focus upon raising educational attainment in schools and supporting and safeguarding young people.
  - The Directorate of Health and Adult Social Care can focus more consistently upon improving the health and wellbeing of the community.
  - The new Communities Directorate can better exploit the compatibilities that exist between the services that have been brought together within it. For example, street cleanliness is a key factor in perceptions of public safety and links to Community Safety.
  - By creating the Communities Directorate capacity is freed up in the new Housing and Regeneration Directorate to cope with the addition of the housing management functions carried out by Tower Hamlets Homes
  - The structural changes already made to the Housing and Regeneration Directorate support the necessary focus on insourcing of Tower Hamlets Homes, housebuilding and responding to the Cost-of-Living Crisis.

## **6. Operational restructures in the MTFS**

- 6.1** Phase 1 of the restructure commissioned a series of detailed efficiency reviews, carried out by the management teams of each Directorate. These reviews, supported by the work of CMT, the new Efficiency and Budget Boards and a targeted early retirement/ voluntary redundancy programme generated additional proposals for structural changes within and between directorates. As a result 16 operational restructures were committed to in the MTFS, with a saving target of £5m and are now being progressed.
- 6.2** These operational restructures are distinct from the strategic, corporate restructure addressed in this paper, however realising the savings for some of these operational restructures is dependent on Phase 2 of the corporate restructure. An update on how these restructures are progressing went to Budget Board on 25/04/2024.
- 6.3** In addition a paper on 'Improving Homelessness Service' at Cabinet on the 16/05/2024 proposes new roles to manage increasing demand and complexity and deal with the backlog in existing cases.

## **7. Impact of ER/ V.R**

- 7.1** In November 2023 Council launched the Early Retirement / Voluntary Redundancy scheme. By 5<sup>th</sup> January 2024, of 4629 eligible employees, 245 expressed interests in the scheme. Among the 245 applicants, 58 were approved. Out of approved applicants, the cost of exit for 8 employees exceeded £100k.

**7.2** ER/VR scheme incurred a one-off cost of £3.3 million and ongoing savings of £2.9 million for year 1. In just over a year, the Council will break even and will continue to accrue savings throughout the current MTFS lifespan. Below please find the breakdown of the costs, savings, and payback period by Directorates and for the entire council:

<b>DIRECTORATES</b>	<b>Cost</b>	<b>Savings (year 1)</b>	<b>Payback</b>
<b>Resources</b>	£ 1,557,113.05	£ 1,381,824.16	1.13
<b>Communities Housing &amp; Regeneration</b>	£ 1,033,282.00	£ 691,225.00	1.49
<b>Children's HASC</b>	£ 399,304.25	£ 519,974.00	0.77
<b>CEX</b>	£ 194,485.16	£ 239,304.28	0.81
	£ 92,314.98	£ 53,788.20	1.72
	£ 57,808.79	£ 81,750.00	0.71
<b>GRAND TOTAL:</b>	<b>£ 3,334,308.23</b>	<b>£ 2,967,865.64</b>	<b>1.12</b>

Diagram 4: Impact of ER/VR

**7.3** It is projected that by deleting the posts of the exiting employees, the savings in year 2 will reach £5.9 million and by year 3 – the Council will have saved £8.9 million. Work is underway with the Heads of Services to determine the status of the ER/VR approved employee posts. The revision to working arrangements or exit on redundancy or retirement must take place by Friday 31 May 2024.

## **8. Pilot to introduce Assistant Director roles**

**8.1** As of Phase 2 we will pilot a new Assistant Director level with four new roles. These Assistant Director roles will be piloted in Resources and Housing and Regeneration where we can use the new posts to create efficiencies, compete effectively with other organisations where there is a difficult recruitment market to attract and retain the best staff and to provide appropriate senior oversight and drive for areas with complex delivery challenged e.g. housing delivery.

**8.2** As well as improving career development and our ability to attract and retain the best staff in areas where there is strong market competition, these AD roles are needed to move the organisation to a smaller, stronger corporate centre with appropriate oversight and controls. In some areas AD roles could help us rationalise multiple layers of management into a more coherent and cohesive structure driving out more efficiencies.

**8.3** If this pilot is judged successful by the CEO, additional AD roles may be introduced subject to further discussion with the Executive.

***The following section covers the objectives and rationale underpinning each Directorate's restructure proposals in turn (detailed proposals will be brought forward and are subject to organisational change procedure).***

## **9. CEO's Office restructure proposal**

**9.1** A lean CEO's Office will support the Chief Executive to focus on strategic questions and outward facing responsibilities including:

- strengthening corporate decision making and accountability and ensuring that the whole organisation mobilises behind our ambitious delivery agenda
- strengthening our relationships across the sector and with Government to share and learn from best practice, influence policy making and attract policy pilots and new initiatives

- ensuring our Strategic Partnerships are realising transformational benefits for our residents and place
- overseeing the development of corporate wide initiatives and transformation
- Fulfilling statutory Head of Paid Service role and line managing Corporate Directors

**9.2** This Division will be led by a new Assistant Chief Executive post (Director level) with responsibility for: Comms; Corporate Performance; Oversight; Strategy and Transformation. These functions, alongside the wider Strategy, Improvement and Transformation functions across the organisation will be reviewed over the next 3 months (see section 15).

**9.3** Other corporate functions currently in the CEO's Office including the Mayor's Office, Legal and Scrutiny functions will, subject to the organisation change procedures, move to the Resources Directorate where they will be better integrated and supported.

**9.4** The Corporate Director Resources is the Deputy CEO.

## **10. Resources restructure proposal**

**10.1** The Resources Directorate restructure will comprise a stronger core of central services equipped with the expertise and the capacity to support empowered operational and embedded support teams across the council. This restructure acts to resolve pressing risks that need focused corporate attention and investment now and brings forward detailed plans to mainstream the Mayor's Office and improve the: HR; Procurement and Scrutiny functions.

**10.2** Subject to the Council's Organisation Change procedures, The **Communities and Inclusive Growth Division** will include:

- A mainstreamed, 7 person **Mayor's Office** focused on the Mayor's Executive Support alongside a small Strategy and Policy Liaison function (*see Appendix 5*)
- A **Customer Services** team designed to maximise the benefits of the new, accessible Town Hall bringing together a refined Front Office, Resident Hub's including the Town Hall and Town Hall FM.
- **Community Growth**, bringing together strategic Economic Development, and Equality and Inclusion work with employment, skills and support for small businesses.

**10.3** The **Legal and Democratic Services Division** will, subject to the Council's organisation change procedures, move to Resources with new responsibilities including: registrars; scrutiny; information governance; complaints; fraud and investigations and our compliance with the public sector procurement rules.

**10.4** The **HR and OD Division** will include the 12-month Capacity Team to deliver the MTFS and IT. Detailed plans to strengthen the HR and OD functions are included as *Appendix 2*. This will include senior recruitment, a move to a business partnering model and an opportunity to re-set the reputation of the service and build better relationships across the organisation.

**10.5** The **Finance Division** introduces 2 new Assistant Director roles to strengthen our Business Partnering, real time financial reporting and strong treasury and capital governance. The Financial Services function will cover revenues, benefits, Business Rates, Temporary Accommodation, Rent Collection, Debt Management and Hardship Support. The function will help us understand holistic user journeys and collect revenue and debt in a contemporary, humane way, improving the Customer journey and collection rates. Grants programmes administered by the Corporate Centre will also sit here.

## **11. Housing and Regeneration Restructure Proposal**

**11.1** This new Directorate, created in 2023 as part of Phase 1 of the corporate restructure faces significant challenges meeting its strategic priorities, in delivery of housing growth and homelessness ambitions. These include leading on the next major phase of THH integration and transformation.

**11.2** There are also significant external challenges facing the housing sector including inflation, energy prices, the cost-of-living crisis and interest rate rises all of which have resulted in a slowdown of new housebuilding. The Government is introducing new regulations to widen consumer standards, there is increasing focus on fire safety, dampness and mould from the Housing Regulator and Housing Ombudsman and it is anticipated that the Social Housing (regulation) Act 2023 will commence on 1 April 2024 with new transparency and safety standards.

**11.3** The upcoming phases of the corporate restructure will strengthen this new Directorate to ensure that the council is set up to achieve its strategic housing objectives to create 4000 affordable homes and reduce homelessness, it will:

- Create customer centric services (improving services to residents)
- Support the increase in demand for new homes and community buildings
- Deliver the Housing Revenue Account (HRA) resourcing strategy
- Fully integrate THH into the Council and reduce duplication between teams
- Increase accountability for delivery
- Reduce salary overheads
- Meet new/ strengthened regulatory standards

**11.4** The target outcomes for the Housing and Regeneration restructure are:

- Increased customer satisfaction
- Ongoing reduction of £3m per year in temporary accommodation
- 50% of new homes to go to existing Council tenant to reduce overcrowding.
- Compliance with new Regulatory standards.

**11.5** All functions have been reviewed to create this new structure with the exclusion of Housing Options where an expansion to operational capacity is being expedited through c£1.8m additional allocation as summarised in the 'Improving Homelessness Services' report going to Cabinet on the 16/05/2024.

**11.6** **The proposed Divisions are:**

- **Housing Management (led by a new Director role):** creating a single housing management function across day to day management of and investment in current housing assets.
- **Housing Options and Homelessness (led by a new Director role):** will focus on improving the customer journey for people needing temporary accommodation under the Council's statutory obligations and accessing homes through a strengthened acquisition approach and PRS function and reducing homelessness.

- **Regeneration, Housing Supply and Assets (led by a new Director role):** brings housing supply and delivery programmes together, alongside major programmes (non-housing) and commercial assets.
- **Planning and Building Control** will remain structurally as it is, with a focus on becoming more customer and solution led.
- **Housing Policy and Strategy (led by a new Director role):** A strengthened policy function for housing and homelessness strategy, embedding coherent forward-looking governance, shaping future services and ensuring that we have a robust approach to compliance with regulation and new national policy initiatives.

**11.7** The Economic Development and Growth Division will move from Housing and Regeneration, with most functions joining the Communities and Inclusive Growth Division. This will include Tackling Poverty projects and outreach work, Economic Growth (business liaison, skills including work with those furthest from the workforce, careers advice and social mobility). These areas will benefit from close joint working with Resident Hubs where these services will be co-located where appropriate and possible. Town Centre Management work will move to the Communities Directorate and Grants currently administered by the Growth and Economic Development Team will move to the Finance Division, overseen by the Director of Finance. The strategic case for these moves was considered and supported by CELT to bring these areas closer to their natural networks of operational support.

## **12. Children’s Services Directorate update**

**12.1** The Director of Young Tower Hamlets role is currently under review. There aren’t any other changes to the Children’s Services structure as part of Phase 2. There may be further changes needed as part of Phase 3 of the corporate restructure to meet the Council’s objectives around attainment and positive destinations and SEND (managing demand, delivering quality); to bring Children’s Services in line with the new TOM and introduce more manageable spans of control for the Education and Children’s Social Care Divisions.

## **13. Health and Adult Social Care Directorate update**

**13.1** There aren’t any changes to the HASC structure as part of Phase 2 of the corporate restructure. There may be further changes needed as part of Phase 3.

## **14. Communities Directorate update**

**14.1** The Communities Directorate was created in January 2024 to increase our organisational capacity and control to manage the risks and realise the benefits of these complex operational areas including:

- a. More cohesive / coordinated relationship between council services which drive the quality of local environment.
- b. Cohesive response to arts, leisure and culture offer within the borough
- c. Maximise resident’s interaction within borough in which they live, work and visit.

**14.2** There are limited changes to the core structure of the Communities Directorate as part of Phase 2 of the corporate restructure. Idea Stores will move from Customer Services

to Culture and Town Centre Management will join the Public Realm Division from Housing and Regeneration.

**14.3** There will be a review of the Leisure Service structure once insourced and there may be further work to bring Communities in line with TOM and create more manageable spans of control as part of Phase 3.

## **15. SIT Review**

**15.1** The Enabling Functions review created the current Strategy, Improvement and Transformation structure in early 2022. This created a large, centralised hub for Strategy, Improvement and Transformation service in the CEO’s Office, with spoke Strategy, Policy and Improvement teams in Directorates. Staff working within this structure and staff seeking to engage with it have found it confusing and poorly defined. SIT and SPI staff generally did not consider the review to have been a success. The adoption of a new Target Operating Model requires a review of the core support structures and presents an opportunity to rework this area of service provision to better meet the needs of directorates and the councils strategic objectives.

**15.2** The SIT review will cover all teams involved in Strategy, Policy, Performance and Commissioning (in the hub and spokes). An external specialist will be appointed to lead this review supported by members of the SIT team. The review will engage relevant staff in shaping the future of policy and strategy work across the Council and will conclude in August 2024.

**15.3** There are some areas where we are clear there is a misalignment of SIT functions and we have improvement plans in place to address. These areas will move before the review has concluded as part of Phase 2 of the Corporate Restructure e.g. Scrutiny and Grants.

## **16. Forward look**

Different elements of the corporate restructure will move at different speeds as the organisational change processes and governance best practice is followed. The changes described in this paper will be implemented by October 2024.

<b>May 2024</b>	Corporate Directors will take proposed Directorate restructures through appropriate Governance and Consultation
<b>May 2024</b>	Permanent appointment Corporate Director Children’s Services; Corporate Director Health and Adult Social Care and Director Legal Services (MO)
<b>May 2024</b>	Scrutiny Improvement Plan agreed
<b>June 2024</b>	Housing Options service strengthened with additional frontline capacity
<b>From June 2024</b>	As consultations complete, and Director roles are appointed, teams will migrate to the new structure
<b>June 2024</b>	Permanent Appointment Corporate Director Housing and Regeneration
<b>August 2024</b>	SIT and Comms reviews complete

<b>October 2024</b>	To support savings targets in the MTFs, Phase 2 of the restructure will be implemented by October 2024 (subject to consultation)
<b>October 2024</b>	Launch of new TOM with detailed blueprint at the Full Staff Conference
<b>October 2024</b>	Mainstreaming of Mayor's Office complete
<b>May 2025</b>	Organisation substantially moved to new Target Operating Model

## **19. EQUALITIES IMPLICATIONS**

**19.1** There are no equality implications directly resulting from this report. Corporate Directors will be responsible for monitoring and mitigating potential equalities implications as part of the detailed design work underpinning this strategic paper.

## **20. OTHER STATUTORY IMPLICATIONS**

**20.1** Overall, the initiatives outlined in this report directly align with the principles of Best Value by demonstrating the council's commitment to:

- **Efficiency:** the focus on continuous improvement, data-driven decision-making, and streamlining the corporate centre will lead to more efficient use of resources.
- **Economy:** the emphasis on financial sustainability and eliminating waste will ensure the council operates in a cost-effective manner.
- **Effectiveness:** by prioritising resident needs, addressing performance shortfalls, and fostering a culture of collaboration, the council will become more effective in delivering high-quality services to the community.

**20.2** A number of the proposals in this report have implications for roles and responsibilities, we will consult with impacted staff wherever there is a statutory duty to do so.

## **21. COMMENTS OF THE CHIEF FINANCE OFFICER**

**21.1** The report sets out the progress on the organisation's transformation journey so far and the future actions. As set out in paragraph 6.1, £5m of operation restructure savings were included in the Medium Term Financial Strategy (MTFS).

**21.2** In order to provide capacity in the short term to allow the Council to move to the TOM, for example piloting of AD roles, the general contingency will be used. Where ongoing growth is identified as being required these will be funded through efficiencies.

## **22. COMMENTS OF LEGAL SERVICES**

**22.1** The council is empowered to appoint such officers as it thinks necessary for the proper discharge by the authority of such of their or another authority's functions as falls or is agreed to be discharged by them. Section 112 Local Government Act 1972.

**22.2** Appropriate revisions may be required to the Councils Constitution and scheme of delegation in due course to reflect the transformation proposals.

## Linked Reports, Appendices and Background Documents

### Linked Reports

- See appendices 4 and 6 below

### Appendices

- Appendix 1: Organisational Charts
- Appendix 2: Business Support proposals (exempt)
- Appendix 3: Procurement challenges and action being taken to mitigate (TO FOLLOW exempt)
- Appendix 4: Improving the Council's Scrutiny Function. Item 6.4, Cabinet, Thursday 16 May 2024 [Tower Hamlets Council - Agenda for Cabinet on Thursday, 16th May, 2024, 4.00 p.m.](#)
- Appendix 5: Mainstreaming the Mayor's Office
- Appendix 6: Transforming Tower Hamlets Council: building a stronger future Item 6.1, Cabinet, Thursday 16 May 2024 [Tower Hamlets Council - Agenda for Cabinet on Thursday, 16th May, 2024, 4.00 p.m.](#)

### Local Government Act, 1972 Section 100D (As amended)

#### List of "Background Papers" used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- NONE.

#### Officer contact details for documents:

N/A



Appendix 1 Organisational charts

Previous Structure (Feb 2022)



Poor alignment with strategic goals. Some Directorates too large and complex to manage effectively. Additionally, historical turnover at the director level hampered stability and the development of a long-term vision.

### Current Structure (May 2024)



Improves alignment with strategic priorities and reduces reliance on temporary leadership, fostering stability and long-term vision.

## New Structure (Oct 2024)



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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# Mainstreaming the Mayor's Office

The Mayoral Office structure was established to meet a need at a point in time. Mutual trust, confidence and effective working processes between the respective leadership teams creates an opportunity to disband the current arrangement and adopt a mainstreamed integrated approach to meeting the council's priorities. This document provides a high-level summary of activity planned to mainstream the Mayor's Office.

## Mayor's Office Plan: May – December 2024

### Phase 1: Culture change (April 2023 – April 2024)

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- Collaborative and productive relationship between Mayor's Office and Leadership Team established
- Improved liaison with Directorates
- Strong joint work on MTFS and other corporate priorities
- Effective governance and oversight in place to provide the Mayor with assurance that the organisation is working to achieve the administration's priorities

### Phase 2: Move to a single casework team (April – June 2024)

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- Operational restructure agreed through MTFS to save £327k
- Consultation meetings with staff, Trade Unions and Human Resources are underway
- Recruitment for some posts live to make agreed improvements before staff are moved to their new teams
- Restructure assessed green to deliver by June

### Phase 3: Agree broad principles and scale of new Mayor's Office (April – May 2024)

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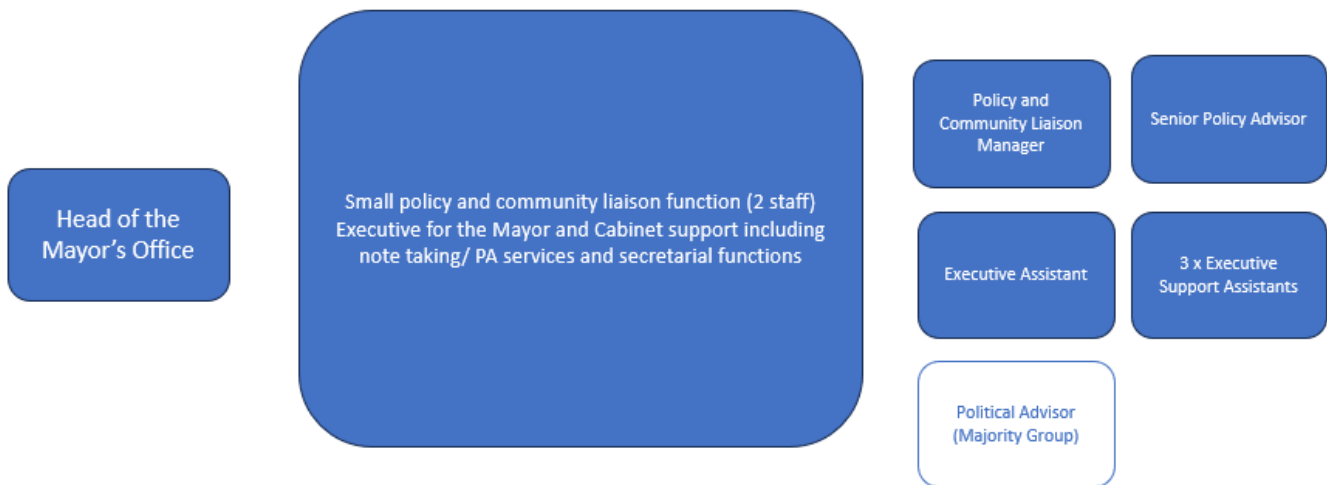
- New Mayor's Office will include 7 posts including:
  - Policy and Community Liaison Manager
  - Senior Policy Advisor
  - Executive assistant
  - 3 executive support assistants
- The Majority Group Political Advisor will continue to sit with the Mayor's Office but isn't formally part of the structure
- This 7 person Mayor's Office is significantly smaller than the Mayor's Office was under Mayor Biggs in 2022
- Overall principles and posts were agreed by CEO and the Mayor in April 2024
- The Mayor's Office will move from CEO's Office to Resources Directorate, in a new Communities and Inclusive Growth Division

### Phase 4: Implementation (May to October 2024)

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- Organisational Change Procedure will be followed including consultation where there is a statutory requirement to consult
- Implementation will be staggered, the move to the new structure will be complete by October 2024 but where possible to move more quickly we will do this

## Structure and Functional Overview



- In line with wider moves from the Corporate Centre and the principles underpinning this restructure other roles currently in the Mayor's Office will move to teams with the closest alignment e.g. the media and comms advisors will move to Communications Division and the Sports Advisor to Communities.
- All Cabinet Support roles will move to Democratic Services
- The Somali, Women and Equalities, Social Inclusion, and Communities Advisors will move to mainstreamed functions within the Communities and Inclusive Growth Directorate alongside Equalities and Inclusion work currently in SIT and HR/ OD.