

BEST VALUE PROGRAMME REVIEW BOARD QUARTERLY MEETING

Monday, 10 April 2017 at 6.00 p.m.
Room C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent,
London E14 2BG

This meeting is open to the public to attend.

Members:

Mayor John Biggs

Councillor Sirajul Islam

(Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance)

Councillor Rachael Saunders

(Deputy Mayor and Cabinet Member for Education & Children's Services)

Councillor David Edgar

(Cabinet Member for Resources)

Councillor Oliur Rahman

Leader of the Independent Group

Councillor Peter Golds

(Leader of the Conservative Group)

Councillor Rabina Khan

(Leader of PATH Group)

Heather Wills

(Local Government Association)

Alan Wood

(Chair THCSIB)

Will Tuckley

(Chief Executive)

Sharon Godman

(Divisional Director, Strategy, Policy and Partnerships)

Contact for further enquiries:

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LONDON BOROUGH OF TOWER HAMLETS
BEST VALUE PROGRAMME REVIEW BOARD QUARTERLY MEETING

MONDAY, 10 APRIL 2017

6.00 p.m.

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

**2. DECLARATIONS OF DISCLOSABLE
PECUNIARY INTERESTS**

To note any declarations of interest made by Members,
including those restricting Members from voting on the
questions detailed in Section 106 of the Local Government
Finance Act, 1992. See attached note from the Monitoring
Officer.

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3. UNRESTRICTED MINUTES

To confirm as a correct record of the proceedings the
unrestricted minutes of the Best Value Review Board
Quarterly Meeting held on 24 January 2017.

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4. REPORTS FOR CONSIDERATION

**4 .1 Best Value Plan Final Update & Arrangements for
2017-18**

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4 .2 Tower Hamlets Best Value Improvement Board

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**5. ANY OTHER UNRESTRICTED BUSINESS
CONSIDERED TO BE URGENT**

Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

- Graham White, Acting Corporate Director, Law, Probity and Governance, 020 7364 4800

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

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LONDON BOROUGH OF TOWER HAMLETS

**MINUTES OF THE BEST VALUE PROGRAMME REVIEW BOARD QUARTERLY
MEETING**

HELD AT 6.10 P.M. ON TUESDAY, 24 JANUARY 2017

**ROOM MP702, 7TH FLOOR, TOWN HALL, MULBERRY PLACE,
LONDON, E14 2BG**

Members Present:

Mayor John Biggs (Chair)	(Executive Mayor)
Alex Powell (Member)	(Deputy Director, Audit, Intervention & Improvement, Department of Communities and Local Government)
Max Caller (Member)	(Commissioner)
Chris Allison (Member)	(Commissioner)
Will Tuckley (Member)	(Chief Executive)
Anna Wojtowicz	(Representing Ashling Lyon, Department of Communities and Local Government)

Other Councillors Present:

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance)
Councillor Rachael Saunders	(Deputy Mayor and Cabinet Member for Education & Children's Services)
Councillor David Edgar	(Cabinet Member for Resources)

Officers Present:

Zena Cooke	– (Corporate Director, Resources)
Aman Dalvi	– (Corporate Director, Place)
Sharon Godman	– (Divisional Director, Strategy, Policy and Equality)
Afazul Hoque	– (Interim Service Manager, Strategy, Policy & Performance)
Denise Radley	– (Corporate Director, Health, Adults & Community)
Antonella Burgio	– (Democratic Services)

1. APOLOGIES FOR ABSENCE

Apologies were received from Commissioner Sir Ken Knight and Ashling Lyon of DCLG.

Apologies were noted from Cllr Danny Hassell, Chair of General Purposes Committee and Debbie Jones, Corporate Director for Children.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

No declarations of disclosable pecuniary interests were made

3. UNRESTRICTED MINUTES

The minutes of the meeting held on 19 October 2016 were agreed and approved as a correct record.

4. REPORTS FOR CONSIDERATION

4.1 Best Value Plan Update

The Chair informed all present that:

- since the last meeting there had been an exchange of letters with the Secretary of State regarding progress on the Best Value Action Plans.
- on 16 January 2017, the Deputy Director, Local Government Stewardship at the Department for Communities and Local Government wrote to Mayor Biggs advising that that the Secretary of State had amended the current Directions.
- the letter outlined that the exercise of functions relating to grants was returned to the Council subject to oversight by Commissioners, that functions for procuring and entering into contracts was returned to the Council and that the team of Commissioners was reduced from four to three.

The Chair acknowledged officers' work in progressing the action plan.

The Chief Executive and Divisional Director for Strategy Policy and Equality provided supplementary information arising from a Best Value Workshop on 17 January 2017. The supplementary information outlined the Council's progress against remaining actions in the Best Value Action Plans

Statutory Posts

The Chief Executive:

- outlined the Council's intentions and process for recruiting to the statutory Monitoring Officer role. The long-listing and short-listing interviews would be
- completed by March-end 2017. To ensure that there were appropriate interim arrangements, interviews had been held and Graham White appointed as Interim Monitoring Officer and Corporate Director for Governance.

Commissioner Caller advised the Board that he would discharge an oversight role as he done during previous recruitments to statutory officer posts with the intention of assuring the Secretary of State of the task's completion. The Chair supported the timescale proposed and the Chief Executive confirmed

that recruitment consultants had already been engaged and were expected shortly to deliver a long-list of candidates and advertising to meet the time frame.

Commissioner Caller suggested that the Council may wish to move onward to explore how it intends to deliver best value in the context of continuous development. The Chief Executive confirmed that the Authority had undertaken work with the LGA in this regard.

Elections

The Chief Executive:

- noted there had been positive feedback relating to the conduct of recent elections in the borough.
- noted that the Direction to appoint a Returning Officer had been completed.
- advised that, responding to Sir Eric Pickles' review of elections in December 2016, the Government supported a recommendation that local authorities which had previously experienced significant cases of electoral fraud or were at high risk of fraudulent activity should participate in pilot schemes to explore ways in which this could be reduced. It had been suggested that Tower Hamlets might take part in a pilot and the Authority was in discussion with the Cabinet Officer around how to deliver the pilot and was exploring what forms of ID would be appropriate.
- noted that a process of checking postal votes against signature and National Insurance number was already in place, an action arising from the directions relating to electoral matters.
- advised that there would be early engagement with the new Borough Commander to ensure that Police support, , developing work programme for election planning and delivery of the 2018 local elections. The Chair noted that engagement had delivered benefits in the delivery of recent elections.

Commissioner Caller referenced the letter on behalf of the Secretary of State dated 16 January 2017 and

- noted that the directions that remained in force related to the functions of dismissal and appointment of the Election Returning Officer.
- noted that Commissioners had provided support during the delivery of recent elections.
- recommended that the Council should accept the invitation to take part in the pilot. This would enable the Council to provide additional evidence towards fulfilment of the directions. The Chair agreed that the Council should accept the invitation.

Communications.

The Chief Executive:

- advised that the Divisional Director for Communications, Commissioners and he had discussed how the communications business programme might be progressed. Actions identified included;

guidelines for political group leader columns, and a timeline for procurement for publication of statutory notices.

- noted that statutory notices were now published in East London Advertiser as the Council's weekly publication had ceased.

The Chair highlighted:

- that there had been a negative budgetary impact of £500,000 arising from costs of placing statutory notices through a commercial outlet and a loss of advertising revenue previously accessed via the weekly publication. Commissioners had acknowledged these financial impacts.
- that the additional expenditure had become necessary in the context of savings required of local authorities. Therefore, the Council would explore other suitable means of publication.

Property

The Corporate Director for Place advised that the three actions identified in were being progressed and on-going work would take place over the coming months and next year.

In relation to Mellish Street, Commissioner Caller informed the Board that this property matter had been raised by the Secretary of State and had been addressed by Commissioners since the property had been let on a short-term arrangement unsupported by the appropriate processes. Commissioners therefore wished to ensure that arrangements in respect of this matter were regularised.

Grants

The Chief Executive informed the Board that the Secretary of State had written to the Council 16 January 2017 and issued new oversight Direction in respect of grant-making. Powers for grants decision making had been returned to the Council with Commissioner oversight of the process. The form which the oversight would take would be agreed between the Council and Commissioners. The Corporate Director for Resources advised that Commissioners had written to the Mayor and Chief Executive 24 January 2017 setting out key elements. This letter had been considered at the Grants Determination Sub Committee pre-agenda meeting and the approach suggested was accepted. The Chair noted the framework outlined in the letter and advised that he would respond to Commissioners. Councillor Saunders commented that Sub-Committee Members had noted the framework for moving forward and intended to review how grants were made exploring the suitability of other forms such as commissioning. The Corporate Director for Resources advised that a report on co-commissioning which had previously been presented to Commissioners had been adopted by the Authority. Commissioner Caller confirmed that a framework for had been developed by the authority and cleared through the Commissioners. He also advised that the Council was able to make changes to its policy on payment of grants but it was necessary to do so through via proper process.

The Chair and Corporate Director for Resources noted:

- applications for grant funding are scrutinised by Grants Scrutiny Sub-Committee established for this purpose and reciprocal arrangements with the meetings of Grants Determination Sub-Committee were in place.
- the Grants Scrutiny Sub-Committee had now met over several cycles.
- Proposals for the restructure of the Third Sector Grants Team were being progressed, these would be shared with Commissioners in due course.
- the current 3-year MSG Programme was due to end in 2018, therefore preparation work had begun on a policy approach to the superseding grants programme. Resources officers would engage with relevant departments across the Council and THCVS will also be invited to engage in this developmental work.

Organisational Culture

The Chief Executive informed the Board of measures to address organisational culture:

- the Council intended to continue to webcast Council meetings.
- pre-meetings are held to ensure that the gathering together of Councillors and officers was managed and that Councillors had an understanding of how the expectations of the management can be delivered. The Chair noted that some political groups had been unwilling to engage in pre-meetings. Councillor Saunders advised that, historically, Group Leaders had met with the Chief Executive prior to Council meetings to discuss the delivery of the meeting. However in recent times these meetings had not taken place due to the style of Member engagement.
- the work of the Clear Up Team was progressing and a full report would be made to the Clear Up Board once all cases had been investigated or dismissed. An interim report would be made to Commissioners in February 2017.
- concerning the annual renewal of declarations of interest, work was being undertaken to integrate timely reminders into the process. Commissioner Caller requested that Councillors and senior officers should receive such reminders, that councillors should also be encouraged to update their declarations of 'other interests' regularly. Councillor Saunders confirmed that Members already received three different types of reminders.
- the next milestone would be to ensure that improvements are maintained beyond the termination of the directions. The Divisional Director for Policy, Strategy and Equalities confirmed that timelines for actions after the directions had ended would be built into the forward plan.

The Chair:

- asked officers to consider how the end of the directions would be manifested.
- suggested that some residual elements of Commissioner oversight might occur and that actions would continue to be monitored via correspondence of evidence. He asked that officers consider what methods of monitoring would be appropriate should such circumstances occur. Commissioner Caller suggested that the Council write to the Secretary of State suggesting what post- directions arrangements might be appropriate, this would demonstrate the Council's learning and how it will follow the principles of Best Value improvement.
- noted that once the directions were withdrawn the Council would necessarily need to periodically remind itself of lessons learned.

The meeting ended at 6.55 p.m.

Chair, Mayor John Biggs
Best Value Programme Review Board Quarterly Meeting

Best Value Review Board

TITLE	SERVICE	ITEM NO	DATE
Best Value Plan Final Update & arrangements for 2017-18	Sharon Godman, Divisional Director Strategy, Policy and Equality		10 th April 2017

1. **INTRODUCTION**

- 1.1 This report provides the final correspondence (Appendix 1) from the Secretary of State for Communities and Local Government confirming the removal of Directions issued on 19th December 2014 and the issue of further Directions until 30 September 2018. The report also includes the Mayor's letter to the Secretary of State on his minded to letter (Appendix 2) and correspondences from the Mayor and Commissioners on the Council's final update on the Best Value Action Plan and also proposed arrangements for 2017-18.

2. **FOR THE BOARD TO CONSIDER**

- 2.1 The Board is asked to:
1. Consider the Secretary of State's final correspondence (Appendix 1) detailing removal of Directions (issued on 19th December 2014) and a new set of Directions until 30th September 2018; and
 2. Note the correspondences from the Mayor and Commissioners on the Council's final update on the Best Value Action Plan and proposed arrangements for 2017-18.

3. **BACKGROUND**

- 3.1 The Secretary of State wrote to the Mayor on 28th March 2017 (Appendix 1) informing that he has removed Directions issued on 17th December 2014 and Commissioners have been withdrawn as of 31st March 2017. In his letter he issued further Directions which came into force on 1st April 2017 and will run for 18 months until 30th September 2018. The removal of the Directions means all executive functions have been returned and the Council will continue to deliver against the Best Value Action Plan and provide quarterly updates to the Secretary of State.
- 3.2 The revised Directions require the Council to undertake the actions outlined below:

- Submit quarterly reports on all outstanding actions in the Best Value Action Plan and Best Value Improvement Plan 2017/18 to the Secretary of State. The first report should be received by 10am on 30th June 2017;
- Set up an independent review of achievements against the Best Value Action Plan and Best Value Improvement Plan 2017/18 to be submitted to the Secretary of State by 1st August 2018;
- Set up a new Best Value Improvement Board, chaired by the Mayor, with cross party representation and external representatives to provide suitable challenge to improve all Council activities.

3.3 The Mayor wrote to the Secretary of State on 21st March 2017 (Appendix 2) re-affirming the Council's commitment to on-going improvement and reporting this regularly. This was in response to the Secretary of State's 'minded to' letter dated 16th March 2017 (Appendix 3) which outlined his proposals as confirmed by his latest correspondence.

3.4 The Mayor and Chief Executive also met with the Secretary of State and Ministers on 28th February 2017 to discuss the Council's submission and future arrangements. This was a very positive meeting and the Mayor wrote to Secretary of State on 1st March 2017 (Appendix 4) to reiterate the Council's commitment to establish the Tower Hamlets Improvement Board to oversee improvement work across the Council and not just within the Best Value areas.

3.5 The Council's final 6-monthly update and proposed Best Value arrangements for 2017-18 was submitted by the Mayor to the Secretary of State on 20th February 2017. In his covering letter, included as Appendix 5, 6 and 7, the Mayor highlighted that Tower Hamlets now is a different place to the one he inherited and a new strong and determined leadership has enabled the Council to make significant progress against the Best Value areas. However, the Council recognises that this is a continuing journey and the Best Value 2017-18 arrangements set out work that will be undertaken over the next year.

3.6 The Commissioners submitted their response to the Council's submission on 21st February 2017 and their letter is attached at Appendix 8. The Commissioners' stated 'their endorsement of the progress that has been made in all areas of the Direction regime over the past 6 months. In particular, they welcome the realistic appreciation, by the Council, of what has been done, but also, what remains to be done to fulfil the expectations of the original and revised

Directions'. The Commissioners also support the proposition to establish a cross party Improvement Board and reporting to the Secretary of State on regular basis.

4. **COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The Best Value Action Plan is a priority for the Council, and requisite resources have been identified within the budget in order to deliver the outcomes.

5. **LEGAL COMMENTS**

- 5.1 The Council is a best value authority within the meaning of Part 1 of the Local Government Act 1999. As a best value authority, the Council has an obligation under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (the best value duty).
- 5.2 Where the Secretary of State is satisfied that an authority is not meeting its best value duty, the Secretary of State may: (1) direct the authority to take action to bring itself into compliance with that duty; (2) direct that specified functions be carried out by the Secretary of State or a nominee and that the authority follow the Secretary of State’s instructions and provide such assistance as may be required (Local Government Act 1999). In accordance with this power the Secretary of State gave directions to the Council on 17 December 2014, 29 April 2015 and 6 May 2015. Revised directions were also given on 16 January 2017.
- 5.3 Although the Directions have now been revoked and the specified functions which were carried out by the Commissioners on behalf of the Secretary have been returned to the authority, the Secretary of State has issued fresh directions to the Council for it to take specific action which is considered necessary or expedient to secure the Council’s compliance with its best value duty without specifying that specified functions be carried out by the Secretary of State or a nominee. These are specified in paragraph 3.2 of the report.
- 5.4 The new directions are enforceable by the Secretary of State, who may seek an order in the High Court requiring the Council to remedy any breach. In the circumstances, it is appropriate for the Council to take steps to comply with these new directions and to monitor its compliance with the directions.
- 5.5 When taking action in response to the directions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Compliance with this duty has been a feature, to the extent relevant, of the Council’s action in response to the directions.

Appendix 1 – Letter from Secretary of State dated 28th March 2017

Appendix 2 – Letter from Mayor John Biggs to Secretary of State dated 21st March 2017

Appendix 3 – Minded to letter from Secretary of State dated 16th March 2017

Appendix 4- Letter from Mayor John Biggs to Secretary of State dated 1st March 2017

Appendices 5,6, & 7 – Letter from Mayor John Biggs to Secretary of State dated 20th February 2017, Council's final updated and Best Value Arrangements for 2017-18.

Appendix 8- Commissioners' response to the Council's submission



Department for
Communities and
Local Government

28 March 2017

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

Dear Mayor Biggs,

LONDON BOROUGH OF TOWER HAMLETS – DIRECTIONS

I am writing to inform you that the Secretary of State for Communities and Local Government has today revoked the Directions issued on 17 December 2014 which will remove Commissioners as of 31 March 2017. He has also 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.

This is consistent with the Secretary of State’s ‘minded to’ statement of 16 March 2017 regarding the return of all executive functions to the Authority. This is subject to the Authority continuing to achieve against its Best Value plans and reporting back to the Secretary of State on a regular basis.

Thank you for your representations received on 21 March which confirmed your commitment to the on-going improvement of the Authority.

The Secretary of State is satisfied that the Authority is now in a position to deliver on all outstanding actions and continue to make improvements as required under the Best Value Duty. He is pleased to see your commitment to continuous improvement, including electoral administration, and that you have reaffirmed your commitment to taking part in the pilot programme on voter identification being run by colleagues in the Cabinet Office.

In recognition of the progress made by the Authority over the past two years, the Secretary of State is satisfied that your Authority is now able to exercise executive functions and does not require Commissioner oversight. However as there remain outstanding actions under your Best Value Action Plan he requires you to report to him on a quarterly basis, provide objective

Alex Powell
Deputy Director – Local Government Stewardship
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verification of achievement and on-going compliance with the Best Value Duty. The Secretary of State has therefore decided to issue further Directions under section 15 of the 1999 Act which include requirements for on-going reporting. These Directions will come into force on 1 April 2017 and run for 18 months until 30 September 2018.

The Secretary of State would like to take this opportunity to express his gratitude to you for all the work you have done in getting the Authority to this point.

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

ANNEX – DIRECTIONS

INTRODUCTION

1. Following receipt of the London Borough of Tower Hamlets' ("the Authority") representations of 22 March 2017, the Secretary of State is exercising his powers under section 15 of the Local Government Act 1999 ("the 1999 Act") to:
 - Issue directions under section 15 of the 1999 Act to ensure the Authority's compliance with the requirements of Part 1 of the 1999 Act by requiring the Authority to continue to implement the strategy and action plan referred to in paragraph 1 of Annex A to the December 2014 Directions as amended ("the Best Value strategy and action plan");
 - Revoke the December 2014 Directions as amended. This would end the Tower Hamlets Commissioners' involvement in the governance of the Authority.

CONTEXT

2. Following receipt of the Authority's fourth six-monthly progress report against the Council's best value strategy and action plan dated 20 February 2017 as required by the Directions issued to the Authority on 17 December 2014 as amended by the Directions issued on 29 April 2015 and on 16 January 2017 ("the December 2014 Directions as amended"), the Tower Hamlets Commissioners' report to the Secretary of State for Communities and Local Government ("the Secretary of State") dated 21 February 2017, the oral report made by the Commissioners of Tower Hamlets to the Secretary of State on 27 February 2017 and the oral representations made by the Mayor and Chief Executive of Tower Hamlets to the Secretary of State on 27 February 2017, and the letter from Tower Hamlets to the Secretary of State on 1 March the Secretary of State issued notice that he was considering exercising his powers under section 15 of the Local Government Act 1999 ("the 1999 Act") to:
 - Issue further directions under section 15 of the 1999 Act to ensure the Authority's compliance with the requirements of Part 1 of the 1999 Act by requiring the Authority to:
 - Continue to implement the strategy and action plan referred to in paragraph 1 of Annex A to the December 2014 Directions as amended ("the Best Value strategy and action plan");
 - Revoke the December 2014 Directions as amended. This would end the Tower Hamlets Commissioners' involvement in the governance of the Authority.
3. On 17 December 2014 the then Secretary of State exercised his powers of direction under section 15 of the 1999 Act in relation to the Authority and issued Directions to the Authority ("the 17 December 2014 Directions"). This followed consideration of the report of the Best Value inspection of the London Borough of Tower Hamlets by PricewaterhouseCoopers LLP dated 16 October 2014 and published on 4 November 2014 ("the PwC report"); the report of "Delays at the verification and count for the May 2014 elections in Tower Hamlets - Report of the Electoral Commission's review", dated 1 July 2014 ("the Electoral Commission's review"); representations made by the Authority on the PwC report, received 8 December 2014; and representations made by the Authority on PwC's response to representations from the Authority on PwC's report,

received 10 December 2014. The PwC report identified serious failings in the governance of the Authority and concluded that the Authority was failing to comply with its best value duty in respect of the exercise of several of its functions. The Electoral Commission's review concluded that there were significant lessons for the returning officer appointed by the Council, and that immediate and sustained action must be taken to provide assurance that future elections and electoral registration will be well managed, and efficiently and effectively delivered. In light of the PwC report and the Electoral Commission's review, the Secretary of State issued the 17 December 2014 Directions, which outlined measures to address the identified failings in the Authority.

4. On 29 April 2015 the then Secretary of State again exercised his powers of direction under section 15 of the 1999 Act in relation to the Authority and issued further Directions to the Authority ("the 29 April 2015 Directions") regarding the recruitment of a permanent Head of Paid Service.
5. On 16 January 2017 the Secretary of State again exercised his powers of direction under section 15 of the 1999 Act in relation to the Authority and issued further Directions to the Authority ("the 16 January 2017 Directions") to return to the Authority the exercise of grants functions, and the making of arrangements to discharge these functions under section 101 of the Local Government Act 1972 (referred to in paragraphs 1 and 2 of Annex B to the 17 December 2014 Directions).

THE COMMISSIONERS' 21 FEBRUARY 2017 REPORT

6. On 21 February 2017 Tower Hamlets Commissioners sent to the Secretary of State their response to the Authority's fourth six-monthly report on progress against the Best Value Strategy and Action Plan. The 21 February report states that regular reporting to Ministers on progress of the proposed Best Value Improvement Board "will provide a useful public overview of the total position and Commissioners recommend that the Secretary of State gives this serious consideration as an alternative to just extending the Direction regime." The Commissioners stated that they were satisfied and endorse the progress made by the Authority in all areas of the direction regime since the last progress report of 20 September 2016. The Commissioners further noted that not all actions required in the December 2014 Directions as amended have been completed as set out in the Best Value Improvement Plan for 2017-18. They considered that the completion of such actions would take a further 12 months. The Commissioners attributed the non-completion of these actions to "the obstruction, delay and non-compliance by the previous political and officer leadership of the Authority". Based on the progress that has been made by the Authority, the Commissioners supported the establishment of a cross party Best Value Improvement Board, with external representatives, chaired by the Mayor.
7. After carefully considering the 21 February report the Secretary of State considered whether or not to exercise his powers under section 15 of the 1999 Act in relation to the Authority, in order to revoke the December 2014 Directions as amended. The Secretary of State also considered making further directions in order to require that the Authority

completes all actions under the Best Value Action Plan and Best Value Improvement Plan 2017/18 to ensure its compliance with its best value duty.

8. On 22 March the Authority made representations to the Secretary of State welcoming the proposed revocation of the December 2014 Directions as amended and the withdrawal of Commissioners. The Authority also welcomed the ongoing reporting requirements proposed in the further Directions.

FUNCTIONS TO BE RETURNED TO THE AUTHORITY

9. Having given due consideration to the Authority's representations the Secretary of State directs that all functions specified in Annex B to the December 2014 Directions as amended are returned to the Authority on the expiry of the Direction period on 31 March 2017.

ACTIONS TO BE TAKEN BY THE AUTHORITY

10. The Authority will be obliged to undertake the actions outlined below. The Authority will continue to demonstrate progress against the Best Value Duty. In addition the Authority will:
 - submit quarterly reports on all outstanding actions in its Best Value Action Plan and Best Value Improvement Plan 2017/18 to the Secretary of State. The first report should be received by 10 a.m. on 30 June 2017.
 - set up an independent review of achievement against their Best Value Action Plan and Best Value Improvement Plan 2017/18 to be submitted to the Secretary of State by 1 August 2018.
 - set up a new Best Value Improvement Board, chaired by the Mayor, with cross party representation and external representatives to provide suitable challenge to improve all council activity.

The Secretary of State may consider whether or not it is appropriate to issue further Directions if he considers any or any part of these actions have not been undertaken.

THE COMMISSIONER TEAM

11. The Commissioner team will end their involvement in the Authority on 31 March 2017 in recognition of the progress made.

DURATION OF THE DIRECTION

12. The December 2014 Directions as amended and the Directions issued on 29 April 2015 and on 17 January 2017 are in force until 31 March 2017. The further Directions reflecting the proposals above are in force until 30 September 2018.

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



Alex Powell

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

Date: 28.iii.2017

The Rt Hon Sajid Javid MP
Secretary of State for Communities and Local Government
Department for Communities and Local Government
2 Marsham Street
London SW1P 4DF

Executive Mayor's Office
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21 March 2017

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www.towerhamlets.gov.uk

Dear Secretary of State,

TOWER HAMLETS: DIRECTIONS AND FUTURE OVERSIGHT ARRANGEMENTS

I am writing to thank you for the letter of 16th March and to welcome your proposal to return democratic control to the Council, revoke the current Direction regime, and replace it with new oversight arrangements.

At our recent meeting, and through our exchange of correspondence, I have assured you of my commitment to drive continued improvement across the Council. I am pleased to have received your acknowledgement, endorsed by the Commissioners, of the tangible progress made since my election.

I am committed to leading the drive to improve the Council and am confident that I have the right senior management team in place to deliver. Set out in your letter and annex is the detail of the proposed new Direction that will be established from 1st April 2017 until 30th September 2018. The new Direction will require the Council to demonstrate progress against the Best Value Duty and involve the delivery of outstanding Best Value actions, which can be found in our Best Value Improvement Plan 2017–18. I understand that I will be required to publically and regularly report progress to your department, to chair a new cross-party Best Value Improvement Board providing oversight for all Council improvement activity, and to put in place arrangements for an independent review of the Council's progress and submit a report to Secretary of State by 1st August 2018. I welcome this proposed approach.

In your written statement to Parliament you made reference to the Direction allowing oversight of electoral administration. The Returning Officer is committed to continuing to improve electoral administration and the Best Value Improvement Plan 2017 contains activity regarding this and our work with the Cabinet Office on piloting voter ID. The Plan will be reported as part of the obligations of the new Direction.

I look forward to hearing from you.

Yours sincerely,



John Biggs
Executive Mayor of Tower Hamlets

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Department for
Communities and
Local Government

16 March 2017

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

Dear Mayor Biggs,

LONDON BOROUGH OF TOWER HAMLETS – PROPOSED DIRECTIONS

The Commissioners in Tower Hamlets wrote to the Secretary of State on 21 February 2017 in response to your fourth six monthly report, received on 20 February 2017, on progress against the Authority's Best Value Strategy and Action Plan.

In their letter the Commissioners stated that they are satisfied and endorse the progress made by the Authority in all areas of the direction regime since the previous progress report of 20 September 2016. The Commissioners further noted that:

- Not all actions required have been completed as set out in your Best Value Improvement Plan for 2017-18. They considered that the completion of such actions would take a further 12 months. The Commissioners attributed the non-completion of these actions to "the obstruction, delay and non-compliance by the previous political and officer leadership of the Authority".
- Based on the progress that has been made by the Authority, the Commissioners supported the establishment of a cross party Best Value Improvement Board, with external representatives, chaired by the Mayor and recommended that regular reporting to Ministers now represents a serious alternative to extending the current regime with Commissioners with possible additional safeguards.
- Although not explicitly covered by the December 2014 Directions as amended, the improvement of the wider culture in the Authority, including the working relationships between members and between members and officers, is crucial to restoring good local

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government and that work to ensure such improvement would need to continue beyond the forthcoming Mayoral election in May 2018.

The Secretary of State has carefully considered the Authority's latest progress report and other relevant information referred to in its attached Annex. He is satisfied, on the basis of the evidence set out therein, that in view of the progress made by the Authority it is appropriate to end the Commissioners' role in exercising the specified functions of the Authority to comply with the best value duty under Part 1 of the Local Government Act 1999. The Secretary of State considers that it would be appropriate to make further Directions under section 15(5) of the 1999 Act to require that the Authority completes all actions under the Best Value Strategy and Action Plan to ensure its compliance with its best value duty.

Your Authority is now invited to make such representations as it wishes about the report and the Secretary of State's proposals. All such representations should be sent by email to Anna.Wojtowicz@communities.gsi.gov.uk, copied to Alex.Powell@communities.gsi.gov.uk, or in hard copy to the address below marked for the attention of Anna Wojtowicz, so as to be received on or before 10 a.m. on 22 March 2017. They will then be carefully considered by the Secretary of State in making a decision as to whether or not to make the proposed Directions.

I am copying this letter to your Authority's Section 151 Officer, to its Monitoring Officer and to the Commissioners' office.

Regards,


ALEX POWELL

ANNEX – PROPOSED REVISED DIRECTIONS

INTRODUCTION

1. Following the receipt of the London Borough of Tower Hamlets’ (“the Authority”) fourth six-monthly progress report against the Council’s best value strategy and action plan dated 20 February 2017 as required by the Directions issued to the Authority on 17 December 2014 as amended by the Directions issued on 29 April 2015 and on 16 January 2017 (“the December 2014 Directions as amended”), the Tower Hamlets Commissioners’ report to the Secretary of State for Communities and Local Government (“the Secretary of State”) dated 21 February 2017, the oral report made by the Commissioners of Tower Hamlets to the Secretary of State on 27 February 2017 the oral representations made by the Mayor and Chief Executive of Tower Hamlets to the Secretary of State on 27 February 2017, and the letter from Tower Hamlets to the Secretary of State on 1 March, the Secretary of State is considering exercising his powers under section 15 of the Local Government Act 1999 (“the 1999 Act”) to:
 - Issue further directions under section 15 of the 1999 Act to ensure the Authority’s compliance with the requirements of Part 1 of the 1999 Act by requiring the Authority to:
 - Continue to implement the strategy and action plan referred to in paragraph 1 of Annex A to the December 2014 Directions as amended (“the Best Value strategy and action plan”);
 - Revoke the December 2014 Directions as amended. This would end the Tower Hamlets Commissioners’ involvement in the governance of the Authority.

CONTEXT

2. On 17 December 2014 the then Secretary of State exercised his powers of direction under section 15 of the 1999 Local Government Act in relation to the Authority and issued Directions to the Authority (“the 17 December 2014 Directions”). This followed consideration of the report of the Best Value inspection of the London Borough of Tower Hamlets by PricewaterhouseCoopers LLP dated 16 October 2014 and published on 4 November 2014 (“the PwC report”); the report of “Delays at the verification and count for the May 2014 elections in Tower Hamlets - Report of the Electoral Commission’s review”, dated 1 July 2014 (“the Electoral Commission’s review”); representations made by the Authority on the PwC report, received 8 December 2014; and representations made by the Authority on PwC’s response to representations from the Authority on PwC’s report, received 10 December 2014. The PwC report identified serious failings in the governance of the Authority and concluded that the Authority was failing to comply with its best value duty in respect of the exercise of several of its functions. The Electoral Commission’s review concluded that there were significant lessons for the returning officer appointed by the Council, and that immediate and sustained action must be taken to provide assurance that future elections and electoral registration will be well managed, and efficiently and effectively delivered. In light of the PwC report and the Electoral Commission’s review, the Secretary of State issued the 17 December 2014 Directions, which outlined measures to address the identified failings in the Authority.

3. On 29 April 2015 the then Secretary of State again exercised his powers of direction under section 15 of the 1999 Act in relation to the Authority and issued further Directions to the Authority (“the 29 April 2015 Directions”) regarding the recruitment of a permanent Head of Paid Service.
4. On 16 January 2017 the Secretary of State again exercised his powers of direction under section 15 of the 1999 Act in relation to the Authority and issued further Directions to the Authority (“the 16 January 2017 Directions”) to return to the Authority the exercise of grants functions, and arrangements to discharge these functions under section 101 of the Local Government Act 1972 (referred to in paragraphs 1 and 2 of Annex B to the 17 December 2014 Directions).

THE COMMISSIONERS’ 21 FEBRUARY 2017 REPORT

5. On 21 February 2017 the Commissioners in Tower Hamlets sent to the Secretary of State their response to the Authority’s fourth six-monthly report on progress against the Best Value Strategy and Action Plan. The 21 February report states that regular reporting to Ministers on progress of the proposed Best Value Improvement Board “will provide a useful public overview of the total position and Commissioners recommend that the Secretary of State gives this serious consideration as an alternative to just extending the Direction regime.” The Commissioners stated that they were satisfied and endorsed the progress made by the Authority in all areas of the direction regime since the last progress report of 20 September 2016. The Commissioners further noted that not all actions required in the December 2014 Directions as amended have been completed as set out in the Best Value Improvement Plan for 2017-18. They considered that the completion of such actions would take a further 12 months. The Commissioners attributed the non-completion of these actions to “the obstruction, delay and non-compliance by the previous political and officer leadership of the Authority”. Based on the progress that has been made by the Authority, the Commissioners supported the establishment of a cross party Best Value Improvement Board, with external representatives, chaired by the Mayor.
6. After carefully considering the 21 February, report the Secretary of State is considering exercising his powers under section 15 of the 1999 Act in relation to the Authority, in order to revoke the December 2014 Directions as amended. The Secretary of State is also considering making further directions in order to require that the Authority completes all actions under the Best Value Strategy and Action Plan to ensure its compliance with its best value duty.

FUNCTIONS TO BE RETURNED TO THE AUTHORITY

7. The Secretary of State proposes that all functions specified in Annex B to the December 2014 Directions as amended are returned to the Authority on the expiry of the Direction period on 31 March 2017.

ACTIONS TO BE TAKEN BY THE AUTHORITY

8. The Authority will be obliged to undertake the actions outlined below:

The Authority will continue to demonstrate progress against the Best Value Duty. In addition the Authority will:

- submit quarterly reports on all outstanding actions in its Best Value Action Plan and Best Value Improvement Plan 2017/18 to the Secretary of State.
- set up an independent review of achievement against its Best Value Action Plan and Best Value Improvement Plan 2017/18 to be submitted to the Secretary of State by 1 August 2018.
- set up a new Best Value Improvement Board, chaired by the Mayor, with cross party representation and external representatives to provide suitable challenge to improve all council activity.

The Secretary of State reserves the right to consider further Directions if they consider any or any part of these actions have not been undertaken.

THE COMMISSIONER TEAM

9. The Commissioner team will end their involvement in the Authority on 31 March 2017 in recognition of the progress made.

DURATION OF THE DIRECTION

10. The December 2014 Directions as amended and the Directions issued on 29 April 2015 and on 17 January 2017 are in force until 31 March 2017. Any further Directions reflecting the proposals above will be in force until 30 September 2018.

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1 March 2017

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Dear Secretary of State

TOWER HAMLETS: FUTURE OVERSIGHT ARRANGEMENTS 2017

I am writing to thank you for Monday's meeting with myself and Will Tuckley, my Chief Executive. I trust you found it reassuring, and that it provided a useful opportunity to explore the scope of any future oversight arrangements for Tower Hamlets, once the current Direction regime expires. In my previous correspondence of 20th February I set out, in broad terms, the proposed oversight arrangements for driving improvement from 1st April 2017 and I thought I could add to this following our conversation.

Following our discussion, I want to confirm my proposal to establish and chair a cross-party Council-wide Improvement Board (Tower Hamlets Improvement Board). I will ensure there is multi-party membership and invite independent representation through the Local Government Association (LGA).

The aim of this Board is to drive continuous improvement across the Council through the provision of robust oversight arrangements. Its purpose is to ensure the Council has a workforce that is skilled and competent, an open and transparent culture, and that we provide excellent services that are value for money.

The initial remit of the Board is to ensure a Council-wide approach to implementing improvement activity especially in relation to the outstanding activities pertaining to the current Directions, oversight of actions arising from our recent Ofsted inspection and of other service reviews. I intend to work in partnership with the LGA on sourcing external challenge as well as best practice to support the work of the Board.

The Board will meet publically each quarter and papers will be available on our website and sent to DCLG for review. Departmental reassurance is important and I suggest we provide you with a detailed progress report every six months, and that we maintain regular contact as necessary with your officials.

My Council is, as we discussed, on a journey and through this is an increasingly resilient organisation able to tackle the improvement challenges ahead. My commitment as Executive Mayor is to ensure that this process is continued, and that it helps to transform my Authority into an excellent one, as it needs to be.

I look forward hearing from you.

Yours sincerely,

John Biggs
Executive Mayor of Tower Hamlets

A handwritten signature in dark ink, consisting of a large, sweeping loop that starts under the name 'John Biggs' and extends to the right, ending with a horizontal line. There is a small, distinct mark above the signature.

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Secretary of State
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20 February 2017

Dear Secretary of State,

LONDON BOROUGH OF TOWER HAMLETS: FINAL PROGRESS REPORT AND LOCAL OVERSIGHT ARRANGEMENTS 2017 – 18

I am writing to you regarding the Directions regime for Tower Hamlets. Unless extended they will of course expire on 31st March 2017. It is my belief that my Borough has now met the requirements as specified in the aforementioned Directions and is able to demonstrate continued delivery and sustainable improvement. A summary of our final progress report on the current Best Value Action Plan (BVA Plan) is appended to this letter as is a proposed Best Value Improvement Plan 2017-18 (BVI Plan), which is our intended continued programme of work in areas subject to the Directions.

As I have stated previously, initially I was rather disappointed that my arrival as Mayor was not in itself seen as clear evidence of the cultural change that was necessary at the Council. I perhaps took an overly optimistic view that our problems largely derived from the behaviour of my predecessor's regime, and would end with his departure, and was also frustrated by the fact that the Commissioners carried a significant cost to the Council, both financial and of time.

It is clear that following the setting of Directions in 2014, the Commissioners experienced a very defensive and inward looking organisation, in denial that change was needed. There was demonstrable evidence of poor practice and standards below those expected in local government. There was weak management and poor leadership and further Directions were issued in April and May 2015. In my view Tower Hamlets missed an opportunity to make substantive progress to meet the original Directions, change and improve.

It has been a journey and progress in addressing the Directions has been formally reviewed every six months. Following my election in June 2015, in March 2016 the Commissioners noted steady progress in relation to procurement and elections, extending this to the other areas of the Directions in September 2016. Your Department has I think echoed the acknowledgment of progress in all areas. While we have been impatient for progressive lifting of the Directions, Commissioners remained concerned that relaxing controls required further progress and the embedding of good practice. In the updates provided since and in the attached final report it is clear that significant change has taken place and there are now robust arrangements in place to continue our journey of improvement.

Real and sustained progress has been achieved since my election and the appointment of the Chief Executive, Will Tuckley. I acknowledge that the Commissioners presence, and assistance, has helped me and my leadership team, and our management team, to understand the underlying problems of our Council in far greater detail. This would not have happened in such a comprehensive manner without them. They assisted us in examining and understanding the wider cultural issues in the way in which the Authority has behaved. This required a fundamental change in our senior management team, a strengthening of our internal checks and balances and a re-examination of our scheme of delegation. So while I am impatient for the Directions, and the need for Commissioners, to end now, I am grateful for their contribution and that they have been here.

Since the last progress report and our recent correspondence where I welcomed the removal of the Direction on Procurement and powers returned to the Council to determine grants albeit with continued oversight, we have worked closely with the Commissioners to demonstrate delivery and sustainable improvement. During the last six months work has intensified in order to deliver the outstanding actions in the current Best Value Action Plan. This involved meetings with the Commissioners, workshops to focus on evidence of delivery and commitment to ongoing implementation.

Set out below is a summary report of the latest progress. This was considered by the current Best Value Board on 24th January 2017. I am pleased to confirm the Council is now reporting all 205 actions in the Best Value Action Plan have been delivered with further implementation activity found in Tower Hamlets Best Value Improvement Plan 2017-18.

In addition, I have put in place new oversight arrangements which, should you be minded to revoke the Directions, would provide an organisational and public focus on continued delivery and improvement.

ELECTIONS

Since 2015 Tower Hamlets has successfully held three elections which include an EU referendum, a GLA election for the Assembly and Mayor of London as well as the Whitechapel by-election. The Electoral Commission and Commissioners have provided helpful advice and oversight that has ensured quality control. All statutory deadlines were met and no substantive incidents or complaints were received. Following the Government's response to Sir Eric Pickles' review the Returning Officer has been working with the Cabinet Office and partners to prepare a submission to participate in a pilot for voter identification. The current BVA Plan has been delivered meeting the requirements set out in the Directions and there is a range of improvement activity found in the BVI Plan 2017 – 18, with which we hope to progress following the conclusion of the BVA Plan, which includes ongoing work with the Electoral Commission..

I fully support the Returning Officer in the efforts to plan and deliver elections that are safe and free from corruption. However, I am acutely aware of the continued anxiety pertaining to any potential prospect of electoral fraud at the next elections in 2018. I am concerned that any possibility of this will undermine the Council's improvements and send the wrong message to the wider world. My Returning Officer is aware of this. A culture of intolerance of bad practice needs to continue to be asserted by Members.

GRANTS

The Council has made significant progress in relation to all aspects of grant management including putting in place a range of oversight arrangements that ensure greater openness and transparency including establishing a Grants Determination Sub-Committee. This is a Sub-Committee of Cabinet which met in public for the first time on 17th January 2017 and which I Chair. This Committee builds on the work undertaken previously by the Commissioners and considers comments from cross-party Grants Scrutiny Sub-Committee before decisions are taken. Public participation is encouraged and

integral to the overall transparency of this agenda. Openness about our Grants function is an essential requirement in sustaining and strengthening public confidence in our leadership.

The Grants Determination Sub-Committee met on 14th February and will meet again on 28th March 2017 with Commissioners in attendance. The Council's BVI Plan 2017 – 18 sets out a range of activity that requires further implementation including completing a restructure of the third sector team, a review of the Grants Determination Sub-Committee and delivering the pilot co-commissioning of the community cohesion theme of the current mainstream grants programme.

COMMUNICATIONS

In January 2017 we completed the restructure of the corporate communication team and developed a fully financed communication plan. The Plan sets out a range of activity, much of which has been completed including determining the costs related to the production of a new quarterly magazine, Our East End. Three editions of the magazine were published in 2016. We have adopted a campaign model and used it to support the consultation and engagement with our partners, residents and staff that subsequently informed the setting of our three year budget. We are now in the process of advertising a three year contract to deliver an effective service to provide for Public Statutory Notices and anticipate awarding a contract in early spring. In the meantime we have put in place interim arrangements with the East London Advertiser to ensure Notices are publicised accordingly. It is important to note all activities from the current BVA Plan have been delivered.

A range of further activity that has been started and still needs to be implemented can be found in the BVI Plan 2017 -18 including the completion of the aforementioned procurement exercise as well as development of thematic campaigns and delivery of a communications action plan. Over the next year we will enhance our internal and external communication channels resulting in better capacity to understand and target communications so that there is greater engagement and transparency.

PROPERTY

In November 2016 Cabinet agreed the Council's approach to community buildings. This included the development of new community hubs, entering into leases with some tenants, and moving some properties out of the community buildings portfolio, particularly to provide for much-needed housing. We recently carried out a carefully managed programme of property disposals securing significant capital receipts for application to wider priorities. In February 2017 Cabinet endorsed proposals relating to our wider corporate Accommodation and Space Management Policy. This demonstrates the links between different aspects of our approach as well as those relating to the Asset Rental Account. During the year ahead the Council will continue to audit the tenancies and occupancy of its property portfolio especially in relation to organisations in receipt of mainstream grants. Further implementation activity is found in the BVI Plan 2017 – 18.

ORGANISATIONAL CULTURE

The organisational culture at Tower Hamlets is changing. The Council has a clear vision, a strategic plan supported by a three year budget, and a workforce strategy and transformation programme. A senior management reorganisation has been introduced and recruitment is well advanced. The final Member interviews for the permanent monitoring officer post are scheduled to take place in mid-March 2017. In addition, findings from the Council's most recent staff survey will inform the refresh of organisational values as well as staff learning and development. There is a specific focus on management and leadership.

In September 2016 we launched an independent ClearUp Project to deal with any remaining allegations of impropriety or serious concerns residents or staff might have had. Independent investigators were appointed in January 2017 to look into these and report their findings and recommendations. A report is expected at Cabinet in May and Full Council in June 2017. Also in January the Council instigated an independent external review of the whistleblowing arrangements introduced earlier in 2016. The review will also reflect the findings from the ClearUp report. The

outcome of the review will be to have a leading, best practice approach in terms of policy, practice and training that is effectively monitored, reported and communicated.

An updated Scheme of Delegation that clarified roles and responsibilities of the Chief Executive and Elected Mayor was reported to Full Council in September 2016. In March and May 2017 a review of the Council's constitution and governance arrangements will be reported to Full Council which has been overseen by a cross-party Constitutional Working Group. In addition we have established a cross-party Governance Review Working Party and through this commissioned Solace to carry out a review of Member relations. The GRWP has considered the findings resulting in more dialogue between councillors and a better understanding of the key issues. The organisational culture activities have either been delivered or started with future initiatives set out in the BVI Plan 2017 – 18.

BEST VALUE IMPROVEMENT ARRANGEMENTS 2017 - 18

To continue my Council's improvement, we have developed a future programme of actions and processes encapsulated principally in our BVI Plan. I hope you will be minded to allow the Directions to expire and will endorse these robust oversight arrangements that I have put in place for 2017 -18. These are as follows.

At Cabinet on 7th March 2017 and as a successor to the current arrangements, I will publish a Best Value Improvement Plan (BVI Plan) 2017 -18 which we have discussed with your Commissioners and which has five key priority areas and 26 strategic actions. The priority areas are grants, elections, property, organisational culture and communications. This plan is designed to drive the continued implementation of change and strengthened controls and governance as well as continued improvement.

Twice a year, as part of the Council's commitment to openness and transparency, an updated progress report will be submitted to the Overview and Scrutiny Committee and Cabinet. In addition I will produce an annual BV Improvement report which will be submitted to you and your department.

I will establish and chair a new public Best Value Improvement Board (BVI Board) with a remit to oversee the Council's continuous improvement journey as well as ensure the delivery of the BVI Plan 2017 – 18. It is envisaged the BVI Board will meet every quarter and I will offer places to ensure there is multi-party representation. To ensure transparency and external challenge I will also work with the Local Government Association (LGA) on sourcing independent representation on the BVI Board. Representatives from DCLG will be welcome at these public meetings and I will make available all relevant papers.

In addition, as part of the Council's commitment to be outward facing, I will engage the services of the LGA to provide external challenge as well as best practice guidance and learning opportunities from elsewhere. The Council has already benefitted from specific programmes and projects delivered by the LGA in particular those focussed on HR, communications and Member development. We have also worked with Centre for Public Scrutiny (CfPS); they supported the development of our scrutiny committees recently with the preparation of our budget scrutiny process. Members and staff are encouraged to take up opportunities of support especially those that are tailored and subject specific: in particular best practice in relation to communications, grants and the voluntary sector. I have previously mentioned that the Returning Officer has had dialogue with the Cabinet Office in relation to pilot voter ID for the next election. We are exploring opportunities to take part in other Government programmes such as One Public Estate.

Finally, I am extremely keen to demonstrate the Council is an organisation that is open to challenge and focussed on improvement and there are many activities taking place now and in the year ahead that will help shape this journey. Recently, I reconstituted Tower Hamlets Strategic Partnership which had become dormant under my predecessor to ensure there is greater collaboration on borough-wide, regional and national priorities. The Council is also in the process of centralising and strengthening the strategy, policy and performance function which is pivotal to ensuring the organisation is evidence-led

and driving improvement. Alongside this we are also revamping our performance management framework, placing a greater emphasis on accountability and transparency across the organisation and wider community.

Opportunities to drive improvement will also be determined by a range of external challenge including those flowing from the recent Ofsted inspection as well as forthcoming ADASS sector-led peer review. The Best Value Improvement Plan 2017 – 18 includes reference to these and other activity to ensure there is a corporate approach to implementing any future improvement activity. In addition the Council will progress our Investors in People (IIP) external accreditation as well as use the results from our recent staff and residents' survey to help us understand our progress and inform our future strategic priorities.

Being subject to Government Direction is a challenging experience which provides unique insights that should be shared. That is why Sir Ken Knight, the Government's Lead Commissioner, Will Tuckley, Chief Executive and I are keen to share the learning of this experience with colleagues across local government at the next LGA conference in July.

DIRECTIONS AND COMMISSIONERS

Today, Tower Hamlets Council is a different organisation to the one I inherited following my election 20 months ago. There is now real evidence that I have replaced weak management and poor leadership, and adopted a clear determined approach. I have outlined some of the good progress we have made and the steps taken to achieve this. However, it is a continuing journey and I am not complacent about how tough it has been or will be in the future to deliver and sustain the continuous improvement that remains necessary. That is why I have been clear with the Council's senior management that we must transform the way we work, to become an outward facing organisation that is innovative and proactive with a focus on delivery and improving outcomes. I want Tower Hamlets to be confident, committed, and creative; at ease with challenging any culture of organisational convenience in the pursuit of excellence for our residents. And it should go without saying that this includes the expectation that all members and staff uphold the Nolan principles in public life.

The Commissioners' role in Tower Hamlets journey has been pivotal in providing the necessary direction, challenge and scrutiny. There can be no doubt the Council has been the beneficiary of their experience and wise counsel and our progress is testament to this. Whilst I look forward to their departure I want to take this opportunity to formally express my gratitude for their support. Finally, if you are minded to end Directions on 31st March, I look forward to the return of full democratic control. I would like to extend a warm welcome to you should you wish to visit our borough.

Yours sincerely,



John Biggs
Executive Mayor of Tower Hamlets

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**Best Value Action Plan
Final 6 monthly update report**

The Council is pleased to provide the final report setting out the progress made implementing the Best Value Action Plan as required under the Directions of December 2014. This report notes that the Council has met all actions in the Best Value Action Plan against the six areas of Property, Election, Organisation Culture, Procurement, Grants and Communications. In total 205 actions in the Best Value Action Plan have been delivered.

The Council's progress against the Directions was acknowledged by the Secretary of State in January 2017 when he confirmed the removal of the Direction on Procurement and powers returned to the Council on determining grants with a new oversight Direction on Grants. The Secretary of State also reduced the Commissioner team from 4 to 3.

The Council has benefited from the skills and experience Commissioners have brought to our improvement journey and this report details the changes we have made as well as related impact. The Council is keen to continue on this journey and has developed a Best Value Improvement Plan which details work that will be delivered during 2017-18. This includes working with a range of external partners such as the Electoral Commission, Local Government Association, Central Government Departments, ADASS and Investors in People. Also engaging local residents and working with local statutory partners and the voluntary and community sector to improve Tower Hamlets.

It is recognised that implementing significant organisational change is a long-term, iterative process. As such, this update report also addresses issues, which fall outside of the formal Best Value Plans agreed with the Secretary of State, that have been identified by the Council or the Commissioners as matters where further work is required and underway.

Recruitment to Statutory Monitoring Officer

The recruitment process for the Statutory Monitoring Officer has begun and long listing will be completed by mid-February 2017 and the final Member interviews are scheduled to take place by mid-March 2017. At the same time recruitment to the vacant corporate structure roles are also being undertaken.

Procurement

All actions in the Procurement Best Value Action Plan have now been successfully delivered and the Secretary of State has written to the Council to confirm this Direction has been removed. As part of our broader Procurement Strategy 2016-2019 commitments, work is underway in delivering further improvements within procurement, commissioning and contract management.

Our Procurement Strategy 2016-2019 sets out in broad terms how the Council intends to organise its procurement and commissioning resource and skills to continue to secure value for money whilst stimulating local markets. The strategy focuses on the Council's strategic approach to enhancing the management and development of our suppliers through improved

commercial and contract management, introducing a centralised operating model that ensures better integration between these service areas, provide insightful analysis on supply markets, develop better relationship with our strategic contractors to inform the Council's strategic planning and ensure best value duties are fully discharged.

Grants

All actions in the Grants Best Value Action Plan have been delivered and significant progress has been made in relation to all aspects of grant management, including establishing the Grants Determination Sub-Committee which met for the first time on 17th January 2017. This is a Sub-Committee of Cabinet and at the meeting it was agreed that the Mayor would Chair this Committee. The meeting took place in public and a Commissioner was present. This Committee builds on the work undertaken previously by the Commissioners and considers comments from the Grants Scrutiny Sub-Committee before decision is reached on each item. As with all other Committee public participation and submissions are considered relating to items on the agenda. The Grants Determination Sub-Committee also met on 14 February and will be meeting on 28 Mar 2017. During 2017-18 a number of follow up work will be delivered which includes completing the third sector team restructure, review of Grants Determination Sub-Committee and delivering the pilot co-commissioning of the Community Cohesion theme of the current MSG programme.

Communications

In January 2017, Communications and Marketing presented a Communications Action Plan to Commissioners to detail the work that has been done to resolve outstanding issues in four areas – complete team structure; determine costs of publications; ensure the effective delivery of campaigns; resolve the future of Statutory Public Notices. The Commissioners had asked to see plans for the delivery of these four areas following the presentation of the fully costed business plan for the Communications and Marketing Service in August 2016. The action plan showed that all four areas had been resolved. The Communications and Marketing Service restructure was completed in January 2017. The cost of publications such as Our East End, the quarterly magazine, has been determined three issues have been published in 2016. The Council has moved to a campaign model and used it to deliver two major campaigns at the end of 2016 on the Council's three year budget setting process.

The future of statutory notices has been decided following legal advice. The decision was to enter into a three year contract to advertise with the East London Advertiser. The notices will be bought through a media buying company to provide the Council with better rates, and the process is currently being advertised through procurement and is expected to be awarded in April 2017. A timetable detailing the procurement process has been supplied to the Commissioners. In the meantime the Council continues to advertise through East London Advertiser via a temporary contract with media buying company TMP.

Property

Further progress has been made in this area over recent months. The Council has carried out a carefully managed disposals programme securing significant capital receipts for application towards council priorities. A continued key area of focus over the next period will be

implementing the Council's approach to Community Buildings. This was set out and agreed in a report to Cabinet in November 2016 and will include the development of new community hubs, entering into leases with some tenants, and moving some properties out of the community buildings portfolio, particularly to provide much-needed housing. In addition, in February 2017, Cabinet endorsed the proposals on Asset Rental Account, in particular how such a model fits within a wider corporate Accommodation and Space Management Policy as well as the wide strategic context

Organisational Culture

The Council's Organisational Culture Plan provides a robust framework to support current and future activity in this area. This is complemented by a new Workforce Strategy with significant emphasis on areas such as leadership, staff engagement and core values. The Council's Transformation Programme 'Smarter Together' will transform the way Council operates by becoming a modern Council that uses a range of technology and information to provide better services and reduce demand on Council services. At the same time ensuring we can harness economic growth and deliver the best outcomes for our residents.

The Council continues to be more outward facing by being actively involved in national and sub-regional discussions and in particular working with our neighbouring boroughs to improve cross borough working. We have developed a draft Community Engagement Strategy which will strengthen our engagement and involvement with local people and stakeholders and ensure this reflects in our service design and delivery. We have reconstituted the Tower hamlets Strategic Partnership which met for the first time in January 2017 and is currently developing a work programme for the coming year including the development of a new Community Plan in 2018 for a shared vision for Tower Hamlets.

The independent 'Clear Up Project' was launched in September 2016 with a three month nomination period for submission of previously unconsidered allegations. The project is overseen by a Project Board consisting of the 3 Statutory Officers and a Commissioner and will report the findings and recommendations on the 66 allegations they received by March 2017.

The review of the Council's constitution and governance arrangement has been overseen by a cross party Constitutional Working Group and will report to Full Council in March and May 2017. A group leaders and whips group has been established to take forward the work of Members conduct and in particular at Full Council meetings. This will consider findings from the Solace review and enable greater dialogue and understanding of the key issues. The work on Officer Scheme of Delegation started in Summer 2016 and the roles and responsibilities of the Chief Executive and Mayor has been clarified and reported to Full Council on 21st September 2016.

During 2017-18 internal and external communication channels will be enhanced with better capacity to understand need and target communications.

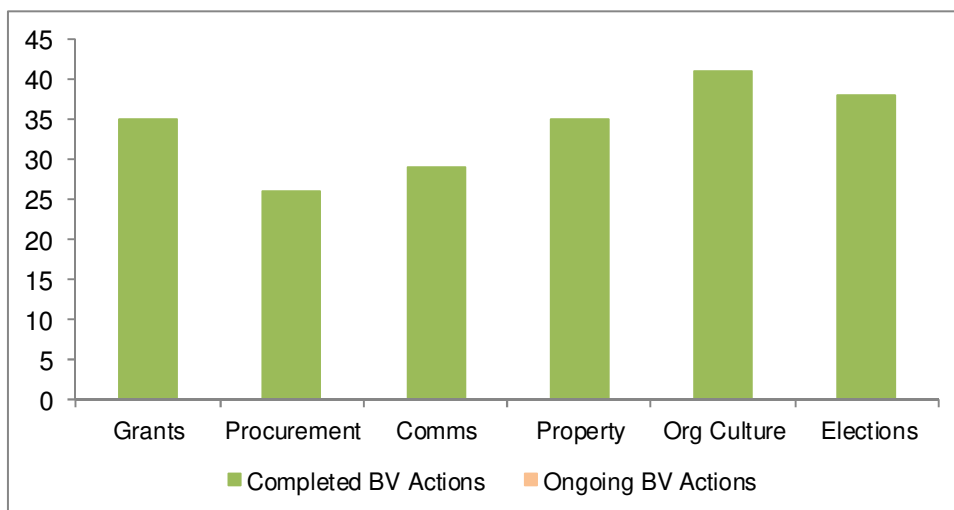
Elections

All actions in the Election Best Value Plan have been completed which includes satisfactory delivery of the Greater London Authority elections in May 2016 and EU Referendum in June 2016. Since the last update the Council has also successfully delivered a local by-election in December 2016. Following the Governments response to Sir Eric Pickles' Review, in conjunction with key partners, we are meeting Government officials at the end of February 2017 to express our interest in participating in the proposal for voter identification pilot scheme for the local government elections in 2018.

A key focus for the service in 2017-18 will be to prepare for the 2018 local government elections. This will be a challenging election but based on delivering successful elections and early engagement of relevant stakeholders the Council is confident of delivering another successful election.

Overall progress against Best Value Action Plans

The charts below shows progress against the 205 milestones identified within the Best Value Plans first agreed with the Secretary of State in March 2015. The Council has now delivered against all the milestones in the Action Plan with on-going work in 2017-18 detailed in the Best Value Improvement Plan.



Further details on the Best Value areas of Communication, Property and Organisation Culture which had outstanding actions as reported in the previous submission to the Secretary of State in September 2016, are detailed over the next few sections.

Best Value Area	Communications	Overall Delivery Status: GREEN
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Progress Summary

Background

Communications in Tower Hamlets had a history of being reactive with a heavy reliance on the Council's weekly publication, East End Life. Many of the messages and activities being communicated were determined by services' willingness and ability to pay and there was little use of insight or data to identify appropriate communication channels and support the delivery of effective communications campaigns. Since the Best Value Action Plan was introduced there has been significant progress in reforming the way the Council deals with internal and external publicity management.

Key achievements

- A new Communications Strategy and a model for communications work for 2016/7 which ensures that communications activity is clearly linked to the Strategic Plan and residents' priorities as set out in the Annual Residents' Survey has been developed. In addition, the Council used feedback from an LGA review of its communications activity to develop its own digital communications and a more pluralistic approach to communicating with residents;
- A new Content Management System was procured to improve access to, and user experience of the Council's website, and enable us to improve our SOCITM rating. The new system went live in December 2015;
- A new e-newsletter was launched on 24 March 2016, and is being distributed regularly to just under 20,000 residents with plans to further drive up the circulation list.
- The Council has been compliant with the Code of Recommended Practice on Local Authority publicity since 18 May 2016, with the final edition of East End Life published on 16 May 2016;
- A new quarterly publication, Our East End, was developed and launched on 13 June 2016 with an increased distribution of 120,000 to reflect the growth in population since the initial production of East End Life. 17,000 bulk drops are also made to Council and community buildings. Three issues of Our East End have been published in 2016 with the next edition due for publication in march 2017;
- The Communications Protocol has been updated, agreed by the Corporate Management Team (CMT) and promoted widely via internal communications channels;
- Training on the Communications Protocol has been delivered to relevant Mayor's Office staff (including new members of staff);
- The service has rolled out of the Print and Design framework. The majority of the Council's marketing collateral now goes through Communications Service enabling us to achieve significant savings for the Council as a whole;
- A Digital Communications Strategy has been developed and agreed by CMT to support the emerging Digital Strategy;
- We have a continued focus on engagement via social media, which has seen a significant increase in the numbers of residents engaging with the Council through Twitter, Facebook and Instagram. We currently have 12,550 followers on Twitter, 1,006 on Instagram, 1,678 Facebook likes, 4,232 LinkedIn followers.
- We are focusing on the ongoing delivery of communications campaigns for directorates aligned with Council and Mayoral priorities, and residents' priorities as reflected in the Annual Residents' Survey;
- An updated communications strategy to the end of the financial year and action plan has been agreed with the Commissioners with agreed new campaigns and will also be further developing our communications infrastructure and channels.
- A new suite of internal communications is being developed with key elements already in place (including poster sites in Council buildings, use of plasma screens and the launch of weekly staff e-newsletter).

Measurable outcomes for existing work

A set of outcomes have been designed to measure the effectiveness of the work the service carries out. They include:

- E-newsletters are regularly sent out (latest figures are to just under 20,000 subscribers). The (government) industry standard is for an open rate of 22.38 per cent, click rate of 2.7 per cent. Our average open rate is 40.5 per cent with a click rate of 7.7 per cent. E-newsletter no.20 had an open rate of 40.9 per cent and a click rate of 5.2 per cent. These rates are monitored for each e-newsletter. 89 per cent positive/neutral coverage of the Council in the media as assessed in our quarterly performance monitoring reports;
- 100 per cent of relevant Mayor's Office staff received training on Communications Protocol;
- Audit of compliance with Communications Protocol to provide substantial assurance - substantial assurance awarded;
- Target of 10,000 Twitter followers by end of 2015 met, currently we have over 12,550 followers

Areas where work continues to progress

Further development of communication infrastructure will be undertaken including building our resident profile and segmentation of this to enable our communication channels to target to appropriate audiences.

The statutory notices contract will be awarded for a period of three years and discussions taking place whether this could be placed on-line.

Deliver the 2017-18 work on the Smarter Together Programme for both internal and external audiences building on lessons learnt from 2016-17.

Best Value Area	Property	Overall Delivery Status: GREEN
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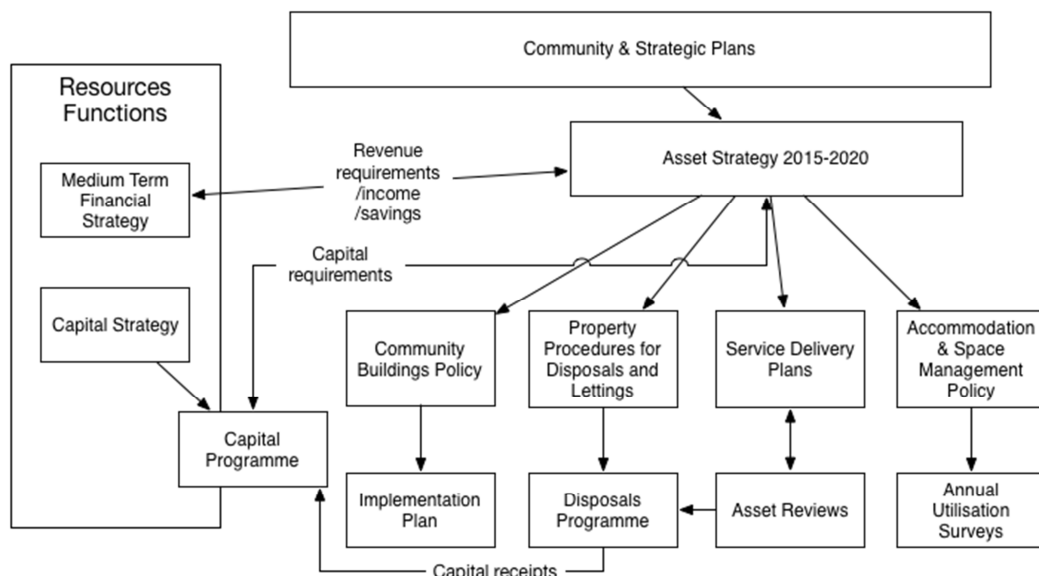
Progress Summary

Background

The Council owns, occupies or maintains around 860 non-HRA properties, valued at £1bn, located within the borough. The Council also owns around £800m of HRA properties (the housing element is managed and maintained by Tower Hamlets Homes, the Council’s arms-length management organisation) as well as a further £50m of community assets.

Key achievements

A number of key strategy and policy documents have been through the appropriate governance processes and been adopted by the authority. These include the Property Procedures for Disposals and Lettings, the Asset Strategy: Scoping, Principles & Priorities Paper, and the Community Buildings Policy. In addition, the Terms of Reference for the Asset Management Working Group and Board have been updated as well as the s151 officer’s financial instructions in relation to disposals. In addition, the Mayor and Cabinet will – at February Cabinet – be asked to endorse the mechanism by which the property service, in its capacity as the corporate landlord, will recharge services for their occupation of space. The Mayor and Cabinet are also being asked to endorse the strategic context in which property is managed and property decisions are made. The strategic context, and the relationship between these documents and strategies, is set out below.



The adoption of the Asset Strategy has set out a framework for how the Council will determine its ongoing and future property needs, and move to a more fit for purpose, effective and efficient estate for the future. A high level operational property review will be undertaken in 2017/18, following the completion of recruitment exercises to key posts in the team. This will take a broad look at the Council’s estate to identify those parts of it that represent the poorest performers, in terms of cost to the Council. Those sites would then be scrutinised further and services asked to justify their continued retention. The aim is to develop a transparent approach to demonstrating the cost of poor premises, and to focus challenge to the areas of greatest potential early gain. In addition to these reviews, thematic reviews will be carried out across some key areas of the Council’s estate. The first of these will be a review of the council’s depots, to be followed by a review of leisure facilities. These reviews will be carried out in the context of current or emerging procurement activity as well as the latest (adopted or draft) strategies for those areas. The review will also take into account evidence on need/demand that has been gathered

as part of the production of the Local Plan.

The Community Buildings policy has also set out a framework for the future management of the council's portfolio of community buildings. This includes reaffirming a number of principles, including rental for exclusive possession leases being set at the open market value (for community use), signed agreements needing to be in place, and ensuring a clear demarcation of responsibilities is agreed between the council and the tenant/user. The Council has also established a Community Benefit Rent Reduction Scheme, a mechanism through which the council will assess, quantify and recognise the community benefits being delivered by some tenants in the form of a rent reduction.

The Council has started the process of entering into some leases as part of the implementation of the policy. The first tranche of leases are with the nurseries whose leases will be based on the open market rent (for D1 use) with no eligibility for the rent reduction scheme. These leases are due to be completed before the end of the year (31st March 2017). In addition, the Council is reviewing the vacant buildings with a view to returning some community buildings to housing use (as they previously were) as well as other alternative uses (e.g. for use by THH caretakers).

Cabinet also agreed a proposal that the Council create a number of 'community hubs'. These will provide low-cost and flexible spaces for local community groups and TRAs to use on a sessional and shared basis, either based on a licence or a hire agreement. This will increase utilisation levels of the community buildings estate and ensure there are appropriate usage/property agreements in place for all building users/tenants. The creation of these hubs will also generate surplus properties as existing tenants move out of their current premises. The public consultation exercise and more specific consultation with the community and voluntary sector indicated there is strong support for this.

The feasibility study for the first hub has been completed and the Council is currently looking to procure the works necessary to convert the building into a hub. As this will be the first of a network of community hubs, the Council is keen to ensure that the right facilities are put in place, that suit the needs of a wide range of user groups. The target date for the completion of works is by the end of March. Additional hubs will be delivered in 2017/18.

One of the key challenges for the service, but also for the Council, will be the delivery of a new civic centre. The Council purchased the Royal London Hospital site in February 2014 for this purpose and this site was confirmed as the preferred location by the Mayor in Cabinet in November 2015. Officers undertook a procurement exercise to appoint an architect-led multi-disciplinary design team. Stirling prize-winning firm, Allford Hall Monaghan Morris, were appointed following a highly competitive procurement exercise. The first iteration of the client brief has been signed off and the design team are progressing their work to respond to that brief by producing the concept design. The site surveys are also being instructed and undertaken. Consideration is being given to carrying out soft strip out works or enabling works to provide additional certainty when procuring the main contractor as well as potentially securing additional time in the programme.

The service has also been undertaking tenancy/occupancy audits across a range of portfolio areas. This has involved cross-referencing the Council's occupancy records against other datasets, confirming the property arrangements for all grant-recipients across circa 300 addresses, and will also result in site visits to 150-200 properties to ensure the information in the service's records are correct.

As these workstreams and projects have progressed, officers in the service have been providing regular updates and evidence of progress to the Commissioners in order to demonstrated continued compliance with the Best Value duty.

Continuous Improvement Work in 2017-18

Key activities that will take place before the end of the financial year:

- Community Buildings: Completion of works and opening of the Christian Street community hub;
- Community Buildings: Enter into first tranche of leases for nurseries;

- Asset Rental Account: Completion of utilisation surveys;
- Asset Rental Account: Agreement and processing of directorate recharges;
- Completion of occupancy/tenancy audits including site visits;

Key activities that will take place in 2017/18 include:

- Community Buildings: Work with Strategic Housing and Capital Delivery to convert vacant buildings into housing;
- Community Buildings: Work with THH to formally transfer caretakers' facilities;
- Community Buildings: Establish second and third hub;
- Community Buildings: Establish roll-out plan for further hubs;
- Asset Rental Account: Embed moves procedure (communication plan, including financial implications of move);
- Undertake any actions arising from occupancy/tenancy audit; and
- Service based and thematic asset reviews.

Best Value Area	Organisational Culture	Overall Delivery Status: GREEN
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Progress Summary

Background

It is widely recognised that Tower Hamlets has been through a difficult and turbulent period. Member / officer relationships did not always display effective collaboration. A prolonged period of instability, with a number of interim appointments in the most senior roles, had an impact on the organisation's ability to communicate and maintain a shared vision. The Council was often too inward focused when it should have been seeking to share, compare and learn from other areas. Investors in People (IIP) assessments in 2014 and 2015 both identified that senior leaders needed to articulate and model effective behaviours and that, in some areas, staff were not being managed in-line with organisational values.

Organisational culture is recognised as a key component in moving the Council forward. The aims of the Organisational Culture Action Plan are to: ensure that the culture of the organisation continues to be one which strives for continuous improvement; engage and invest in staff; ensure relationships between groups of members and between members and officers are professional, respectful, open and honest and rebuild trust in the areas where this has, or is perceived to have, broken down.

The key outcomes we are looking to achieve are:

- Staff engaged with and committed to delivering the Council's vision and priorities
- Improved clarity and understanding of formal roles and responsibilities of the Executive, non-Executive and senior officers of the Council in a Mayoral system
- Effective working relationships between elected members, and between elected members and senior officers, to enable all to work together to achieve the best outcomes for Tower Hamlets and its residents
- A shared commitment to a set of agreed behaviours and cultural values to underpin formal roles and responsibilities
- A sustainable approach to maintaining and refreshing this shared commitment

Key achievements

All of the actions detailed in the action plan have been completed and improvements are already visible:

- Members are working more effectively across party lines. The Mayor's Transparency Protocol, and the Overview and Scrutiny Transparency Commission, have supported greater levels of openness around decision making and political leadership.
- The Council has been working across London and with neighbouring boroughs on the development of devolution and joint working proposals.
- Staff communication is improving and more innovative methods of engagement are helping to close the gap between senior leaders and the workforce; creating more of a dialogue.

Areas where work continues to progress

Although these improvements are positive, culture change is a long term process and there remain a number of key elements that must be embedded in the organisation. Research shows that for people to be fully engaged in the purpose, strategy and values of their organisation, they need to be consulted and have input from the outset. Over the summer, engagement has been taking place with staff and members to develop a new set of core values and a cultural mission statement to encompass the whole organisational culture programme. In addition, work has taken place to review the mechanisms and processes with which we engage with staff, ensuring that we have effective ways to communicate, consult and gather feedback from the workforce. These elements will be crucial for embedding other actions and improvements that are implemented as part of the programme.

In addition to consultation and engagement, delivering effective culture change requires new behaviours

and working practices to be role modelled. People tend to act on what they see, not what they are told and visible, transparent leadership is vital for the organisation to progress. This role modelled leadership is already evident with the Mayor and Chief Executive, and further progress has been made with the Senior Leadership Team and Members through the work with Solace. Leadership development is also reflected in the Workforce Strategy and a number of actions seek to create effective workforce role models.

It is recognised that it is the responsibility of all members and managers to ensure that values, behaviours and procedures are consistent with the Council's cultural vision. Behaviours and actions that do not fit with the core values will be tackled and addressed. The Chief Executive held a number of road shows during Oct-Dec 2016 and a Staff Survey was completed in December. The results of these are being used to develop new vision and values for the Council which will be incorporated as part of the new personal development process for 2017-18. All staffs have completed deceleration of interest apart from those on maternity leave or long-term sick. An audit of this is currently being carried out which will test compliance with procedures and also random sampling to carry out data matching with Open Source information.

The Council's Organisation Culture Plan is based around four work streams (2 primary and 2 contributory). Progress updates are provided to the Corporate Management Team, in its role as Transformation Board, on a quarterly basis, or by exception where actions are not expected to meet the agreed timeline. Each work stream is led by a member of CMT to ensure interaction between the streams, maintaining a clear and collaborative vision.

The first work stream is overseen by a cross-party, member and officer working group, the Governance Review Working Group. This work stream focuses on the following:

- Creating a more transparent and open organisation
- Improving the clarity and understanding of formal roles and responsibilities in a mayoral system
- Building more effective working relationships between elected members and between members and senior officers
- Fostering a shared commitment to a set of agreed behaviours and cultural values to underpin formal roles and responsibilities
- A sustainable approach to maintaining and refreshing this shared commitment

The second work stream is Organisational Transformation, which focuses on improvements in relation to people, ICT, facilities and efficiency savings. Improvements in these areas are crucial if the Council is to overturn the silo and bureaucratic working where it exists. Developing agile services requires members and officers to be responsive, flexible and efficient, and the use of technology will have an important role in the achievement of this. The Smarter Together transformation programme was launched in 2016 and has started to engage local people, staff and wider stakeholders to deliver the transformation over the next three years with a continued focus on improving outcomes for local people.

In addition, there are two contributory work streams. These focus on specific areas that have been highlighted through the work undertaken by Solace and elsewhere: member/officer relationships and delegation of powers. Both work streams aim to improve collaborative working, trust and role modelled leadership behaviours that will have an impact on the wider workforce.

The Organisational Culture Plan is a work programme to overhaul the culture of the organisation and, as such, work will be ongoing for some time in each of the work streams. Feedback from the Commissioners has been incorporated into an updated version of the Plan, including the timescales for delivery. The change programme is purposefully iterative and evolving. The programme will be reviewed every six months and a 'health check' undertaken. This will provide an indication of progress and additional areas of focus to maintain the cultural development. The Council is currently also in discussions with Investors in People for accreditation against the Gold Standard which will demonstrate the considerable progress made by the Council.

The Clear Up Project launched in September 2016 received 66 allegations. The project is led by an independent project manager and overseen by a Project Board consisting of the 3 Statutory Officers

and a Commissioner. During December and January the Clear Up team has been scoping and qualifying the allegations to determine what should progress to full investigation. The Board has agreed to the recommendation to close 22 cases, 10 cases are being fully investigated, 28 cases are being scoped and 6 cases further information request has been made. The Project Board has been meeting frequently to review findings and agree next steps. The project is expected to complete all investigations and report on key findings and recommendations by end of March 2017. Where possible all complainants are kept up to date on progress and outcomes and a dedicated page on the Council website has details of the process and the final report will be published there. There is also regular liaison with the Council's whistleblowing leads to ensure that lessons learn from the Clear Up Project is incorporated into the Council's longer term whistleblowing arrangements.

A comprehensive review of the Council's constitution has begun which includes updating members' code of conduct and members and officers protocol and all work is expected to be completed by May 2017. The Governance Review Working Group is overseeing this piece of work and will further develop work around member development, leadership and conduct.

Best Value Improvement Plan 2017-18

Introduction

The Best Value Improvement Plan 2017-18 builds on the work undertaken last year. It details 26 strategic activities against the 5 areas of Elections, Grants, Communications, Property and Organisational Culture.

Areas of Focus

Elections:

The key focus for the next year will be to work with the Police, Cabinet Office and Electoral Commission as well as local political parties and residents to ensure a successful Mayoral and local election can be delivered on May 2018.

Grants

The key outcomes that will be achieved through the grants activities include a more focused team to support our work with the voluntary and community sector and improvement to our systems and process to analyse and report on performance. We will also review the Grants Determination Sub-Committee to ensure it is working effectively and their work is scrutinised by a cross party Grants Scrutiny Sub-Committee. The pilot of moving from grants to commissioning through the co-production of the community cohesion MSG theme will provide the platform for learning and development of commissioning models for other grants schemes.

Communications

The activities within the area of communications will enable the Council to increase the range of channels to communicate with local residents and staff ensuring greater understanding and transparency of the Council's work. Work will be also undertaken to establish the long-term future of statutory notices.

Property

The property workstream will enable further progress in implementing the Council's approach to community buildings including the opening of 2 more community hubs. The work on Asset Rental Account will be implemented and on-going work to review assets across the borough.

Organisation Culture

The key outcomes that will be achieved through the activities in this area is that the Council will have a senior management team providing the leadership required to take forward the organisation and deliver an ambitious organisational transformation programme. The work on the review of the constitution and member development will ensure the political leadership have the right skills to operate within an effective governance arrangement.

Monitoring

The Best Value Improvement Plan will be monitored quarterly by the Best Value Improvement Board which will be established in April 2017. It will also be reported to the Council's Overview and Scrutiny Committee and Cabinet twice a year. In addition to monitoring against the activities and milestones a key focus will be on outcomes achieved as a result of these pieces of work and ensure this is communicated to local residents and wider stakeholders

Elections		
Activities	Lead Officer	Deadline
1. Planning for 2018 Mayoral and local elections		
Joint working with partner agencies - First meeting February 2017	Will Tuckley/Louise Stamp	May-18
Project group to meet monthly from April 2017, fortnightly from December 2017 and more frequently as required immediately prior to elections.	Will Tuckley/Louise Stamp	May-18
Ensure integrity of the process and good order at polling stations.	Will Tuckley/Louise Stamp	May-18
Train 40/50 experienced poll clerks to act as presiding officers in May 2018, to be placed with an experienced PO at a double station.	Louise Stamp	Jun-17
Enhanced mandatory training for polling station staff before taking up roles. To include bespoke e. training and dedicated training for PO's with specific scenarios.	Will Tuckley/Louise Stamp	Feb-18
Continuation of RO instruction to ensure polling staff only speak in English whilst on duty in the polling station	Will Tuckley/Louise Stamp	May-18
Ballot papers at polling stations - prefolded to assist with check of ballot paper number before being placed in the ballot box and to ensure secrecy of the ballot.	Will Tuckley/Louise Stamp	Mar-18
Full review of count procedures and paperwork in consultation with EC	Will Tuckley/Louise Stamp	Jan-18
Count venue pre-booked - East Wintergarden, Canary Wharf	Will Tuckley/Louise Stamp	Jan-17
Dedicated count training for accountants using Xpress count module	Louise Stamp	May-17
Enhanced mandatory training for count staff before taking up roles. To include dedicated training on count procedures.	Will Tuckley/Louise Stamp	Mar-18
Enhanced security measures inc photo ID checks at count; non-Council security staff; non-transferable security wristbands	Will Tuckley/Louise Stamp	May-18
Platform area for RO and Accountants to ensure visibility of count area	Will Tuckley/Louise Stamp	Jan-18
Review of Media Pack to ensure up-to-date information provided	Andreas Christophorou/Kelly Powell	Jan-18
2. Participate in pilot ID scheme		
Key Milestones		
Meeting Government Officials to discuss pilot voter identification scheme proposal	Will Tuckley/Louise Stamp	Feb-17
ID at polling stations - extensive awareness campaign informing electors what ID must be	Andreas Christophorou/Kelly	Jan-18
Identification of electors who have already provided evidence to support their registration	Louise Stamp	Jun-17
Liaise with partners for possible provision of Electoral ID Cards/Letters	Will Tuckley/Louise Stamp	Dec-17
Additional information provided on poll cards	Louise Stamp	Feb-18
Additional staff identified for polling stations to act as 'meet and greet' to check that suitable ID is	Louise Stamp	Jan-18

Include training for PO's and PC's for ID and signature verification checks	Louise Stamp	Feb-18
Communications		
Activities	Lead Officer	Deadline
3. Develop and deliver Communication Strategy for 2017-18		
Key Milestones		
Launch new weekly staff newsletter	Andreas Christophorou	Apr-17
Commission media consumption Survey	Andreas Christophorou	Apr-17
Build a range of communication infrastructure	Andreas Christophorou	Jul-17
Develop Intelligence Newsletter allowing better targeting of information to local people	Andreas Christophorou	Dec-17
Launch new Intranet Site	Andreas Christophorou	Mar-18
4. Procurement of statutory notices		
Key Milestones		
Invitation to tender	Andreas Christophorou	Feb-17
Evaluation	Andreas Christophorou	Feb-17
Contract award	Andreas Christophorou	Apr-17
Contract mobilisation	Andreas Christophorou	May-17
Property		
Activities	Lead Officer	Deadline
5. Deliver Asset Rental Account Action Plan		
Key Milestones		
Managers' briefing on moves procedure	Steven Girling	Apr-17
6. Implement Community buildings programme		
Key Milestones		
Agree action plan for validation of TRAs with THH	Richard Chilcott	Apr-17
Formally transfer caretaker's facilities to THH	Richard Chilcott	Jun-17
Complete marketing and letting of vacant buildings identified for commercial use	Richard Chilcott	Jun-17
Complete and open second community hub	Richard Chilcott	Jun-17
Establish implementation plan for third hub and wider roll-out across the borough	Richard Chilcott	Jun-17
Complete and open third community hub	Richard Chilcott	Mar-18
Convert vacant community buildings identified for housing use to housing and transfer to THH/Homeless Services	Richard Chilcott	Mar-18

7. Strengthen governance arrangements		
Key Milestones		
Review of revised governance arrangements	Ann Sutcliffe	Sep-17
8. Asset reviews and service delivery plans		
Key Milestones		
Complete review of depot provision across the borough	Richard Chilcott	Sep-17
Complete review of leisure facilities across the borough	Richard Chilcott	Mar-18
9. Complete audit of assets		
Key Milestones		
Complete audit specifically any additional requests for information or documentation following visits in 2016/17)	Richard Chilcott	Jun-17
Complete any regularisation work required (e.g. enter into leases)	Richard Chilcott	Dec-17
Grants		
Key Activities	Lead Officer	Deadline
10. Complete review of Third Sector Team		
Key Milestones		
Review of Third Sector Team completed	Steve Hill	Mar-17
New team structure finalised	Steve Hill	Mar-17
Staff / Trade Union consultation on new team structure completed	Steve Hill	Apr-17
Assimilation into posts / interviews	Steve Hill	May-17
Full Implementation of new team structure	Steve Hill	Jun-17
11. Implement web based GIFTS software		
Key Milestones		
System mapping of requirements to improve management reporting, information management and analysis	Steve Hill	Feb-17
Development of web-based solution completed	Steve Hill	Apr-17
Full implementation of new web-based system	Steve Hill	Jun-17
12. Development of Grants Scrutiny Sub-Committee		
Key Milestones		
Grants Scrutiny Committee Induction and work planning	Sharon Godman	Jun-17
Develop Grants Scrutiny Sub-Committee Work programme 2017-18	Sharon Godman	Jul-17
Strengthen resident and local stakeholders involvement in Committee's Work programme	Sharon Godman	Aug-17

13. Complete commissioning of Community Cohesion Theme		
Key Milestones		
Tender advert	Steve Hill / Emily Fieran-Reed	Mar-Apr 17
Tender evaluation	Steve Hill / Emily Fieran-Reed	May-17
Contract award	Steve Hill / Emily Fieran-Reed	Jun-17
Contract mobilisation	Steve Hill / Emily Fieran-Reed	Aug-17
14. Review and improve working of Grants Determination Sub-Committee		
Key Milestones		
6 - month review of the Grants determination Sub-Committee	Matthew Mannion / Steve Hill	Sep-17
Forward plan implemented to set out future work plan	Matthew Mannion / Steve Hill	On-going
Grants Determination Sub-Committee away-day	Matthew Mannion / Steve Hill	Sep-17
Grants Determination Sub-Committee Members development seminars	Matthew Mannion / Steve Hill	On-going
15. Strengthen grants management and work strategically with voluntary and community sector		
Key Milestones		
Complete audit of grants monitoring	Minesh Jani	Oct-17
Review and update the Council's grants policy, working closely with services	Sharon Godman	Mar-18
Work with the voluntary sector to develop a voluntary sector compact	Sharon Godman	Mar-18
Undertake comprehensive review of contracts and grants to inform the development of the Council's new approach to commissioning	Zena Cooke	Mar-18
Organisational Culture		
Activities	Lead Officer	Deadline
16. Permanent recruitment to the post of Corporate Director Governance		
Key Milestones		
Advert	Will Tuckley	Jan-17
Long-list Interviews	Will Tuckley	Feb-17
Short-list Interviews	Will Tuckley	Mar-17
Appointment confirmed	Will Tuckley	Apr-17
17. Complete review of Constitution		
Key Milestones		
Constitutional Working Group review parts 5,6 and 7	Graham White	Apr-17
Amendments to General Purpose Committee	Graham White	Apr-17
Full Council approval of parts 4 to 7	Graham White	May-17

18. Recruitment of seniors officers to complete new corporate structure		
Key Milestones		
Advert	Will Tuckley	Jan-17
Short-listing	Will Tuckley	Feb-17
Interviews	Will Tuckley	Mar-Apr 17
19. Implement actions from Clear Up Project		
Key Milestones		
Publish report	Graham White	Apr-17
Report and recommendations to Full Council	Graham White	Jun-17
Implement recommendations from Clear Up Project	Will Tuckley	July 17 onwards
Review progress against implementation	Will Tuckley	Dec-17
Review Whistleblowing arrangements and implement new scheme	Stuart Young	May-17
20. Review employment policies and practices and implement them		
Key Milestones		
Project Group formed and policies prioritised for review	Stuart Young	Jan-17
Workshops with key stakeholders held to identify issues	Stuart Young	Feb-17
First draft proposals developed on good practice and procedural amends	Stuart Young	Mar-17
Development of detailed changes and stakeholder engagement	Stuart Young	Apr-17
Implement changes to practice through management and staff training	Stuart Young	Sep-17
21. Develop and implement refreshed employee values		
Key Milestones		
Staff survey completed	Zena Cooke	Jan-17
Focus Groups	Zena Cooke	Feb-17
Revised values developed	Zena Cooke	Mar-Apr 17
22. Deliver Year 1 of Smarter Together Programme		
Key Milestones		
Resource programme and project roles	Stuart Young	May-17
Programme plans mapped to MTFS to ensure benefits are realised	Neville Murton	Jun-17
Change managed and staff engagement maintained measured via staff pulse surveys	Stuart Young	Jan-18
Year 1 MTFS benefits realised via Programme	Neville Murton	Mar-18
Smarter Together Programme plans delivered	Will Tuckley	Mar-18

23. Ensure Council more outward focus and review feedback from external stakeholders		
Key Milestones		
Ofsted Inspection - Review recommendations and develop improvement action plan	Debbie Jones	Apr-17
Review Annual Residents Survey 2017	Sharon Godman	May-17
Establish regular meetings of Tower Hamlets Partnership	Sharon Godman	Apr-17
Investors in People Gold Accreditation	Zena Cooke	Dec-17
ADASS Peer Review	Denise Radley	Apr-17
Undertake a programme of improvement work with LGA	Sharon Godman	Apr 17- Mar 18
24. Complete phase 2 of Officer Schemes of Delegation		
Key Milestones		
Report to Council on Constitutional changes including in respect of revisions are proposed to Parts 3.7 and 3.8 of the Constitution and which relate to Limitations and Delegated Decision Making – General Principles respectively; and on Directorate Scheme of Management	Graham White	Jun-17
Circulate to Corporate and Divisional Directors revised proposed Officer Scheme of Delegations	Graham White	Jul-17
Corporate Director and Monitoring Officer sign off on respective Officer Scheme of Delegations for Directorates	Graham White	Sep-17
Report to Cabinet on the final Officer Scheme of Delegations	Graham White	Nov-17
Report to General Purposes on the final Officer Scheme of Delegations	Graham White	Nov-17
Report to Council on the final Officer Scheme of Delegations	Graham White	Nov-17
25. Review and implement Member/Officer Development work programme		
Key Milestones		
Review and update Planning Code of Conduct	Graham White	Apr-17
Review and Update Member /officer Protocol	Graham White	May-17
Corporate Induction to include session on Member and Officer Protocol	Graham White	Jun-17
Develop and agree Member to Member protocol	Graham White	May-17
26. Declarations of Interest - Members & Officers		
Audit of 2016-17 Staff Declarations of Interest & follow up in six months	Minesh Jani	Apr 17 & Oct 17
Follow up on audit of management and control of staff hospitality and gifts	Minesh Jani	May-17
Annual Officers Declaration of Interest 17-18	Stuart Young	Jun-17
Audit of 2017-18 Staff Declarations of Interest	Minesh Jani	Dec-17

Annual Members Declaration of Interest	Graham White	Dec-17
[Redacted Content]		

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Letter to Mayor John Biggs and Rt. Hon. Sajid Javid
MP, Secretary of State for Communities and Local
Government

cc. Will Tuckley, Chief Executive, LBTH
Councillor Peter Golds, Conservative Group Leader
Councillor Oliur Rahman, Independent Group
Leader
Councillor Rabina Khan, Peoples' Alliance Tower
Hamlets Group Leader
Aisling Lyon, Department for Communities and
Local Government

21 February 2017

Dear Mayor and Secretary of State,

Directions under Section 15(5) of the Local Government Act 1999, 2014-2015-2017

Commissioners' response to the Best Value Action Plan 6 month report dated 17 February 2017

Commissioners record, with satisfaction, their endorsement of the progress that has been made in all areas of the Direction regime over the past 6 months. In particular, they welcome the realistic appreciation, by the Council, of what has been done, but also, what remains to be done to fulfil the expectations of the original and revised Directions. The Council acknowledges that it will take some 12 months to complete all the work required. This is seen as a reasonable timetable properly based on evidenced achievement and direction of travel.

Had the Council taken appropriate steps at the outset of the Direction regime to comply with the requirements to deliver better value and fairer services to all its residents Commissioners would have been able to record completion. However, the obstruction, delay and non-compliance by the previous political and officer leadership of the Authority have delayed a fair outcome for the area at an increased cost.

As all activity required under the original and revised Directions has not been completed, the Secretary of State will need to decide what to do for the future. The proposition by the Council to establish a cross party Best Value Improvement Board, chaired by the Mayor personally, with external representatives to provide suitable challenge is supported by Commissioners

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

as a sensible proposal to facilitate and monitor the Council's continued progress in both Direction and non-Direction areas. Reporting to Ministers on a regular basis will provide a useful public overview of the total position and Commissioners recommend that the Secretary of State gives this serious consideration as an alternative to just extending the Direction regime. It may be that some additional safeguards are required but overall Commissioners believe that this is a sound proposal.

On some specific issues of interest Commissioners make the following observations.

Clear Up Team

The institution of this process followed a specific observation from the then Secretary of State. Commissioners judge that this is on the way to being a significant success. Although all the work to finalise the more complex investigations will not be complete by March 2017, it has proved to be a very useful way to lance long standing sores from the past and provide confidence in the Council's whistleblowing procedures for the future. Many lessons have been learned all of which are intended to be documented in a report to full Council in June 2017. Particular mention needs to be made of the work of the Project Co-ordinator, James Richardson, a secondee from the Cabinet Office, whose approach and diligence has driven the whole process forward to completion.

Culture

The Clear Up team is part of a wider project to improve the culture and working relationships between Members and Officers and between Members on the Council. This is not explicitly covered by Directions and is necessarily of a much longer duration. It is however a crucial part of restoring the basics of good local government to Tower Hamlets and needs to continue beyond the 2018 election.

Grants

The amendment to the Directions in January 2017 returned decision making powers in this area to the Council with Commissioner oversight. It is fair to say that the Council is still learning and improving how to do this effectively. The necessary changes to the officer support arrangements will provide a more professional and less conflicted service to Members and the voluntary sector but the Council will need to take care to ensure they have properly thought through the policy and practice implications as they seek to impose a consistent approach on the incoherence of the past.

Monitoring Officer

There is a relatively small field of appointable candidates for the permanent appointment but it should be possible for the Council to select a candidate who will be able to guide the Council and its Members in probity and make a significant contribution to the management and leadership of the Authority.

Property

The policy framework for the proper use of the Council's physical assets is now in place. Working through the implications of past decisions to bring fairness consistency and transparency will require determined effort and political support in doing the right thing rather than the expedient thing.

Looking back over the three years, Commissioners can see the changes that were required are starting to be embedded in the Council's psyche. It is gratifying that the Mayor acknowledges the role that Commissioners have played to bring this about.

Yours sincerely,



Sir Ken Knight,
Lead Commissioner



Max Caller,
Commissioner



Chris Allison,
Commissioner

Best Value Review Board

TITLE	SERVICE	ITEM NO	DATE
Tower Hamlets Best Value Improvement Board – Draft Terms of Reference and Forward Plan	Sharon Godman, Divisional Director Strategy, Policy and Equality		10 th April 2017

1. INTRODUCTION

1.1 This report details the draft terms of reference for the Tower Hamlets Best Value Improvement Board (Appendix 1) and draft Forward Plan (Appendix 2). The Board will replace the Best Value Review Board and will meet for the first time in June 2017.

2. FOR THE BOARD TO CONSIDER

- 2.1 The Board is asked to:
1. Consider and agree the draft Terms of Reference (Appendix1);
 2. Consider and comment on the draft Forward Plan (Appendix 2)

3. BACKGROUND

- 3.1 As part of the Council’s final Best Value update the Council set out plans to establish a Best Value Improvement Board with the aim of ‘driving sustainable improvement across the Council by providing oversight, support and challenge’. The Board will be chaired by the Mayor and meet every quarter in public. The membership of the Board includes Cabinet Members, opposition group leaders, Chair of Overview and Scrutiny Committee and external representations.
- 3.2 Appendix 1 sets out the draft terms of reference for the Board which will meet for the first time on 14th June 2017. Supporting the work of the Board will be an operational group considering progress and ensuring actions arising out of the Board are being delivered.
- 3.3 A draft Forward Plan for the quarterly meetings is attached in Appendix 2 which will enable the Board to approve the Council’s quarterly updates to the Secretary of State and also provide challenge and support on particular areas of improvement activity.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 There are no direct financial implications arising from the recommendations within this report. The work of the board is expected to be managed within existing budget provisions. However, If there are activities or projects arising from the forward plan that cannot be covered through existing budgets then these will need to be evaluated and appropriate funding approved through the Councils financial approval process.

5. LEGAL COMMENTS

- 5.1 The Council is a best value authority within the meaning of Part 1 of the Local Government Act 1999. As a best value authority, the Council has an obligation under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (the best value duty).
- 5.2 Where the Secretary of State is satisfied that an authority is not meeting its best value duty, the Secretary of State may: (1) direct the authority to take action to bring itself into compliance with that duty; (2) direct that specified functions be carried out by the Secretary of State or a nominee and that the authority follow the Secretary of State’s instructions and provide such assistance as may be required (Local Government Act 1999). In accordance with this power the Secretary of State previously gave directions to the Council on 17 December 2014, 29 April 2015 and 6 May 2015. Revised directions were also given on 16 January 2017.
- 5.3 Although those Directions have now been revoked and the specified functions which were carried out by the Commissioners on behalf of the Secretary have been returned to the authority, the Secretary of State has issued fresh directions to the Council for it to take specific action which is considered necessary or expedient to secure the Council’s compliance with its best value duty without specifying that specified functions be carried out by the Secretary of State or a nominee. These include setting up a new Best Value Improvement Board, chaired by the Mayor, with cross party representation and external representatives to provide suitable challenge to improve all Council activities.
- 5.4 The new directions are enforceable by the Secretary of State, who may seek an order in the High Court requiring the Council to remedy any breach. In the circumstances, it is appropriate for the Council to take steps to comply with these new directions and to monitor its compliance with the directions.
- 5.5 When taking action in response to the directions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty).

Compliance with this duty has been a feature, to the extent relevant, of the Council's action in response to the directions

Appendix 1 – Tower Hamlets Best Value Improvement Board – Draft Terms of Reference

Appendix 2 – Tower Hamlets Best Value Improvement Board – Draft Forward Plan

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TOWER HAMLETS BEST VALUE IMPROVEMENT BOARD DRAFT TERMS OF REFERENCE

NAME	Tower Hamlets Best Value Improvement Board
DATE	April 2017 – March 19
CHAIR	Mayor John Biggs
FREQUENCY	Quarterly public meetings
MEMBERS	<p>Mayor Statutory Deputy Mayor & Cabinet Member for Housing Management & Performance Deputy Mayor and Cabinet Member for Education & Children’s Services Group Leaders Cabinet Member for Resources Overview and Scrutiny Committee Chair Independent Chair of Tower Hamlets Children’s Services Improvement Board Local Government Association representative External representative Chief Executive Divisional Director Strategy, Policy and Partnership</p>
Attendees responsible for delivering improvement and being held to account	<p>Cabinet Members as appropriate Corporate Directors as appropriate Divisional Director HR and Transformation Divisional Director Finance, Procurement & Audit Divisional Directors as appropriate Secretariat support</p>
AIM	To drive sustainable improvement across the Council by providing oversight, support and challenge.
ROLE	<p>To provide a Council-wide approach to setting, reviewing and implementing improvement activity by:</p> <ul style="list-style-type: none"> • Acting as the Council’s Best Value Improvement Board providing focus, advice and challenge as a “critical friend” on the adequacy of the Council’s Improvement Plans, monitoring the pace and impact; • Assessing, challenge and support the robustness of the improvement activity and related implementation plans; • Maintaining an overview of performance against the detailed improvement activity; • Ensure there is sustainable improvements across the Council • Holding cabinet members and officers to account; • Meeting in public every quarter to ensure transparency and accountability in relation to progress being made; • Submitting a progress report quarterly to Department for Communities and Local Government.
OBJECTIVES	<p>To demonstrate sustainable progress against the Best Value Duty by:</p> <ul style="list-style-type: none"> • Submitting quarterly reports to the Secretary of State from 30th June 2017 on all outstanding actions in the Best Value Action

	<p>Plan and Improvement Plan 2017-18;</p> <ul style="list-style-type: none"> • Setting up an independent review of achievement against the Best Value Action and Improvement Plan 2017 – 18 to be submitted to the Secretary of State by 1st August 2018; • Considering progress in, and corporate assistance to, improvement priority areas across the Council, identified by, or referred to, the Mayor and Chief Executive; • Challenging progress, pace and impact.
STANDARD AGENDA ITEMS	<p>Review and note minutes, actions and decisions previously made. Overall progress update from the Mayor and Chief Executive. High level progress against all action plans from Lead Members and Corporate Directors responsible for improvement activity. Review of risk. Review progress reports to be submitted to Secretary of State and other Government Departments. Items for future meetings.</p>
OFFICER SUPPORT	<p>Officers will meet with the Mayor every six weeks to maintain pace, delivery and unblock issues.</p> <p>The Strategy, Policy and Partnership Service will support the work of the Best Value Improvement Board.</p>
SERVICING OF MEETINGS	<p>The servicing of meetings will be undertaken by the Democratic Services Team and will include:</p> <ul style="list-style-type: none"> (a) dispatch of agenda and reports; (b) taking of minutes and recording of actions/decisions; (c) dissemination of minutes and decisions; and (d) audio recording of meetings. <p>Officers preparing reports for consideration must liaise with Democratic Services in good time to ensure that meetings are able to be convened as required to consider reports.</p>
PREPARATION AND PRESENTATION OF REPORTS	<p>The lead Corporate Director/ Divisional Director will be responsible for preparing and presenting reports. This will include:</p> <ul style="list-style-type: none"> (a) preparing reports and recommendations; (b) obtaining legal and financial clearance of reports; (c) sending completed reports to Democratic Services for dispatch; (d) presenting reports ; and (e) implementing actions/decisions agreed.
RECORD OF ATTENDANCE	<p>All members of the Tower Hamlets Best Value Improvement Board present during the whole or part of a meeting must sign their names on the attendance sheet before the conclusion of every meeting to assist with the record of attendance.</p>
PROCEEDINGS	<p>The Tower Hamlets Best Value Improvement Board will meet in public and conduct its proceedings in accordance with the relevant rules of procedure contained in the Council’s Constitution.</p>
DECLARATIONS OF INTEREST	<p>The Council’s Members Code of Conduct requires Members to declare disclosable pecuniary interests and any other interest that they may have within the published register of interests and also any items for consideration by the Board.</p>

Tower Hamlets Best Value Improvement Board Draft 2017-18 Forward Plan

Date of Meeting	Agenda Items	Lead Officer
14 th June 2017	1. Draft Q1 update report to the SOS	Sharon Godman
	2. Spotlight: Organisation Culture	Graham White/ Zena Cooke
13 th Sept 2017	1. Draft Q2 update report to the SOS	Sharon Godman
	2. Spotlight: Property	Aman Dalvi / Ann Sutcliffe
	3. Election Pilot ID Scheme Update	Will Tuckley / Louise Stamp
18 th Dec 2017	1. Draft Q3 Update report to the SOS	Sharon Godman
	2. Spotlight: Elections	Will Tuckley / Louise Stamp
	3. Clear Up Project Recommendations – Update	Graham White
19 th March 2018	1. Draft year end update report to the SOS	Sharon Godman
	2. Spotlight: Grants	Zena Cooke
	3. Grants Determination Committee Review	Zena Cooke

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