

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2017 (Appendix 1) informing that he has removed Directions issued on 17th December 2014 and Commissioners have been withdrawn as of 31st March 2017.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