

BEST VALUE IMPROVEMENT BOARD

TITLE	Author	ITEM NO	Date
LGA Peer Challenge	William Tompsett, Senior Strategy, Policy and Performance Officer		19 Mar 2018

1. **INTRODUCTION**

- 1.1. Tower Hamlets Council have been progressing an extensive improvement journey since 2014 when Commissioners were brought in by the Secretary of State for DCLG. This progress was evidenced by the return of decision making powers in March 2017 with Directions to deliver an improvement plan in key areas with regular reporting of progress and performance.
- 1.2. One of the conditions of the Directions is to ***“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 1st August 2018”***. The Plan contains a set of objectives with deliverable milestones that have been reported on a quarterly basis to the Best Value Improvement Board with progress letters going to the Secretary of State for DCLG.
- 1.3. As part of its sector-led improvement offer, The Local Government Association provides a tailored Peer Challenge facility for all local authorities. These are sector-led improvement reviews that look at a standard range of themes as well as the more specific requirements of the authority.
- 1.4. It was agreed at Best Value Improvement Board in September 2017 that the Council adopt the LGA Peer Challenge as the chosen mechanism for providing the independent review of progress and improvement.

2. **RECOMMENDATIONS**

- 2.1. The Board is asked to:
 1. Consider key questions and areas of focus for the scope for the Peer Challenge as detailed in 3.4.
 2. Commit to providing evidence and input into the Council’s Position Statement and supporting documents according to the enclosed timeline with particular reference to lead officers highlighted in 3.2 and 3.5.
 3. Commit to work with Councillors, key officers and stakeholders to ensure attendance and participation in interviews and discussions with the LGA Peer Team during the on-site element of the Peer Challenge in the week commencing 18th June 2018.
 4. Note the progress made with the preparation for the Peer Challenge and the revised timeline to delivering the Peer Challenge included in 3.6.

3. **BACKGROUND**

- 3.1. The LGA Peer Challenge is an improvement focused tool delivered in partnership with the Local Authority utilising a team of peers from across the sector looking at issues the host authority has chosen as a focus.
- 3.2. There are a set of standard themes that all Peer Challenges look at. In order to ensure these areas are suitably represented through the process, a Corporate Lead is recommended to take ownership of signing off key messages and the provision of appropriate information.
- **Understanding of the local place and priority setting** – Does the Council understand its local context and place and use that to inform a clear vision and set of priorities? – **Chief Executive and Divisional Director Strategy, Policy and Performance**
 - **Leadership of place** – Does the Council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders? - **Chief Executive and Divisional Director Strategy, Policy and Performance**
 - **Financial planning and viability** – Does the Council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully? – **Corporate Director of Resources and Divisional Director Finance, Procurement & Audit**
 - **Organisational leadership and governance** – Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented? – **Corporate Director Governance and Corporate Director Resources**
 - **Capacity to deliver** – Is organisational capacity aligned with priorities and does the Council influence, enable and leverage external capacity to focus on agreed outcomes? – **Chief Executive and Corporate Director Resources**
- 3.3. On top of the standard themes, the Local Authority is able to shape the scope of the review by agreeing questions in advance with the LGA that the Peer team will look for evidence to answer when on site. This gives each Authority the option to tailor the challenge process to meet their needs. In the case of Tower Hamlets, the scope needs to encompass the range of the directions we are currently working to deliver against and provide an independent assessment of their delivery through the Best Value Improvement Plan.
- 3.4. Suggested questions to base the agreed scope of the review on include the following:

- **“To explore how LBTH adequately addressed the directions issued by DCLG?”** – something to address the desire to use the peer challenge as an independent check on progress. This could take the form of more specific, theme based questions.
- **“Is LBTH adequately addressing its chosen priorities and are these delivering measurable improvement to local residents and businesses?”** – Linked to the desire to the delivery of a robust OBA and OBB approach
- **“Is the authority setting realistic yet ambitious targets for its future?”**
– reinforcing ongoing and sustainable improvement beyond the directions

3.5 Tower Hamlets’ Best Value Improvement Plan has activities and targets under 5 themes with 2 additional improvement areas added as priorities from the Tower Hamlets Improvement Framework. Lead Corporate Officers have been identified to oversee the provision of information and representation of these themes.

- Elections – Corporate Director Governance
- Property – Acting Corporate Director Place
- Grants – Corporate Director Resources
- Communications – Divisional Director of Communications and Marketing
- Organisational Culture (this includes Governance) – Corporate Director Governance and Corporate Director Resources
- Ofsted Children’s Services– Corporate Director Children’s Services
- Adult Improvement Work – Corporate Director Health, Adults and Community

3.6 A revised timeline of deliverable actions and key dates/activities is detailed below.

Activity	Timeline	Lead Officer
Scoping Agreed	March 2018	Chief Executive/ Divisional Director Strategy, Policy and Performance
Agree Peer team with LGA	March 2018	Chief Executive/ Divisional Director Strategy, Policy and Performance
Identify and collate key documents	March 2018	CLT/Senior Strategy, Policy and Performance Officer
Preparation of position statement	March 2018	CLT/Senior Strategy, Policy and Performance Officer
Identify and agree key stakeholders and partners for inclusion in the review	March 2018	CLT

Activity	Timeline	Lead Officer
Council Elections	3 May 2018	-
Council AGM	Mid May 2018	-
Intorductory pre-meets	May/June 2018	Chief Executive/ Divisional Director Strategy, Policy and Performance
On-site Visit	w/c 18th June 2018	Chief Executive/ Divisional Director Strategy, Policy and Performance
Draft Report	Mid July 2018	LGA/Chief Executive/Divisional Director Strategy, Policy and Performance
Final Sign Off	End of July 2018	CLT
Submission to Secretary of State DCLG	1 August 2018	Chief Executive/ Mayor
Action Plan Development	Aug-Sept 2018	-
Follow up visit	Jan 2019 Dec 2019	-

4. POSITION STATEMENT

4.1. Prior to the Peer Challenge taking place, the Council will provide the Peer Team with a summary position statement. This document should give an overview of the borough including its residential and business demographics as well as provide an overview of the authority, its services and its aims and ambitions. This should be presented alongside relevant plans, strategies and other supporting evidence in a format that will enable the Peer Team members to generate a working understanding of Tower Hamlets before coming on site.

4.2. Documents to be provided alongside the position statement include (but are not limited to):

- Understanding of Local Place and Priority Setting
 - o Strategic Plan
 - o Best Value Improvement Plan
 - o Local Spend Analysis
 - o Borough Needs Assessments
 - o Local Plan
 - o Performance Management Reports

- Leadership of Place
 - o Community Plan
 - o Annual Residents Survey
 - o Partnership Governance Structure
 - o Voluntary Sector Strategy
 - o Compact
 - o Grants
 - o Community Commissioning
 - o Summit Report
 - o Editions of "Our Eastend"

- Financial Planning and Viability
 - o MTFS/Budget
 - o Capital Strategy

- Organisational Leadership and Governance
 - o Management Structure/Organisation Chart
 - o List of Councillors/Portfolios/Committees
 - o HR Strategy
 - o Ofsted Report and follow up
 - o Investors In People report
 - o Overview and Scrutiny Work Programme

- Capacity to Deliver
 - o Transformation Programme

4.3. The Position Statement will be sent to the challenge team one month prior to the onsite visit. All directorates will be given the opportunity to feed into the document to ensure the full range of Council activity and focus is taken into account and presented clearly.

4.4. In order to get the Position Statement signed off by the relevant groups, it is proposed to have a draft completed by the middle of March. Co-ordination of this will be managed by the Corporate Strategy, Policy and Performance Team with responsible officers identified in 3.2 and 3.5 agreeing the content for their themes and focus areas..

5. THE CHALLENGE PROCESS

5.1. The Peer Challenge Team is made up of a Peer Challenge Manager and senior officers and Councillors from an appropriate range of authorities and backgrounds. The team is chosen to match the scope of the challenge and the authority with specialisms and experience in the key areas. Details of the individual members of the Peer Team, their backgrounds and areas of interest are currently being agreed with LGA and will be made available prior to the onsite visit.

5.2. The Peer Challenge Team will be onsite for 4 days from 18th June 2018. The first three days consist of interview sessions with Councillors, staff and

stakeholders in order to gather evidence around the themes and agreed scope of the challenge. There will be up to 15 interview sessions held each day and all attendees must be identified and fully briefed in advance.

- 5.3. At the end of each of the first three days, the Peer Team will meet with the Chief Executive to discuss the findings from the day's sessions and request any extra information or evidence.
- 5.4. Off-site visits can be incorporated into the challenge process providing they are relevant and provide value. These may be considered an appropriate way to combine stakeholder interviews with providing the Peer Team with first-hand experience of local projects, achievements or development plans.
- 5.5. The fourth day of the onsite review is set aside for the Peer Team to prepare and present its initial findings and feedback. The authority can decide the audience for this feedback session, usually senior managers and Councillors although it is often opened up so that anyone who has fed into the process through interviews etc could be in attendance.

6. LOGISTICS

- 6.1. Whilst on site, the Peer team will require the use of 4 rooms – 1 larger room to use as their main office and 3 interview rooms. It is hoped that these rooms can be located close to each other in order to minimise travelling back and forth between sessions. It may be that any pre-existing room bookings will need to be re-arranged in order to facilitate this.
- 6.2. The team will also require security passes, Wi-Fi facilities and access to printing facilities. Key contact details for support when on-site will also be made available along with refreshments throughout the four days.
- 6.3. Access to key performance data and electronic copies of evidence documents will be provided through a dedicated portal on Pentana, the Council's Performance Management System. This will provide 24 hour access to information and documentation before and during the Peer Challenge process. This access is being managed through the Corporate Strategy and Equality team.

7. COMMUNICATIONS

- 7.1. It is recommended that regular communication is conducted with all staff to make them aware of the challenge and their opportunity to take part. Briefings with interviewees should be held before the Peer Challenge Team are on site and debriefing sessions after the interviews are seen as a useful tool for ensuring key issues have been covered.
- 7.2. Similarly, effective involvement of key stakeholders in the process will rely on early engagement and communication. It is important to identify service delivery partners, community groups, local business leaders etc whose views are vital to providing an accurate picture of Tower Hamlets as a place and as a Council.

8. FEEDBACK

- 8.1. After the onsite challenge has taken place and initial feedback has been provided, the peer challenge team manager will draft the team's findings along with any recommendations. The Council will have the opportunity to feed into the drafting of this document before it is published on the LGA website. It is important to note that this is not a scored assessment or judgement of the authority. The feedback will address the agreed areas of focus and provide a constructive overview of the Council's position.
- 8.2. It is up to the Council to decide how best to utilise the feedback from the Peer Challenge. This may involve developing an action plan to further any recommendations made or referencing findings in future policy development. The LGA will often offer or signpost access to further support tools and mechanisms specific to any recommendations made through the Peer Challenge process.
- 8.3. There is an expectation that the Council will commit to a follow up visit within 6 – 18 months after the peer challenge. The purpose of the visit is to help the Council assess and demonstrate the impact of the peer challenge and the progress made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not have to involve all of the original peer team. The timing of the visit can be determined by the authority.

9. COMMENTS OF THE CHIEF FINANCE OFFICER

- 9.1 The Secretary of State has directed the Council to set up a new Best Value Improvement Board which includes external representation by the Local Government Association (LGA) to provide suitable challenge to improve all Council activity.
- 9.2 There are no direct financial implications arising from this report. If the findings of the peer review give rise to actions which have financial consequences, officers will then be obliged to seek appropriate approval through the Council's financial approval process.

10. LEGAL COMMENTS

- 10.1 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).
- 10.2 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).

- 10.3 The Secretary of State issued fresh directions on 28th March 2017 to the Council for it to take specific action which it 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.
- 10.4 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 Peer Challenge to be undertaken.
- 10.5 Further, all the focuses of the Peer Challenge as set out in paragraph 3.2 of the report touch on core principles of good governance. "Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk. All authorities should aim to meet the standards of the best and governance arrangements should not only be sound but also be seen to be sound."¹
- 10.6 It is therefore also sound from a good governance perspective for the Peer Challenge to be undertaken.

¹ Section 1.2 of the Delivering Good Governance in Local Government Framework – CIPFA/SOLACE