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Dear Secretary of State

Best Value Action Plan six month report

I am writing to provide you with an update of the progress we have made at Tower Hamlets.

The Council has now completed more than 95% of the actions within our agreed Best Value Plan and it is clear that this is having a positive impact on the performance of the organisation. The Council is significantly more outward-looking, transparent and effective than it was a year ago.

I also recognise fully the level of improvement required. I recently provided evidence to the CLG Select Committee on Government interventions. As part of this, I highlighted that it was very clear to me, following my election in July 2015, that the organisation required radical reform. The Best Value Inspection highlighted areas of poor practice, which were symptoms of an underlying poor organisational culture, and inappropriate behavior, that were not always visible from considering key financial and performance measures. The Council has benefited from the skills and experience of the appointed Commissioners and I am pleased to report the changes we have made and their impact.

The enclosed submission provides further detail of progress in improving outcomes across a range of areas. Significantly, there are also strong signs that the Council's improvements are being recognised by local people. The findings of our latest independent Annual Residents Survey were very positive. For example, there has been a significant increase in overall satisfaction with the Council, as well as improved ratings for many front-line services.

I believe that the progress we have made means that it is possible to reduce the scope of the existing Directions. I also recognise that there remain a number of areas where you, as Secretary of State, will need to seek further assurance over the next six months. I have set out below where there is a strong case for an immediate return of full local democratic control.

The Council hopes to secure the end of the Direction regarding elections and the appointment of our Returning Officer. We understand that the Commissioners share our confidence in the ongoing ability of the borough to deliver fair, well-managed elections. The Chief Executive, as Returning Officer, has recently overseen the successful delivery of the GLA Elections in May and the EU Referendum in June. I know that he has worked hard to ensure the Council learns from and embeds lessons from the past to

ensure good conduct and confidence in future elections.

As detailed in our previous Best Value submission in March, the Council has fulfilled the Directions in relation to Statutory Officers. This includes the permanent appointment to each of the three statutory posts (Chief Executive, Corporate Director of Resources (s151 Officer) and Director of Law, Probity and Governance (Monitoring Officer)). In addition, the Council has continued to make permanent appointments to key Service Head roles, including for Corporate Strategy & Equality and Education & Partnership.

Regarding the Directions in respect of Procurement, the Council has transformed its approach and the actions in the Procurement Best Value Action Plan have been successfully delivered. In recent months, we have implemented a new procurement operating model and there is strong evidence of success, including in the reduction of off-contract spend. We believe that the relevant Directions should be removed in respect of Procurement and the Commissioners have indicated support for this.

I am pleased to also report that the Council is fully compliant with the Code of Recommended Practice on Local Authority Publicity. The Council's new quarterly publication 'Our East End' has been well received and our approach to communications is now more strategic and proactive. Communications activity is clearly linked to local priorities, there is a strong focus on internal communications and a growing emphasis on digital as part of a more pluralistic approach to communicating with residents. The one outstanding Best Value Plan action in respect of communications has been the development of a fully-costed business plan. A permanent Head of Communications is now in post and has overseen its development; the Commissioners considered the draft business plan at the Best Value Board earlier this month. We believe that the relevant Direction can be ended very shortly. I will ensure that our communications functions are compliant, respectful and not subject of the controversies of the past.

Significant progress has also been made in relation to grant management, including transitional arrangements towards Executive decision making. There is a dedicated Grants Scrutiny Sub-Committee in operation and it is proposed that I (or my delegate) will chair Decision Making Meetings in public to consider officer recommendations, following scrutiny, on grants. Our proposal, discussed with the Commissioners, is that this Direction is amended; ending the Executive role of Commissioners and returning this to the Council for grant decisions. A Direction would remain, with a continuing Commissioner oversight role. I do appreciate that this has been a particularly contentious area of the Council's business and that an incremental return of Council control in this manner is the Commissioners' preferred approach.

Regarding the Property Direction, there has been considerable improvement in our approach to asset management. Our focus is now on the small number of outstanding areas where further progress is required. This includes finalising our approach to community buildings which demonstrates best consideration, as well as best value, and considering the introduction of a Council asset rental account model. Over the next period, we are seeking to demonstrate, and substantiate with evidence, that sufficient progress has been made for the removal of the relevant Direction. I do appreciate that in this area, while actions remain, the Direction should continue.

Finally, in my letter to the previous Secretary of State six months ago, I identified organisational culture as the biggest challenge for the Council. There is considerable progress in this area. The Chief Executive and I have focused particularly on addressing the systematic cultural issues underlying your Department's intervention. The Council now has an Organisational Culture Plan with a strong focus on governance, engagement and transformation. The Plan provides a robust framework for our activity and assessing impact but, more importantly, we are taking action and making a difference.

An independent Clear Up Team has been set up to investigate allegations of improper Council decision making or impropriety in the discharge of Council functions between October 2010 and June 2016. Our Whistleblowing Policy has been revised and relaunched. Next week's Full Council meeting will consider substantial Constitutional changes, including to clarify the respective roles of the Executive Mayor and Chief Executive. These amendments will build on the arrangements already introduced to support the target-setting and appraisal of the Chief Executive.

We are a more transparent organisation in many ways. Decision making is more open, scrutiny has been enhanced and expanded, including in relation to grants and housing matters. The Council is now publishing more information and making it more accessible. I've introduced Mayor's Public Assemblies to offer local people the opportunity to raise issues of concern and get involved in local initiatives. However, I recognise that we have further work to do. Recent Full Council meetings have not always been conducted in a manner which reflects the progress we have made more broadly. This issue has been discussed with Group Leaders and I hope we have achieved a better understanding of the respect and behaviour needed in future. This does however require all parties to share those views and time will tell how we have progressed with this. I will continue to work with colleagues across the Council to endeavour to achieve this objective.

The Commissioners have previously highlighted that some parts of the organisation have found it hard to accept that things were very badly wrong. I am confident that this 'corporate denial' is no longer the case. Significant changes to the Council's senior management team have taken place over the past year. Furthermore, the Chief Executive and I have developed a new organisational structure to reinforce this and direct the shape of future managerial leadership. The Council's proposed new structure will bring a number of key benefits, including better aligning our managerial and political leadership and reinforcing a 'One Council' approach.

I hope that you will recognise the considerable progress made over the past six months in Tower Hamlets. As Executive Mayor my priority was, and remains, to make Tower Hamlets Council a more effective organisation that better serves local people. Implementing the Best Value Plan, and the oversight of the Commissioners, has played an important role in supporting this. However, we are now in a position where it is clear that the full-set of Directions, and the corresponding-level of Commissioners oversight, is no longer required.

The Chief Executive and I had a very useful meeting with your predecessor in May. We would welcome a further meeting with yourself, and the Commissioners, to review the current arrangements.

Yours sincerely

John Biggs
Executive Mayor of Tower Hamlets



