

# Transformation Advisory Board



## Agenda

**Monday, 19 February 2024 at 2.00 p.m.**

**Council Chamber - Town Hall, Whitechapel**

### Members:

#### Chair: Mayor Lutfur Rahman

Richard Penn	(Independent non-executive member)
Sir George Iacobescu CBE	(Independent non-executive member)
Sir Steve Bullock DL	(Independent non-executive member)
Martin Esom	(Independent non-executive member)
Sir Stephen O'Brien	(Independent non-executive member)
Dr Mahera Ruby	(Independent non-executive member)
Dr Kathleen McCarthy	(Independent non-executive member)
Alison Griffin	(Independent non-executive member)
Kate Herbert	(Independent non-executive member)
Hira Islam	(Independent non-executive member)
Stephen Halsey	(Chief Executive - Senior Responsible Officer SRO)
Denise Radley	(Corporate Director of Health, Adults & Community and Deputy Chief Executive - Deputy SRO)

### Officers in Attendance:

Julie Lorraine	(Corporate Director Resources)
Robin Beattie	(Acting Director of Strategy Innovation and Transformation)
Amy Jackson	(Head of Mayor's Office)
Afazul Hoque	(Head of Corporate Strategy & Policy)
Ayesha Hakim Rahman	(Acting Deputy Director of Strategy, Improvement and Transformation)

### Contact for further enquiries:

Matthew Mannion, Head of Democratic Services,  
matthew.mannion@towerhamlets.gov.uk  
020 7364 4651



## **Refreshments**

These will be available from half an hour before the meeting and Members are encouraged to attend at this time for informal networking and engagement.

## **Agenda Papers**

Hard copy agenda papers should be requested of the clerk (contact details on the agenda front) by Noon the working day before the meeting.

Officers of the Council who are Members of the Board will also be able to access electronic papers on their Mod.Gov Laptop Apps.

# London Borough of Tower Hamlets

## Transformation Advisory Board

**Monday, 19 February 2024**

**2.00 p.m.**

ITEM TITLE	TIME	PRESENTER	PAGES
<b>1. Welcome and Apologies</b>	2:00pm		
<b>2. Minutes of the Previous Meeting</b>	2:05pm		(PAGES 5 - 8)
<b>3. ITEMS FOR DISCUSSION</b>			
<b>3.1. LGA Corporate Peer Challenge Action plan</b>	2:10pm	Robin Beattie Acting Director of Strategy, Innovation and Transformation	(PAGES 9 - 86)
<b>3.2. Medium Term Financial Strategy</b>	2:50pm	Julie Lorraine, Corporate Director, Resources	(PAGES 87 - 100)
<b>3.3. Income Generation</b>	3:20pm	Leah Sykes, Director of Customer Services	(PAGES 101 - 108)
<b>4. AOB and Close</b>			

### **Next Meeting of the Transformation Advisory Board**

Monday 15<sup>th</sup> April 2024 at 2pm to be held in Council Chamber - Town Hall, Whitechapel

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**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE TRANSFORMATION ADVISORY BOARD**

**HELD AT 2.14 P.M. ON MONDAY, 11 DECEMBER 2023**

**COUNCIL CHAMBER - TOWN HALL, WHITECHAPEL**

**Members Present in Person:**

Mayor Lutfur Rahman	
Sir Steve Bullock DL	(Independent non-executive member)
Sir Stephen O'Brien	(Independent non-executive member)
Dr Mahera Ruby	(Independent non-executive member)
Dr Kathleen McCarthy	(Independent non-executive member)
Kate Herbert	(Independent non-executive member)
Hira Islam	(Independent non-executive member)
Stephen Halsey	(Chief Executive)
Denise Radley	(Corporate Director, Health and Social Care)
Richard Penn	(Advisor to the Mayor)

**Officers Present in Person:**

Afazul Hoque	(Head of Corporate Strategy & Policy)
Ayesha Hakim Rahman	(Acting Deputy Director of Strategy, Improvement and Transformation)
Kirsty Roberts	(Strategy & Policy Lead)
Matthew Mannion	(Head of Democratic Services)

**Officers In Attendance Virtually:**

Amy Jackson	(Head of Mayor's Office)
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**1. WELCOME AND APOLOGIES**

Mayor Lutfur Rahman, as Chair of the Board, welcomed everyone to the meeting. He noted apologies for absence from:

- Martin Esom
- Alison Griffin
- Sir George Iacobescu CBE
- Robin Beattie
- Amy Jackson (attending virtually)
- Julie Lorraine

The Mayor also welcomed Sir Steve Bullock DL to his first meeting of the Board.

## **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **3. MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting were agreed.

In relation to Agenda Item 2 (LGA Peer Challenge) it was noted that the final report from the review would be published this coming Friday alongside the Council's action plan. The dashboard for that action plan would be presented at the next meeting of the Board.

In response to the discussion under Agenda Item 5 (Annual Residents' Survey) the Council had decided to increase the frequency of the surveys and look at focus groups and other potential activities to gauge resident views.

On Agenda Item 6 (Budget Monitoring) it was noted that the accounts from 2016/17 to 2019/20 had now been agreed and signed off. The remainder up to 2022/23 will be available for the public to view from February next year.

Finally it was noted that Richard Penn had taken on an ambassadorial role in relation to the Board and was meeting fellow Board members between meetings to discuss relevant issues.

## **4. COMMUNITY ENGAGEMENT STRATEGY**

Afazul Hoque, Head of Corporate Strategy and Communities, took the Board through the presentation set out in the Agenda Pack on the Community Engagement Strategy. He also noted that the Residents' Survey indicated that half of residents say the Council engages with them on decision making which was a good start but there was more to do.

The Mayor welcomed the paper as resident (and partner) engagement was an extremely important factor for the Council and was the golden thread linking services to the people of the borough.

During discussion, the Board noted a number of additional points, including that:

- It was important to look at all the ways the public could be engaged including through third sector and faith communities and the private sector could also offer valuable insight.
- The Board asked for more information on who had been consulted when developing the strategy.
- Engagement shouldn't just be about Council services but about the full-range of services delivered by the Council, its partners and other organisations. What do residents 'need'?
- Digital inclusion and supporting those for whom English was not a first language were important.

- Local media were also a useful method of engaging with different communities (and it was important to consider what was meant by communities as the local population was constantly changing).
- The link to the communication strategy was vital and it was important to make sure the public knew 'why' a particular consultation was taking place and what was 'possible' in each case.
- The new Young Mayor should be part of the discussions on how to engage with young people.
- The focus should be on co-production and not just consultation.

Actions:

- To present a paper to the Transformation Board with a deep dive on local housing issues.
- To bring a further paper back to the Board expanding on the discussion at the meeting and in particular looking at new, more innovative ways of engaging especially with hard to reach groups and looking at how to link in with the data held by partners.
- Board Members to send any further comments direct to Afazul Hoque.

## 5. PARTNERSHIP WORKING

Kirsty Roberts, Strategy and Policy Lead, introduced the paper on Partnership Working. She took the Board through the enclosed presentation. In particular she drew the Boards attention to the questions asked at the start of the presentation on how the Council can develop effective mission-based partnerships and how it can strengthen its regional and national partnerships.

During discussion the Board considered a number of issues including that:

- It was important to be clear on the benefits to partners of engaging with the Council. There needed to be tangible outcomes.
- Where is the best practice that the Council can learn from? It was noted that a number of Northern towns had some useful relevant experiences on what worked and the LGA could help Tower Hamlets engage with them.
- It isn't possible to address everything through partnerships and where there were partnership meetings it was important to have consistent attendance by people who could take decisions.
- Housing was a top priority for the Council but it wasn't an issue it could tackle on its own. Partnership was vital. This also applied to other areas such as health inequality and educational attainment.
- Do the different partnership bodies know what the other groups are doing? How to ensure good alignment.
- The intention was to run a call to action to evaluate the partnership and its strategy.

Action

- Board Members to feedback any further comments to Kirsty Roberts.
- Officers to take on board the comments from the discussion to help develop the call for action.

**6. ANY OTHER BUSINESS AND CLOSE**

- In relation to the workplan, Board Members were asked to discuss this when they met with Richard Penn who would feed back to officers.
- The Mayor also highlighted that he was happy to meet with Board Members where that was useful.

The meeting ended at 3.42 p.m.

Chair, Mayor Lutfur Rahman  
Transformation Advisory Board



# LGA Corporate Peer Challenge Action Plan

Transformation Advisory Board

19 February 2019



# TAB are asked to:

- Review Tower Hamlets Action Plan that has been prepared to respond to the recommendations made in the LGA Corporate Peer Challenge (CPC) Review and consider which areas they think TAB can add most value. These areas will be built into the TAB Forward Plan.
- The final report and action plan has been provided alongside this presentation

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## LGA Corporate Peer Challenge

London Borough of Tower Hamlets

18 – 22 September 2023

Feedback report



# Background



- Between the 18<sup>th</sup> and 22<sup>nd</sup> September, Tower Hamlets Council participated in an LGA Corporate Peer Challenge (CPC) review.
- CPC's are coordinated by the LGA on behalf of the Department for Levelling Up, Housing and Communities and is an effective and well-regarded sector-led improvement tool. The review provided the Council with robust challenge and support across five core strategic areas. It highlighted areas of good practice and identified areas for improvement and ongoing support that would feed into the Council's transformation journey.
- The review team undertook over 75 meetings and spoke to over 175 people including staff, external stakeholders and Councillors from all representative Parties.

## Strategic areas of focus:

Local priorities and outcomes

Organisational and place leadership

Governance and culture

Financial planning and management

Capacity for improvement



# Since the Peer Review, we have already delivered:



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New Tower Hamlets Partnership Plan agreed	Budget consultation complete and new draft Medium Term Financial Strategy developed	Commissioning independent specialist to support performance management through data cleansing and analytics
Initiated review of the Mayor's Office structure	Partnership task and finish group nearing completion of partnership review	Planning for a Women's Commission and the LGAs 'Be A Councillor' campaign
Audited accounts - 18/19, 19/20, 20/21 and 21/22 and 22/23 due this month	Annual Governance Statement approved by Audit Committee and published on our website	Real progress made on Corporate Director and Director appointments



# Key findings: strong foundations but need to develop long term strategic vision



The CPC review confirmed that:

“Tower Hamlets is a council with an ambitious set of priorities that are widely understood by members, officers, and partners. The new Administration, elected in May 2022, has brought a fresh impetus to the council. It is clear that the Mayor’s manifesto commitments have translated into the key areas of focus for the council, as highlighted in the Council’s Strategic Plan (2022-2026)”.

In relation to development of a longer-term strategic vision, the CPC review recommended that:

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The Medium-Term Financial Strategy is aligned

A new workforce strategy is developed

Work to improve our relationships with partners

Our People First Transformation programme is accelerated



# Key findings: Develop the Corporate Centre: so that it is genuinely a strategic enabler.



- Recommended to improve working between senior management and the Mayor's Office. The review found that the disconnect here is creating bottlenecks in the operation of the council's business and impacting negatively upon the speed and effectiveness of decision making.
  - ▶ Recommended the council should review the roles, functions and deployment of some of the staff within the Mayor's Office to ensure streamlined decision making, remove barriers and duplication elsewhere in the council.
- Recommended to introduce a robust process for the Small Grants Fund and the Emergency Grants Fund similar to the Mayor's Community Grant scheme which was highlighted as good practice by the Team
- Formalise the Mayor's involvement in decision making process around transfer of property to third parties
- Enhance the existing performance framework, making better use of data to inform decision making and policy development



# Key findings: how the voices of women and those from different backgrounds are directly influencing policy



- Lack of female representation on Cabinet – impact on views from women internally and externally
- The council should consider best practice in relation to the chairing, membership and cross party working in and of key committees
- Given the relative inexperience of the majority of the Cabinet (many are first-time councillors) the council should also look to enhance its member development programme
- Conduct an urgent review of the internal governance arrangements including the board structures to ensure focus on the delivery of priorities, clarity of reporting and clear lines of accountability.

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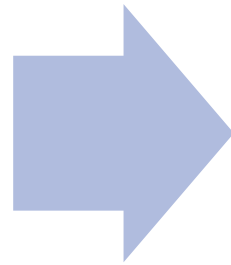


# Approach to developing the Action Plan



Action plan responds to 18 high level recommendations + over 70 detailed suggestions in the body of the report.

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Corporate Directors and Senior Officers engaged in scoping exercise for each action.





# Next Steps

As part of the LGA CPC Review process, the Peer team will be returning to the Council in the Summer to complete a progress review in order to assess how well we are delivering on the recommendations made in their final report

This progress review has provisionally been scheduled to take place in **July 2024**.

It was recommended in the final report that as well as reporting through normal council channels, **the council should also report improvement against the LGA CPC action plan to the Transformation Advisory Board**



# TAB are asked to:

- Review Tower Hamlets Action Plan that has been prepared to respond to the recommendations made in the LGA Corporate Peer Challenge (CPC) Review and consider which areas they think TAB can add most value. These areas will be built into the TAB Forward Plan.
- The final report and action plan has been provided alongside this presentation

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## LGA Corporate Peer Challenge

London Borough of Tower Hamlets

18 – 22 September 2023

Feedback report



# LGA Corporate Peer Challenge

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Feedback report





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# 1. Executive summary

Tower Hamlets is a council with an ambitious set of priorities that are widely understood by members, officers, and partners. The new Administration, elected in May 2022, has brought a fresh impetus to the council. It is clear that the Mayor's manifesto commitments have translated into the key areas of focus for the council, as highlighted in the Council's Strategic Plan (2022-2026).

The council is fortunate to have highly skilled, dedicated people who are evidently committed to delivering the best outcomes for the borough's residents. Both members and officers should be commended for the delivery against the election promises to date and in particular the speed of the implementation of universal free school meals for all children up to age 16, and the implementation of the Educational Maintenance Allowance for sixth form and college students. The widespread understanding of these priorities in part is due to the council's communications strategy which for both internal and external communications is impressive.

The council now needs to focus on developing a comprehensive longer-term strategic vision for the borough. The Mayor's manifesto, whilst clearly ambitious, focuses on some short to medium term priorities and there now needs to be a longer-term focus for the organisation and borough which should be co-produced with partners and communities. To do this most effectively the council will need to improve relationships with some of its external partners, some local businesses and parts of the voluntary and community sector (VCS).

Tower Hamlets has a good record of financial management, with strong foundations in place to maintain the future financial sustainability of the organisation. It is positive that the council is developing three-year financial plans which will enable investment in services and priority areas once completed.

The new longer-term strategic vision for the borough needs to be aligned to a Medium-Term Financial Strategy (MTFS). In doing so a single narrative should be developed for members, officers, and partners to explain the rationale for the delivery of the £37m of savings alongside the investment in services. A single narrative will help to articulate the imperative of delivering savings for the future financial sustainability of the council, which at present is not widely understood.

Integral to the development of the MTFS is the need to establish a more sustainable model for the funding of the council's priorities. To date, these have been heavily reliant on investment from the Mayor's 'Priority Reserve' of £47m, which was primarily funded from the New Homes Bonus reserve. This reserve has also been used to fund the annual £5.7m investment to extend universal free school meals funding from all primary to all secondary school pupils and £7m investment to tackle climate change.

This model of investment in priorities is clearly unsustainable unless compensatory revenue savings are made, which the council has committed to. At present, the council is forecast to be spending a considerable amount of its reserves. The opening total reserve balance for 2023/24 was £219.1m, which is forecast to reduce to £92.6m by 2026/27, with a significant portion of the balance (£40.7m) being earmarked reserves with restrictions on use<sup>1</sup>. The council is also forecast from 2024/25 to be at the minimum general fund reserve balance of £20m in accordance with the council's reserve policy. The peer team notes that officers are currently developing an approach to a sustainable budget position to be presented to the council as part of the budget setting process for 2024/25.

In common with a number of other councils, the annual accounts at Tower Hamlets have not been signed off. This is a significant issue particularly because accounts here have not been signed off since 2018/19 onwards and this needs to be addressed urgently. Whilst this is an issue that predates the current Mayor, equally urgent is the need to prepare and sign off an Annual Governance Statement (AGS) as there has not been an AGS prepared and signed off since 2021 due to a technical misunderstanding.

Tower Hamlets has undoubtedly gone through a period of significant change in the last eighteen months, with a new Mayor and Administration, a new Chief Executive appointed in July 2023, as well as a move to new council offices. It is clear that the organisation is still adjusting to those changes and has some challenges to overcome. There has also been considerable churn at senior management level, which is not uncommon following a change of political and managerial leadership. However, the council must now seek to ensure that they recruit the best people available and take steps to retain the many excellent staff in the council who need to feel valued, trusted and empowered. This should be done through the development of a new workforce

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<https://democracy.towerhamlets.gov.uk/documents/s225307/MTFS%20and%20Budget%20Scene%20Setting%202024-27.pdf>

strategy which has a clear plan for recruitment, retention, and workforce development. The strategy should also set out how it will ensure that the Administration's ambition to have a workforce that is reflective of the diversity of the borough will be achieved.

One of the most acute issues at Tower Hamlets is that elements of the corporate centre are not operating as effectively as they should. There is clear evidence and constant reference to a 'two council' culture between the senior management and the Mayor's Office. This is generating bottlenecks in the operation of the council's business and impacting negatively upon the speed and effectiveness of decision making. There was an example of one team in the council waiting up to four months for a decision to be made, which is clearly not effective. Whilst the Mayor's major priorities are being delivered, the current Mayor's Office model is detrimental to the delivery of the council's wider business and is impacting on the reputation of the organisation with some partners. To alleviate this issue the council should review the roles, functions and deployment of some of the staff within the Mayor's Office to ensure streamlined decision making, remove barriers and duplication elsewhere in the council. This process should include reviewing the way the council handles member enquiries, complaints and freedom of information requests to ensure responses are sufficient and timely.

Another significant issue at Tower Hamlets which is fuelling the two-council culture is an evident lack of trust from some members and officers towards each other. This could undermine delivery of the Mayor's priorities as well as affecting the operation of a number of the council's business as usual functions. These issues are further compounded by the complicated internal governance arrangements. There is a plethora of internal boards without clear linkages and lines of accountability which should be streamlined to avoid unnecessary bureaucracy and drain on capacity. These issues should be addressed as a priority.

In addition, the council, as part of its organisational change programme, would benefit greatly from developing a common narrative that brings together the aims for council improvement and the 'People First' transformation programme. At the moment the language is used interchangeably and there is not a single narrative of the change programme in its entirety, which is causing confusion. Aligned to this is the need to provide further clarity on the aims and terms of reference for the newly created internal boards and how they link with the business of the Corporate Management Team (CMT).

It is clear, as noted above, that the elected members at Tower Hamlets are committed

to delivering the best outcomes for residents across the borough. However, it is concerning to see, as it would be in any council, that there is no female representation on Cabinet, an issue which the Cabinet recognise. This is impacting on the views that women (both within and external to the council) have of the council and is something that the council should seek to address as a priority. It is crucial that the council can demonstrate how the voices and lived experience of women and those from different backgrounds to those in Cabinet are listened to and how their concerns acted upon by the Mayor and the Cabinet. In the short term, the council could take steps through the governance process to address this, looking at the composition and chairing of the council's committees such as Overview and Scrutiny and Audit. In the longer term, the council should work closely with the political groups to encourage more collegiate cross-party working and greater democratic representation. More could be done for instance to promote the [LGA's 'Be a Councillor'](#) campaign. Given the relative inexperience of the majority of the Cabinet at Tower Hamlets (many are first-time councillors) the council should also look to enhance its member development programme to ensure members are fully equipped with the required skills and knowledge to help them fulfil their roles effectively. Once members have gained skills and knowledge, consideration could be given to reviewing the delegated responsibilities from the Mayor to both Cabinet members (and officers) as part of the ongoing constitutional review.

It is clear that Tower Hamlets Council is an organisation which has a comprehensive understanding of the needs of residents and communities and that it knows its places well. There is a wealth of demographic information that has directly contributed to the Mayor's priorities and the council works hard to engage and consult with its residents. However, the council needs to improve the tracking and understanding of the impact of its policies and would benefit from developing a more corporate approach to performance management which is mirrored in directorate, service, and individual plans. Crucially, members need to be supported to be in a position to understand the performance information presented to them in order that they can effectively challenge areas of concern.

There is evidence of some very effective partnership working in Tower Hamlets with statutory partnerships being particularly strong. Some of the business partnerships are also well developed, although there is a need to create more time and space for regular strategic conversations. Similarly, there is a need to reset relationships with some partners in the voluntary and community sector (VCS) organisations. Recent changes to



the framework for the allocations of grants and the introduction of the Mayor's Community Grant Fund has resulted in low confidence amongst some of the organisations in the third sector/VCS. Whilst the peer team were satisfied with the process to review the grants fund, some organisations that the team spoke to felt that they were not sufficiently consulted.

Whilst the nature of Corporate Peer Challenge (CPC) is to provide critical challenge at a specific point in time and to give recommendations to support ongoing improvement, it is important for this CPC to understand the recent history at the council, when the current Mayor was previously in post, and to reflect on issues that were highlighted as part of the 2014 PWC Best Value inspection. As well as exploring the allocation of grants (Section 4.3) the peer team also looked at practice in relation to the transfer of property to third parties. The council has clear policy and procedures that are well understood. However, the team heard, as with other themes, that decisions have to go via the Mayor's Office. It is understandable that the Mayor will want oversight in this area, and the peer team would recommend that this step in the process is formalised and recorded.

The council is committed to being a learning organisation and has a genuine appetite to explore and adopt best practice. As well as this CPC the council has recently had a Children's Services peer challenge, currently has Investors in People (IIP) Silver Accreditation and has committed to an IIP reaccreditation process. Further service specific LGA peer challenges have also been requested. The council is also demonstrating a high degree of organisational maturity in its positive response to critical challenge; with action planning underway to address some of the issues raised by this CPC. Examples of this include changing the composition of committees, drafting an AGS, and committing to resolving the outstanding financial accounts by the end of the calendar year.

The creation of the external Transformation Advisory Board which has external representatives some with considerable experience of running large democratic organisations is another positive step in this respect. It is recommended that as well as reporting through normal council channels, the council should also report improvement against this CPC to that board.

## 2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

### **Recommendation 1: Strategic vision**

Develop a more comprehensive long-term strategic vision for the borough and the council which is co-produced with the community.

### **Recommendation 2: Medium-Term Financial Strategy (MTFS)**

Develop a MTFS, including the Housing Revenue Account (HRA), which can demonstrate the future financial sustainability of the council, and which is aligned to the long-term strategic vision of the council.

### **Recommendation 3: Performance management**

To assist with the focus on delivery of the council's priorities, measures should be taken to enhance the existing performance framework, making better use of data to inform decision making and policy development. Consideration should be given to how the impact of decisions and priority areas is captured.

### **Recommendation 4: Workforce strategy**

Develop a refreshed workforce strategy to address recruitment and retention challenges. This is particularly important given the current vacancies in key senior management positions and the Mayor's stated priority of the workforce representing the community.

The Overview & Scrutiny Committee should be given responsibility for overseeing performance against the council's aim to ensure that its workforce and service provision reflects the diversity of the borough.

### **Recommendation 5: Mayor's Office**

Review the roles, functions and deployment of officers within the Mayor's Office. This should be done to ensure streamlined decision making, removing barriers and duplication elsewhere in the council. The council should also ensure that colleagues remaining in the Mayor's Office are given training and development opportunities to

ensure a wider understanding of the roles and requirements of different services areas.

### **Recommendation 6: Internal governance**

Conduct an urgent review of the internal governance arrangements including the board structures to ensure focus on the delivery of priorities, clarity of reporting and clear lines of accountability. This should seek to speed-up decision making, and delegate business-as-usual decisions to an appropriate level.

### **Recommendation 7: Working with partners**

To ensure more effective partnership working, the council should consider reviewing current partnership governance arrangements.

### **Recommendation 8: Grant allocation**

Build on the framework for the Mayor's Community Grant scheme and introduce a robust process for the Small Grants Fund and the Emergency Grants Fund, demonstrating links to the corporate priorities, ensuring openness and transparency, and reset relationships with the VCS/third sector. Monitoring of the grants programmes should be undertaken in partnership with the VCS/third sector and overseen by Overview and Scrutiny.

### **Recommendation 9: Transfer of property to third parties**

Record and formalise Mayoral/member involvement in decision making relating to the transfer of property to third parties; reflecting Mayoral/member oversight in the property and assets policy and procedures document (and developing overarching strategy) Also report decisions in this area to Overview and Scrutiny Committee.

### **Recommendation 10: Cabinet Member responsibilities**

To speed up the pace of decision-making consideration should be given, as part of the constitutional review, to reviewing the delegated responsibilities from the Mayor to both Cabinet Members and officers.

### **Recommendation 11: Membership of committees**

The council should consider best practice in relation to the chairing, membership and cross party working in and of key committees such as Full Council, Overview and Scrutiny and Audit. External training for these committees should also be arranged.

### **Recommendation 12: Member development**

The existing member training and development offer should be strengthened with support initially focussed on Cabinet members and committee chairs.

### **Recommendation 13: Diversity**

Given the composition of the ruling administration, consideration should be given to how the voices of women and those from different backgrounds are directly influencing policy through their lived experience. It is recommended that the council actively promote the LGA's 'Be a Councillor Campaign' to promote the opportunity for women and people from underrepresented groups across the borough.

### **Recommendation 14: Annual Governance Statement**

Prepare and publish the Annual Governance Statement.

### **Recommendation 15: Outstanding accounts**

Outstanding financial accounts going back to 2018/19 need to be resolved with the external auditors as a priority.

### **Recommendation 16: Organisational capacity**

Develop the corporate centre so that it is genuinely a strategic enabler and provides the appropriate accurate management data and information to support the transformation of the organisation.

### **Recommendation 17: Responsiveness**

Review the council wide approach to handling member enquiries, complaints and freedom of information (FOI) requests to ensure less duplication, faster responses and greater efficiency.

### **Recommendation 18: 'People First'**

Accelerate the 'People First' transformation programme and develop a clear narrative ensure a common understanding. (This should be entwined with the development of the strategic vision).

## 3. Summary of the peer challenge approach

### 3.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Lead Peer: Carolyn Downs CB, Former Chief Executive, London Borough of Brent
- Independent Member Peer: Cllr Jim McKenna, Cornwall Council
- Labour Member Peer: Sir Steve Bullock, Former Mayor, London Borough of Lewisham
- Officer Peer: Mark Wynn, Executive Director of Resources, Lancashire County Council
- Officer Peer: Tasnim Shawkat, Director of Corporate Services and Governance, London Borough of Bromley
- Officer Peer: Ben Mosley, Head of Corporate Engagement, Bristol City Council
- LGA Principal Adviser (Regional Improvement Lead): Claire Hogan
- LGA Regional Adviser: Harry Parker

### 3.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?

3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

The council requested that the CPC had a particular focus on governance, leadership of place and finance.

### 3.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent five days onsite at Tower Hamlets, during which they:

- Gathered information and views from more than 75 meetings, in addition to further research and reading.
- Spoke to more than 175 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

## 4. Feedback

### 4.1 Local priorities and outcomes

Tower Hamlets is an exciting borough with huge potential. It has a diverse and vibrant community with a rich heritage and is home to some of London's most famous historic attractions including the Tower of London, Tower Bridge and St Katherine Docks. It has over 150 parks including Victoria Park and Mile End Park and is home to Canary Wharf, the UK's leading financial centre. It is, however, a borough of great contrasts, with inner-city areas with significant levels of poverty and high crime contrasted with areas of great wealth.

The council has a comprehensive understanding of the needs of its 330,300 residents. Over 137 languages are spoken in the borough and 43 per cent of residents were born outside of the UK, from over 200 different countries. Tower Hamlets has the fastest growing population and is the most densely populated place in the UK, with the population having grown by 22 per cent since 2011 and is predicted to rise further by almost 100,000 by 2031. Tower Hamlets also has one of the youngest populations in the country, with 61 percent of residents aged 15-44 and only 5.6 percent aged 65 and over.

The council has a widespread understanding of the challenges, as well as the opportunities for Tower Hamlets and there is an ambitious set of priorities that are widely understood by members, officers and partners. The current Council Strategic Plan for 2022 – 2026 reflects the priorities that were set out in the Mayor's election manifesto. The level of ambition is considerable with the current priorities focused on:

- Tackling the cost-of-living crisis
- Homes for the future
- Accelerate education
- Boost culture, business jobs and leisure
- Invest in public services
- Empower communities and fight crime
- A clean and green future

Central to the ambition and priorities of the council are the environment and prospects for the borough's young people. Currently the council's Children's services are rated as 'Good' by Ofsted (2019) and there remains a resolute focus to continue delivering safe and effective Children's services. The departure of a well-respected Corporate Director of Children's Services presents a risk, as it would in any council, and it is essential that the council does everything possible to ensure that a high-calibre replacement is recruited.

Educational outcomes and youth provision are priorities for the Administration and there is a *"real focus on education from the Mayor and his team."* Tower Hamlets invests considerably in its young people: the borough has the second highest total spend on education services per head of the population in the country<sup>2</sup>, linked to the fact that it has such a large young population. The quality of schooling in Tower Hamlets is above both the London and national average, with 97 per cent of schools rated Good or Outstanding by Ofsted<sup>3</sup>. There are however concerns from the Administration that despite this performance, it does not necessarily translate into the best outcomes for the borough's young people.

To begin to address this, Tower Hamlets was the first local authority to provide universal free school meals for primary and secondary school children. Council officers and members worked effectively with schools to implement this policy, and did so within a short timeframe, showing how the council can deliver at pace. The focus for the organisation has clearly been on the delivery of these priorities and both members and officers should be commended for the swift delivery against the election promises.

In April 2023 the council also announced a £13.7m investment into a new insourced youth service - Young Tower Hamlets. The service will provide a programme of free opportunities and support for young people aged 11-19 and is part of the council's wider £19m investment in young people over the next three years. The success of this service will be critical for the effective delivery of the Mayor's priority to accelerate education and to ensure young people in the borough have a range of places where they can get advice, stay safe and enjoy leisure activities. It is good to see that a robust and competitive process has been established for the recruitment to posts in this new

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<sup>2</sup> <https://lginform.local.gov.uk/reports/lgastandard?mod-metric=218&mod-area=E09000030&mod-group=AllSingleTierAndCountyLalnCountry&mod-type=comparisonGroupType>

<sup>3</sup> <https://democracy.towerhamlets.gov.uk/documents/s212954/AnnualSchoolsReport.pdf>



service area.

Also integral to the priorities is the ambitious plan to improve housing supply and reduce overcrowding and homelessness. There are currently 21,000 people on the housing waiting list, with more than 70 per cent of these residents in the top two tiers on the waiting list living in overcrowded conditions. The council has set very ambitious plans for house building with a target of 1,000 social rent homes each year for the next four years.

Another priority is to insource leisure services and Tower Hamlets Homes. Insourcing is both an opportunity and a challenge for the council and for this to happen most effectively it is vital that the council learns from the recent experience of insourcing the waste service. The peer team heard that the organisation was not prepared for this exercise adequately and there were challenges, for example from HR, IT and facilities perspectives. The council must therefore ensure there is sufficient programme capacity, as well as capacity in key areas such as HR, procurement, facilities and communications, to support the effective insourcing transition of leisure services and Tower Hamlets Homes back into the council. Concerns were expressed by some staff that this capacity is not currently in place.

The council has as part of its Customer Experience Strategy invested in the provision of Residents' Hubs in each of the borough's four localities, as well as an IT programme to improve access to services via a channel shift programme. The Hubs bring together the public and voluntary sector organisations to ensure that vulnerable residents and those without access to IT or who struggle to use IT can have face-to-face access to council and partner services.

From the examples noted above it is clear that the organisation is well underway with activity to deliver against the Mayor's priorities. However, the level of corporate and political capacity being directed to these priorities must not deflect from the delivery of business-as-usual activity at the council. Also, in the longer term a more comprehensive strategic vision is needed which should be co-produced with partners and communities. This strategy should be accompanied by a clear MTFs, with a workforce strategy. A delivery plan should be developed to keep track of progress.

The council needs to take steps to improve its approach to performance management which at the moment is variable across the council. Whilst performance management in Children's and Adults services is good, some service areas including housing and

regeneration have less effective performance management arrangements. There was a sense that some members feel frustrated with not understanding the performance management information presented to them. Whilst it is good to hear that the Mayor's Office are keen for the council to hold deep dives on areas which are rated 'red' in terms of performance, the council needs to develop a much more corporate approach to performance management, with clearer, more consistent processes, scrutiny at service level and by CMT and the development of a system which is understood and allows members to challenge effectively. Council performance should continue to be reviewed by the Overview and Scrutiny Committee on a quarterly basis, with focused sessions on specific service areas where required.

It is good to see that the council has committed to continue to conduct an annual residents' survey. The findings from the 2023 residents' survey were encouraging with satisfaction for all services showing an improvement since 2019 (the last comparable pre-COVID-19 survey) amongst service users. The council benchmarks the survey findings using the LGA's benchmarking framework, [LG Inform](#), which is good practice.

## 4.2 Organisational and place leadership

### Organisational leadership

Tower Hamlets Council has experienced significant change over the past 18 months with a change of political leadership and the appointment of a new permanent Chief Executive in July of this year. It is clear that the organisation is still adjusting to these changes and is in the early stages of a transformation journey. The Mayor is providing strong political leadership and is seen as approachable by both members and officers alike. Cabinet members are passionate about delivering the council's priorities and want what is best for the residents across the borough. It was recognised however that the majority of Cabinet members that were elected in May 2022 were first time councillors and as such are still developing in their roles. It is good to see that the council has a member development programme in place and many members have signed up for [LGA's 'Leadership Essentials'](#) training. This member development is something that the peer team would strongly encourage Cabinet members to continue with. It would also be beneficial for Cabinet members to have political mentors from outside the borough.

The staff at Tower Hamlets are clearly passionate about working for the council and there is widespread understanding of the Mayor's agenda, his priorities, and their role in

delivery. Many of the senior staff in the council are clearly capable and the peer team heard that *“front line staff are accessible and helpful”* and that *“officers go out of their way to help us.”*

In addition to the appointment of the new Chief Executive, there has been a significant level of churn across a number of other senior management posts. There has been additional change too in the structure of departments with the former Place directorate being divided to form two new separate directorates, Housing and Regeneration and Communities. There is also a significant number of agency and interim staff which is causing a sense of instability which is something that the council is aware of and is taking steps to address. It was noted that at the time of the CPC, adverts for three corporate director posts had been drafted and were due to go live shortly. Making permanent appointments for key posts such as the Corporate Director for Children’s Services post will be crucial. Whilst changes at the CMT level and organisational structural changes are not uncommon following a change of Chief Executive, it is important the council now reaches a more settled state. This is clearly something that staff want, as well as looking for greater clarity on transformation and for a solution to the frustration they are feeling about current ‘bottlenecks’ within the organisation around decision making.

One of the biggest challenges that was continually referred to at Tower Hamlets is a “two-council” culture, which is impacting on the speed of decision making. Fuelling the two-council culture is an evident lack of trust from some members and officers (although it should be noted that this is not at front line level). This, if not addressed, could undermine the further delivery of the Mayor’s priorities as well as impacting on the effective operation of a number of the council’s business-as-usual functions. This mistrust between members and officers, whilst it is not uniform, is problematic and all involved need to communicate in a more open and collaborative fashion with clear and established pathways for decision making. Again, the leadership acknowledge this issue and conveyed their commitment to changing the organisational culture to develop and engender trust.

To allow for stronger collaboration between the political and managerial leadership the council should review the approach to its corporate forward plan. Members and officers must understand the process for adding items to the forward plan and reviewing it regularly. This needs to be a streamlined process with join-up between service areas,

CMT and the Mayor's Office.

### **Place leadership**

The Mayor is very visible in the community, and he spends a significant proportion of his time meeting with residents and partners. The peer team heard the Mayor meets up to 450 residents per month at his twice-weekly surgeries and he demonstrates knowledge and understanding of the needs of the different communities in Tower Hamlets. Cabinet members and indeed those from across all parties are strong community champions which brings added strength to the council.

There are strong relationships between the council and its statutory partners. The council's community safety work for instance is considered "*sector leading*" by the police who highly value their professional working relationship with the council. The approach is data rich, with an impressive CCTV operation and strong enforcement action. This was highlighted by several individuals the peer team spoke to with one partner noting "*quality and sophistication of Tower Hamlets community safety [I've] not seen elsewhere.*" This data driven approach is something other areas of the council should seek to learn from and replicate.

Similarly, statutory and health partnerships are of a good quality with health partners in particular referencing the strength of relationships in place with adult social care. These partnerships were strengthened during the COVID-19 pandemic, when an operational management group with health and care leaders was established. This strengthened trust has led to more effective partnership working which has resulted in improvements in many areas including reducing the number of delayed transfers from acute settings.

Alongside these positive outcomes it was acknowledged that there are areas for further improvement. Like many places, further progress is needed to embed the work of the Integrated Care Partnership and Integrated Partnership Board with acknowledgement that the system remains complex to explain and navigate. It was also recognised, again as in other areas, that conversations in relation to shared budgets are very much in their infancy. The role of senior leaders in health partnerships should be leveraged to further Tower Hamlets' aims around health inequalities and this is something the council in its place leadership role should pursue.

Some of the business partnerships across Tower Hamlets are strong but less so in other areas. To rectify this the council needs to ensure time and space is made on a

regular basis for strategic conversations and ongoing wider engagement. Without this commitment to regular and planned engagement there is a risk that some current (and indeed potential) business partners will disengage. For instance, there is an opportunity to build on the Mayor's positive relationship with the Canary Wharf Group to further the council's housing ambitions. Relationships with some organisations in the third sector also require development. Tower Hamlets has a rich third sector but relationships with some providers and the council have weakened over recent months. This may in part be due to the withdrawal of the Local Community Fund and the introduction of the new Mayor's Community Grant (see section 4.3). There are however opportunities to rebuild these relationships through detailed engagement and co-production of the framework for the allocation of the Small Grants and the Emergency Grants programmes which are in development.

To enhance partnership working and ensure a more consistent strategic approach, the council should consider reviewing and streamlining its current partnership governance arrangements. Each of the partnership boards should have clear terms of reference, setting out the roles and accountability of each of the members on the board. There should also be clear reporting mechanisms for the progress and outcomes for each of the partnership boards.

### **Equality and diversity**

The equality, diversity and inclusion (EDI) agenda at Tower Hamlets Council is well supported and valued. EDI is acknowledged as a priority area by the members, the workforce and the community, which is particularly important given the diversity of the borough. The commitment to EDI is referenced in the Strategic Plan where it is stated *"in everything we do – from the money we spend, the people we employ to the services we provide, we will consider how our decisions affect people with different characteristics."*

However, as with most organisations there is more to do on EDI. It is concerning to see, as it would be in any council, that there is no female representation on Cabinet. This is an issue that the Cabinet are fully aware of. However, this is impacting on the views that women have of the council and is something that the council should seek to address as a priority. Given the composition of the ruling administration, consideration should be given to how the voices of women and those from different backgrounds are directly influencing policy through their lived experience. The peer team also heard,

from numerous sources, that a concerted effort is required to ensure that equal levels of respect are afforded to all members and officers regardless of gender or other protected characteristics. To address this issue the council in the short term should consider reviewing the composition of council committees to ensure greater representation. In the longer term, the council should work closely with the political groups to encourage greater democratic representation. Campaigns such as the [LGA's 'Be a Councillor'](#) should be promoted locally by the council and the political parties.

The [Tower Hamlets Equalities Hub](#) and its networks provide co-ordination and a strategic focus for the council's engagement with the borough's diverse communities. The Hub is a partnership between Tower Hamlets CVS and Healthwatch Tower Hamlets and is funded by the council. Trade unions and staff networks remarked to the peer team that they felt the council has a genuine commitment to EDI.

The council has four staff networks: Women's Network, Race Equality Network, Tower Pride and N-Able. Committed staff chair these networks, and the existing internal infrastructure is generally good. There was a concern raised however that there are no clear procedures regarding how much time staff led group chairs can take from their substantive duties to develop these valuable staff networks. The council should consider developing a policy to provide clarity, and space for the development of the networks. The peer team also heard that the involvement and commitment of senior management sponsors to the staff networks was variable. The Corporate Director for Children's Services was highlighted as being an exemplar in his sponsorship of one of the networks and the council should seek to replicate this across all the networks and also ensure that when he leaves no gap arises and momentum is not lost.

As noted previously, the council has a stated aim for its workforce to be more representative of the community but there is still more to do here. For instance, there is an underrepresentation from certain racial backgrounds amongst the council workforce, with Asian and Black staff underrepresented in more senior (£60k plus salary bracket) level roles. In order to deliver against this priority there needs to be an understanding that this will take time and the council needs to consider investment in its own workforce through a proactive talent management and associated development programme. The council has developed a 'Workforce to Reflect the Community Strategy 2023/24.' Actions within this strategy include supporting underrepresented staff to undertake apprenticeships and developing bespoke leadership and management programmes.

The peer team would encourage the council to give responsibility to the Overview & Scrutiny Committee for overseeing delivery against the council's ambition on EDI.

### **4.3 Governance and culture**

Whilst the nature of CPC is to provide critical challenge at a specific point in time and to give recommendations to support ongoing improvement, it is important for this CPC to understand the recent history at the council, when the current Mayor was previously in post, and why additional focus has been placed on some themes.

In brief, in 2014 Tower Hamlets Council faced a Best Value inspection carried out by PricewaterhouseCoopers LLP (PwC). Following the publication of the inspection report the then Secretary of State announced a statutory intervention and appointed Commissioners with decision making powers in relation to Grants, Procurement, Property, Election and Communication. An independently chaired Best Value Programme Review Board was established to provide direction, challenge, and scrutiny to assist the council in the timely and effective delivery of the Best Value requirements as set out in the statutory directions. The Board also provided quarterly update reports to the Secretary of State and came to a formal end in September 2018. Given this history, governance is an area of great sensitivity for Tower Hamlets and there is evidence that the council wants to get this right. It is understandable therefore that control and decision making has been centralised significantly. However, the council now needs to achieve the right balance between control and timely decision making to ensure that the council is operating at its optimum.

The peer team understands and supports the need for the Mayor to have an effective and dedicated support office and given the context in which the Mayor came back to the council his desire to be supported by people he trusts during the transition is also understandable. However, a consistent message that emerged from different areas of the council was that there are 'two councils' in operation at Tower Hamlets which is impacting on the speed and effectiveness of decision making. It is clear that this way of working has emerged as a result of issues of trust.

Primarily, there is a lack of trust between the Mayor's Office and senior officers, with examples of inappropriate questioning and pressure to feed things into the Mayor's Office for 'sign off'. Officers are frustrated by the fact that there are no clear rules or processes for engagement with the Mayor's Office and there no clear standards in

terms of response times for items that are referred 'up to the Mayor's Office'. This is leading to unnecessary delays, with an example of one service area waiting for four months to receive a decision on something which would have previously been a delegated decision to officers. Not only is this inefficient but is also potentially damaging to the council's reputation. Equally, it is leading to a sense of frustration from experienced officials who feel disempowered under the current ways of working. This was summed up by one officer who said: *"I know my job inside out, but I have to check with the Mayor's Office."*

While relationships are maturing, there is a sense that the Mayor's Office is acting as a filter and is preventing typical relationships between Cabinet members and lead officers from developing. Whilst council priorities are being delivered, this lack of trust between the collective leadership function of the council is detrimental to the delivery of the council's wider business. Some of the functions of the Mayor's Office are duplicating existing structures within the council, and as a result is causing confusion regarding internal governance processes. The size of the Mayor's Office is an outlier when compared to other mayoral authorities and this is largely because there are many officers there who would ordinarily be located elsewhere in the council.

An additional challenge (particularly when the administration first came to power) is that a number of people in the Mayor's Office had limited or no local government experience. As a result, there has been a lack of understanding of day-to-day operational matters. Items whilst not reflected in the Mayor's priorities, are still important (some from a statutory perspective) and need swift and effective decision making which is not always happening. This could be overcome by colleagues in the Mayor's Office expanding their understanding of different services areas. For instance, job shadowing and looking at practice in other mayoral authorities could help address this and is something that officers in the Mayor's Office expressed an interest in. Developing processes by which important decisions relating to statutory matters are prioritised quickly by the Mayor's Office for swift decision making would also help.

The council should also look to mainstream some of the functions of the Mayor's Office into the wider council redeploying some people as appropriate. For instance, as outlined above, the council invests considerable amounts of resource into mayoral and member casework undertaken in the Mayor's Office but there is frustration from many members that it is not meeting their needs.



To address this the council should look to strengthen its wider customer service function giving greater corporate capacity to handle member enquiries, complaints and FOI requests and ensure less duplication, faster responses and greater efficiency. In particular, the council needs to ensure it improves its consistency and responsiveness to FOI requests as evidenced by the improvement notice and a practice recommendation issued to the council in August 2023 by the Information Commissioner's Office. This highlighted that the council was failing to meet the statutory timeframe for responding to FOI requests. This is an issue that the council has taken steps to address already in terms of improvement to the council's responsiveness, with the last quarter's performance at a 92 per cent response rate within the statutory timeframe.

There are strong working relationships between lead members and their directors and, in line with good practice, the council has an established member and officer working protocol, a refreshed version of which is due to go to Standards Committee in November 2023.

However, despite working relationships between Cabinet members and senior officers being generally good several directors reported frustrations that their lead members do not have the delegated powers to make decisions. Cabinet members are being briefed by officers but then must brief and seek approval from the Mayor before a decision can be made. This is creating a further bottleneck and again causing delay and frustration in the system. Part of the reason for the lack of delegation may be that the majority of the Cabinet are relatively inexperienced councillors. There needs to be clear understanding about the level of delegations to Cabinet members and these should be communicated to the wider organisation. Over time and as experience builds, the council is encouraged, as it reviews its constitution, to review the scheme of delegations, and empower Cabinet members.

Another improvement which would aid more efficient and effective decision making would be to streamline internal board structures. Since the permanent appointment of the new Chief Executive six temporary boards have been established as a means of strengthening corporate grip on budget management, managing organisational restructures, oversee and drive the internal change programme, and focus on delivery of savings. However, the peer team heard of around 130 other internal boards, which is ineffective and is leading to a drain on capacity as well as blurring reporting lines and

accountability. This issue, coupled with the expectation that the Mayor or Chief Executive must have sight or sign off on all issues, is creating further backlogs and slowing the organisation down. This is not sustainable nor desirable and needs to be addressed at pace.

Aligned to this should be a review of the policy and strategy landscape. Understandably the current state includes a mix of new and old policies that reflect the transitional arrangements between the old and new administration. Nonetheless the picture is over complicated, and the organisation is missing a clear single organisational narrative. Again, this should be developed as part the longer-term corporate strategy, and transformation programme and should be mirrored in service plans and the appraisal system. The issues in this area are further complicated by the duplication of some policy and strategy roles within the Mayor's Office. As part of the recommended review of functions of the Mayor's Office the peer team would encourage the council to bring these roles together in the wider corporate policy and strategy function.

In common with some other councils, the annual accounts at Tower Hamlets have not been signed off, since 2018/19 and as a result the Annual Governance Statement had neither been drafted nor signed off since 2021. Regardless of the position with the annual accounts, councils must prepare and sign off their AGS and this is something that must be addressed immediately. The Chief Executive informed the peer team during the CPC that the council would be addressing this, and steps are being taken to prepare an AGS and publish before the end of the 2023 calendar year.

As noted above the annual accounts at Tower Hamlets, as in some other councils, have not yet been signed off. This is an issue that the current administration inherited when it took up office and indeed was something raised in the LGA Corporate Peer Challenge Revisit in September 2021 when it was recommended: *"it is imperative to continue the work currently underway to close previous years' accounts as a matter of urgency, and to have procedures in place to prevent a recurrence of the late or delayed sign off."*

It remains a concern therefore to find the council's statutory accounts from 2018/19 onwards are still unsigned due to an outstanding technical issue relating to pension liability. The council has the highest risk category deemed by external audit. It is concerning that the external auditor feels unable to give assurance on current arrangements from either a value for money or control perspective as they are focussing on outstanding accounts. This needs to be resolved as a priority.

In addition to resolving this immediate issue the council and its external auditors need to review their day-to-day relationship and focus on the here and now as opposed to only ever discussing the past accounts. New external auditors have just been appointed and in order to establish strong working relationships, the council is clear of the need for regular meetings for the Chief Executive, Section 151 Officer and external auditor to be scheduled and it is crucial that the auditors sign up to this. Also, whilst it is good practice that the three statutory officers meet regularly to consider governance issues this arrangement could be further strengthened by regular inclusion in these meetings of the head of internal audit.

Overview and scrutiny as outlined in the Localism Act (2011) gives provision for scrutiny of the executive, their policies and decision and is essential part of ensuring that councils remain transparent, accountable and open. There are improvements that could be made at Tower Hamlets to make overview and scrutiny more effective. For example, the chair of the scrutiny committee and all sub committees are currently from the ruling party (Aspire) which does not reflect best practice. This also means that all the Chairs are male.

Some female members reported that they believe that they are given less time to contribute at scrutiny meetings as well as women's community groups also reporting that they were not given permission to speak at scrutiny meetings. (However, it should be noted that women from community groups have been co-opted to the scrutiny panel which is good practice). Members of the opposition do not feel that they currently have the opportunity to influence Cabinet decisions through pre-decision scrutiny as they are often only notified three days in advance of meetings. Cross party working also needs to improve on all sides because it is having an adverse impact on the effectiveness of the scrutiny function. The council would benefit from external training with a view to implementing best practice particularly around allowing groups to choose their own members to lead areas of work and on ensuring community representation in meetings. Dedicated training for the chairs would also be beneficial. The council should consider undertaking a review of the council forward plan (as noted above) looking at the scheduling of council meetings. A good step would be to plot out the ideal timeframe for committee meetings, and to build in appropriate time for effective pre-decision scrutiny. The council should also consider adopting wider best practice in terms of representation and chairing of other committees. For instance, the council should review the current

arrangement of Cabinet members sitting on the Audit Committee. The peer team understands that steps are being taken to review the political composition of the Audit Committee and would urge the council to consider having an opposition or co-opted external member chair, and other external independent members of the committee in line with best practice in other councils.

As noted above the issue of grants allocation was highlighted in the PwC Best Value inspection and as such was a specific area of focus for the peer team. Over the past year the council has conducted a comprehensive review of the process of grant allocation. It abolished the Local Community Fund and developed a new Mayor's Grants Fund with funding of £3.5m per year for the next three years. The rationale for the new scheme was that the new fund would be aligned more closely to the priorities in the Strategic Plan. The Mayor has delegated all responsibility for the Mayor's Grant fund to the Chief Executive. A new allocation framework with clear criteria has been established and the approach has involved consultation with partners, including the VCS/third sector, external advice from King's Counsel was sought, and the process and its application was reviewed by both internal and external auditors who have given assurances regarding its robustness. As in most places the bids for grants outstripped the funds available and for this initial round of bidding demand is three times higher than the available funding pot.

Despite assurances, the implementation of the new processes has led to some third sector/VCS organisations that the peer team spoke with, felt that they have not been properly involved in the co-design of the programme and as a result their confidence is low. This needs resolving and relationships need to be reset. The council has an immediate opportunity to address this through the design and implementation of the next two grant programmes, the Small Grants Fund, and Emergency Grants Fund. The council should ensure that the robust approach to the allocation of these grants builds on the framework used for the Mayor's Community Grant Fund, with clear links to corporate priorities and ensuring openness and transparency.

A further key element to the council's grant awards approach will be the monitoring and oversight of the recipients of funding. The key performance indicators should be developed in partnership with the third sector with performance monitoring overseen by the Overview and Scrutiny Committee. The council is in the process of reinstating the Corporate Grants Register which is a good step, and there is also an opportunity to 'call

in' decisions on specific grants. One final area that should be reviewed is the current approach whereby decisions on allocations is delegated to the Chief Executive. This is unsustainable practice and delegation to officers at the appropriate level should be explored.

The transfer of property to third parties was also an area identified in the 2014 PwC report, and as such the peer team was keen to look at current practice in that area. To strengthen arrangements the council developed an Asset Management 'property procedures for disposals and lettings'<sup>4</sup> document in 2019. This sets out clear council processes for lettings and disposals. The policy, which was updated further in 2021, is clear about the duties (regulatory and in line with the council's standing orders) relating to the 'council and its employees'. It is comprehensive in detail and covers themes such as: identification of surplus property, inspections, marketing, declarations of interest, disposals, transactions at less than market value, delegation of decisions and reporting to cabinet and Mayor.

A further, detailed policy was developed in 2021 which focused specifically on council premises leased to Voluntary and Community Sector (VCS) Organisations<sup>5</sup>. Whilst the majority of council property lettings are for commercial use and provide income for the council there is a portfolio of 65 properties referred to as the 'Community Premises Portfolio' that are let to VCS organisations on the basis that they benefit the residents of Tower Hamlets and as such provide social value.

Through the refreshed policy the council has developed a strategic approach for these lettings which 'commits the council to making best use of resources through a fair and equitable approach towards organisations using all or part of a council owned building'. Crucially, there are clear criteria for the basis upon which properties will be let, the term of the individual leases (between three and five years), and a clear marketing process, involving the local VCS/third sector, which ensures that as wide a range of organisations as possible are notified of the availability of premises and are able to express an interest.

Whilst the peer team did not get to explore this theme in detail, it is clear from the conversations the team had and from the documents that were shared that there are

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<sup>4</sup> <https://democracy.towerhamlets.gov.uk/documents/s152858/6.9a%20Appendix%201%20-%20Property%20Procedures%20for%20Disposals%20and%20Lettings.pdf>

<sup>5</sup> [https://www.towerhamlets.gov.uk/Documents/Grants\\_and\\_benefits/VCS-premises-statement-of-policy-and-procedures.docx](https://www.towerhamlets.gov.uk/Documents/Grants_and_benefits/VCS-premises-statement-of-policy-and-procedures.docx)

clear policies and processes in place at Tower Hamlets. The peer team also heard that a new overarching property and asset management strategy is in development. It is intended that this five-year strategy will bring together the current portfolio of assets, provide a strategic view of longer-term need, and identify which properties may be surplus to requirements. The peer team would encourage the council to ensure that in developing this property and asset management strategy it brings all the different elements relating to policy and procedure into one document. Furthermore, this document should provide clarity on the linkages with the emerging practice of working with developers for disposal of land for housing development. The strategy should also be clear about its broader policy intent in relation to whether the council is to adopt a 'no disposal' policy. This would need a clear rationale and explanation of the potential advantages and disadvantages.

It is also important that members understand the policy and procedures in this area and as such the council should consider including this as a topic for member induction and training.

In developing the strategy, as well as alignment with the Strategic Plan priorities, the council may wish to consider the current approach to the process of decision making. At the moment, for instance, whist decisions relating to land and property disposals (up to £250k) and the letting of property to VCS organisations are delegated to officers, prior to decisions being finalised there is a requirement for additional oversight by the Mayor's Office. As mentioned elsewhere in this report relating to other service areas across the council, this additional layer in the decision-making process can cause bottlenecks.

Given the sensitivities in this area it is understandable that the Mayor will want to assure himself and members that practice is in line with that set out in the policy and that additional oversight has been built in. However, it is important now to ensure that Mayoral oversight is formalised and recorded appropriately. To achieve this the peer team would recommend that this approach is formalised and reflected in the property and assets policy and procedures documents and is reported to overview and scrutiny.

The majority of officers and members at Tower Hamlets described the culture of the organisation as welcoming and friendly and whilst most staff are clearly proud to work for Tower Hamlets their connection is to their directorate rather than the whole organisation. This is something that the organisation should look to address through its

People First programme. Staff across the organisation appreciate the efforts that the new Chief Executive is making to hear views on how to improve the organisation through the 'tea and chat' sessions and the staff roadshows that are taking place. The council should continue with this approach as there is a clear desire from frontline staff for all senior managers to be more visible and they appreciate the opportunity to develop ideas to improve the organisation. Annual staff awards are also well received, and this celebration of staff achievements is good to see.

However, some staff are feeling demotivated about the manner and use of language about the justifiable need to improve the pace of delivery. There was concern that the workforce had worked hard to deliver during the COVID-19 pandemic, pivoted to focus on the delivery of the new priorities and adjusted to changes in leadership, but this was not being reflected within the developing narrative. This is an issue that can be easily overcome and will help to ensure staff remain motivated. It is evident that the administration and staff want the same outcomes for residents and therefore it is imperative to build a relationship of trust both ways.

One area where the council and its management should consider investing time and energy is developing some of the relationships with the Trade Unions. Some Trade Union representatives reported that to resolve issues they often go direct to members. This is an unusual way for the unions and a council to interact and indicates that the relationships with some trade unions need resetting.

#### **4.4 Financial planning and management**

Tower Hamlets has a good record over many years of balancing its books. The council is in a sound financial state and is in a relatively strong position to maintain the future financial stability of the organisation provided it maintains robust financial discipline. As mentioned previously, the closure of historic accounts is an important step in demonstrating the strength of financial controls at the council. The council has benefitted due to the changed financial assumptions on the timing of government changes to the business rates model. The Government's deferral on the re-baselining of the model has meant the budget gap across the medium term could be adjusted favourably. However, it is increasingly likely that a future business rates reform would adversely impact the position, albeit not until after the next General Election. Scenario planning and modelling for this eventuality should be carried out. At present, the council benefits from the current modelling for retained business rates with significant income

achieved (£152.6m in 2023/24).

Tower Hamlets has one of the lowest council tax rates in London (sixth lowest out of 33 London councils<sup>6</sup>), and the Administration has committed to freezing Council Tax, except for the Adult Social Care precept, between 2023/24 and 2026/27. This will inevitably impact on the council's base budget, particularly in the current inflationary environment. Additional efficiencies and savings will be needed to fund this decision and again options to address this should be worked up at pace.

The new Administration made a number of spending commitments following their election. To balance the 2023/24 budget, the council used £22.3m of one-off reserves. A 'Mayor's Priority Reserve' of £47m was also created during the 2023/24 budget setting process, this was funded primarily from the 'New Homes Bonus' reserve. This reserve has been used to fund priority areas such as the £5.7m investment to extend universal free school meals funding from all primary to all secondary school pupils and £7m investment to tackle climate change.

The increased spending seen has been afforded by the council's strong level of reserves which had been built up over the last decade. The council's current three-year budget plan projects a further drawdown of £20.4m of general fund reserves and that the 'Mayor's Priority Reserve' will be fully utilised by the end of 2025/26. The council's net revenue expenditure for 2023/24 is £446.2m and the opening reserve balance for 2023/24 was £219.1m which is forecast to reduce to £92.6m by 2026/27. A significant portion of this remaining reserves balance (£40.7m) being earmarked reserves with restrictions on use. The council also forecasts from 2024/25 to be at the minimum general fund reserve balance of £20m, as specified in the council's reserve policy. Reserves can only be spent once; measures will be required to ensure the future sustainability of the spending commitments.

In July 2023 the council appointed a new permanent Corporate Director of Resources (S151 Officer) and are currently out to recruit for a new Director of Finance (Deputy S151 Officer). This new officer leadership within the finance function will need to maintain effective financial controls and progress priority actions such as the development of the MTFS. Officers are developing plans for a 3-year budget model giving clarity over savings proposed and headroom for growth plans and this will need

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<sup>6</sup> [https://lginform.local.gov.uk/reports/lgastandard?mod-metric=46&mod-area=E09000030&mod-group=AllBoroughInRegion\\_London&mod-type=namedComparisonGroup](https://lginform.local.gov.uk/reports/lgastandard?mod-metric=46&mod-area=E09000030&mod-group=AllBoroughInRegion_London&mod-type=namedComparisonGroup).



to be embedded across the council to remove some of the current uncertainty.

A single narrative about the financial picture facing the council is required which articulates to members, officers and partners the rationale for the savings requirement alongside the investment required in services, to demonstrate the imperative of delivery for the future financial sustainability of the council. At present, the peer team felt this was not widely understood.

The council's current three-year MTFS has set out a savings requirement of £37.8m to 2025/26. This is broken down as a savings requirement of £30.8m in 2024/25 and £7m in 2025/26. At quarter one, the council are forecasting a £6.7m overspend this financial year. It is imperative that the council delivers on its agreed savings, to enable funds to be released to support the budget needs of certain service areas. Important measures have been introduced to improve the delivery of savings, a necessary step as the council has a legacy of failing to deliver programmed savings. The developing transformation programme and associated governance will be integral for the approval and monitoring of the delivery of these savings and addressing current overspends.

The capital programme was subject to a review following the election of the new Administration. Several schemes were halted which had a revenue cost impact of £2.7m. The council has plans to further develop the capital strategy, which at present does not reflect in detail the council's priorities nor does it assess future strategic need. This development will be important particularly with the insourcing of Tower Hamlets Homes and the expected increase in capital and Housing Revenue Account (HRA) spend. A comprehensive assessment of the impact of insourcing is also needed to ensure the MTFS is resilient against any further pressures this may create, as the council learns from its experience on this to date and in particular the lessons from insourcing waste services.

It is good to see that an external company have been commissioned by the council to carry out a review of the HRA Business Plan to accommodate the financial pressures associated with inflation, interest rates, stock condition and planned housing growth of 800 homes by 2026. The current programme has budgeted £389.25m between 2023 – 2026 with £94.61m of this allocated for capital works to existing stock. The HRA review will also explore all financial assumptions against the affordability constraints and should also consider the assumed HRA rent increase.

Procurement was recognised as an area for development for the council. The

procurement function at present felt to officers the peer team spoke to as too operational, not in the strategic space looking upstream for contract opportunities to deliver council priorities efficiently and cost effectively. An important measure the council should look to introduce would be a standard set of terms and conditions for contract awards.

#### **4.5 Capacity for improvement**

The council is clearly committed to being a learning organisation and has a genuine appetite to explore and adopt best practice. As well as this CPC, the council has signed up to a number of other external reviews including a LGA Children's Services Peer Challenge and IIP reaccreditation. There was positive feedback from staff on the continuation of 'innovation month'. During May 2023, over 1,100 staff from across the organisation participated in sessions to hear from external speakers from other London boroughs, such as Newham and Waltham Forest, with a view to learning from best practice. Again, this is something the council should consider doing more of, including developing plans for how the learning is translated into practice, with directorates feeling empowered to drive and own innovation. Equally the council is demonstrating a high degree of organisational maturity in its positive response to critical challenge; with action planning already underway to address some of the issues raised by this CPC.

The approach to communications at Tower Hamlets is impressive. There is a clear communications strategy to ensure residents and staff are well informed. It is good that the Director of Communications attends and contributes to CMT meetings, a model that is promoted as best practice amongst local government communications professionals. The corporate communications function has led the development of a partnership approach to borough wide branding and communication in relation to cross partnership activity. There is a Tower Hamlets partnership wide publication which has an online readership of 190,000 people. Equally impressive is the proactive planning and the understanding of the reach of the communications methods with regular monitoring of the different methods of communication.

However, as in other areas the organisation needs to guard against is duplication of corporate communications functions and similar roles being carried out in the Mayor's Office. It is important that there is common understanding between members and staff across the organisation of the remit of both to avoid confusion. Equally important is the need for the council to ensure that there is widespread understanding of the rules of the

publicity code. Whilst clearly understood by senior officers, the council may want to review its social media policies and ensure all communications officers receive regular training regarding political impartiality and ensure that all members are aware of the rules of the publicity code too.

As in every council it is vital that all members, and particularly those in Cabinet positions, receive regular training and development to ensure that they can fulfil their role effectively. It was positive to see that following the May 2022 election, a member development programme was put in place. It is also positive that a number of Cabinet members have engaged with the sector training offer through the [LGA's Leadership Essentials](#) programme. It is important now given the relative inexperience of some Cabinet members and indeed some committee chairs to ensure that this approach to member development is strengthened with further support for those in senior positions. It would also be beneficial too for Cabinet members to have political mentors from outside the borough which is common practice across the sector.

The council also needs to develop a co-ordinated workforce strategy. There has been considerable churn at senior management level, which is not uncommon following a change of political and managerial leadership. However, there is a large number of agency and interim staff, with vacancies in key positions that need high quality permanent appointments. Again, this is an issue that the council is aware of, and actions are underway to progress this. As part of their approach the council must seek to ensure that they recruit the best people available and take steps to retain the many excellent staff in the council who need to feel valued, trusted and empowered. The new workforce strategy must have a clear plan for recruitment, retention and workforce development with a more consistent approach being adopted across the organisation.

The peer team heard examples of challenges in relation to recruitment linked to current pay levels which do not meet market rates. As such the new workforce strategy should include a review of the pay policy so that the council can assure itself that is able to attract and retain the very best people. The strategy should also set out how it will ensure that the Administration's ambition to have a workforce that is reflective of the diversity of the borough will be achieved.

Many of the recommendations in this peer challenge should directly inform the development of the council's transformation programme, 'People First', which is at an early stage. At the moment there are numerous projects running concurrently and the

council needs to bring these together into a coherent strategy that outlines what the programme is trying to achieve (including savings). The strategy must be aligned to the longer-term corporate plan, with simplified governance, a clear narrative and consistent language that is widely understood. At the moment there is no strong understanding by either members or officers and the structure of the programme needs simplifying. The newly established Transformation Advisory Board – chaired by the Mayor – will be critical in providing ongoing challenge to ensure the programme is developed in this way and it is suggested that progress in response to the CPC recommendations are reported to that board.

Integral to the success of the transformation programme will be the need to ensure that that corporate core is operating as an effective strategic enabler. As well as addressing the issues of ‘two council’ culture, the council needs accurate and timely management information to scrutinise and support organisational performance. Staff from across the organisation reported that there are a number of cumbersome transactional processes specifically related to finance, HR and procurement that are stifling rather than enabling delivery. This is an issue that the Chief Executive is aware of and planning to address in part by replacing out of date systems with one shared platform that is common across HR, Finance and Payroll. This will be important improvement, but the council must assure itself ensure that appropriate checks and balances within the system remain in place.

The council should also consider investing further in its IT and digital services. The council should urgently look to resolve the problems with the council Wi-Fi at the new Town Hall. This is especially important as the council looks to attract tenants for the building as well as the frustration it is causing members, officers, and partners.

The peer team heard throughout the CPC the Administration’s commitment to face-to-face access for residents with the council. This can be demonstrated with the investment in the provision of Residents’ Hubs across the borough. Whilst it is commendable, particularly the commitment to supporting those residents who are without access or struggle with IT. The council should be careful to ensure that this is a service specifically for those who cannot use online services and seek to provide the best online services for its young population. As mentioned earlier in the report, Tower Hamlets has one of the youngest populations in the country. The 2021 Census suggests that 97 per cent have digital access. A significant proportion of residents

(130,000) also have an existing digital council account. Digital alternatives for customer interaction with the council can often be preferable for residents, as well as being more cost effective. Whilst considerable investment and progress has been made in this area over the last few years, the council should continue to invest in digital pathways alongside Resident Hubs in a complementary fashion.

## 5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and the LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a one-day onsite progress review, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps. The progress review will take place and the follow up note will be published within 12 months from the CPC.

In the meantime, Kate Herbert, Principal Adviser for London, is the main contact between your authority and the Local Government Association. Kate is available to discuss any further support the council requires – [kate.herbert@local.gov.uk](mailto:kate.herbert@local.gov.uk).

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# Local Government Association Corporate Peer Challenge Report and Recommendation

## London Borough of Tower Hamlets Statement

The council recognises the value of the Local Government Association Corporate Peer Challenge (LGA CPC) and very much welcomed the exercise conducted in September of this year. Members, Staff and Senior Managers engaged openly and honestly with the review team over five days of confidential interviews and discussion groups, and found it to be a very positive and constructive experience.

We welcome the findings of the review, which contains many positive reflections of the council and its workforce, and which are affirming to the extent that almost all of the findings are issues that the new management team, under the direction of the Mayor and new chief executive, had identified prior to the review as needing attention.

Many of the issues addressed by the report are typical of local authorities that have just undergone a change of administration. Some are legacy issues from, or are the result of, underinvestment over many years., The report is a clear endorsement of the diagnostic process and the direction of travel that this organisation has embarked upon and helps to re-enforce key messages and further strengthen the focus of the council as it starts its improvement journey.

The 18 core recommendations contained within the LGA CPC report are now the subject of a detailed action plan which the council has published early alongside the LGA Corporate Peer Challenge Report on the council website. It identifies all of the core recommendations and sets against them key actions that help to address the recommendations. It also sets out those actions that the council has already undertaken relevant to the recommendations or that resolve them altogether.

The council is moving at pace and has now done a significant amount to address some key concerns. Where the council has had to address long standing issues swift action has been taken to rectify the position. For example, there had been a failure to publish Annual Governance Statements. These have now been published for the missing years. There had been a failure to achieve formal sign off of multiple years of accounts. Accounts for 2018/19, 2019/20, 2020/21 and 2021/22 have now been concluded and agreed by the council's Audit Committee. We now compare favourably with most local authorities in this respect. The Housing Revenue Account needed a significant and long overdue strategic evaluation. Work on this is now well underway. The council now has a permanently appointed Corporate Director of Resources having had years of interim managers filling this vital role.

In other areas we have already addressed recommendations regarding additional training for Councillors and completed a Skills Audit further informing our already extensive member support programme. Significant progress is being made with the development of the council's Medium Term Financial Strategy ensuring that the council can meet its commitments in a sustainable way whilst finding £40m of efficiencies to realign resources to the Mayor's priorities. Our workforce strategy is being informed by our successful Investors In People Award where the council improved on the previous IIP review securing Silver with 11 'flecks of Gold'. The council will be aiming to secure IIP Gold next time. The council has recently approved a new partnership plan setting out a clear vision for cooperation with our key partners and a shared vision for the community and work is progressing at pace to further improve our equalities action planning and engagement, including enhancing women's representation at all levels. A comprehensive recruitment programme is well advanced to attract talented senior managers to the Borough and fill more senior vacant positions. Corporate Director and Director-level interviews for vacant posts will be completed by January 2024.

The LGA CPC action plan will be further developed as scoping exercises are completed and additional supporting actions are identified. Currently its content addresses every suggestion for review or action that the LGA CPC team raised with the council directly during the Review or that is in the text of their report. All of the resulting actions have been aligned back to the relevant core recommendation. This is a starting point and the plan will evolve to be a key transformation and improvement tool for the council going forward.

The Mayor, Management, and Staff would like to thank the Local Government Association Corporate Peer Challenge Team for taking the time to visit us, listen and observe and share their insights with us as we progress on our transformation and improvement journey.

**Lutfur Rahman**  
**Executive Mayor of Tower Hamlets**



Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<b>Recommendation 1: Strategic Vision</b> Develop a more comprehensive long-term strategic vision for the borough and the council which is co-produced with the community.	The Council will complete a Long Term Strategic Vision Development Programme that will inform the workforce strategy and the MTFS and will be developed with the input and engagement of the community.	May-24	Acting Director SIT
	The Council will ensure that it has a delivery plan that supports the implementation of the vision, building in regular monitoring and reporting arrangements, and reports that are available to the public	May-24	Acting Director SIT

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
The new Partnership Plan sets out a long term, strategic shared vision co-produced with all our key partners and is in the final stages of being approved. (Will be approved by time this is published)	Scoping document setting out contributory elements to the development of the overarching strategic vision is in development for review by CMT / Mayor.	<a href="#">Cabinet Report and Draft Plan</a>	
We publish an Annual Delivery Plan to monitor performance against key strategic Plan Priorities. These will be reviewed following completion of the long term vision statement.	Strategic review of existing arrangements for delivering monitoring and reporting on strategic progress is underway	<a href="#">Strategic Plan</a>	

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<b>Recommendation 2: Medium Term Financial Strategy</b> Develop a MTFS, including the Housing Revenue Account (HRA), which can demonstrate the future financial sustainability of the council, and which is aligned to the long-term strategic vision of the council.	The Council will complete the development of the new Medium Term Financial Strategy	Jan-24	Corporate Director Resources
	The Council will revisit its MTFS at the point that the Strategic vision statement for the Borough is completed to ensure that it is fully aligned to it.	May-24	Corporate Director Resources
	The Council shall revisit its scenario planning and modelling for business rate reform impacts to ensure that they are fit for purpose and up to date.	Jan-24	Corporate Director Resources
	The Council will develop a single narrative about the financial position of the Council which clearly explains to members, officers and partners the rationale for the savings requirement and investments required in services. This will communicate the imperative of delivery for the future financial sustainability of the council	Jan-24	Corporate Director Resources
	The Council will carry out a comprehensive assessment of the impact of insourcing on service capacity that will feed into the MTFS.	Jan-24	Corporate Director Resources
	The Council will complete a HRA review which will explore all financial assumptions against the affordability constraints and will also consider the assumed HRA rent increase.	Jan-24	Corporate Director Resources

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
	An MTFS update went to Cabinet in October which gave the latest MTFS position and the timetable for final member approval. The MTFS outlines a range of actions to address the budget gap. The first draft of the new MTFS is scheduled to be presented to Cabinet on 3rd January, and, subject to any comments from the public budget consultation, scrutiny and cabinet process is scheduled for approval by full council on 28th Feb 2024	<a href="#">MTFS Cabinet Paper</a>	
Development of the MTFS is underway	See above		
The Council is working with LG Futures to continually model its business rates projections. We will factor in any changes as a result of the the Local Government Finance settlement	See adjacent comment. Work ongoing. The Autumn Statement, 22nd November 2024, is now being considered in our updated MTFS		
The Comms Strategy was recently updated to set out the Councils position on this. The council has been communicating its financial position to staff since the summer when Innovation Month and People First was launched. More recently in the current budget consultation with residents and partners and Chief Executive staff roadshows and staff conference.	The narrative continues to be developed as People First progresses and we are updating as it does. This process includes a Comms Log at each of the seven transformation boards to communicate updates to staff and update the wider narrative. This process will also include the new MTFS and through internal communication channels and events, with a focused update of progress to date planned for all staff as part of an all staff event hosted by the CEO and Corporate Directors scheduled for the 12th December 2023		
Financial implications of service insourcing commissioned	Financial implications of planned service insourcing have been received. They are currently being quality checked by senior finance staff before inclusion in the MTFS. This will involve integrating 3 currently separate workstrands relating to project costs of the insourcing, ongoing revenue and capital obligations post transfer , and approved planned growth opportunities for the services in year 2 of the MTFS, which will be risk mitigated prior to inclusion.	Chris Leslie	
A review of the HRA, supported by external consultants Savills, has been completed.	A financial strategy for our HRA is currently in development in partnership with Savills. They will complete an independent desktop review of the proposed model and provide assurance to members that the approach reflects best practice; prioritising capital investment in the areas of highest risk for existing stock, particularly around damp and mould, fire safety and energy efficiency. .	Chris Leslie	

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<b>Recommendation 3: Performance Management</b> To assist with the focus on delivery of the council's priorities, measures should be taken to enhance the existing performance framework, making better use of data to inform decision making and policy development. Consideration should be given to how the impact of decisions and priority areas is captured.	The Council shall complete a review of existing performance management arrangements in place at the Council to ensure clearer, more consistent processes, scrutiny at service level and by CMT and the development of a system which is understood and can be effectively challenged by members.	Jan-24	Acting Director SIT
	The Council will bring forward new project plans for the development of a data lake and will prioritise progress of data tools to enable easier interrogation of health and societal data bases by council staff.	NA	Corporate Director Resources
	The Council will review the Council's current strategy and policy landscape to explore the opportunities to simplify it.	Mar-24	Acting Director SIT

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
This review has started with an examination of the Councils arrangements for managing compliance for directorate/service plans and personal reviews. This element of the wider review process is nearing completion.			
Senior agreement in place to develop analytics platform, data tools and series of pilot data products. Multi disciplinary team in place to take this work forward.	The council is commissioning an independent specialist to develop a strategy and road-map for delivering improvements to corporate data analytics capacity and accessible shared insight across all departments along with delivery of improved data cleansing/integrity/storage protocols.	<a href="#">Enterprise Business Intelligence and Analytics (BIA) Solutions Project Brief</a>	
Regular strategy and policy review periods are in place for all major strategies and policies.	A scoping document for this exercise is currently under development		

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<p><b>Recommendation 4: Workforce Strategy</b>            Develop a refreshed workforce strategy to address recruitment and retention challenges. This is particularly important given the current vacancies in key senior management positions and the Mayor's stated priority of the workforce representing the community.</p> <p>The Overview &amp; Scrutiny Committee should be given responsibility for overseeing performance against the council's aim to ensure that its workforce and service provision reflects the diversity of the borough.</p>	The Council will develop a coordinated workforce strategy with a clear plan for recruitment, retention and workforce development with a more consistent approach being adopted across the organisation and linked to the Council's long term strategic vision.	Apr-24	Corporate Director Resources
	The Council will complete the recruitment programme for Corporate Directors and Directors	Jan-24	Corporate Director Resources
	The Council will continue to develop the new 'workforce to reflect the community' strategy and embed it into the refreshed workforce strategy.	Dec-23	Corporate Director Resources
	The Council will review the current governance arrangements for the councils Equality, Diversity and Inclusion agenda. As part of this exercise the Mayor will consider the role of the Overview and Scrutiny Committee specific to the delivery of this agenda.	Mar-24	Acting Director of SIT
	Carry out a review of the Council's Pay Policy for hard to recruit and senior positions.	Feb-24	Corporate Director Resources
	LOCD to complete a review of the Council's current talent management and associated support programme, and establish what more can be done to support staff development.	May-24	Corporate Director Resources

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
The Council's HR function is currently under review, supported by a third party independent specialist to ensure the highest standards of professional practice remain at a smaller centre alongside changes to transactional practices to enable more directly empowered operational functionality.	Informed by the outcome of our recent IIP assessment which provides direction and momentum for us to move forward quickly to develop a comprehensive corporate workforce strategy, our workforce to reflect the community strategy will form an integral element of the overall approach.	<a href="#">People and wellbeing strategy 2021-2026</a> <a href="#">People and Wellbeing Strategy OBA</a>	
Recruitment is underway.	All CD interviews will take place ahead of the Christmas break. Director interviews will be completed by mid-Jan 24.		
Our Workforce to Reflect the Community Strategy has been developed. The Transformation Board will review and feedback on content and measures of success. Once approved this will be a key element of our comprehensive workforce strategy.	The WFTC action plan arrangements are subject to an update and review process currently underway. Officers, including the Mayors office are currently reviewing the newly developed workforce dashboard.	<a href="#">CMT Cover Report</a> <a href="#">Workforce to Reflect the Community Strategy</a> <a href="#">Workforce to Reflect the Community Draft Action Plan</a>	
Structural review of Strategy Improvement and Transformation is underway that will include consideration of where the operational responsibility for the Councils Equality, Diversity and Inclusion Agenda lies within the organisation.	A scoping document for the wider review of governance arrangements for the Equality, Diversity and inclusion agenda is being prepared		
The pay policy is reviewed annually by HR Committee (previously GPC) and then goes to full council for approval (this is a statutory requirement).	This has been commissioned via an independent third party specialist	<a href="#">Pay Policy Report to HR Committee</a> <a href="#">Pay Policy statement 2023/2024</a>	
	This will be informed by our workforce strategy and the outcome of our recent IIP assessment		



Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<p><b>Recommendation 5: Mayor's Office</b>  Review the roles, functions and deployment of officers within the Mayor's Office. This should be done to ensure streamlined decision making, removing barriers and duplication elsewhere in the council. The council should also ensure that colleagues remaining in the Mayor's Office are given training and development opportunities to ensure a wider understanding of the roles and requirements of different services areas.</p>	<p>The Council will undertake a review of the roles, functions and deployment of officers within the Mayors Office with particular focus upon speeding up decision making and removing duplication of function where this is provided elsewhere in the Council. Mayor's Office staff to be given training and development opportunities to ensure familiarisation and understanding of roles and responsibilities across the council</p>	<p>Jan-24</p>	<p>CEO</p>

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
	<p>A review of the Mayors Office structure is underway informed by the advice contained within the LGA CPC report.</p> <p>Development opportunities for key senior personel within the Mayors Office are being reviewed with a view to further enhancement.</p>		

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<p><b>Recommendation 6: Internal Governance</b>            Conduct an urgent review of the internal governance arrangements including the board structures to ensure focus on the delivery of priorities, clarity of reporting and clear lines of accountability. This should seek to speed-up decision making, and delegate business-as-usual decisions to an appropriate level.</p>	The Council will complete a review of the Council's internal governance arrangements and board structures to ensure focus on delivery of priorities, clarity of reporting, and clear lines of accountability.	Jan-24	Corporate Director Resources
	The Council will complete a review of its approach to the forward planning process, and where appropriate revise the guidance provided to officers and members	Jun-24	Deputy CEO
	The Council will review and clarify the Council's processes for decision making. This will include the review and rationalisation of transaction processes for HR, Finance and Procurement and formal review of officer delegations and decision making bottlenecks.	Apr-24	Deputy CEO / Corporate Director Resources
	The Council will ensure that the new external auditors agree to regular meetings between the Chief Executive, Section 151 Officer and the External Auditor.		Corporate Director Resources
	The Council will ensure the Head of Audit attends meetings between the three statutory officers.		
	The Council will report progress on the delivery of the LGA Corporate Peer Challenge Action Plan to the Transformation Advisory Board on a regular basis		

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
Arrangements are already in place to review Transformation and Governance Boards every six months.	Internal Audit have completed an in-depth review of the Councils Internal governance arrangements against the Corporate Governance Improvement Plan, The report is being compiled for reporting to CMT in January. A 6th month review of corporate transformation and governance boards is underway. A mapping exercise of all internal boards is underway	<a href="#">Draft Governance Improvement Plan Follow up Report</a>	
	In August 2023 new discursive guidance was issued to senior officers (in conjunction with recirculating earlier guides) to try and demystify the process and answer common questions asked. Off the back of that Democratic Services have attended a number of DLTs and similar to go through the guidance and discuss decision making generally. This offer remains open to all other Directors.  The Chief Executive over recent months has introduced new control on services attempting to bring late reports to MAB/Cabinet or changing reporting dates to ensure a smoother planning process and avoid having unexpectedly light or heavy meeting agendas. This also increases the requirements for the Directorates to properly understand how the decision making process works. He also introduced fortnightly CMT meetings which again look to better control report processes.  The above rules along with the overall structure of CMT, MAB, Cabinet process to see if the changes had the desired affect and whether further revision is necessary.		
	We have appointed independent specialists in HR and Procurement with clearly stated deliverables and a timescale of 31st March 2024. A comprehensive review of our financial regulations and delegation's is being carried and which will inform a revised framework of internal controls ( independently verified as reflective of best practice ) which will underpin the new working arrangements providing assurance re compliance, in our new operating environment .		
	Meeting between existing external auditors ( Deloitte's ) S151 Officer, and CEO took place on 5th October 2023 . New Auditor Ernst & Young currently in process of exchanging disclosures needed to then enable all regular ( quarterly ) meetings to be scheduled for the coming financial year .A first meeting has been scheduled for December 2023		
	Head of Audit now meeting regularly with Chief Executive, S151 Officer, and Monitoring Officer		<b>Complete</b>
	All updates on progress are now being reported to the Transformation Advisory Board		<b>Complete</b>

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<p><b>Recommendation 7: Working with Partners</b> To ensure more effective partnership working, the council should consider reviewing current partnership governance arrangements.</p>	<p>Create a Partnership Task and Finish Group to review partnership arrangements to ensure a more strategic approach to partnership working, that streamlines governance arrangements and improves accountability. Ensure the Terms of Reference of the Partnership Task and Finish Group specifically develop actions to support these outcomes. .</p>	<p>Report review findings to the Partnership Executive Group by Spring 2024</p>	<p>Acting Director SIT</p>
	<p>Continue to strengthen the Integrated Care partnership to deliver our core priorities and engage with the Integrated Care Board and wider North East London system on what responsibilities and resources can be further devolved to the local level.</p>	<p>New governance arrangements for Health &amp; Wellbeing Board &amp; Overall Partnership - May 2024</p>	<p>Corporate Director Health &amp; Adult Social Care</p>
	<p>The Council will further improve the opportunity for strategic conversations with business partnerships and will ensure that the Growth and Economic Development Partnership reviews existing opportunities with a view to enhancing them.</p>	<p>Apr-24</p>	<p>Corporate Director Housing and Regeneration</p>
	<p>The Council will develop a Housing Delivery Symposium with key partners and developers in the borough to explore ways in which the Council can realise its housing ambitions, and tackle housing overcrowding.</p>	<p>Apr-24</p>	<p>Corporate Director Housing and Regen</p>
<p><b>Recommendation 8: Grant Allocation</b> Build on the framework for the Mayor's Community Grant scheme and introduce a robust process for the Small Grants Fund and the Emergency Grants Fund, demonstrating links to the corporate priorities, ensuring openness and transparency, and reset relationships with the VCS/third sector. Monitoring of the grants programmes should be undertaken in partnership with the VCS/third sector and overseen by Overview and Scrutiny.</p>	<p>The council will review all council administered grant regimes to ensure that they have robust frameworks in place and will introduce a central grants register .</p>	<p>Feb-24</p>	<p>Acting Director SIT</p>
	<p>The Council will work with the VCS to refresh the VCS Strategy and Voluntary Sector Compact which sets out how the Council will work with the sector and will use these to build on and improve existing relationships with the sector.</p>		<p>Acting Director SIT</p>

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
	A partnership Task and Finish Group has been established in October 2023 to take forward strategic review of partnership arrangements.		
<p>An Integrated Care System is in place in North East London. Tower Hamlets Together operates as a place-based partnership within this system, reporting into the borough's Health and Wellbeing Board. Proposals to streamline the Health &amp; Wellbeing Board/Tower Hamlets Together infrastructure are in development and being discussed by partners. Having aligned our health and care services around localities, the next phase of work for THT is to understand what impact this has had and to understand what is required at a neighbourhood/PCN level. Almost £1m has been allocated by the ICB and Local Authority within the Better Care Fund to support the work at the locality and neighbourhood level. This is where we see the greatest potential in achieving our integration ambitions. We have proposed to commence a review of the BCF starting in late 2023 with the aim of increasing the pooled fund from 2024 onwards and looking at where the BCF can further support our THT partnership and integration ambition. The review will also focus on the falls pathway and the intermediate care criteria.</p>	Strengthening the Health and Wellbeing Board and our partnership with the ICS is in scope of the Task and Finish Group above.		
<p>The Growth and Economic Development Partnership Board brings together key stakeholders in the economic realm to improve local economic outcomes.</p> <ul style="list-style-type: none"> <li>• Held dedicated thematic meetings on issues such as, Cost of Living and Green Jobs &amp; Skills:</li> <li>• Cost of Living: consultation on the gaps in local provision</li> <li>• Held a discussion on Green Jobs &amp; Skills which helped shape an understanding of the best way forward for local skills providers on how to deliver critical skills training for a green economy</li> </ul>	<p>Within Scope of the Task and Finish Group above.</p> <ul style="list-style-type: none"> <li>• We will continue to work closely with existing business partnerships such as Aldgate Connect, Bangla Restaurateurs, East End Traders Guild.</li> <li>• We will continue to maximise collaboration with business and Further Education and Higher Education and civic providers, the Voluntary and Community Sector and other partners to create the conditions for our residents, young people and businesses to thrive.</li> <li>• We will work with industry and growth sectors - including in life sciences, low carbon, and creative and digital - educational and cultural institutions, idea stores learning and the voluntary, faith and public sectors to coordinate effort to increase social capital and social mobility amongst our residents; supporting good careers through training and development and agile employment support for all our residents and young people</li> </ul>		
Developer forums take place every six months, sharing updates and key delivery challenges.	<p>Monthly planning liaison meetings have taken place with Canary Wharf Group (CWG) to discuss estate ambitions, strategic overview update and progress with site delivery.</p> <p>Ongoing engagement through statutory consultations with strategic partners on planning matters via the Development Management process, and also on the Local Plan/Plan Making Process</p>		
Work to introduce a central grants register is underway			
The development of the council's Grant's Policy and outcomes framework included extensive engagement with the sector through six workshops and an on-line survey. In total 309 people from 144 VCS organisations were engaged. The Small Grants and Emergency Grants Programme development also included engagement with VCS organisations to help inform the prospectus.	A VCS Strategy Refresh Steering group is being established which includes Council rep, VCS reps and other public sector rep. The strategy and compact refresh is expected to be completed by July 2024 and will include engagement with the sector. Initial engagement has been undertaken with Cooperate (Partnership Board) and will be discussed at the VCS Summit on 11th Dec 2023	<a href="#">Voluntary and Community Sector Grants Policy &amp; Outcomes Framework (October 2023 to March 2027)</a>	

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
	Quarterly performance reports to Committee and pre-decision scrutiny by OSC.	Jan-24	Acting Director SIT

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
		<a href="#">Mayor's Community Grant Programme 2023 to 2027 Prospectus</a>	
		<a href="#">Small Grants Prospectus and award decision making</a>	
		<a href="#">Emergency Grant review</a>	
	The process for agreeing the KPI's in partnership with the third sector is already in place. Quarterly performance reporting to the Grants Determination Sub Committee on performance of projects and include any remedial actions to address any challenges. The feasibility for Pre decision Scrutiny by O+S is being looked at.		



Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<b>Recommendation 9: Transfer of Property to Third Parties</b> Record and formalise Mayoral/member involvement in decision making relating to the transfer of property to third parties; reflecting Mayoral/member oversight in the property and assets policy and procedures document (and developing overarching strategy) Also report decisions in this area to Overview and Scrutiny Committee.	Complete the Council's new property and asset management strategy to bring together all of the different elements relating to policy and procedure into one document.	Apr-24	Corporate Director Resources
	Property and Asset Management will be added to the member induction and learning programme	Jan-24	CEO
	The Mayor will review the need for existing levels of pre decision oversight. of delegated decision-making authority to officers regarding decisions relating to land and property disposals (up to £250k) and the letting of property to VCS organisations.	Jan-24	CEO
	All mayoral oversight on decision making pathways will be formalised in the form of written process notes. All feedback by the Mayor to Officers will be recorded as part of these processes.	Mar-24	CEO
<b>Recommendation 10: Cabinet Member Responsibilities</b> To speed up the pace of decision-making consideration should be given, as part of the constitutional review, to reviewing the delegated responsibilities from the Mayor to both Cabinet Members and officers.	The Mayor will keep delegation of decision-making authority under constant review.		CEO /Monitoring Officer
	The role and responsibilities of cabinet members under existing arrangements will be the subject of further staff communication bulletins and included more specifically in staff inductions.	Jan-24	CEO /Monitoring Officer

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
Property and Asset Management Strategy Development Underway	This will form part of the update to our financial regulations and review of the delegation of governance and decision making.	<a href="#">Draft Strategic Asset Management Plan 2024-29</a>	
	Democratic Services are working with Resources Directorate to add this learning to the inductions		x Matthew to confirm if done
Procedure in place for disposals and lettings of property, and an assessment criteria established for leasing property to community groups	These will be reviewed and consolidated as part of the new Property and Asset Strategy	<a href="#">Property Procedures for Disposals and Lettings 2019</a> <a href="#">LB Tower Hamlets Community Portfolio Leaseholder Assessment Criteria</a>	
	These will be reviewed and consolidated as part of the new Property and Asset Strategy		
As is common in Elected Mayoral authorities, the Mayor has not delegated decision making to Cabinet Members. Cabinet Members though are involved in all relevant decisions and service challenges as they have regular service meetings and they have to be consulted on all relevant cabinet decision making reports.		<a href="#">LBTH Decision Guide</a> <a href="#">LBTH Decision Making Flowchart</a>	
	Staff induction programmes are being reviewed Internal communications programmed content is being reviewed		

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<p><b>Recommendation 11: Membership of Committees</b> The council should consider best practice in relation to the chairing, membership and cross party working in and of key committees such as Full Council, Overview and Scrutiny and Audit. External training for these committees should also be arranged.</p>	<p>The Council will define current best practice in relation to chairing, membership, and cross party working in and of committees. It will conduct a review of current terms of reference for committees based on best practice including the appointment of women to lead or senior political positions within the council. The Mayor will receive recommendations from that review and agree any necessary actions. The Mayors conclusions will be published.</p>	Mar-24	CEO
	<p>The Council will continue to deliver the current development programme for scrutiny members, and undertake skills audit in order to develop and deliver an improved development programme for scrutiny and for Cabinet members</p>		
	<p>Introduce a cross party working improvement programme in order to encourage cross party working.</p>	Mar-24	Acting Director SIT
	<p>The Constitution Working Group to consider a report on the workings of Cabinet decision making processes that will include the scrutiny process and present a briefing note to the Mayor in relation to their findings.</p>	Feb-24	CEO

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
Current Chairing and Membership of Committees is as set out on the website. These have been reviewed from time to time including, for example creating a new Human Resources Committee following the 2022 elections and the current review of Audit Committee arrangements.	The Constitution Working Group are reviewing Committee Terms of Reference compared to other authorities and will propose any changes to the General Purposes Committee for consideration.		
<p>Training is arranged in relation to almost all Council Committees both during the Member Induction following the election and then either at the start of the year and/or through the year. This will often involve external trainers depending on the circumstances. The Standards Advisory Committee reviews an annual report on the Council's Member Development Programme.</p> <p>Committees which have training run for them (notes below where this has involved external trainers):  Appointments Sub-Committee (including external training run in summer 23)  Audit Committee (internal)  Development Committee / Strategic Development Committee (internal plus external training in summer 23)  Licensing (regular internal training plus discussions are ongoing about LGA training on Licensing)  Pensions (training is a mixture of internal and externally led sessions - including required external online training from Hymans)  Standards (Code of Conduct training is regularly provided including externally in May 22)  Council (internal as part of Member Induction programme 22)  Scrutiny (internal and external training has been provided - see below)</p> <p>Through the Member Induction Programme more generally, Members are also provided with a wide range of training on subject areas which are valuable when covering particular subject area Committees (e.g. sessions on health and adult social care are valuable for Members serving on the Health and Wellbeing Board). General training such as Chair's Training is also provided.</p> <p>The Council commissioned Centre for Governance and Scrutiny to provide training for scrutiny chairs. This has included three 1-2-1 sessions, two group sessions. A skills audit of scrutiny members has also has been undertaken which informs training plan. Through the year Members briefing sessions are arranged on specific items to develop members skills for example this year briefing session on annual residents Survey, OfLG performance measures. Members are also encouraged to attend CfGS training sessions/ briefings including their annual conference. Publications by CfGS, LGA and other bodies relevant to scrutiny are shared with members.</p> <p>[Work on the charter - Chairs training informal etc]</p>	A skills audit of scrutiny members has also has been undertaken which informs the training plan.	Add link to Sills Audit and Training Plan. ( <i>This is being completed at the moment, estimated completion date is next week.. Can add this document in then</i> )	<b>Completed</b>
Scrutiny Committees the Members are supported by Scrutiny Officers who encourage public participation and cross-party working.	Scrutiny Officers are in the process of reviewing cross party working arrangements		
	Scoping paper under development	Richard Penn	

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<p><b>Recommendation 12: Member Development</b> The existing member training and development offer should be strengthened with support initially focussed on Cabinet members and committee chairs.</p>	<p>The existing member development programme for those in senior positions will be further developed to include opportunities of external mentoring.</p>	<p>Dec-24</p>	<p>CEO</p>

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
<p>The Council offers a good range of training and development to Members including a Member Induction Programme after the elections, statutory training, regular committee training, member briefings and also skills training such as on Public Speaking and dealing with resident issues but has begun a project to transform the Programme. In Spring 2023 it has signed up to work to achieve the Member Learning and Development Charter Mark from the LGA and has begun the key steps to achieving that including preparing a draft strategy and yearly programme of training and setting up a Member Learning and Development Steering Group.</p> <p>Cabinet Members have been offered places on the relevant LGA Leadership and Portfolio specific training programmes.</p>	<p>Democratic Services are actively exploring external mentoring opportunities to add to the expensive member development programme already in place. This is specific to Cabinet Members and Committee Chairs.</p>		

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<p><b>Recommendation 13: Diversity</b>            Given the composition of the ruling administration, consideration should be given to how the voices of women and those from different backgrounds are directly influencing policy through their lived experience. It is recommended that the council actively promote the LGA's 'Be a Councillor Campaign' to promote the opportunity for women and people from underrepresented groups across the borough.</p>	The Council will undertake a review how the voices of women and those from different backgrounds are and are not directly influencing policy through their lived experiences and develop a plan for removing barriers to this happening.	Mar-24	Acting Director SIT
	The Council will run a major promotion campaign targeting women in the community linked to the LGA's 'Be a Councillor' Campaign. All political parties will be encouraged to run their own campaign within their parties to encourage women candidates.	Jan-24	Acting Director SIT
	The Council shall review make up of the Council Committees. It will consider the feasibility of introducing a Monitored Feedback system for speakers at Council meetings allowing feedback / comment on speaking time fairness and respect. If feasible the Council will introduce it.	Jan-24	Acting Director SIT / CEO
	The Council will develop a policy setting out clearly how much time staff led group chairs can take from their substantive duties to develop staff equalities networks.	Dec-24	Corporate Director Resources
	The Council will ensure all network groups have a senior management sponsor.  Establish a regular programme of meetings with sponsors to discuss progress and relevant cross cutting issues.  Establish a feedback system for Staff Chairs of networks to comment on the performance of the Senior Management Sponsor.	Dec-24	Corporate Director Resources / Acting Director SIT
	Review and re run staff and member awareness programme.	Jan to March 24	Corporate Director Resources

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
<p>Scoping exercise to plan a Tower Hamlets Women Commission is underway that will amplify women's voices within the community and feed into the development of recommendations to the Council. Part of its remit will be to examine the extent to which the voices of women from different backgrounds are influencing policy and identifying barriers that prevent this from happening.</p> <p>A review of the Tower Hamlets equality network is currently underway with a view to strengthen current provision to ensure resident views are incorporated into service design and delivery</p>			
	This campaign is currently being considered by the Communications Service		
The membership of Council committees is kept under review	The feedback system is the subject of a feasibility study under development. Additional guidance is being prepared that strengthens the need for gender representation to be considered when deciding upon Committee membership and roles.		
	Human Resources are reviewing current arrangements		
In light of recent staff turnover, new staff network sponsors have been identified and confirmed.	Regular meetings with sponsors are being arranged which will include feedback on senior management performance specific to the network groups focus.	<a href="#">New Staff Sponsor List</a>	
	Awareness programme timetables are currently being reviewed		



Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<b>Recommendation 14: Annual governance Statement</b> Prepare and publish the Annual Governance Statement.	The Council will secure the necessary outstanding internal approvals and publish the outstanding Annual Governance Statements		
<b>Recommendation 15: Outstanding Accounts</b> Outstanding financial accounts going back to 2018/19 need to be resolved with the external auditors as a priority.	The Council will take action to resolve all of the historic outstanding financial accounts going back to 2018/19	Jan-24	Corporate Director Resources

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
	Completed. Outstanding Annual Governance Statement approved by the Audit Committee on Thursday 19th October 2023. Published on the Council web site.	<a href="#">Annual Governance Statement 2022/23</a>	<b>Complete</b>
	We have agreed Timetable to address and this is on track 18/19 audited to be approved at November audit committee 19/20 audited to be approved at November audit committee 2020/21draft accounts – complete by end-December 2021/22 draft accounts – complete by end December 2022/23 draft accounts - complete by end January Public Inspection period (6 weeks by statute) – falls in February/March Audit opinion required by 31st March 2025	<a href="#">Statements of Accounts for 2018/19 and 2019/20 Audit Committee Report</a>  <a href="#">DRAFTANNUAL FINANCIAL REPORT 2018-19</a>  <a href="#">DRAFT ANNUAL FINANCIAL REPORT 2019-20</a>	<b>Accounts 18/19 and 19/20 Signed Off</b>

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<b>Recommendation 16: Organisational Capacity</b> Develop the corporate centre so that it is genuinely a strategic enabler and provides the appropriate accurate management data and information to support the transformation of the organisation.	The Council will complete a strategic resource needs assessment covering HR, Procurement, Facilities, Communications, IT addressing additional demand resulting from insourcing.	Agreed by 01/04/2024 Implemented by 01/10/24	Corporate Director Resources
	The Council will conduct a strategic review of the Procurement function to make it a model of best practice.	Apr-24	Corporate Director Resources
	The Procurement function of the Council will introduce a standard set of terms and conditions for contract awards.	Mar-24	Corporate Director Resources
	The Council will review and resolve the issue of the Councils Wi-Fi at the Town Hall	Dec-24	
	CEO and CMT to consider current relationship standing with the trade unions and agree actions that might further promote better working relationships.		

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
Financial implications of service insourcing have been received. They are currently being quality checked by senior finance staff before inclusion in the MTFS	Initial recommendations have been proposed by the Corporate Director Resources during Autum 2023; These are being considered as part of a wider structural review of the Resources Directorate.		
	Initial recommendations have been proposed to the Corporate Director Resources during Autum 2023; These are being considered as part of a wider structural review of the Resources Directorate.		
	Initial recommendations have been proposed by the Corporate Director Resources during Autum 2023; These are being considered as part of a wider structural review of the Resources Directorate.		
	We have appointed Khipu Networks to carry out an independent review of Wi-Fi and 4G/5G connectivity in the Town Hall in addition to working with our existing partners to address specific issues as they are identified.		
	Subject scheduled for discussion at CELT		

Recommendation	Action	Target Completion Date (indicative only)	Senior Responsible Officer
<p><b>Recommendation 17: Responsiveness</b> Review the council wide approach to handling member enquiries, complaints and freedom of information (FOI) requests to ensure less duplication, faster responses and greater efficiency.</p>	<p>The Council will complete a resource review of the Councils FOI, Members Enquiries and Complaints functions. The Council will complete a process review for member enquiries, complaints and FOI requests with a view to improving speed and efficiency.</p>	<p>Mar-24</p>	<p>Deputy CEO</p>
<p><b>Recommendation 18: 'People First'</b> Accelerate the 'People First' transformation programme and develop a clear narrative ensure a common understanding. (This should be entwined with the development of the strategic vision).</p>	<p>The Council will develop a clear, single narrative around transformation and improvement using the people first initiative to do so. The Council will develop a communications / wider culture change programme to promote a wider council staff identity and help break down silo's and support senior staff visibility.</p>	<p>Feb-24</p>	<p>CEO</p>

Initiatives supporting the recommendation already in train prior to LGA CPC Review	Actions Taken Post LGA CPC Review	Supporting Documents for More Information / contact officer	Completed
	Members Enquiries - An audit is taking place of the ME Service starting first week of February which will form the basis of a process review of the service and one of the targets will be to improve speed and efficiency.		
	Complaints – A process review will be taking place in Jan 2024 as the Local Government and Social Care Ombudsman is bringing in a new complaints code which will apply council wide and oblige us to review and change our processes as the code is statutory. The code has shorter timelines than our current timelines (10 working days for stage 1s instead of current 20 working days) and will force us by default to have faster and more efficient responses. The LGSCO held a consultation which closed on 23rd November. Head of Information Governance responded on behalf of the council. A paper/report of the likely impact of the code and the complaints service review will be submitted to senior management including the Deputy CEO in December 2023.		
	FOIs- This has already happened due to the ICO Practice Recommendation of July 2023 which was completed and submitted successfully on 10th October 2023 .. We met the ICO targets and have maintained a high level of performance since of over 90 percent.	<a href="#">Freedom of Information Act 2000 (Section 48) Practice Recommendation</a>	
		<a href="#">ICO Action Plan</a>	
		<a href="#">Response Letter to ICO</a>	
	Communications Service is mapping this development work for internal communications programme Investers In People Award Achieved (Silver + 11 flecks of Gold up from 8 previously)		

# Medium Term Financial Strategy (MTFS) Overview



# Headlines



- A secure and sustainable financial position over the medium term = balance budget position across the coming 3 years period
- Risk Mitigated with an £18m risk reserve
- All priorities funded
- New growth funded
- ALL statutory services protected
- Capital expenditure funded
- No new General Fund debt
- Statutory Services Protected
- HRA has a balanced 30-year business plan
- Safer homes, more homes, less homeless people in B&B
- Savings of £43m all agreed
- Reduced Cost of Mayors Office by £327k, in line with peer review recommendations
- NO RELIANCE ON ONE OFF RESERVES TO FUND **ANY** RECURRING REVENUE COSTS
- Any household earning at or below £49,500 for the borough is protected against council tax rises.





# General Fund



# Starting Point



The MTFS Approved by Council in March 2023 included the following for the 24/25 and 25/26 financial years:

- The need to find £38m of additional savings
- Use of £20m from the Mayoral Priorities reserve

This was the starting point for this year's budget setting.

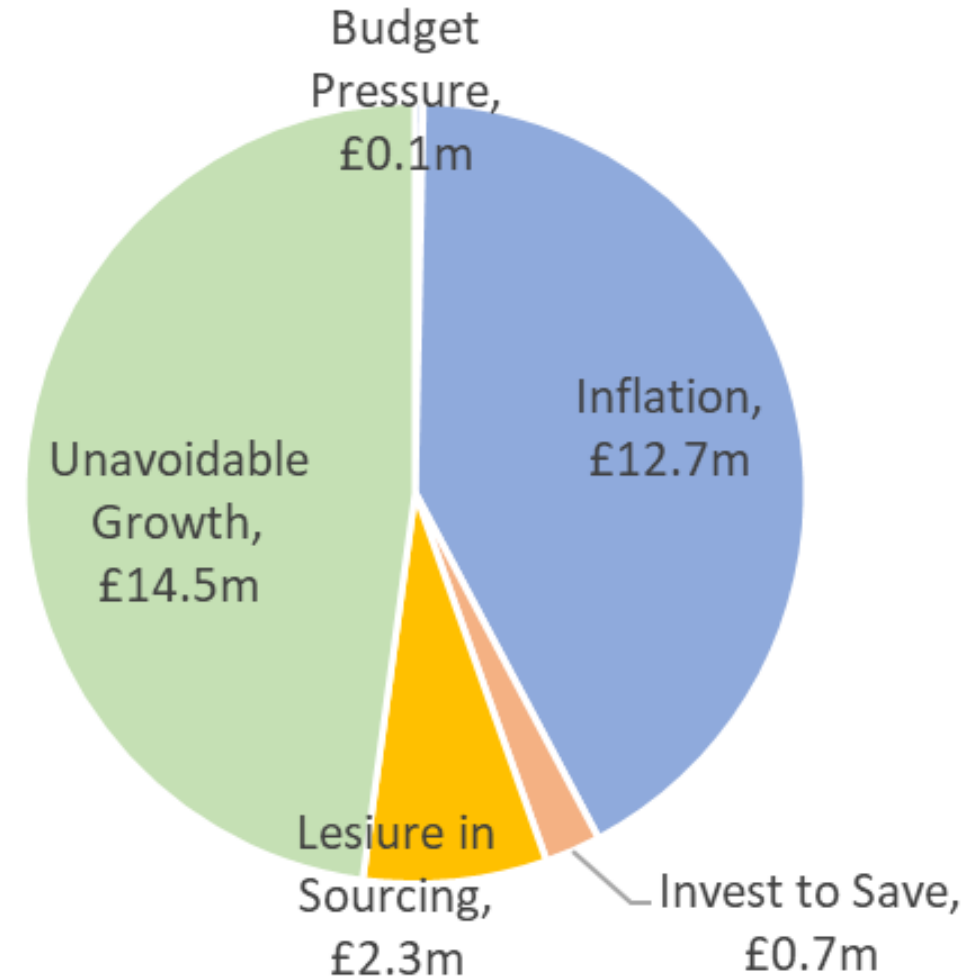


# Additional Pressures

Reviewing assumptions and emerging pressures identified additional budget growth required of £30m by 26/27.

Unavoidable growth relates mainly to demand pressures e.g. Adult Social Care, Temporary Accommodation and SEND.

*(Details in Appendix 3A of the Cabinet Report)*



# Funding



With one year funding settlements from central government, funding allocations were only confirmed on 5<sup>th</sup> February 2024.

Business Rates and Council Tax income assumptions are updated based on the latest information. Business rates has increased budget to growth in the base and pooling gains.

Grant Changes - £9.7m

NNDR - £24.8m

Council Tax - £5.1m



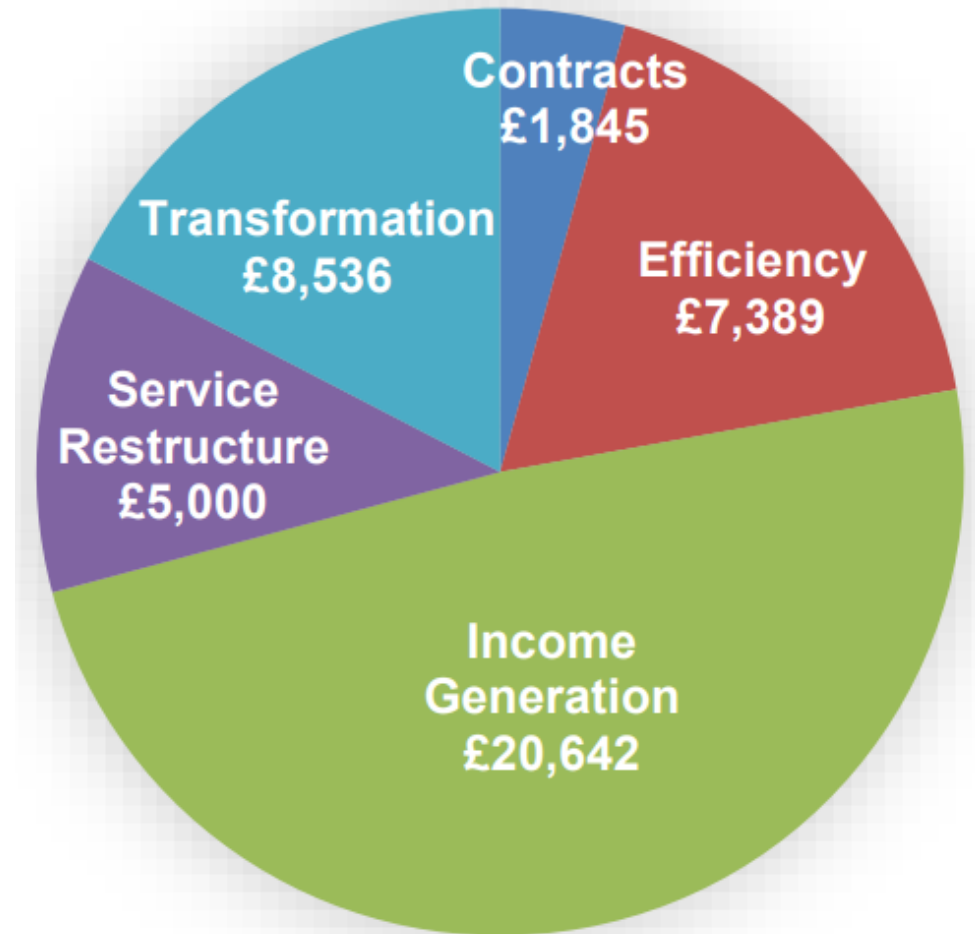
# New Savings

The council set clear criteria for its savings identification process designed to protect frontline services to resident and avoid compulsory redundancies where possible.

New savings of over £43m a year by 2026/26 have been identified.

*(Details in Appendix 4 of the Cabinet Report)*

MTFS Savings By Type  
£000



# Priorities



Increased funding and savings created capacity to fund additional priorities

Priority	2024-25 £'000	2025-26 £'000	2026-27 £'000
Member Development Programme	45	45	45
Bengali Comms and Engagement team & General Engagement Officer	505	505	505
Love Tower Hamlets	300	300	234
Somali Community Hub - Granby Hall	60	60	60
Women's Resource Centre	400	400	400
EMA / University Bursary Grant Funding / Education Awards	1,350	1,350	1,350
Waste Operations	5,000	-	-
Free Swimming for Women and 55+ Male Seniors	248	248	248
Culturally Sensitive Extra Care Housing Development	-	305	-
Council Tax Cost of Living Relief Fund	658	1,411	2,278
<b>Total</b>	<b>8,566</b>	<b>4,624</b>	<b>5,120</b>

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# Final Settlement Changes



Changes from the Final Settlement announced on 5<sup>th</sup> February to the 31<sup>st</sup> January Cabinet Report are detailed below:

Discription	2024-25 £'000	2025-26 £'000	2026-27 £'000
Social Care Grant	(3,052)	0	0
Service Grant	(69)	0	0
Public Health Grant	(125)	(125)	(125)
<b>Additional Reserouces</b>	<b>(3,246)</b>	<b>(125)</b>	<b>(125)</b>
Additional resources for Public Health	125	125	125
Transfer to Social Care Risk Reserve	1,529	0	0
Resources transferred to ASC to meet additional ringfenced obligations	1,523	0	0
	<b>3,177</b>	<b>125</b>	<b>125</b>
<b>Net Increase in Resources Transferred to Reserves</b>	<b>(69)</b>	<b>0</b>	<b>0</b>



# Final MTFS Position



A reduction of £19m (93%) in budgeted use of reserves.

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Changes	2024-25 £'000	2025-26 £'000	2026-27 £'000
<b>MTFS Savings to be Identified - March 2023</b>	<b>46,435</b>	<b>42,648</b>	<b>42,648</b>
Growths (inc priorities) - New	19,158	18,016	22,758
Funding changes	(32,772)	(34,047)	(37,929)
Inflation Changes	6,250	6,190	12,700
Savings - Unachievable	1,213	1,213	1,213
Savings - New	(33,808)	(39,415)	(43,412)
Risk Reserve Contribution	2,300	-	-
<b>Budget Gap / (Surplus) Before Reserves</b>	<b>8,776</b>	<b>(5,395)</b>	<b>(2,022)</b>
Previously Approved use of Reserves	(15,622)	(4,822)	0
Contribution to Reserves	6,846	10,217	2,022
<b>Revised Budget Gap / (Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>





# Reserves

Budgeted use of £20m of reserves has been reduced to £1m in the latest MTFs.

There is a Risk Reserve of £18m to mitigate inflation and savings risks.

The minimum recommended general fund balance of £20m has been met.

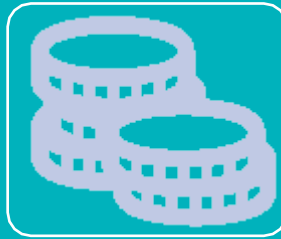
Discription	2024-25 £'000	2025-26 £'000	2026-27 £'000
General Fund Balance	20.0	20.0	20.0
<b>Earmarked Reserves</b>			
Ristrictions on Use	66.6	60.1	56.7
Unrestricted	55.1	60.0	61.7
<b>Total Earmarked Reserves</b>	<b>121.7</b>	<b>120.1</b>	<b>118.4</b>
<b>General Fund Revenue Reserves</b>	<b>141.7</b>	<b>140.1</b>	<b>138.4</b>



# Risks and Mitigations



# Key Risks and Mitigations



## Commercial income

- Risk of not delivering the £20m income
- Scenario analysis and risk reserve – £18m over the 3 years
- Commercial Team to be setup to oversee delivery



## Delivering the plan and agreed savings

- Strong Governance and Budget board to accelerate delivery
- Collaboration and accountability with key officers



## Housing

- Ambitious investment plan
- Borrow to invest in current and future stock
- Create headroom using accounting rule change



# Commercial Income

Existing Schemes Low Risk

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Fees and Charges increase Medium Risk

New Schemes High Risk

Risk Rating	Saving Areas	Risk %	2024-25 Income £'000	2024-25 Risk £'000	2025-26 Income £'000	2025-26 Risk £'000	2026-27 Income £'000	2026-27 Risk £'000
Low	Existing income generating schemes	5%	(12,489)	(624)	(7,859)	(393)	(7,219)	(361)
Medium	Fees and charges demand or charge increase	25%	(1,128)	(282)	(5,070)	(1,268)	(7,556)	(1,889)
High	New Income generating schemes	50%	(1,585)	(793)	(4,568)	(2,284)	(5,867)	(2,934)
<b>Total</b>			<b>(15,202)</b>	<b>(1,699)</b>	<b>(17,497)</b>	<b>(3,944)</b>	<b>(20,642)</b>	<b>(5,183)</b>
<b>Cumulative Total</b>								<b>(10,826)</b>



# Income Generation

Transformation Advisory Board

19 February 2024



# TAB are asked to consider:



How can the council generate additional income using its assets?

From your own experiences, what has been beneficial in making staff more commercially astute?

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# Project background

The CEO has commissioned a review of income generation opportunities across LBTH, with consideration of additional commercialisation.

This project review will comprise two workstreams:

- 1. Strategy:** The development and implementation of a council-wide Commercialisation Strategy applicable to all services and directorates.
- 2. Advocacy:** The championing of income generating projects across the council, joining up services to knowledge-share and provide strategic support for new and existing income generation projects.

Progress to date includes:

- Facilitating conversations with Arts, Parks & Events, Communications and Planning to install advertising in Parks
- Attendance at the Enterprising Councils Group
- Cross-council working groups



*Example of proposed billboards for parks: park-side view*



# Approach

## Strategy:

- Work on a Commercialisation Strategy had already initiated.
- This stream will refresh & launch the Strategy based on new council priorities.
- Implementation of the Strategy is to be confirmed, and may include a communications campaign to launch the Strategy, as well as targeted training.
- An agile delivery approach will be used.

## Advocacy:

- An Income Generation Tracker will be developed, to track new opportunities and share good practice.
- Continued engagement of the council Working Group will ensure:
  - Input and development of ideas relating to opportunities across the borough.
  - Input to the Income Generation Tracker
  - Strategic input, support and review to the Commercialisation Strategy, ensuring it is fit for purpose across all services.





# Current Income Generation work

# Customer Services



## Wider Service:

- Venues & events
- Registrar's service
  - Packages for families
  - Garden suite
  - Commercialisation plan in place

## Idea Stores:

- Review & renewal of Idea Stores strategy underway
- Strategy already includes scope for commercialisation
- Refurbish of building structure & fabric
- Investigation into new usages including activation of open areas

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The screenshot shows the 'TOWER HAMLETS VENUES' website. At the top left is the logo, and at the top right is a hamburger menu icon. The main image is a large, bright dining room with round tables set with white tablecloths, glassware, and plates. A search bar is overlaid on the image with the text 'What are you looking for?' and a 'Search' button. Below the image, the heading reads 'The best venues in Tower Hamlets'. The text below the heading states: 'Tower Hamlets offers the best of London in one borough, and that includes the many excellent venues available. If you're looking for a venue in London, then this borough has it all. Whether you're looking for a wedding venue, a corporate meeting room or an outdoor space to host an event, you'll find everything you need here. Find key information such as, whether there is free WiFi or wheelchair accessibility, on each venue listing.'



# Current Income Generation work

# Property



## Facilities management

- Town hall:
  - Spaces within the Town Hall (e.g. Grocer's wing)
  - Town Hall floor lettings
  - Café area
  - Advertising within the TH grounds
- Selling in-house services (e.g. fire service maintenance, PAT testing) to schools
- Undergoing Asset Review to better manage spaces across the estate

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## Asset Management

- Recover costs incurred on leased buildings
- Rent increase on commercially let properties

## Approach to capital delivery

- Increase capitalisation
- Embed commercialisation approach into capital works; ensuring all new capital projects review spaces for income generation as part of approval process



# Current Income Generation work Arts, Parks & Events

In 2022/23, the Arts, Parks and Events team's income generation exceeded target.

Key income generation strands include:

- Events in Parks (including management of the major events programme)
- Filming
- Concessions in parks (ice-cream, food trucks, tennis and boating concession etc.)
- Hire income from buildings in parks and open spaces (cafes etc.)
- Fees from sports pitch use
- Hire income from hall hire and facilities at Brady Arts Centre and Kobi Nazrul Centre
- Grants and sponsorship



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