

## Best Value Improvement Board

TITLE	Author	ITEM NO	Date
Corporate Improvement Journey	Afazul Hoque, Interim Service Manager Strategy, Policy & Performance		11 <sup>th</sup> September 2017

### **1. Summary**

- 1.1 At the first meeting of the Tower Hamlets Best Value Improvement Board it was agreed that a report be developed detailing the Council's improvement journey to date and plans for on-going improvement to achieve its aim of becoming an 'excellent modern council'. This report also provides new improvement areas for consideration by the Board based on improvement work taking place across the organisation.

### **2. RECOMMENDATIONS**

- 2.1 That Best Value Improvement Board is asked to:
- I. Note the Council's improvement journey and comment on the Improvement Framework as set out in paragraph 3.11;
  - II. Consider new improvement areas for consideration by the Board as set out in paragraph 3.13.

### **3. DETAILS OF REPORT**

#### **Introduction**

- 3.1 Being subject to Government Direction from 2014-17 was a challenging experience for the Council. However, today, the Council is a different organisation to the one that existed three years ago. It has changed to one that is outward looking, open to constructive challenge and focused on learning and improvement. There are many activities that have helped and that will continue to help shape this journey including:
- Delivery of 205 improvement actions across procurement, grants, elections, communications, property and organisational culture which were outlined in the Council's original Best Value Action Plans;
  - Establishment of a new senior leadership team;
  - Development of a medium term financial strategy supported by the Smarter Together transformation programme designed to transform services and the way the Council works;
  - Developing a new performance management culture;
  - Reconstituting the Tower Hamlets Local Strategic Partnership;
  - Engaging the services of the Local Government Association to provide ongoing external challenge to our improvement journey;
  - An improvement infrastructure with a clear plan and focus on driving the Council to excellence;

- A staff and leadership development programme to provide an effective workforce with the required skills;
- Review of the Council's governance including the Constitution with a focus on transparency and community engagement.

3.2 It is a continuing journey and the Council is not complacent about how tough it has been or will be in the future to deliver and sustain the continuous improvement that remains necessary. There exist ongoing internal, local and national challenges. This paper highlights those challenges and provides an overview of the Best Value improvement journey to date. It then suggests a number of further organisational improvement actions for the Best Value Improvement Board to oversee.

### **Context**

3.3 The shared vision for the borough as set out in the Community Plan is to: *'Improve the lives of all those living and working in the borough'*. The Council's Strategic Plan supports the delivery of this vision and focuses on 3 key priorities and 10 outcomes:

#### *Priority 1: Creating opportunity by supporting aspiration and tackling poverty*

- A dynamic local economy, with high levels of growth that is shared by residents
- Residents in good quality, well-paid jobs
- Children get the best start in life and young people realise their potential
- People are healthy and independent for longer
- Gaps in inequality have reduced and diversity is embraced

#### *Priority 2: Creating and maintaining a vibrant and successful place*

- An improved local environment
- People feel safe and places have less crime and anti-social behaviour
- Better quality homes for all
- Communities are engaged, resilient and cohesive

#### *Priority 3: Working smarter together as one team with our partners and community*

- An enabling and efficient Council

### **Key challenges**

3.4 There are a number of challenges that face the Council in delivering this vision:

- i) **Demographics:** The borough's population reached 304,900 in June 2016 and has doubled in the past thirty years, making Tower Hamlets the fastest growing local authority area in the UK. Migration and regeneration has driven the majority of population growth in the borough which has also led to a widening of inequality.
- ii) **Budgetary pressure and demand:** The demands of a growing population are compounded by the budgetary pressures which have resulted in the Council having to make £138m savings since 2010 and created the need to save an estimated £58m over the next three years from its annual budget. The Council has developed a medium term financial strategy supported by the Smarter

Together Transformation Programme to find innovative, sustainable solutions to reduce demand, respond to local needs and to work with the community to design and deliver services.

- iii) National policy changes: The Queen’s speech in June set out some key bills relating to local government such as the Draft Tenants’ Fees Bill, Draft Domestic Violence and Abuse Bill as well as consultations on social care, housing and mental health. The key issue is how realistically the government’s domestic agenda can be implemented given the time and resources stretched to deal with Brexit which will also impact local government with many EU nationals employed in social care services for example and people living and working in the borough.

### Tower Hamlets Improvement Journey

3.5 Following an independent inspection in April 2014 the Council was placed under Best Value Directions by the Secretary of State for Department of Communities and Local Government (DCLG) in December 2014. The Directions included the appointment of three Commissioners with decision making powers in the areas of Grants, Procurement, Property, Election and Communication. The Council developed a Best Value Strategy and action plans with 205 activities to deliver improvements across these areas. This, alongside effective engagement with the Commissioners and DCLG, led to the transitional return of power to the Council with full control being given back and removal of Directions and Commissioners confirmed in March 2017. The table below sets out some of the achievements against the Best Value areas during the period of the original Directions:

Best Value area	Achievements
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Delivered a new quarterly magazine ‘Our East End’;</li> <li>• Annual Communications Strategy detailing delivery plans and budget;</li> <li>• Implementation of a campaigns model to support a range of high level projects; including the Mela and UK Parliamentary Election;</li> <li>• Establishment of the Statutory Notices publication scheme.</li> </ul>
<b>Elections</b>	<p>Delivered a number of successful elections and the EU referendum</p> <ul style="list-style-type: none"> <li>• UK Parliamentary Election May 2015;</li> <li>• Tower Hamlets Mayoral Election June 2015;</li> <li>• Election of Mayor of London and Greater London Authority elections May 2016;</li> <li>• EU Referendum June 2016;</li> <li>• Whitechapel ward by-election December 2016;</li> <li>• UK Parliamentary Election May 2017.</li> </ul>
<b>Property</b>	<ul style="list-style-type: none"> <li>• Developed and implemented a new Community Benefit Rent Reduction scheme for organisations based in Council buildings;</li> <li>• Implemented a Community Hub model with investment to create a range of accessible work and community spaces across the borough;</li> <li>• Property audits completed on a range of Council assets;</li> <li>• Identified and transferred vacant council buildings to Housing Management to progress development to residential use;</li> <li>• Refreshed governance arrangements on asset management to strengthen transparency.</li> </ul>
<b>Organisational culture</b>	<ul style="list-style-type: none"> <li>• Series of engagement events completed over 6 months to develop a new set of refreshed core values with staff and members;</li> <li>• Weekly staff bulletin and regular Chief Executive/Corporate Leadership Team Roadshows to engage with staff in the improvement journey and transformation;</li> <li>• New corporate senior management structure completed and majority of posts</li> </ul>

	<ul style="list-style-type: none"> <li>recruited;</li> <li>Whistleblowing related activities completed through Clear Up Project to address any remaining issues;</li> <li>Independent review of whistleblowing arrangements and a comparison to best practice completed; and a proposed revised Whistleblowing policy and procedure is being drafted</li> <li>Governance structure refreshed with review of Council Constitution;</li> <li>Re-constituted Tower Hamlets Local Strategic Partnership with plans to develop a new Community Plan for 2018.</li> </ul>
<b>Grants</b>	<ul style="list-style-type: none"> <li>Decision making and scrutiny of grants established with the Cabinet Grants Determination Sub Committee and Grants Scrutiny Sub Committee;</li> <li>Delivery of the Mainstream Grants Programme 2015 with independent evaluation work completed;</li> <li>Development of a comprehensive Grants Register reviewed annually to ensure a co-ordinated approach to grant management;</li> <li>Three year Voluntary and Community Sector Strategy adopted with a three year action plan, detailing how the Council will work with and support the sector.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>Established a clear category management strategy to ensure value for money (VFM) for all categories of spend, to reduce costs and oversupply;</li> <li>Central contracts register linked to contract award implemented to capture all contracts above £25,000 including all procurement waivers;</li> <li>Supply Chain Ethical Code of Conduct developed and approved to strengthen adherence to ethical standards by suppliers delivering public services on behalf of the council;</li> <li>Improved Finance and Procurement controls introduced and implemented to increase compliance with, and transparency of, spend across the organization;</li> <li>New e-sourcing system rolled out which requires all procurement opportunities to be tendered through a single e-tendering system that is integrated with the Council's financial systems;</li> <li>Social Value Act action plan developed for implementation.</li> </ul>

3.6 In March 2017 the Secretary of State (SoS) issued new Directions which will be in force until 30th September 2018. These require the Council to:

- Submit quarterly reports on all outstanding actions in the Best Value Action Plan and Best Value Improvement Plan 2017-18 to the SoS. The first report was sent in June 2017;
- Set up a new Best Value Improvement Board. This met in April 2017 and is chaired by the Mayor, with cross party representation and external representatives to provide challenge to improve all Council activities;
- Set up an independent review of achievement against the Best Value Action Plans and Best Value Improvement Plan 2017-18 to be submitted to the SoS by 1st August 2018.

### **Children's Services**

3.7 An Ofsted inspection undertaken in January and February 2017 rated our services for children in need of help and protection, children looked after and care leavers and the local safeguarding children board inadequate overall with some features requiring improvement. The report made 15 recommendations and highlighted poor frontline practice and ineffective, complacent and sometimes resistant management practices which enabled non-compliance with basic standards (including legal requirements) and in some cases left children at risk of harm. The report also highlighted the need for stronger leadership, management and

governance to ensure there is robust performance management and scrutiny of children's social care.

- 3.8 In consultation with the Department of Education (DfE) a Children's Services Improvement Board led by an Independent Chair has been established and an Improvement Plan has been submitted to DfE in July 2017. The Board ensures that there is clear leadership of the improvement journey at corporate, political and partnership levels. The Board's key focus has been on understanding why this happened in Tower Hamlets and how to put this right through the development, implementation and monitoring of the Improvement Plan. An Operational Group has also been set up to support the work of the Board and is chaired by the Corporate Director of Children's Services. The Council is working with its DfE appointed Practice Improvement Partners from Lincolnshire and Islington councils, to ensure that it learns from best practice in councils that have achieved a 'good' standard in the Ofsted single inspection framework. Ofsted will be carrying out quarterly monitoring visits to ensure that its recommendations are being robustly addressed. The first of these monitoring visits took place at the end of August 2017.
- 3.9 The Children's Service Improvement Board will continue to focus on the themes identified in the Ofsted report looking at progress made and providing support and challenge on areas of on-going work. Quarterly progress updates will be provided to the Best Value Improvement Board and the Council's Cabinet and Overview and Scrutiny Committee.

### **Adults' Services**

- 3.10 The Council has set up an internal time limited Adults Improvement Board to drive up standards in relation to performance and practice in adult social care to improve outcomes for vulnerable adults in the borough. There are four broad areas of focus:
- Practice – improving safeguarding practice will be a key feature;
  - Culture – adopting a strengths-based approach with a focus on prevention and demand management;
  - Capacity planning – a key strand of work will be around our workforce and its development;
  - Performance – which will include a focus on performance against the key outcomes identified in the Directorate Plan, and associated measures and data.

With support from an LGA Improvement Adviser, Dr Adi Cooper, the Adults Improvement Board has utilised the ADASS Risk Toolkit to assess risk and inform the prioritisation of improvement activity. The Adults Improvement Board has developed plans to address priorities for action to ensure consistent and effective practice results in improved outcomes for vulnerable adults in the borough. This includes improving: practice, practice governance, safeguarding, workforce stability and planning, skills, quality and performance management. This Board will report on the progress against work streams at a future meeting of the Best Value Improvement Board.

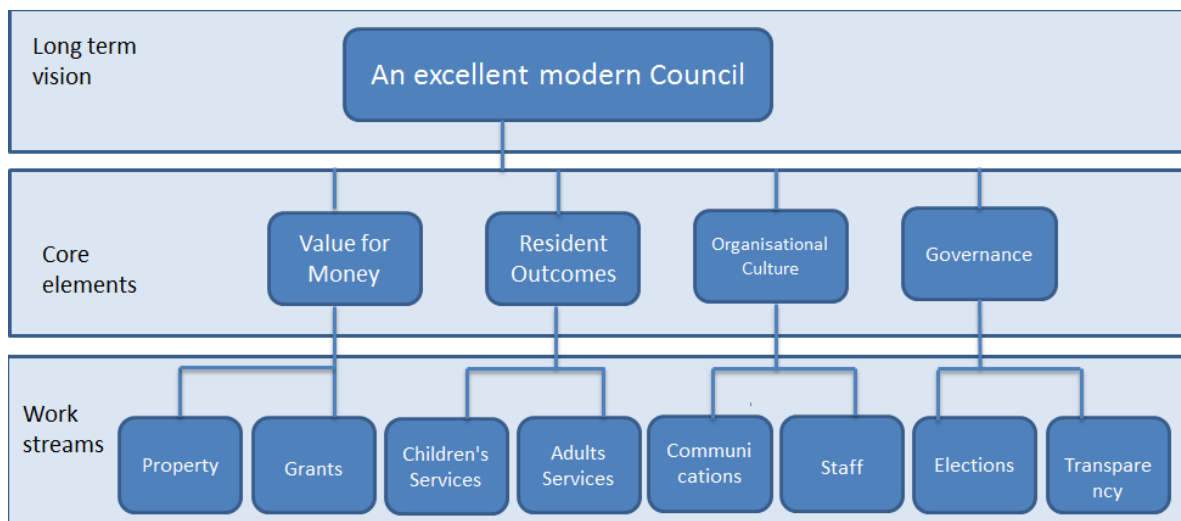
### **Tower Hamlets Improvement Framework**

- 3.11 The Tower Hamlets Improvement Framework sets out the core elements and work streams that will develop the Council into an 'excellent modern council' which is:
- delivering improved outcomes for local people;

- providing value for money;
- embracing modern technology and innovations;
- working effectively with all stakeholders including staff, local residents and partners from all sectors;
- externally recognised.

The diagram below details the Council's long term vision; core areas of focus and a range of supporting work streams that are taking place across the organisation to develop an 'excellent modern council'. These work streams are supported by the following groups and boards:

- Best Value Improvement Board
- Children's Services Improvement Board
- Adults' Improvement Board
- Cabinet
- Overview and Scrutiny Committee
- Performance Improvement Board



3.12 Given the range of work taking place across the organisation the Council will share the learning and communicate this to local people and its staff and partners. It will co-ordinate improvement activities to reduce duplication and ensure learning is embraced from best practice. The Council will also be undertaking a Corporate Peer Challenge with the Local Government Association in 2018 to help understand progress made and areas for further development.

### **New Improvement areas for consideration by the Board**

3.13 With the cross party and external representation the Best Value Improvement Board is the right forum to add value and oversee key improvement activities across the Council. As part of the Council's refreshed Performance Management and Accountability Framework a performance digest was produced for 2016-17 which focused on data from a range of sources including budget, risks, audit, customer insight and strategic measures. The report identifies a range of areas where improvements needs to be made and how the existing infrastructure is taking forward these pieces of work. The table below recommends 2 areas for review by the Best Value Improvement Board which are cross cutting focusing on delivery to local people and development of the organisation where there is limited oversight and the Board can add value without duplicating existing work streams:

Issue	Rationale
<p><b>Customer services</b></p>	<p>Resident opinion remains fairly negative on the issue of Council responsiveness. In the Annual Residents Survey 47% felt the Council was 'difficult to get through to on the phone'. This view was constant across different population groups though those who made contact over the last 12 months by phone were more likely to agree than those who had not made contact (57% v 37%).</p> <p>However, the percentage who felt that the Council 'responds quickly when asked for help' rose by 7 points up to 62 per cent. Agreement with the statement 'the Council doesn't do enough for people like me' fell by 8 points to 41 per cent. Despite this improvement, this remains one of the most negatively rated aspects of the Council's image.</p> <p>Some of these issues will be addressed through the Customer Access Transformation Programme which will:</p> <ul style="list-style-type: none"> <li>• Create a better, fit for purpose website - where residents can pay their bills, get their problems resolved and find out about Council services - that is so convenient and easy to use it will become most customers preferred form of contact;</li> <li>• Make sure that if customers need to phone the Council it will be easy to get through to the right person to help them;</li> <li>• Develop our Idea stores so there is the very best face to face service available to every resident in their local area which gives them access to the right service at the right time.</li> </ul> <p>As part of this programme a customer service and digital outcomes framework is being developed which could be an area of focus for the Board to understand and contribute to the work the Council will undertake to achieve the outcomes in the framework and the key indicators to measure its success.</p>
<p><b>Organisational culture</b></p>	<p>Organisational culture has been at the core of the Council's improvement journey at the same time recognising this is a long-term piece of work which will take time to embed in practice. The Best Value Improvement Plan 2017-18 contains a range of activities that supports this work to enable the Council to become more outward facing organisation with a skilled workforce, a transparent governance system, a strong leadership team with a corporate one council approach to delivering services which provide value for money and improve outcomes for local people.</p> <p>The Council's Core Values have been refreshed and need now to be embedded in the organisation by Members and Officers. Core values support the vision and shape the culture. They are the essence of the organisation's identity – its principles and beliefs. Establishing and living by strong core values has many advantages including educating stakeholders about what is important to the organisation and helping to establish its identity.</p> <p>The Council's employment/HR policies and procedures - including changes where needed to the Constitution, and Scheme of Delegation - are also now the subject of focus and review. Ensuring these changes occur swiftly; and that the changes made empower and enable the Head of Paid Service and Officers of the Council to be responsible for employment matters, other than where Member involvement is required statutorily are an important, and necessary cultural shift.</p> <p>Achievement of Investors In People standards is one possible indicator of a positive organisational culture. However, establishing, measuring and reporting on other key indicators of cultural change within the organisation</p>

	are important and is an area where the Board can add value to this area of work.
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- 3.14 Subject to the discussion and agreement of the Board these items will be scheduled into future meeting including detailing where input from the Board will add value.

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

- 4.1 This report details the Council’s improvement journey to date and also set out further improvement framework for the Boards consideration.
- 4.2 This paper proposes recommendations which if implemented will create a better, fit for purpose website for residents, easier access to services and provide face to face services through further development of our Idea stores. Some of the cost of these improvements would be met from the transformation reserve. There may be future on-going costs as a result of the improvement which will require further approvals.

**5. LEGAL COMMENTS**

- 5.1 The Council is a best value authority within the meaning of Part 1 of the Local Government Act 1999. As a best value authority, the Council has an obligation under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (the best value duty).
- 5.2 Where the Secretary of State is satisfied that an authority is not meeting its best value duty, the Secretary of State may: (1) direct the authority to take action to bring itself into compliance with that duty; (2) direct that specified functions be carried out by the Secretary of State or a nominee and that the authority follow the Secretary of State’s instructions and provide such assistance as may be required (Local Government Act 1999). In accordance with this power the Secretary of State previously gave directions to the Council on 17 December 2014, 29 April 2015 and 6 May 2015. Revised directions were also given on 16 January 2017.
- 5.3 Although those Directions have now been revoked and the specified functions which were carried out by the Commissioners on behalf of the Secretary have been returned to the authority, the Secretary of State issued fresh directions on 28<sup>th</sup> March 2017 to the Council for it to take specific action which were considered necessary or expedient to secure the Council’s compliance with its best value duty without specifying that specified functions be carried out by the Secretary of State or a nominee.
- 5.4 The new directions are enforceable by the Secretary of State, who may seek an order in the High Court requiring the Council to remedy any breach. This report whilst detailing the Council’s improvement journey to date, also sets out a further improvement framework for the Board’s consideration which are considered to be necessary or expedient to secure



the Council's continued compliance with its best value duty.

- 5.5 When taking action in response to the directions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Compliance with this duty has been a feature, to the extent relevant, of the Council's action in response to the directions.