

Best Value Improvement Board

TITLE	Author	ITEM NO	Date
LGA Corporate Peer Challenge and Proposed Establishment of the Transformation & Improvement Board	Sharon Godman Divisional Director strategy, policy and performance Daniel Kerr, Senior Strategy, Policy & Performance Officer		17/09/2018

1. Introduction

- 1.1. This report provides a summary of the key findings from the LGA Corporate Peer Challenge. It also details the actions the council has taken to report and evidence its achievements to the Secretary of State (SoS) for Ministry of Housing, Communities and Local Government (MHCLG) as he prepares to decide whether sufficient progress has been made to allow the Direction to lapse.
- 1.2. This report also proposes that a Transformation and Improvement Board (TIB) be set up to continue the progress made by the BVIB, should the SoS decide to lift the Directions.

2. Recommendations

- 2.1. The BVIB is recommended to:
 - Note the LGA Corporate Peer Challenge report and comment on the recommendations made by the Peer Team.
 - Endorse the proposals to create a TIB, which will continue the work of the BVIB.

3. Background

- 3.1. In December 2014 the council was placed under Best Value Directions by the SoS for what is now the MHCLG. The Directions included the appointment of three Commissioners with decision making powers in the areas of Election, Grants, Procurement, Property and Communication. The council developed a Best Value Improvement Plan (BVIP) to ensure improvements were delivered across these areas. This, alongside effective engagement with the Commissioners and MHCLG, led to the transitional return of power to the council with the removal of Commissioners confirmed in March 2017.
- 3.2. The council was issued with revised Directions in March 2017 which will be in force until the 30th September 2018. In order to meet the new

Directions, the Council has implemented a number of measures to ensure the required improvement was achieved, this includes:

- A new Best Value Improvement Board (BVIB), chaired by the Mayor, was established to provide appropriate challenge to improve council activities and ensure the delivery of the BVIP;
- Quarterly submissions to the SoS reporting on the progress of all outstanding actions in the BVIP;
- The delivery of a LGA Corporate Peer Challenge in June 2018. This provided the council with the opportunity to learn from an informed, independent and external review of its strengths and weaknesses and help to plot a course for the next stage of the council's improvement journey.

4. LGA Corporate Peer Challenge

4.1. In June 2018 the council took part in a LGA Corporate Peer Challenge. The purpose of this review was to receive an independent review of the council's achievement against the Best Value Improvement Plan and learn from best practice. The Peer Challenge represented a significant milestone in the council's improvement journey and provided fresh insight into the council's strengths, weaknesses, and ability to deliver the ongoing improvements required to improve services for residents.

4.2. The scope of the review encompassed a set of standard themes that all Peer Challenges explore, these include:

- **Understanding of the local place and priority setting:** Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
- **Leadership of Place:** Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
- **Organisational leadership and governance:** Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
- **Financial planning and viability:** Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- **Capacity to deliver:** Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

Additionally, it was agreed that the Peer Team consider the following questions as part of the review:

- To explore how the council adequately addressed the directions issued by the MHCLG and the expectations of the departed Commissioners.
- To review if the council is adequately addressing its chosen priorities and are these delivering continued improvement to local residents and businesses?
- Is the council identifying key challenges and setting realistic yet ambitious targets for the future?

LGA findings: progress, achievements and opportunities

- 4.3. The Peer Team found that the council has transformed and improved the culture of the organisation due to the hard work and commitment of Members and officers throughout the organisation. It was recognised that such a transformation has been delivered by strong leadership from the Mayor and Chief Executive, and positive relationships between Members and officers. The Peer Team also found that staff appreciate the open and positive culture that the senior leadership are championing and feel more engaged. Furthermore, there are strong relationships between the council and partners and an encouraging sense of optimism amongst partners for the future and the way the council is progressing.
- 4.4. The Peer Team concluded that Tower Hamlets is a borough with enormous opportunities and potential. The borough has a diverse and vibrant community and the council has a relatively healthy financial position and an enviable asset base with the potential to invest, innovate, and drive through further change.

LGA findings: areas of improvement

- 4.5. The Corporate Peer Challenge identified a number of areas where the council can continue to improve. There are still large areas in the council in need of modernisation and some services are still traditional and paternalistic. The council needs to increase the pace of change in the borough and is currently too risk averse as a result of past decision making. Furthermore, the council needs to take a more proportionate risk based approach and empower officers to be less cautious and bureaucratic in order to drive through improvements at a faster rate. To ensure that the Council moves forward quickly, the council needs to have an unrelenting focus on the areas of failure including those identified by Ofsted in Children's Services

- 4.6. The council is currently developing an action plan to respond to the recommendations made in the LGA Peer Report.
- 4.7. The full report can be found in appendix 1.

5. Evidence Submitted to Secretary of State

- 5.1. In August 2018 the council submitted evidence to the SoS to provide him with information to inform the impending decision on whether to end the Directions placed on the council. This included the submission of the latest update of the BVIP, Mayor John Bigg's letter to the Chief Executive outlining his priorities for the year ahead, and Mayor John Bigg's letter to the SoS outlining the council's improvement journey and the plans in place to ensure this continues should the Directions be lifted.
- 5.2. The Mayor's letter to the SoS sets out the progress and achievements the council has made in the BVIP areas of Elections, Communications, Property, Grants and Organisational Culture. It highlights achievements such as the council successfully delivering six elections since 2015, developments in the council's communication infrastructure with significantly improved internal and external communication channels, the delivery of two Community Hubs, the implementation of new management arrangements and scrutiny for grants, and the delivery of the Smarter Together transformation programme.
- 5.3. The letter to the SoS also acknowledges that there are still numerous areas where the council needs to improve and sets out the key issues the council will need to address to ensure further improvement is delivered. The LGA Corporate Peer Challenge and the Planning Peer Challenge have provided great insight into the areas where further improvement is required. The letter details the initial response to address the recommendations identified in these reviews and the longer term plans the council will implement to ensure services work better for residents and the council becomes a more 'can do' and innovative organisation. Significantly this includes establishment of a TIB, which will build on the success of the BVIB and will ensure that the council better accounts for change and improvement.
- 5.4. A copy of the Mayors letter to the SoS can be found in appendix 2.

6. Transformation & Improvement Board

- 6.1. Should the SoS allow the Directions to come to an end at the end of September 2018, the intention is to set up a TIB which will continue the work of the BVIB and capitalise on the momentum gained in the last 3 years.
- 6.2. The TIB will support the council's aim to be a modern and efficient council by ensuring that transformation and improvement is delivered

and will focus on the pace of change and areas of weakness. The TIB will perform the following roles:

- To drive sustainable transformation and improvement across the Council;
- To provide oversight, support and challenge to officers;
- To challenge the pace and impact of the Council's transformation and improvement activity/plan;
- To hold to account Cabinet Members and Responsible Officers for ensuring delivery at pace of the transformation and improvement plan;
- To deliver the outstanding action from the Best Value Improvement Board;
- To take forward the recommendations made by the LGA Corporate Peer Challenge and other reviews as appropriate
- To take forward any further recommendations made by SoS.

6.3. The TIB's work programme will focus on a number of key improvement areas, this includes:

- Ensure all outstanding actions from the BVIP are completed;
- Provide oversight to the delivery of the LGA Corporate Peer Challenge and Planning Peer Challenge action plans;
- Review the performance and findings of the Regeneration Board, which is aiming to improve how the council benefits from growth and make better use of its infrastructure;
- Provide challenge and direction to the Adult Social Care and Children Social Care improvement programmes and ensure these highly critical services are making the required progress;
- Monitor the implementation and progress of external facing transformation programmes such as the Customer Access transformation.
- Review the operational effectiveness and progress of key services in relation to the Mayor's key priority areas, specifically: safer communities and ASB, housing and capital delivery, cleaner streets and environment, work and greater prosperity, and a new vision for regeneration.

6.4. The Board will meet on a quarterly basis and will comprise of the Mayor (Chair), Deputy Mayors, Overview and Scrutiny Committee Chair, Leader of the Opposition, External representative from the LGA, Chief Executive and the Divisional Director for Strategy, Policy and Performance.

6.5. The draft terms of reference for the TIB can be found in appendix 3.

7. COMMENTS OF THE CHIEF FINANCE OFFICER

7.1. There are no specific financial implications arising from this report.

8. LEGAL COMMENTS

8.5 This report updates the Board on the outcome of the Corporate Peer Challenge and the current position relating to the best value directions which remain in place until 30 September 2018.

8.6 If the directions are lifted it is proposed to establish a Transformation & Improvement Board with the draft terms of reference set out in appendix 3.

8.7 If established, the Board would comprise membership including Members, senior officers and an external representative from the LGA. The Board would therefore not be constituted as a formal committee or sub-committee of the Council under the Local Government Act 1972,

8.8 However, it is proposed that meetings of the Board should be held in public and that they will be conducted in accordance with relevant rules of procedure contained in the Council's Constitution. This will cover matters such as access to information, quorum requirements, record keeping and minute taking etc.