


Cabinet 4 March 2015	 TOWER HAMLETS
Report of: Stephen Halsey, Head of Paid Service	Classification: Unrestricted
Best Value Strategy and Action Plan and Publicity Plan	

Lead Member	Mayor Lutfur Rahman
Originating Officer(s)	Louise Russell, Service Head, Corporate Strategy and Equality
Wards affected	All wards
Community Plan Theme	All
Key Decision?	Yes

Executive Summary

This report presents the Council's Best Value Strategy and Action Plan and Publicity Plan to Cabinet for approval. These documents are required to respond to the Secretary of State's Directions of 17 December 2015 which required their submission within 3 months of the Directions.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the Best Value plans in relation to Property and Communications;
2. Approve the Publicity Plan
3. Note and comment on the remaining Best Value plans

1. REASONS FOR THE DECISIONS

- 1.1 The Council is required to agree these plans to comply with Secretary of State Directions.

2. ALTERNATIVE OPTIONS

- 2.1 The Council is required to comply with Secretary of State Directions.
- 2.2 The actions within the plans have been the subject of consultation with a range of parties and the Commissioners which has considered alternative options.

3. DETAILS OF REPORT

- 3.1 The Directions issued to LB Tower Hamlets on 17 December 2014 require: *'Within 3 months from the date of these Directions [ie 17 March 2015] to draw up and agree with the Commissioners a strategy and action plan for securing the Authority's compliance with its best value duty (to include as appropriate complying with the specific directions set out below and putting in place robust and transparent arrangements for grant decisions), and to submit this to the Secretary of State.'*
- 3.2 In developing plans to comply with this Direction, the Council has reviewed the findings of the Price Waterhouse Cooper ('PWC') report which gave rise to the Directions and had a series of discussions with the Commissioners about their expectations for the strategy and action plan.
- 3.3 The Council has in place a range of robust processes for securing best value – information and evidence of the arrangements the Council currently has in place to comply with its Best Value duty, including our understanding of wider areas for improvement and how to address these, have been shared with the Commissioners. The Directions required an improvement plan around Procurement to be agreed by February 1st 2015 and this has already been agreed by the Mayor, Commissioners and Secretary of State. It is included here for completeness.
- 3.4 The focus of our best value plan has therefore been on the areas covered within the PWC report and specific directions. We have developed Action Plans around the areas specifically referred in these. In addition, we have discussed with the Commissioners the need for an action plan which considers organisational culture and this is included. While the majority of action plans are informed by areas for improvement identified in the PWC report, they have also where appropriate been informed by local consultation, for example third sector organisations have been consulted about proposals in the Grants action plan and a range of stakeholders have informed plans around election management. Further consultation in relation to the key

actions within the plan will be undertaken as appropriate as they are progressed.

3.5 The Contents of this Plan therefore comprise the following and are included within numbered appendices:

1. **Overview of Best Value in Tower Hamlets Council**
2. **Procurement Action Plan (already signed off by 1st Feb 2015 and included for completeness and future monitoring)**
3. **Grants Action Plan**
4. **Property and Disposal Action Plan**
5. **Communications Action Plan**
6. **Organisational Culture Action Plan**
7. **Recruitment of statutory officers - timeline**
8. **Elections – update and plans**

3.6 In addition the Directions required a costed Publicity Plan. This is also attached in Appendices 9a, b and c.

3.7 There are differing decision making processes for these plans depending on whether they are Commissioner, Executive, non-Executive or Returning Officer decisions. Executive decisions, within the Property and Disposal Plan, the Communications Plan and the Organisational Culture Plan are to be considered by Cabinet on 4th March.

3.8 The Grants Action Plan is a Commissioner function and therefore is solely a Commissioner decision though as part of the Plan we are developing mechanisms to enable member input into decisions.

3.9 The Recruitment decisions fall to the HR Committee and were considered at their meeting on 19 February.

3.10 The Elections Plan is a Returning Officer function and will be agreed through the Commissioners and Acting Returning Officer.

3.11 Following the Cabinet consideration, the plans will be considered formally by the Commissioners in a specially arranged public forum planned for March 11th. If their decision making requires further consideration and decision by the Mayor this will be undertaken on 12 March to enable submission to the Secretary of State on 13 March.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1. The Mayor, in Cabinet, is asked to consider the attached best value action plan, and approve those elements pertaining to property, communications and publicity. This is required in order that the Council complies with the specific direction, issued by the Secretary of State set out in paragraph 3.1.

4.2 The proposed actions primarily involve processes and procedures to ensure the Council is able to demonstrate compliance with its duty of best value, and

as such have no significant financial implications. As part of these there are also some proposals to amend management and administrative arrangements, however these will be contained within existing budgets.

5. LEGAL COMMENTS

- 5.1. The Council has a duty 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 by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty.
- 5.2. Under sections 15(5) and 15(6) of the Local Government Act 1999 the Secretary of State for Communities and Local Government issued legally enforceable directions in order to ensure that the Council complies with its obligations under part 1 of the Local Government Act 1999.
- 5.3. Action 1 to be taken by the Council in respect of the Directions (as stated in Annex A to the Directions) the Council is to agree a plan with the Commissioners to ensure the compliance by the Council with the remainder of the directions. This is the nature of the Best Value Action plan which is under consideration.
- 5.4. The Council's executive needs to consider whether or not to adopt the agreed Best Value Action plan. However, a failure to adopt the agreed plan is a failure to abide by the directions which is actionable against the Council under the law.
- 5.5. As a local authority, the Council has a duty under domestic and European law to act in a way which is fair open and transparent. This is not only in respect of the procurement of goods works and services but in respect of the carrying out of all its statutory functions. Therefore, and as examples, in the areas of grants and disposals it is necessary for the Council to demonstrate that the public at large has a fair and even chance of obtaining the money (in respect of grants) or the land (in respect of disposals) which the Council is making available. Generally this requirement means that there must be some sort of fair and open application procedure where applications are all measured against clear and transparent criteria with the final decisions being based upon the evaluation of applications against the set criteria.
- 5.6. The Council is required to consult for the purposes of deciding how to fulfil its best value duty. This obligation was the subject of consideration in the case of *R (Nash) v Barnet LBC*. Some guidance was given in the High Court to the effect that it is not every time an authority makes a makes a particular operational decision, by way of outsourcing or otherwise, that it is required by section 3 to consult about that decision. The High Court thought that consultation about "the way in which" it performs its functions connotes high-level issues concerning the approach to the performance of an authority's functions.

- 5.7. It is unlikely that the action plan itself is such as to require consultation, but consideration will need to be given to whether any of the proposed actions (e.g. adoption of a new procurement strategy) would need to be consulted upon.
- 5.8. The Council has an Equality Duty under section 149 of the Equality Act 2010 to ensure that it eliminates discrimination between people who have a protected characteristic (as defined under the act) and those who do not and to promote equality and fair treatment between people who have a protected characteristic and those who do not. It is unlikely that the Best Value Action plan itself will give rise to any significant equality impacts, but further consideration should be given to the impacts of each action before they are implemented.
- 5.9. The Council also has a duty to ensure that organisations are not discriminated against by the Council's processes. For example, ensuring that grant criteria are fair and do not either favour nor disfavour any group, company or individual.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The Council needs to deliver its functions, including in relation to those elements transferred to the Commissioners through Direction, with due regard to equality and the need of groups with protected characteristics. Changes to the way in which the Council awards grants, contracts or disposes of property – particularly community buildings – and publicises its activity has the potential to impact on equality and cohesion in the borough. Any significant policy changes emerging from the improvement planning activity will be subject to an equality impact assessment.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 No specific environmental implications.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1. Agreeing and delivering the actions within the Plans will mitigate risks to the Council in delivering best value in respect of grants, property and procurement decisions.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 No specific crime and disorder implications.

10. EFFICIENCY STATEMENT

- 10.1 Through ensuring the Council meets its best value duty, the plans will improve efficiency and effectiveness of the key functions covered within them.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

1. **Overview of Best Value in Tower Hamlets Council**
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7. **Recruitment of statutory officers**
8. **Elections – update and plans**
9. **Publicity Plan (a, b and c)**

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- See list in Appendix 1.

Officer contact details for documents:

- Louise Russell, Service Head, Corporate Strategy and Equality