

BEST VALUE PROGRAMME BOARD

TITLE	AUTHOR	ITEM NO	BEST VALUE PROGRAMME BOARD DATE
Best Value Action Plans – Draft 6 month update	Kevin Kewin, Interim Service Head, Corporate Strategy and Equality	4.1	26th January 2016

1. INTRODUCTION

- 1.1 This report provides an update on the council's Best Value Action Plans which respond to the Secretary of State's Directions.

2. FOR THE BOARD TO CONSIDER

The Board is asked to:

1. Consider and comment on the draft six month progress update (Appendix 1) prior to the submission to the Secretary of State by 17th March 2016;
2. Agree the changes to target dates set out in 4.21;
3. Note that the progress report will be updated to reflect the latest position before submission to the Secretary of State.

3. BACKGROUND

- 3.1 Following a Best Value Inspection undertaken by Price Waterhouse Coopers during 2014, the Secretary of State for Communities and Local Government issued the Council with Directions on 17th December 2014. The Directions focused on particular areas which had been the subject of the Best Value inspection – grants, procurement, property disposals and some elements of publicity spend.
- 3.2 One of the Directions required the Council to draw up and agree with the Commissioners a strategy and action plan for securing the Authority's compliance with its best value duty. In discussion with the Commissioners it was agreed that the Council's current arrangements for securing best value including our strategic and resource planning and performance management systems were robust. The requirement was for us to develop improvement plans in the particular areas which had been the subject of the PwC inspection, plus additional plans around elections, recruitment of statutory officers and organisational culture.

- 3.3 There are seven key elements to the Plan:
1. Procurement Action Plan
 2. Grants Action Plan
 3. Property and Disposal Action Plan
 4. Communications Action Plan
 5. Organisational Culture Action Plan
 6. Recruitment of statutory officers
 7. Elections Action Plan
- 3.4 The action plans were agreed with the Commissioners, and submitted to the Secretary of State in March 2015 as required. As part of the Directions, the Council is required to produce and submit to the Secretary of State 6 monthly update reports. The first 6 monthly update report was agreed with the Commissioners and submitted to the Secretary of State in September 2015. The secondly 6 monthly update will be submitted in March 2016.
- 3.5 Whilst the second 6 monthly report is not required for submission to the Secretary of State until mid-March, an early draft is attached at appendix 1. It is proposed that the report is updated at key points prior to submission to the Secretary of State in order to ensure that it reflects the latest position. It is proposed that any changes to reflect updates are delegated to the Chief Executive in discussion with the Mayor and Commissioners.

4 PROGRESS WITH DELIVERY

- 4.1 There are seven key elements to the Plan.
1. Procurement Action Plan
 2. Grants Action Plan
 3. Property and Disposal Action Plan
 4. Communications Action Plan
 5. Organisational Culture Action Plan
 6. Recruitment Action Plan
 7. Elections Action Plan
- 4.2 Progress with delivering the plans has been strong. The first six monthly update on the council's progress in delivering its Best Value Plan was submitted by the Mayor to the Secretary of State in September 2015. The Secretary of State in his letter responding to the Mayor of 29th October welcomed the progress that had been made and, in recognition of this progress, allowed the Direction giving the Commissioners additional powers related to governance and financial management to expire at the end of October. He also reiterated the ongoing importance of driving and embedding cultural change and of ensuring improvement plans are outcome focused with clear timelines and milestones.

- 4.3 As part of the first 6 monthly update report, the council confirmed completion of all of the activities within the Action Plan for Recruitment (6) which related to the council making permanent appointments to the three statutory posts of Corporate Director of Resources, Director of Law Probity and Governance (Monitoring Officer) and Chief Executive. The Commissioners had previously written to the Mayor confirming that they were content that the actions required in relation to recruitment had been substantially discharged. As noted in that letter, the Mayor will in due course consider what delegated authority should be conferred to the Chief Executive and at that point this Direction will be fully discharged. The LGA have provided examples of delegation schemes from a range of authorities with Mayoral models. These will be reviewed by the Mayor and the Chief Executive and discussions arranged with those authorities and the Monitoring Officer, as appropriate.
- 4.4 The Elections Plan focused primarily on the delivery of the elections in May and June 2015, and the first 6 monthly update made clear that the agreed actions had been completed. A report detailing lessons learned from the elections held in 2015 was considered by the Best Value Board which identified the challenges ahead in ensuring the success of future elections as resources available to the council and the police are limited. The Chief Executive has been appointed as the new Returning Officer and has welcomed the recommendations in the report. The Chief Executive is a member of the London's Election Management Board and their support will be sought as required. While the elections team is currently focused on electoral registration as part of IER, planning for the 2016 London Assembly and Mayoral election is well underway. This, plus a European referendum by 2017, will provide an opportunity to test and refine the Borough's approach to elections management as well as facilitating good working relationships in advance of the Borough and mayoral elections in 2018. An update on election planning will be considered by the Board later in the year.
- 4.5 Progress for the other plans continues to be monitored regularly with the Commissioners through the Best Value Board, which is now chaired by the Executive Mayor. The Board has undertaken in-depth spotlight reviews of each Plan since its inception and through this process proposed outcomes have been developed for each plan. Throughout the process of monitoring the plan the Board has been kept informed of, and approved reasons for, any change of target date for particular actions. This has been kept to a minimum – the Board is asked to formally confirm their agreement to revised target dates, and revised deadlines are made clear within the monitoring report.
- 4.6 Most of the actions within the Best Value Plans are now complete. Monitoring is undertaken on a monthly basis and focuses only on those areas which are still to be delivered. The latest monitoring position is

provided in appendix 1. The draft report provides the latest position at the current time (December / January) and will be updated as appropriate before submission at the six month point (March). In addition to the progress already made, there is a number of significant milestones on course for completion by May 2015. This includes all outstanding actions within the Procurement and Property Action Plans, the development of a new Voluntary and Community Sector Strategy and compliance with the code of recommended practice on local authority publicity.

- 4.7 This second 6 monthly update report reflects a greater focus on outcomes. For each section of the plan there is a narrative Progress Summary with a specific focus on outcomes and on priority workstreams to drive these outcomes, with clear milestones and timelines for these.
- 4.8 The council is keen to embed and align activity from the best value plan within our mainstream planning processes. We have developed an Outline Strategic Plan (2016 – 2019) which sets out a clear refreshed vision for the council including a clear set of priority outcomes against the backdrop of our medium term financial plan challenges and a set of emerging transformation principles.
- 4.9 A Strategic Plan Delivery Plan will come into force from April 2016. We will ensure that outstanding activity relating to the best value plan is reflected within the Strategic Plan.
- 4.10 In addition to this monthly monitoring, the Best Value Action Plan has been subject to an internal audit exercise of a programme of compliance testing. This audit provides assurance to management that the actions agreed within the Best Value plans have been implemented and that reports to the Commissioners and the Secretary of State on progress against the Action Plans are accurate. Compliance testing has been completed on the key actions contained in the Procurement action plan and 'Substantive Assurance' has been assigned. The audits for Property, Communications and Grants will be completed shortly and reported to the Best Value Board.

Summary Update by Action Plan

Procurement

- 4.11 There has been considerable progress over the past 6 months. This includes implementation of a new procurement operating model, completion of a new Supplier Ethical Code of Conduct and publication of an Annual Procurement report. The report highlights a number of areas where revised deadlines have been agreed. This includes additional work to broaden the initial intention of a new Procurement Strategy to become a corporate Commissioning and Procurement Strategy.

- 4.12 The council is moving beyond the specific and immediate actions set out in the Procurement Action Plan, the majority of which have been delivered, towards a Procurement Transformation Programme. This is being developed around 3 clear outcome areas, milestones for which are set out in the narrative accompanying the action plan:
- Delivering savings and ensuring compliance and value for money;
 - Modernising procurement; and
 - Supporting local economies

Grants

- 4.13 Over the last 6 months a number of key actions have been completed. This includes completion of service agreements with providers as part of the Mainstream Grants Programme; consolidation all 3rd Sector grant giving, monitoring and evaluation into one service; and improvements to grant approval processes. Work to better evaluate the impact of grant programmes is taking place and is now scheduled for completion in May rather than March 2016.
- 4.14 Over the next few months, there will be a strong focus on finalising a new Voluntary and Community Sector Strategy and establishing new governance arrangements, including ensuring that the priorities, knowledge and views of the Executive and non-Executive Members appropriately inform the grant making process.

Property and Disposal

- 4.15 Progress is strong against the agreed action plan. The Asset Strategy: Scoping, Principles & Priorities paper was adopted by Cabinet in December. The Asset Strategy sets a framework for how the Council will determine its ongoing and future property needs, and move to a more fit for purpose, effective and efficient estate for the future. It will initiate a series of workstreams which will include a high level operational property review. In addition, the Community Buildings: Allocation and Charging policy was agreed at December Cabinet. The policy sets out the principles underpinning council-owned community buildings and the basis for charging, including community benefit considerations. A property-by-property review of council-owned community buildings is taking place and the results will be presented to the Mayor in Cabinet.
- 4.16 One of the key challenges for the council will be the delivery of a new civic centre. The council purchased the Royal London Hospital site in February 2014 for this purpose and this site was confirmed as the preferred location by the Mayor in Cabinet in November 2015. Cabinet agreed to the procurement of a multi-disciplinary design team to progress the design development to detailed planning level.

Communications

- 4.17 Considerable work has been undertaken to address the issues raised in the Best Value report and in line with the agreed action plan. The review of communications undertaken by the Local Government Association has been completed. The recommendations from this review are being used to develop a new strategic communications plan.
- 4.18 Following discussion with the Commissioners, a Mayoral decision was taken on 5 January 2016 to confirm that the date by which the council would comply with the code of recommended practice on local authority publicity would be 18th May 2016. This will enable the council to pursue a managed transition from the current way of working to the delivery of the new communications model, taking into account the recommendations arising from the LGA review. Planning work is being finalised in January with a progress update scheduled with the Commissioners in February. Delivery of work streams, included those highlighted below, will be a key focus in February and March; this activity will inform the new Communications Strategy by 31st March with the implementation of a new model of communications for the council by mid-May.
- 4.19 An outline plan as to how this work will be taken forward is included within appendix 1; several work streams are currently being developed, including:

Vision and Strategy

- 4.20 This work will identify the council's strategic communications priorities and campaigns to re-focus and shape communications' activities. The aim is to move towards a more strategic, planned way of working. Proposed projects include work to develop a stronger communications narrative, a revised operating model with new ways of working and a greater focus on using customer insight.

Finance and Resources

- 4.21 There will be a review of the communications function's financial model and available resources to ensure that the service is able to deliver the communications vision and achieve best value. This includes a detailed budget review and consideration of the investment necessary to develop new platforms, channels and/or systems.

Communications channels

- 4.22 This work stream will explore alternative models for communicating with residents via print and digital platforms, moving forward from the previous main method of communicating with residents, East End Life. This work stream will seek to ensure the council identifies a platform to engage with residents who prefer to receive printed publications and what these publications might look like.

Digital communications

4.23 Building upon the existing commitment towards a shift to digital communication, this work will seek to improve ease of use, accessibility and the overall digital experience for the council's customers and stakeholders. A key strand of this will be exploring the potential for targeted e-bulletins and improving social media practice.

Income generation

4.24 This work stream will seek to ensure the council maximises its own assets to generate income, promotes visitors to the borough and develops an offer to business, schools and other partners to advertise their services.

Organisational Culture

4.25 The Commissioners' letter responding to our first six month progress report recognised the Mayor's commitment to cultural change. The Mayor and the new Chief Executive will continue to drive forward this work which goes beyond the specific actions within the Best Value Plan. To this end three priority work streams have been developed. These are:

- Governance Review overseen by joint officer/cross-party member Working Group. This will also pick up the recommendations of external auditors in relation to the need for a review of the organisation's governance processes. As part of this, work is underway to refresh the council's whistleblowing policy, promote and communicate it widely and ensure there is clear management guidance to support its implementation;
- Solace development work with members and senior officers which will culminate in a joint forum which will be used to develop a shared vision, outcomes and forward plan with milestones and timelines;
- Organisational transformation - the Chief Executive and the CMT are bringing together the various strands that will define the shape of the organisation in the years to come.

4.26 In addition, the council is making strides in relation to greater openness. The Mayor's Transparency Protocol was agreed at November's Cabinet and the Overview and Scrutiny Committee's Transparency Commission reported in November.

Proposed revisions to target dates

4.27 It is proposed that a small number of target dates within the Best Value Plans are revised. These are set out below.

Grants action / milestones	Current Date	Proposed Date	Commentary
Ensure and embed open and transparent decision-making: Develop Mayor and cross-	Oct-15	Mar-16	This activity will be addressed as part of a wider review of Overview and Scrutiny's work programme.

party consultation and review forum			Proposals to use the Overview and Scrutiny Committee as the cross-party forum have been discussed with the Mayor, Deputy Mayor and Chair of Overview and Scrutiny Committee.
Develop robust evaluation of impact of grant programmes: 1. Annual review of approvals, outcomes and developments to CMT, Cabinet and OSC for all grant supported activities 2. Programme evaluations commissioned for all grant regimes	March-16	May-16	The opportunity to bid for the evaluation work is being advertised in early January 2016. The successful bidder will be appointed in early February and the evaluation work will be completed by end of May 2016.
Review arrangements post Commissioners for future executive decision-making	Dec-15	Mar-16	Overview and Scrutiny Committee is the cross party forum that will consider proposals for future arrangements. A new grants framework and decision making and consultative framework will be developed as part of the VCS strategy action plan.
Property action / milestones	Current Date	Proposed Date	Commentary
Consider the introduction of an asset rental account (following implementation and embedding of Corporate Landlord Model): 1. Consider paper at AMCB 2. Consult Directorates 3. Report to CMT (and MAB and Cabinet if appropriate) 4. Report back to the Commissioners	Oct-15 Nov-15 Dec-15 Dec-15	Feb-16 Feb-16 May-16 May-16	As the Asset Strategy has now been adopted by Cabinet, these milestones can now be taken forward.

Communications action / milestones	Current date	Proposed Date	Commentary
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A robust business plan identifying new revenue streams, maximising existing income activities and providing a clear growth plan: 1. Review to consider options for trading 2. Business plan for communications revenues stream complete and approved 3. Review opportunities and approach to use of Council poster and other advertising sites	Dec-15	May-16	Following the completion of the LGA review, this work can now be taken forward in line with the new Communications Strategy.
Maximise reach and penetration of minority communities to support Community plan and One Tower Hamlets Objectives: advisory group/s established	Nov-15	May-16	
Organisational Culture action / milestones	Current date	Proposed Date	Commentary
Rebuilding elected Member relationships: Develop an action plan to respond to recommendations of rebuilding elected member relationships review	Jan-16	March-16	Work is underway supported by Solace.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

5.1 There are no direct financial implications arising from the recommendations within this report.

6. LEGAL COMMENTS

6.1 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).

6.2 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).

- 6.3 In accordance with this power the Secretary of State gave directions to the Council on 17th December 2014, 29th April 2015 and 6th May 2015. By letter dated 23rd October 2015 from The Rt Hon Greg Clark MP confirmed that the Directions of 6th May 2015 lapsed on 31st October 2015. The directions are enforceable by the Secretary of State, who may seek an order in the High Court requiring the Council to remedy any breach. In the circumstances, it is appropriate for the Council to take steps to comply with the directions and to monitor its compliance with the directions.
- 6.4 The Best Value Strategy and Action Plan and Publicity Plan were approved by the Mayor and Cabinet on 4th March 2015 and subsequently agreed by the Commissioners and sent to the Secretary of State. This report informs members of progress and appropriately indicates that Cabinet approval will be sought before presenting the required update to the Department of Communities and Local Government.
- 6.5 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.