

**Best Value Action Plan  
Final 6 monthly update report**

The Council is pleased to provide the final report setting out the progress made implementing the Best Value Action Plan as required under the Directions of December 2014. This report notes that the Council has met all actions in the Best Value Action Plan against the six areas of Property, Election, Organisation Culture, Procurement, Grants and Communications. In total 205 actions in the Best Value Action Plan have been delivered.

The Council's progress against the Directions was acknowledged by the Secretary of State in January 2017 when he confirmed the removal of the Direction on Procurement and powers returned to the Council on determining grants with a new oversight Direction on Grants. The Secretary of State also reduced the Commissioner team from 4 to 3.

The Council has benefited from the skills and experience Commissioners have brought to our improvement journey and this report details the changes we have made as well as related impact. The Council is keen to continue on this journey and has developed a Best Value Improvement Plan which details work that will be delivered during 2017-18. This includes working with a range of external partners such as the Electoral Commission, Local Government Association, Central Government Departments, ADASS and Investors in People. Also engaging local residents and working with local statutory partners and the voluntary and community sector to improve Tower Hamlets.

It is recognised that implementing significant organisational change is a long-term, iterative process. As such, this update report also addresses issues, which fall outside of the formal Best Value Plans agreed with the Secretary of State, that have been identified by the Council or the Commissioners as matters where further work is required and underway.

**Recruitment to Statutory Monitoring Officer**

The recruitment process for the Statutory Monitoring Officer has begun and long listing will be completed by mid-February 2017 and the final Member interviews are scheduled to take place by mid-March 2017. At the same time recruitment to the vacant corporate structure roles are also being undertaken.

**Procurement**

All actions in the Procurement Best Value Action Plan have now been successfully delivered and the Secretary of State has written to the Council to confirm this Direction has been removed. As part of our broader Procurement Strategy 2016-2019 commitments, work is underway in delivering further improvements within procurement, commissioning and contract management.

Our Procurement Strategy 2016-2019 sets out in broad terms how the Council intends to organise its procurement and commissioning resource and skills to continue to secure value for money whilst stimulating local markets. The strategy focuses on the Council's strategic approach to enhancing the management and development of our suppliers through improved

commercial and contract management, introducing a centralised operating model that ensures better integration between these service areas, provide insightful analysis on supply markets, develop better relationship with our strategic contractors to inform the Council's strategic planning and ensure best value duties are fully discharged.

### **Grants**

All actions in the Grants Best Value Action Plan have been delivered and significant progress has been made in relation to all aspects of grant management, including establishing the Grants Determination Sub-Committee which met for the first time on 17<sup>th</sup> January 2017. This is a Sub-Committee of Cabinet and at the meeting it was agreed that the Mayor would Chair this Committee. The meeting took place in public and a Commissioner was present. This Committee builds on the work undertaken previously by the Commissioners and considers comments from the Grants Scrutiny Sub-Committee before decision is reached on each item. As with all other Committee public participation and submissions are considered relating to items on the agenda. The Grants Determination Sub-Committee also met on 14 February and will be meeting on 28 Mar 2017. During 2017-18 a number of follow up work will be delivered which includes completing the third sector team restructure, review of Grants Determination Sub-Committee and delivering the pilot co-commissioning of the Community Cohesion theme of the current MSG programme.

### **Communications**

In January 2017, Communications and Marketing presented a Communications Action Plan to Commissioners to detail the work that has been done to resolve outstanding issues in four areas – complete team structure; determine costs of publications; ensure the effective delivery of campaigns; resolve the future of Statutory Public Notices. The Commissioners had asked to see plans for the delivery of these four areas following the presentation of the fully costed business plan for the Communications and Marketing Service in August 2016. The action plan showed that all four areas had been resolved. The Communications and Marketing Service restructure was completed in January 2017. The cost of publications such as Our East End, the quarterly magazine, has been determined three issues have been published in 2016. The Council has moved to a campaign model and used it to deliver two major campaigns at the end of 2016 on the Council's three year budget setting process.

The future of statutory notices has been decided following legal advice. The decision was to enter into a three year contract to advertise with the East London Advertiser. The notices will be bought through a media buying company to provide the Council with better rates, and the process is currently being advertised through procurement and is expected to be awarded in April 2017. A timetable detailing the procurement process has been supplied to the Commissioners. In the meantime the Council continues to advertise through East London Advertiser via a temporary contract with media buying company TMP.

### **Property**

Further progress has been made in this area over recent months. The Council has carried out a carefully managed disposals programme securing significant capital receipts for application towards council priorities. A continued key area of focus over the next period will be

implementing the Council's approach to Community Buildings. This was set out and agreed in a report to Cabinet in November 2016 and will include the development of new community hubs, entering into leases with some tenants, and moving some properties out of the community buildings portfolio, particularly to provide much-needed housing. In addition, in February 2017, Cabinet endorsed the proposals on Asset Rental Account, in particular how such a model fits within a wider corporate Accommodation and Space Management Policy as well as the wide strategic context

### **Organisational Culture**

The Council's Organisational Culture Plan provides a robust framework to support current and future activity in this area. This is complemented by a new Workforce Strategy with significant emphasis on areas such as leadership, staff engagement and core values. The Council's Transformation Programme 'Smarter Together' will transform the way Council operates by becoming a modern Council that uses a range of technology and information to provide better services and reduce demand on Council services. At the same time ensuring we can harness economic growth and deliver the best outcomes for our residents.

The Council continues to be more outward facing by being actively involved in national and sub-regional discussions and in particular working with our neighbouring boroughs to improve cross borough working. We have developed a draft Community Engagement Strategy which will strengthen our engagement and involvement with local people and stakeholders and ensure this reflects in our service design and delivery. We have reconstituted the Tower hamlets Strategic Partnership which met for the first time in January 2017 and is currently developing a work programme for the coming year including the development of a new Community Plan in 2018 for a shared vision for Tower Hamlets.

The independent 'Clear Up Project' was launched in September 2016 with a three month nomination period for submission of previously unconsidered allegations. The project is overseen by a Project Board consisting of the 3 Statutory Officers and a Commissioner and will report the findings and recommendations on the 66 allegations they received by March 2017.

The review of the Council's constitution and governance arrangement has been overseen by a cross party Constitutional Working Group and will report to Full Council in March and May 2017. A group leaders and whips group has been established to take forward the work of Members conduct and in particular at Full Council meetings. This will consider findings from the Solace review and enable greater dialogue and understanding of the key issues. The work on Officer Scheme of Delegation started in Summer 2016 and the roles and responsibilities of the Chief Executive and Mayor has been clarified and reported to Full Council on 21<sup>st</sup> September 2016.

During 2017-18 internal and external communication channels will be enhanced with better capacity to understand need and target communications.

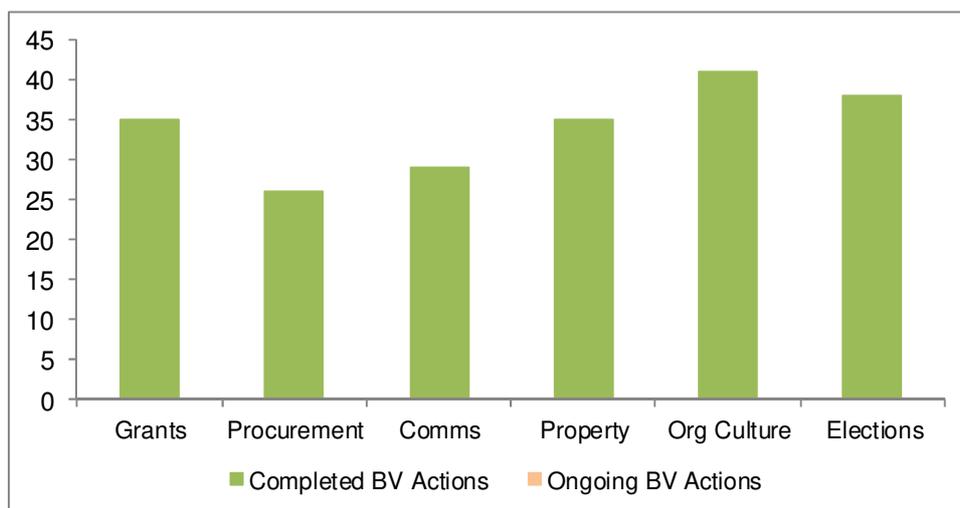
## Elections

All actions in the Election Best Value Plan have been completed which includes satisfactory delivery of 2 major elections on the EU Referendum and the Mayor of London election. Since the last update the Council has also successfully delivered a local by-election in December 2016. Following the Governments response to Sir Eric Pickles' Review, in conjunction with key partners, we are meeting Government officials at the end of February 2017 to express our interest in participating in the proposal for voter identification pilot scheme for the local elections in 2018.

A key focus for the service in 2017-18 will be to prepare for the 2018 local elections. This will be a challenging election but based on current experience and early engagement of relevant stakeholders the Council is confident of delivering another successful election.

## Overall progress against Best Value Action Plans

The charts below shows progress against the 205 milestones identified within the Best Value Plans first agreed with the Secretary of State in March 2015. The Council has now delivered against all the milestones in the Action Plan with on-going work in 2017-18 detailed in the Best Value Improvement Plan.



Further details on the Best Value areas of Communication, Property and Organisation Culture which had outstanding actions as reported in the previous submission to the Secretary of State in September 2016, are detailed over the next few sections.

<b>Best Value Area</b>	<b>Communications</b>	<b>Overall Delivery Status: GREEN</b>
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**Progress Summary**

**Background**  
 Communications in Tower Hamlets had a history of being reactive with a heavy reliance on the Council's weekly publication, East End Life. Many of the messages and activities being communicated were determined by services' willingness and ability to pay and there was little use of insight or data to identify appropriate communication channels and support the delivery of effective communications campaigns. Since the Best Value Action Plan was introduced there has been significant progress in reforming the way the Council deals with internal and external publicity management.

**Key achievements**

- A new Communications Strategy and a model for communications work for 2016/7 which ensures that communications activity is clearly linked to the Strategic Plan and residents' priorities as set out in the Annual Residents' Survey has been developed. In addition, the Council used feedback from an LGA review of its communications activity to develop its own digital communications and a more pluralistic approach to communicating with residents;
- A new Content Management System was procured to improve access to, and user experience of the Council's website, and enable us to improve our SOCITM rating. The new system went live in December 2015;
- A new e-newsletter was launched on 24 March 2016, and is being distributed regularly to just under 20,000 residents with plans to further drive up the circulation list.
- The Council has been compliant with the Code of Recommended Practice on Local Authority publicity since 18 May 2016, with the final edition of East End Life published on 16 May 2016;
- A new quarterly publication, Our East End, was developed and launched on 13 June 2016 with an increased distribution of 120,000 to reflect the growth in population since the initial production of East End Life. 17,000 bulk drops are also made to Council and community buildings. Three issues of Our East End have been published in 2016 with the next edition due for publication in march 2017;
- The Communications Protocol has been updated, agreed by the Corporate Management Team (CMT) and promoted widely via internal communications channels;
- Training on the Communications Protocol has been delivered to relevant Mayor's Office staff (including new members of staff);
- The service has rolled out of the Print and Design framework. The majority of the Council's marketing collateral now goes through Communications Service enabling us to achieve significant savings for the Council as a whole;
- A Digital Communications Strategy has been developed and agreed by CMT to support the emerging Digital Strategy;
- We have a continued focus on engagement via social media, which has seen a significant increase in the numbers of residents engaging with the Council through Twitter, Facebook and Instagram. We currently have 12,550 followers on Twitter, 1,006 on Instagram, 1,678 Facebook likes, 4,232 LinkedIn followers.
- We are focusing on the ongoing delivery of communications campaigns for directorates aligned with Council and Mayoral priorities, and residents' priorities as reflected in the Annual Residents' Survey;
- An updated communications strategy to the end of the financial year and action plan has been agreed with the Commissioners with agreed new campaigns and will also be further developing our communications infrastructure and channels.
- A new suite of internal communications is being developed with key elements already in place (including poster sites in Council buildings, use of plasma screens and the launch of weekly staff e-newsletter).

### **Measurable outcomes for existing work**

A set of outcomes have been designed to measure the effectiveness of the work the service carries out. They include:

- E-newsletters are regularly sent out (latest figures are to just under 20,000 subscribers). The (government) industry standard is for an open rate of 22.38 per cent, click rate of 2.7 per cent. Our average open rate is 40.5 per cent with a click rate of 7.7 per cent. E-newsletter no.20 had an open rate of 40.9 per cent and a click rate of 5.2 per cent. These rates are monitored for each e-newsletter. 89 per cent positive/neutral coverage of the Council in the media as assessed in our quarterly performance monitoring reports;
- 100 per cent of relevant Mayor's Office staff received training on Communications Protocol;
- Audit of compliance with Communications Protocol to provide substantial assurance - substantial assurance awarded;
- Target of 10,000 Twitter followers by end of 2015 met, currently we have over 12,550 followers

### **Areas where work continues to progress**

Further development of communication infrastructure will be undertaken including building our resident profile and segmentation of this to enable our communication channels to target to appropriate audiences.

The statutory notices contract will be awarded for a period of three years and discussions taking place whether this could be placed on-line.

Deliver the 2017-18 work on the Smarter Together Programme for both internal and external audiences building on lessons learnt from 2016-17.

<b>Best Value Area</b>	<b>Property</b>	<b>Overall Delivery Status: GREEN</b>
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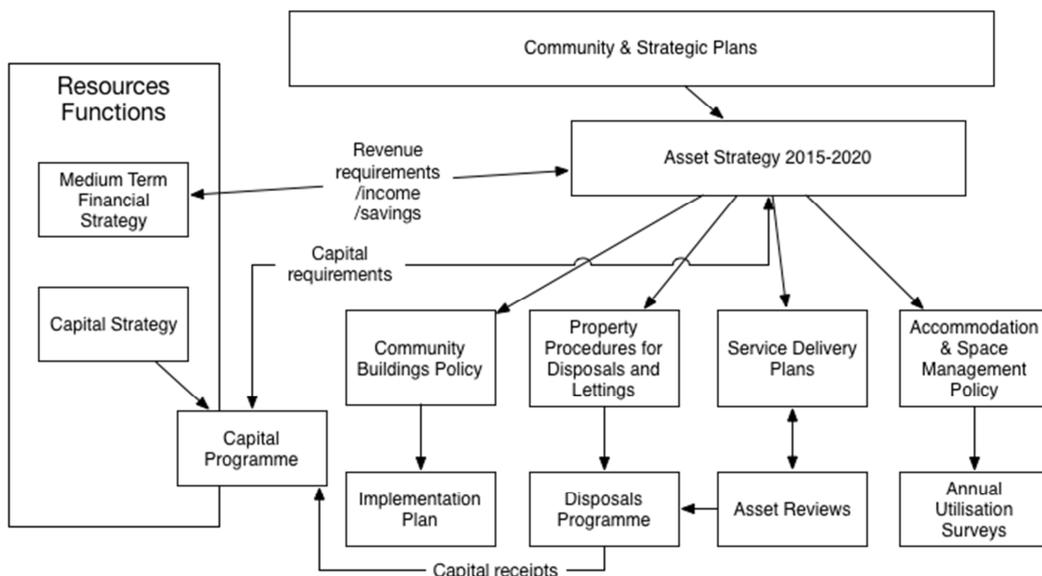
**Progress Summary**

**Background**

The Council owns, occupies or maintains around 860 non-HRA properties, valued at £1bn, located within the borough. The Council also owns around £800m of HRA properties (the housing element is managed and maintained by Tower Hamlets Homes, the Council’s arms-length management organisation) as well as a further £50m of community assets.

**Key achievements**

A number of key strategy and policy documents have been through the appropriate governance processes and been adopted by the authority. These include the Property Procedures for Disposals and Lettings, the Asset Strategy: Scoping, Principles & Priorities Paper, and the Community Buildings Policy. In addition, the Terms of Reference for the Asset Management Working Group and Board have been updated as well as the s151 officer’s financial instructions in relation to disposals. In addition, the Mayor and Cabinet will – at February Cabinet – be asked to endorse the mechanism by which the property service, in its capacity as the corporate landlord, will recharge services for their occupation of space. The Mayor and Cabinet are also being asked to endorse the strategic context in which property is managed and property decisions are made. The strategic context, and the relationship between these documents and strategies, is set out below.



The adoption of the Asset Strategy has set out 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. A high level operational property review will be undertaken in 2017/18, following the completion of recruitment exercises to key posts in the team. This will take a broad look at the Council’s estate to identify those parts of it that represent the poorest performers, in terms of cost to the Council. Those sites would then be scrutinised further and services asked to justify their continued retention. The aim is to develop a transparent approach to demonstrating the cost of poor premises, and to focus challenge to the areas of greatest potential early gain. In addition to these reviews, thematic reviews will be carried out across some key areas of the Council’s estate. The first of these will be a review of the council’s depots, to be followed by a review of leisure facilities. These reviews will be carried out in the context of current or emerging procurement activity as well as the latest (adopted or draft) strategies for those areas. The review will also take into account evidence on need/demand that has been gathered as part of the production of the Local Plan.

The Community Buildings policy has also set out a framework for the future management of the council's portfolio of community buildings. This includes reaffirming a number of principles, including rental for exclusive possession leases being set at the open market value (for community use), signed agreements needing to be in place, and ensuring a clear demarcation of responsibilities is agreed between the council and the tenant/user. The Council has also established a Community Benefit Rent Reduction Scheme, a mechanism through which the council will assess, quantify and recognise the community benefits being delivered by some tenants in the form of a rent reduction.

The Council has started the process of entering into some leases as part of the implementation of the policy. The first tranche of leases are with the nurseries whose leases will be based on the open market rent (for D1 use) with no eligibility for the rent reduction scheme. These leases are due to be completed before the end of the year (31<sup>st</sup> March 2017). In addition, the Council is reviewing the vacant buildings with a view to returning some community buildings to housing use (as they previously were) as well as other alternative uses (e.g. for use by THH caretakers).

Cabinet also agreed a proposal that the Council create a number of 'community hubs'. These will provide low-cost and flexible spaces for local community groups and TRAs to use on a sessional and shared basis, either based on a licence or a hire agreement. This will increase utilisation levels of the community buildings estate and ensure there are appropriate usage/property agreements in place for all building users/tenants. The creation of these hubs will also generate surplus properties as existing tenants move out of their current premises. The public consultation exercise and more specific consultation with the community and voluntary sector indicated there is strong support for this.

The feasibility study for the first hub has been completed and the Council is currently looking to procure the works necessary to convert the building into a hub. As this will be the first of a network of community hubs, the Council is keen to ensure that the right facilities are put in place, that suit the needs of a wide range of user groups. The target date for the completion of works is by the end of March. Additional hubs will be delivered in 2017/18.

One of the key challenges for the service, but also 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. Officers undertook a procurement exercise to appoint an architect-led multi-disciplinary design team. Stirling prize-winning firm, Allford Hall Monaghan Morris, were appointed following a highly competitive procurement exercise. The first iteration of the client brief has been signed off and the design team are progressing their work to respond to that brief by producing the concept design. The site surveys are also being instructed and undertaken. Consideration is being given to carrying out soft strip out works or enabling works to provide additional certainty when procuring the main contractor as well as potentially securing additional time in the programme.

The service has also been undertaking tenancy/occupancy audits across a range of portfolio areas. This has involved cross-referencing the Council's occupancy records against other datasets, confirming the property arrangements for all grant-recipients across circa 300 addresses, and will also result in site visits to 150-200 properties to ensure the information in the service's records are correct.

As these workstreams and projects have progressed, officers in the service have been providing regular updates and evidence of progress to the Commissioners in order to demonstrated continued compliance with the Best Value duty.

### **Continuous Improvement Work in 2017-18**

Key activities that will take place before the end of the financial year:

- Community Buildings: Completion of works and opening of the Christian Street community hub;
- Community Buildings: Enter into first tranche of leases for nurseries;
- Asset Rental Account: Completion of utilisation surveys;

- Asset Rental Account: Agreement and processing of directorate recharges;
- Completion of occupancy/tenancy audits including site visits;

Key activities that will take place in 2017/18 include:

- Community Buildings: Work with Strategic Housing and Capital Delivery to convert vacant buildings into housing;
- Community Buildings: Work with THH to formally transfer caretakers' facilities;
- Community Buildings: Establish second and third hub;
- Community Buildings: Establish roll-out plan for further hubs;
- Asset Rental Account: Embed moves procedure (communication plan, including financial implications of move);
- Undertake any actions arising from occupancy/tenancy audit; and
- Service based and thematic asset reviews.

<b>Best Value Area</b>	<b>Organisational Culture</b>	<b>Overall Delivery Status: GREEN</b>
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### Progress Summary

#### **Background**

It is widely recognised that Tower Hamlets has been through a difficult and turbulent period. Member / officer relationships did not always display effective collaboration. A prolonged period of instability, with a number of interim appointments in the most senior roles, had an impact on the organisation's ability to communicate and maintain a shared vision. The Council was often too inward focused when it should have been seeking to share, compare and learn from other areas. Investors in People (IIP) assessments in 2014 and 2015 both identified that senior leaders needed to articulate and model effective behaviours and that, in some areas, staff were not being managed in-line with organisational values.

Organisational culture is recognised as a key component in moving the Council forward. The aims of the Organisational Culture Action Plan are to: ensure that the culture of the organisation continues to be one which strives for continuous improvement; engage and invest in staff; ensure relationships between groups of members and between members and officers are professional, respectful, open and honest and rebuild trust in the areas where this has, or is perceived to have, broken down.

The key outcomes we are looking to achieve are:

- Staff engaged with and committed to delivering the Council's vision and priorities
- Improved clarity and understanding of formal roles and responsibilities of the Executive, non-Executive and senior officers of the Council in a Mayoral system
- Effective working relationships between elected members, and between elected members and senior officers, to enable all to work together to achieve the best outcomes for Tower Hamlets and its residents
- A shared commitment to a set of agreed behaviours and cultural values to underpin formal roles and responsibilities
- A sustainable approach to maintaining and refreshing this shared commitment

#### **Key achievements**

All of the actions detailed in the action plan have been completed and improvements are already visible:

- Members are working more effectively across party lines. The Mayor's Transparency Protocol, and the Overview and Scrutiny Transparency Commission, have supported greater levels of openness around decision making and political leadership.
- The Council has been working across London and with neighbouring boroughs on the development of devolution and joint working proposals.
- Staff communication is improving and more innovative methods of engagement are helping to close the gap between senior leaders and the workforce; creating more of a dialogue.

#### **Areas where work continues to progress**

Although these improvements are positive, culture change is a long term process and there remain a number of key elements that must be embedded in the organisation. Research shows that for people to be fully engaged in the purpose, strategy and values of their organisation, they need to be consulted and have input from the outset. Over the summer, engagement has been taking place with staff and members to develop a new set of core values and a cultural mission statement to encompass the whole organisational culture programme. In addition, work has taken place to review the mechanisms and processes with which we engage with staff, ensuring that we have effective ways to communicate, consult and gather feedback from the workforce. These elements will be crucial for embedding other actions and improvements that are implemented as part of the programme.

In addition to consultation and engagement, delivering effective culture change requires new behaviours and working practices to be role modelled. People tend to act on what they see, not what they are told

and visible, transparent leadership is vital for the organisation to progress. This role modelled leadership is already evident with the Mayor and Chief Executive, and further progress has been made with the Senior Leadership Team and Members through the work with Solace. Leadership development is also reflected in the Workforce Strategy and a number of actions seek to create effective workforce role models.

It is recognised that it is the responsibility of all members and managers to ensure that values, behaviours and procedures are consistent with the Council's cultural vision. Behaviours and actions that do not fit with the core values will be tackled and addressed. The Chief Executive held a number of road shows during Oct-Dec 2016 and a Staff Survey was completed in December. The results of these are being used to develop new vision and values for the Council which will be incorporated as part of the new personal development process for 2017-18. All staffs have completed deceleration of interest apart from those on maternity leave or long-term sick. An audit of this is currently being carried out which will test compliance with procedures and also random sampling to carry out data matching with Open Source information.

The Council's Organisation Culture Plan is based around four work streams (2 primary and 2 contributory). Progress updates are provided to the Corporate Management Team, in its role as Transformation Board, on a quarterly basis, or by exception where actions are not expected to meet the agreed timeline. Each work stream is led by a member of CMT to ensure interaction between the streams, maintaining a clear and collaborative vision.

The first work stream is overseen by a cross-party, member and officer working group, the Governance Review Working Group. This work stream focuses on the following:

- Creating a more transparent and open organisation
- Improving the clarity and understanding of formal roles and responsibilities in a mayoral system
- Building more effective working relationships between elected members and between members and senior officers
- Fostering a shared commitment to a set of agreed behaviours and cultural values to underpin formal roles and responsibilities
- A sustainable approach to maintaining and refreshing this shared commitment

The second work stream is Organisational Transformation, which focuses on improvements in relation to people, ICT, facilities and efficiency savings. Improvements in these areas are crucial if the Council is to overturn the silo and bureaucratic working where it exists. Developing agile services requires members and officers to be responsive, flexible and efficient, and the use of technology will have an important role in the achievement of this. The Smarter Together transformation programme was launched in 2016 and has started to engage local people, staff and wider stakeholders to deliver the transformation over the next three years with a continued focus on improving outcomes for local people.

In addition, there are two contributory work streams. These focus on specific areas that have been highlighted through the work undertaken by Solace and elsewhere: member/officer relationships and delegation of powers. Both work streams aim to improve collaborative working, trust and role modelled leadership behaviours that will have an impact on the wider workforce.

The Organisational Culture Plan is a work programme to overhaul the culture of the organisation and, as such, work will be ongoing for some time in each of the work streams. Feedback from the Commissioners has been incorporated into an updated version of the Plan, including the timescales for delivery. The change programme is purposefully iterative and evolving. The programme will be reviewed every six months and a 'health check' undertaken. This will provide an indication of progress and additional areas of focus to maintain the cultural development. The Council is currently also in discussions with Investors in People for accreditation against the Gold Standard which will demonstrate the considerable progress made by the Council.

The Clear Up Project launched in September 2016 received 66 allegations. The project is led by an independent project manager and overseen by a Project Board consisting of the 3 Statutory Officers and a Commissioner. During December and January the Clear Up team has been scoping and

qualifying the allegations to determine what should progress to full investigation. The Board has agreed to the recommendation to close 22 cases, 10 cases are being fully investigated, 28 cases are being scoped and 6 cases further information request has been made. The Project Board has been meeting frequently to review findings and agree next steps. The project is expected to complete all investigations and report on key findings and recommendations by end of March 2017. Where possible all complainants are kept up to date on progress and outcomes and a dedicated page on the Council website has details of the process and the final report will be published there. There is also regular liaison with the Council's whistleblowing leads to ensure that lessons learn from the Clear Up Project is incorporated into the Council's longer term whistleblowing arrangements.

A comprehensive review of the Council's constitution has begun which includes updating members' code of conduct and members and officers protocol and all work is expected to be completed by May 2017. The Governance Review Working Group is overseeing this piece of work and will further develop work around member development, leadership and conduct.