

Non-Executive Report of the:  <b>COUNCIL</b>  8 <sup>th</sup> May 2024	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Linda Walker, Interim Director of Legal and Monitoring Officer	<b>Classification:</b> Unrestricted
<b>Motion for debate submitted by an Opposition Group</b>	

<b>Originating Officer(s)</b>	Matthew Mannion, Head of Democratic Services
<b>Wards affected</b>	All wards

## SUMMARY

1. Council Procedure Rule 11 allows for time at each Ordinary Council meeting for the discussion of one Motion submitted by an Opposition Group. The debate will follow the rules of debate at Council Procedure Rule 13 and will last no more than 30 minutes.
2. The motion submitted is listed overleaf. In accordance with Council Procedure Rule 11, submission of the Opposition Motion for Debate will alternate in sequence between the opposition groups. This Opposition Motion is submitted by the Labour Group.
3. Motions must be about matters for which the Council or its partners has a direct responsibility. A motion may not be moved which is substantially the same as a motion which has been put at a meeting of the Council in the previous six months; or which proposes that a decision of the Council taken in the previous six months be rescinded; unless notice of the motion is given signed by at least twenty Members.
4. Notice of any proposed amendments to the Motions must be given to the Monitoring Officer by Noon the day before the meeting.

## MOTION

Set out overleaf is the motion that has been submitted.

## **OPPOSITION MOTION FOR DEBATE – BEST VALUE INSPECTIONS**

**Proposed by:** Cllr Marc Francis

**Seconded by:** Cllr Sirajul Islam

### **This Council notes:**

- April 2024 marks the 10<sup>th</sup> anniversary of the Government's decision to instruct PwC to undertake a 'best value inspection' of Tower Hamlets Council during Lutfur Rahman's first term as Executive Mayor;
- Despite opposition from Mayor Lutfur Rahman and Tower Hamlets Council corporately to this audit, PwC concluded that Tower Hamlets Council was failing to comply with its best value duty which the government considered amounted to serious irregularity in the allocation of some grants and the disposal of some council-owned assets, as well as noting the allegations of possible fraudulent payments in the Youth Services Team that were subject to a separate police investigation;
- As a result of these findings, in December 2014, the former Secretary of State issued directions for independent Commissioners to be sent into Tower Hamlets Council to oversee the award of grants, the sale of assets, publicity and subsequently further directions were issued requiring the appointment of a permanent Chief Executive.
- In April 2015, following Mayor Lutfur Rahman's removal from office, the former Secretary of State issued further directions which gave the independent Commissioners the powers 'to ensure that there is effective financial management safeguarding the assets and financial integrity of the Authority' which amounted to the power to intervene in all significant financial transactions by the authority.
- Independent Commissioners finally ended their role in 2018 after Tower Hamlets Council under former Mayor John Biggs' leadership demonstrated significant progress in all the areas in which concerns had been raised by PwC and the Secretary of State;
- Mayor Lutfur Rahman and Tower Hamlets First / Aspire Councillors have never publicly apologised to the people of Tower Hamlets for the issues revealed by the PwC audit;
- In December 2023 a local government peer review report identified some positives about Tower Hamlets Council since Lutfur Rahman's re-election as Executive Mayor, and whilst noting that considerable staff churn at senior managerial level is not uncommon following a change of political and managerial leadership it was important the council now reaches a more settled state. It also highlighted concerns about the lack of women's voices in decision making and referenced a 'Two Council Culture' that impacted on the speed of decision making.
- As the LGA stated "Fuelling the two-council culture is an evident lack of trust from some members and officers (although it should be noted that this is not at front line level). This, if not addressed, could undermine the further delivery of the Mayor's

priorities as well as impacting on the effective operation of a number of the council's business-as-usual functions. This mistrust between members and officers, whilst it is not uniform, is problematic and all involved need to communicate in a more open and collaborative fashion with clear and established pathways for decision making."

- In December 2023, Tower Hamlets Council published an 'action plan' in response to the LGA Peer Review Team's concerns without having spoken to opposition councillors about its content, and which will not properly address concerns about governance raised;
- At a Cabinet meeting in January 2024, the Mayor claimed that the LGA Peer Review Team's criticisms were actually about the governing culture under former Mayor John Biggs, which wasn't the case;
- On 22<sup>nd</sup> February 2024, the Minister of State for Local Government announced that he was instructing an independent team led by former Chief Executive of Newham Council Kim Bromley-Derry CBE DL to undertake a further 'best value inspection' of Tower Hamlets Council with immediate effect, including of it leadership, governance, organisational culture and use of resources;
- The inspection team has been specifically asked to look at the strengths and weaknesses of the audit and scrutiny functions, the appointment to senior management posts; the expansion of the Mayor's Office and use of advisors; policy and practice in grant-making and *"the use of resources for elections and the maintenance of the independence of the Returning Officer"*.

#### **This Council believes;**

- It should be a concern for Mayor Lutfur Rahman and the 24 Aspire Party councillors that the manner in which they lead Tower Hamlets Council means it is again subject to an independent 'best value inspection' under their political leadership;
- There is now a serious risk that the Secretary of State will again decide to send Commissioners in to oversee spending, sales of assets, governance and the forthcoming elections, including the General Election and the 2026 local elections;
- Having Commissioners run Tower Hamlets Council again is not in the interest of our residents as it takes decision-making out of the hands of democratically-elected members;
- The person best placed to stop Commissioners being sent in is Mayor Lutfur Rahman, through making a fundamental change in the manner in which he leads Tower Hamlets Council.

#### **This Council resolves:**

- To call on Mayor Lutfur Rahman to reduce the number of advisors and consultants in the Mayor's Office and remove any media/communications staff from its line-management;
- To call on the Chief Executive to consult with opposition councillors on the actions needed to give confidence to the public that there will be a significant enhancement of the scrutiny and audit functions, including acting on the LGA Peer Review Team's recommendation that the Audit Committee and Overview & Scrutiny Committee should be chaired by Opposition councillors;
- To call on Mayor Lutfur Rahman and the Chief Executive to fully and immediately comply with any requests for information from the 'best value inspection' team;
- To call on the Monitoring Officer to ensure there is full transparency in political decision-making, including by providing elected members with the legal advice obtained at the request of Mayor Lutfur Rahman in relation to his powers in 2022 and 2023;
- To call on the Chief Executive to commence an open and independent process for making appointments to the Women's Commission which is being established to address the absence of female voices in decision-making by Mayor Lutfur Rahman and his Cabinet.