


<b>Cabinet</b>	 <b>TOWER HAMLETS</b>
16 October 2024	
<b>Report of:</b> Steve Halsey, Chief Executive	<b>Classification:</b> Unrestricted
LBTH Target Operating Model	

<b>Lead Member</b>	<b>Mayor Lutfur Rahman</b>
<b>Originating Officer(s)</b>	Ayesha Hakim Rahman, Acting Deputy Director Strategy, Improvement & Transformation  Muhammed A. Uddin, Senior Transformation Business Analyst  Onyeka Ajisafe, Acting Transformation Project Manager
<b>Wards affected</b>	All
<b>Key Decision?</b>	No
<b>Reason for Key Decision</b>	This report has been reviewed as not meeting the Key Decision criteria.
<b>Forward Plan Notice Published</b>	N/A
<b>Exempt information</b>	None
<b>Strategic Plan Priority / Outcome</b>	All

### Executive Summary

The council has finalised a new Target Operating Model (TOM), designed to align organisational priorities, enhance resident focus, and improve organisational efficiency. The TOM represents a significant departure from the previous model, which placed excessive emphasis on internal processes, with limited consideration of resident needs.

The new TOM was developed through extensive stakeholder engagement and is guided by six key design principles. A comprehensive launch campaign will highlight the TOM guidance notes and activity map. The implementation of the TOM represents a significant step forward for Tower Hamlets Council, positioning the organisation for a more efficient, effective, and responsive future. This roadmap for the council's future operations will ensure that it is well-positioned to achieve strategic objectives and deliver enhanced services to the community.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. **Approve** the formal launch of the council's new Target Operating Model (TOM).
2. **Take note of** the TOM launch campaign (Section 3.8), which will commence on 1 November 2024. This campaign will highlight the TOM Guidance Notes and TOM People First Activity Map, as detailed in Appendices B and C, respectively.

## **1 REASONS FOR THE DECISIONS**

- 1.1 The new Target Operating Model acts as the foundation for the council's future operations. It establishes clear standards for how the organisation works together to achieve our strategic priorities and, ultimately, better serve the community.

## **2 ALTERNATIVE OPTIONS**

- 2.1 **Retention of the previous Target Operating Model:** The existing model does not effectively align with the organisation's evolving priorities, placing excessive emphasis on structures and processes rather than resident needs and strategic priorities. This misalignment could potentially hinder the council's ability to meet community needs.

## **3 DETAILS OF THE REPORT**

- 3.1 Tower Hamlets Council is implementing a new Target Operating Model (TOM), designed to enhance alignment with organisational priorities and ensure that residents are at the forefront of decision-making processes that directly impact their lives.
- 3.2 A Target Operating Model (TOM) serves as critical framework for any organisation. It outlines the desired future state of operations, defining how the organisation will function to achieve its strategic objectives. An effective TOM acts as a bridge between strategic intent and operational execution, ensuring alignment across all levels of the organisation.
- 3.3 Tower Hamlets has a long-standing commitment to prioritising residents. However, the previous TOM (2019 – 2022) deviated from this core principle. As illustrated in Diagram 1, the prior model primarily focused on internal processes, with limited consideration of resident need or external factors.

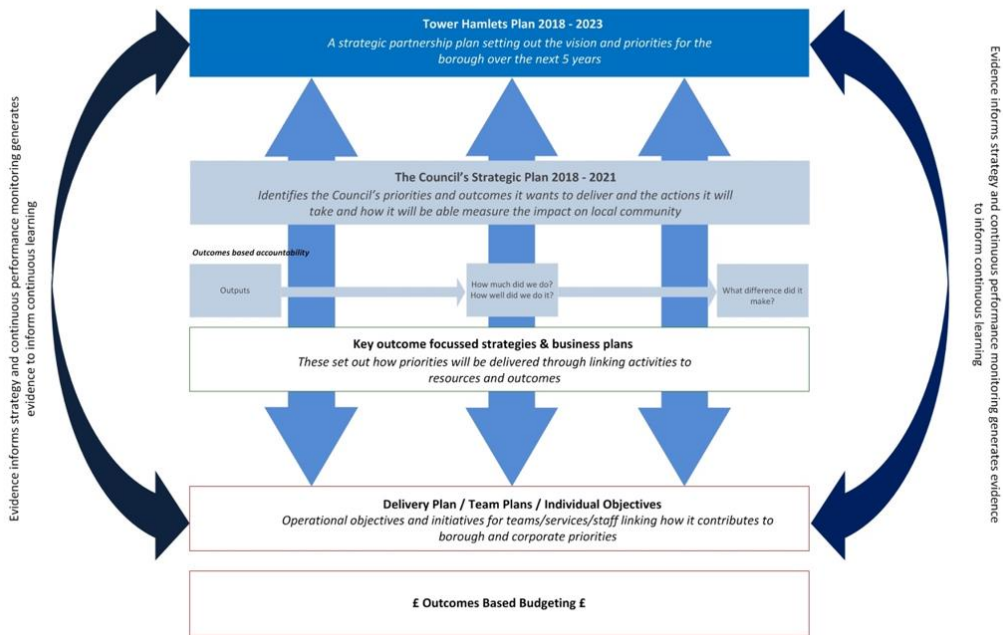


Diagram 1: Previous Target Operating Model (2019 – 2022)

3.4 Further reinforcing this internal focus at the expense of resident needs, outcomes and strategic goals, the accompanying blueprint (Diagram 2) heavily emphasised internal structures and processes using the McKinsey 7S model, neglecting the resident experience. Additionally, the decision to outsource the development of this blueprint limited staff engagement and understanding of the TOM's intended use and purpose.

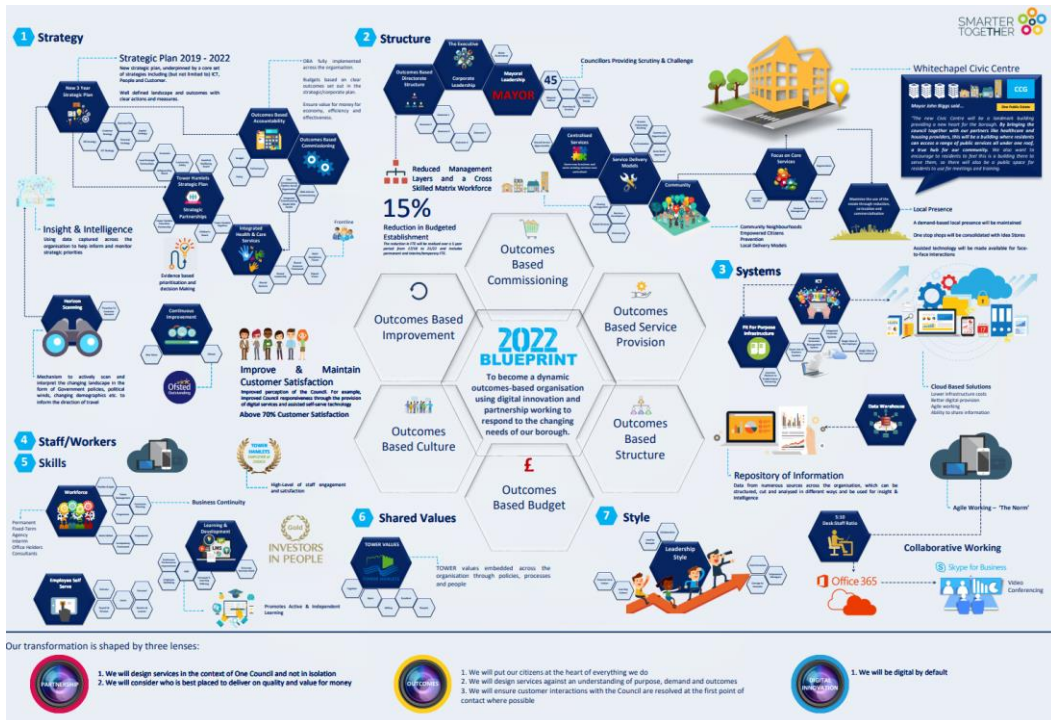


Diagram 2: Previous blueprint (2019 – 2022)

3.5 In contrast, the new TOM vision is to:

**“Create a more efficient, effective, and responsive public sector organisation that is better able to meet the needs of its communities.”**

3.6 Underpinned by the council’s 2022 – 2026 Strategic Plan and commitment to partnership working, the new TOM (Diagram 3) was finalised following a year of comprehensive engagement with all stakeholders, including staff, council members, the youth council, community groups, and most importantly, the residents themselves. This approach represents a significant departure from the previous TOM, and feedback has confirmed that the TOM is well aligned to the values of Tower Hamlets.



Diagram 3: New Target Operating Model

3.7 The six design principles are a cornerstone of the new TOM, guiding all decision-making and shaping the council’s new approach to its work:

- **Value-Driven:** Improving processes to empower staff.
- **Community-Led:** Building trust by making services accessible and inclusive.
- **Collaborative:** Engaging with staff and partners for the best outcomes.
- **Enabling:** Developing and supporting staff to deliver excellent services.
- **Innovate:** Being brave to deliver cutting-edge services.
- **Accountable:** Championing a ‘one council’ culture for our residents.

3.8 In learning from previous experience, a TOM People First Activity Map (Diagram 4) replaces the previous Blueprint (Diagram 2) to ensure the TOM is relatable to the workforce. Instead of focusing on processes and structures, this map will showcase live examples of activities across the council that align to each of the six design principles.

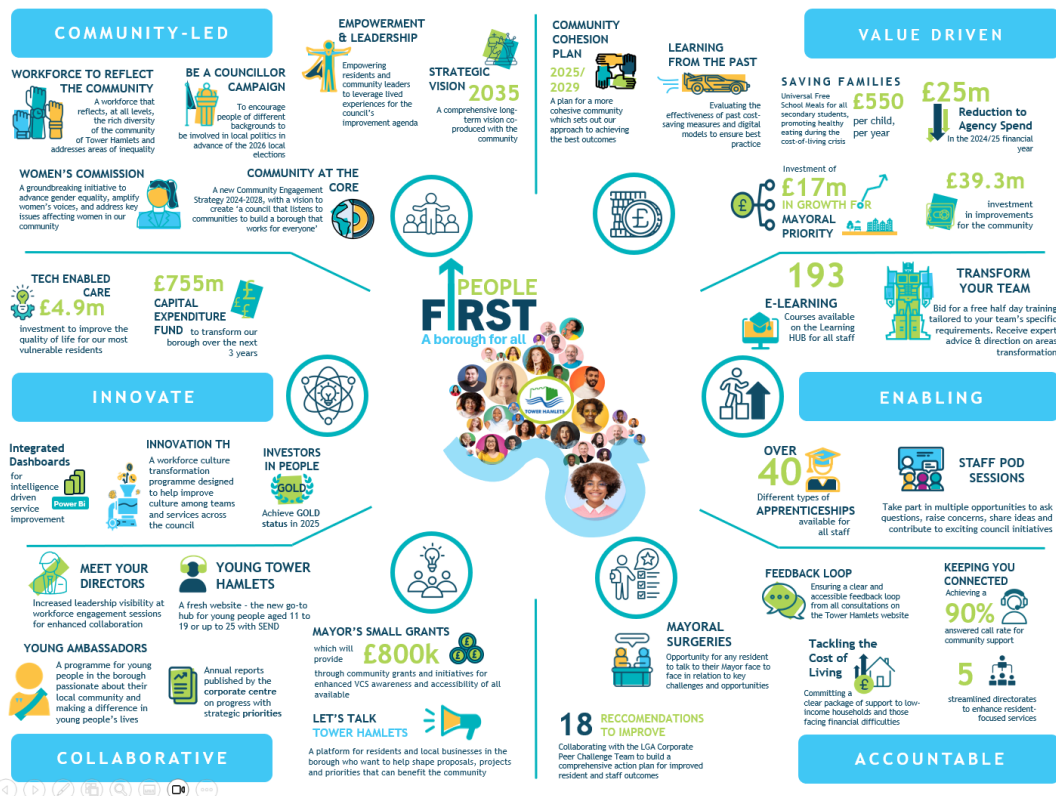


Diagram 4: People First Activity Map

3.9 The People First Activity Map will be reviewed and updated biannually to ensure the council continues to champion and embed real-world examples that align to the TOM as part of its People First Transformation journey. This commitment to transparency ensures all stakeholders have a voice in shaping the council's ongoing improvement journey whilst understanding its value and impact.

3.10 The council is now in a position to formally launch:

- **The final Target Operating Model** (Appendix A)
- **A People First Transformation TOM Activity Map** for staff and Members, highlighting examples of work that align with the TOM design principles (Appendix B)
- **TOM Guidance Notes** for staff, outlining a structured approach to applying the TOM design principles to proposed restructures, redesigns, or community engagement initiatives (Appendix C)

3.7 The new TOM ensures that the council's efforts are aligned with the values, needs, and aspirations of the community it serves. By embedding its principles into practice, the council can navigate restructuring, redesign, and community engagement initiatives with integrity, innovation, and a commitment to excellence. This approach will not only enhance organisational effectiveness but also strengthen relationships with the community, fostering trust, collaboration, and a shared vision for a better future.

### 3.8 Communications Plan

A comprehensive Communications Plan, outlining the People First narrative and Target Operating Model, is available at Appendix D.

Action	Channels / Events	By when?	Owner
<ul style="list-style-type: none"> <li>• Launch</li> <li>• People First Case Studies / competition</li> <li>• TOM background and journey</li> <li>• Promotion of Innovation Month</li> </ul>	<ul style="list-style-type: none"> <li>• TH Now</li> <li>• TheBridge</li> <li>• AV Screens</li> <li>• Pull-up Banners</li> <li>• SLT Session</li> <li>• Learning Hub</li> </ul>	October 2024	<ul style="list-style-type: none"> <li>• Internal Comms</li> <li>• SIT</li> </ul>
<ul style="list-style-type: none"> <li>• Innovation Month TOM promotion</li> <li>• Promotion of TOM Activity Map</li> <li>• Embed TOM Guidance Notes as core values</li> <li>• People First Case Studies / Competition</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation Month</li> <li>• CE Roadshows</li> <li>• Staff Induction</li> <li>• TH Now</li> <li>• Plasma Takeover</li> </ul>	November 2024	<ul style="list-style-type: none"> <li>• Internal Comms</li> <li>• SIT</li> <li>• HR</li> </ul>
<ul style="list-style-type: none"> <li>• Showcase TOM guidance adopters</li> <li>• Share winning case studies</li> <li>• End of year People First TOM reminder</li> </ul>	<ul style="list-style-type: none"> <li>• TH Now</li> <li>• TheBridge</li> <li>• SLT session</li> </ul>	December 2024	Internal Comms
<ul style="list-style-type: none"> <li>• People First Competition</li> <li>• TOM Activity Map animation</li> <li>• Review and design comms plan to March 2025</li> </ul>	<ul style="list-style-type: none"> <li>• TH Now</li> <li>• POD Session</li> <li>• Leadership Conference</li> </ul>	February 2025	<ul style="list-style-type: none"> <li>• Internal Comms</li> <li>• SIT</li> </ul>

## **4 EQUALITIES IMPLICATIONS**

- 4.1 The council is firmly committed to the Public Sector Equality Duty and recognises the borough's rich diversity as a key strength. Equality underpins all council activities, from resource allocation and employment practices to service delivery.
- 4.2 The new Target Operating Model (TOM) reflects this commitment. Its design principles integrate the Strategic Plan's equality objectives, focusing on reducing inequalities, fostering community engagement and strengthening cohesion. By prioritising its service users, the TOM ensures we address community needs and desired outcomes.

## **5 OTHER STATUTORY IMPLICATIONS**

- 5.1 The new TOM aligns with the council's statutory best value implications by ensuring that services are delivered efficiently, effectively, and economically. The TOM's focus on community-led approaches, collaboration, and transparency helps to improve service quality, enhance accountability, and optimise resource allocation. By prioritising user needs and fostering innovation, the TOM contributes to the council's goal of providing high-quality services that meet the needs of the community, while delivering value for money.

## **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 Currently budgets include no increase for the new TOM. Should the cost of moving to the new TOM be more than existing budgets, offsetting savings will need to be identified or additional budgets approved through the appropriate governance process.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 Tower Hamlets adoption of the Target Operating Model will assist the Council in meeting its Best Value, Value for Money and Equality obligations.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- Appendix A: Final TOM + completed TOM Engagement Plan
- Appendix B: TOM Guidance Notes
- Appendix C: People First TOM Activity Map

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

- NONE

**Officer contact details for documents:**

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