

The Labour Party

Tower Hamlets Labour Party

Tower Hamlets Labour Group
Town Hall, Mulberry Place
5 Clove Crescent
London E14 2BG

13th April 2015

Dear Secretary of State,

I am writing on behalf of Tower Hamlets Labour Group in response to the proposed further directions of 25th March 2015.

We believe that in order for Tower Hamlets to move forward the local authority needs a senior management team in place that, within the governance structure implied by an executive Mayor, has the confidence to offer proper support and challenge to the Mayor in governing for the good of all LBTH residents. Specifically, we believe that the senior team needs to be able to exercise appropriate executive powers in the long term interests of the Borough, the security of permanent positions and the confidence of all democratically elected interests in the town hall. This applies particularly to the triumvirate positions responsible for the legal obligations, the financial responsibilities and the overall officer leadership of the council.

We are glad to have made two new statutory appointments and recognise the importance of recruiting, through an open and fair process, a senior officer who should be allocated the statutory role of Head of Paid Service.

It is important that we move quickly with the creation of the role and the appointment – the need for this new senior post holder is urgent.

We did all we could to achieve cross party consensus on the nature of and recruitment to this role including requesting a cross party meeting, as suggested by the commissioners and facilitated by the LGA. Lutfur Rahman was only willing to support an internal, very brief, limited recruitment exercise. For the most senior officer in the council, we need a public advert, proper interviews, clear and objective criteria - basic when recruiting to any role, vital for the most senior officer of Tower Hamlets Council.

The Chief Executive/Head of Paid Service role is vital to good governance, and local people suffer for as long as there is uncertainty about the council's officer leadership.

We would rather be moving out of directions, rather than receiving more, but the intransigence of Lutfur Rahman, and his determination to avoid proper public transparency, makes this additional direction from the Secretary of State inevitable.

We have already written to welcome point 35 of the DCLG explanatory note to the original directions, as follows: "The Authority has therefore been directed, as per the original proposal, that there must be an open competition to appoint an officer of the Authority who would then be designated as the Head of Paid Service, as the Committee Chairs have envisaged. This approach will afford the best chance of finding the best candidate and thereby strengthening the Authority's senior officer capacity."

We further welcome the clarification in the letter dated 25th March, that “for the avoidance of doubt any reference to a recruitment exercise is a reference to an open competition...”

We welcome the proposal to create a new role. It is clear that the role of senior officer leadership of Tower Hamlets Council is a full time job.

We welcome the opportunity to work with the Commissioners to move forward, and believe it would be productive for them to be empowered to break through any logjam that may result from disagreement within the authority on the scope of the role or its delegations.

We ask that the Secretary of State move quickly. It is urgent that this role is filled. We have been informed by the current Interim Head of Paid Service that a council restructure is needed to make the budget cuts imposed on us by government and ensure that the council is fit for purpose for the future. Our lead senior officer needs to be in post to lead a dialogue about the future shape of the council, and that work needs to begin very soon to conclude within this financial year.

In this context we recognise the additional cost of a full time post holder. Part of the responsibility of that individual must be to ensure that senior management costs at the authority decrease overall – effective leadership must mean efficiencies elsewhere in senior management.

We believe that the recruitment process should be modelled on the successful processes through which we recently recruited the Section 151 and Monitoring officers. Full cross party mayoral and councillor engagement in shortlisting and appointment panels remains vital.

In terms of objectives we believe that any individual appointed through such open recruitment needs to be empowered to operate in line with SOLACE good practice guidelines (http://www.solace.org.uk/knowledge/reports_guides/goodgovernance-England-2007-02.pdf).

SOLACE stress the two roles of the senior officers of the council. These focus on leadership of the officer team and communication with and giving advice on policy to members. I believe that it will be important for a set of criteria to be established that flow from these two key functions that might structure criteria appropriate for the recruitment process. They are particularly important in the light of the PWC observation that they believed there had been serious governance failures in the borough and that “in our view the current governance arrangements do not appear to be capable of preventing or responding appropriately to failures of the best value duty of the kind we have identified.” (PWC, 2014, 23)

It will be essential that the new appointment is able:

- To command respect with external stakeholders in public and private sectors; sub regionally in the governance structure of London and nationally with DCLG and other governmental interests.
- To have experience in change management of an organisation challenged by the scale of contemporary budget management facing the borough.
- To have clear line management responsibilities for the strategic direction of the senior management team and of enabling them to develop their full capabilities.

- To have competent skills of strategic delegation and oversight of a senior management team in delivering and driving the aims and objectives of the Mayor and the Council.
- To support the Mayor in creating a climate of honesty, openness and support for the staff engaged in delivering services in what we know to be a complex Borough.
- To form links and maintain open and robust dialogue with local partners such as the police, NHS, schools, governors and head teachers.

Specifically, in relating to the Mayor, the mayoral executive powers system, and to elected members the individual leading the officer team will need to:

- Translate the priorities of the democratically elected mayor into specific, measurable, achievable, realistic and timely executive actions within a transparent policy framework that is properly accountable to and commensurable with scrutiny frameworks.
- Communicate with robust clarity with elected members.
- Command the confidence of all democratically elected interests.
- Recognise and implement the proper separation of mayoral executive powers from non-executive functions (as described by PWC (2014, 48)
- Demonstrate high levels of ethical integrity and be prepared to use all powers open to statutory officers should this be needed in the public interest.

Delegations must include: the ability to line manage and instruct, directly or indirectly, all council officers other than political advisers, and the authority to work with partners across the borough and more broadly, in the interests of the borough.

As per our previous correspondence we remain concerned about the lack of transparency on how Section 106 funding is spent in Tower Hamlets, and we are concerned about the lack of respect for the role of the council's development committees in allocating those funds.

Yours Sincerely,



Cllr Rachael Saunders
Leader – Tower Hamlets Labour Group