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Dear Secretary of State,

LONDON BOROUGH OF TOWER HAMLETS: FINAL PROGRESS REPORT AND LOCAL OVERSIGHT ARRANGEMENTS 2017 – 18

I am writing to you regarding the Directions regime for Tower Hamlets. Unless extended they will of course expire on 31st March 2017. It is my belief that my Borough has now met the requirements as specified in the aforementioned Directions and is able to demonstrate continued delivery and sustainable improvement. A summary of our final progress report on the current Best Value Action Plan (BVA Plan) is appended to this letter as is a proposed Best Value Improvement Plan 2017-18 (BVI Plan), which is our intended continued programme of work in areas subject to the Directions.

As I have stated previously, initially I was rather disappointed that my arrival as Mayor was not in itself seen as clear evidence of the cultural change that was necessary at the Council. I perhaps took an overly optimistic view that our problems largely derived from the behaviour of my predecessor's regime, and would end with his departure, and was also frustrated by the fact that the Commissioners carried a significant cost to the Council, both financial and of time.

It is clear that following the setting of Directions in 2014, the Commissioners experienced a very defensive and inward looking organisation, in denial that change was needed. There was demonstrable evidence of poor practice and standards below those expected in local government. There was weak management and poor leadership and further Directions were issued in April and May 2015. In my view Tower Hamlets missed an opportunity to make substantive progress to meet the original Directions, change and improve.

It has been a journey and progress in addressing the Directions has been formally reviewed every six months. Following my election in June 2015, in March 2016 the Commissioners noted steady progress in relation to procurement and elections, extending this to the other areas of the Directions in September 2016. Your Department has I think echoed the acknowledgment of progress in all areas. While we have been impatient for progressive lifting of the Directions, Commissioners remained concerned that relaxing controls required further progress and the embedding of good practice. In the updates provided since and in the attached final report it is clear that significant change has taken place and there are now robust arrangements in place to continue our journey of improvement.

Real and sustained progress has been achieved since my election and the appointment of the Chief Executive, Will Tuckley. I acknowledge that the Commissioners presence, and assistance, has helped me and my leadership team, and our management team, to understand the underlying problems of our Council in far greater detail. This would not have happened in such a comprehensive manner without them. They assisted us in examining and understanding the wider cultural issues in the way in which the Authority has behaved. This required a fundamental change in our senior management team, a strengthening of our internal checks and balances and a re-examination of our scheme of delegation. So while I am impatient for the Directions, and the need for Commissioners, to end now, I am grateful for their contribution and that they have been here.

Since the last progress report and our recent correspondence where I welcomed the removal of the Direction on Procurement and powers returned to the Council to determine grants albeit with continued oversight, we have worked closely with the Commissioners to demonstrate delivery and sustainable improvement. During the last six months work has intensified in order to deliver the outstanding actions in the current Best Value Action Plan. This involved meetings with the Commissioners, workshops to focus on evidence of delivery and commitment to ongoing implementation.

Set out below is a summary report of the latest progress. This was considered by the current Best Value Board on 24th January 2017. I am pleased to confirm the Council is now reporting all 205 actions in the Best Value Action Plan have been delivered with further implementation activity found in Tower Hamlets Best Value Improvement Plan 2017-18.

In addition, I have put in place new oversight arrangements which, should you be minded to revoke the Directions, would provide an organisational and public focus on continued delivery and improvement.

ELECTIONS

Since 2015 Tower Hamlets has successfully held three elections which include an EU referendum, a GLA election for the Assembly and Mayor of London as well as the Whitechapel by-election. The Electoral Commission and Commissioners have provided helpful advice and oversight that has ensured quality control. All statutory deadlines were met and no substantive incidents or complaints were received. Following the Government's response to Sir Eric Pickles' review the Returning Officer has been working with the Cabinet Office and partners to prepare a submission to participate in a pilot for voter identification. The current BVA Plan has been delivered meeting the requirements set out in the Directions and there is a range of improvement activity found in the BVI Plan 2017 – 18, with which we hope to progress following the conclusion of the BVA Plan, which includes ongoing work with the Electoral Commission..

I fully support the Returning Officer in the efforts to plan and deliver elections that are safe and free from corruption. However, I am acutely aware of the continued anxiety pertaining to any potential prospect of electoral fraud at the next elections in 2018. I am concerned that any possibility of this will undermine the Council's improvements and send the wrong message to the wider world. My Returning Officer is aware of this. A culture of intolerance of bad practice needs to continue to be asserted by Members.

GRANTS

The Council has made significant progress in relation to all aspects of grant management including putting in place a range of oversight arrangements that ensure greater openness and transparency including establishing a Grants Determination Sub-Committee. This is a Sub-Committee of Cabinet which met in public for the first time on 17th January 2017 and which I Chair. This Committee builds on the work undertaken previously by the Commissioners and considers comments from cross-party Grants Scrutiny Sub-Committee before decisions are taken. Public participation is encouraged and

integral to the overall transparency of this agenda. Openness about our Grants function is an essential requirement in sustaining and strengthening public confidence in our leadership.

The Grants Determination Sub-Committee met on 14th February and will meet again on 28th March 2017 with Commissioners in attendance. The Council's BVI Plan 2017 – 18 sets out a range of activity that requires further implementation including completing a restructure of the third sector team, a review of the Grants Determination Sub-Committee and delivering the pilot co-commissioning of the community cohesion theme of the current mainstream grants programme.

COMMUNICATIONS

In January 2017 we completed the restructure of the corporate communication team and developed a fully financed communication plan. The Plan sets out a range of activity, much of which has been completed including determining the costs related to the production of a new quarterly magazine, Our East End. Three editions of the magazine were published in 2016. We have adopted a campaign model and used it to support the consultation and engagement with our partners, residents and staff that subsequently informed the setting of our three year budget. We are now in the process of advertising a three year contract to deliver an effective service to provide for Public Statutory Notices and anticipate awarding a contract in early spring. In the meantime we have put in place interim arrangements with the East London Advertiser to ensure Notices are publicised accordingly. It is important to note all activities from the current BVA Plan have been delivered.

A range of further activity that has been started and still needs to be implemented can be found in the BVI Plan 2017 -18 including the completion of the aforementioned procurement exercise as well as development of thematic campaigns and delivery of a communications action plan. Over the next year we will enhance our internal and external communication channels resulting in better capacity to understand and target communications so that there is greater engagement and transparency.

PROPERTY

In November 2016 Cabinet agreed the Council's approach to community buildings. This included 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 for much-needed housing. We recently carried out a carefully managed programme of property disposals securing significant capital receipts for application to wider priorities. In February 2017 Cabinet endorsed proposals relating to our wider corporate Accommodation and Space Management Policy. This demonstrates the links between different aspects of our approach as well as those relating to the Asset Rental Account. During the year ahead the Council will continue to audit the tenancies and occupancy of its property portfolio especially in relation to organisations in receipt of mainstream grants. Further implementation activity is found in the BVI Plan 2017 – 18.

ORGANISATIONAL CULTURE

The organisational culture at Tower Hamlets is changing. The Council has a clear vision, a strategic plan supported by a three year budget, and a workforce strategy and transformation programme. A senior management reorganisation has been introduced and recruitment is well advanced. The final Member interviews for the permanent monitoring officer post are scheduled to take place in mid-March 2017. In addition, findings from the Council's most recent staff survey will inform the refresh of organisational values as well as staff learning and development. There is a specific focus on management and leadership.

In September 2016 we launched an independent ClearUp Project to deal with any remaining allegations of impropriety or serious concerns residents or staff might have had. Independent investigators were appointed in January 2017 to look into these and report their findings and recommendations. A report is expected at Cabinet in May and Full Council in June 2017. Also in January the Council instigated an independent external review of the whistleblowing arrangements introduced earlier in 2016. The review will also reflect the findings from the ClearUp report. The

outcome of the review will be to have a leading, best practice approach in terms of policy, practice and training that is effectively monitored, reported and communicated.

An updated Scheme of Delegation that clarified roles and responsibilities of the Chief Executive and Elected Mayor was reported to Full Council in September 2016. In March and May 2017 a review of the Council's constitution and governance arrangements will be reported to Full Council which has been overseen by a cross-party Constitutional Working Group. In addition we have established a cross-party Governance Review Working Party and through this commissioned Solace to carry out a review of Member relations. The GRWP has considered the findings resulting in more dialogue between councillors and a better understanding of the key issues. The organisational culture activities have either been delivered or started with future initiatives set out in the BVI Plan 2017 – 18.

BEST VALUE IMPROVEMENT ARRANGEMENTS 2017 - 18

To continue my Council's improvement, we have developed a future programme of actions and processes encapsulated principally in our BVI Plan. I hope you will be minded to allow the Directions to expire and will endorse these robust oversight arrangements that I have put in place for 2017 -18. These are as follows.

At Cabinet on 7th March 2017 and as a successor to the current arrangements, I will publish a Best Value Improvement Plan (BVI Plan) 2017 -18 which we have discussed with your Commissioners and which has five key priority areas and 26 strategic actions. The priority areas are grants, elections, property, organisational culture and communications. This plan is designed to drive the continued implementation of change and strengthened controls and governance as well as continued improvement.

Twice a year, as part of the Council's commitment to openness and transparency, an updated progress report will be submitted to the Overview and Scrutiny Committee and Cabinet. In addition I will produce an annual BV Improvement report which will be submitted to you and your department.

I will establish and chair a new public Best Value Improvement Board (BVI Board) with a remit to oversee the Council's continuous improvement journey as well as ensure the delivery of the BVI Plan 2017 – 18. It is envisaged the BVI Board will meet every quarter and I will offer places to ensure there is multi-party representation. To ensure transparency and external challenge I will also work with the Local Government Association (LGA) on sourcing independent representation on the BVI Board. Representatives from DCLG will be welcome at these public meetings and I will make available all relevant papers.

In addition, as part of the Council's commitment to be outward facing, I will engage the services of the LGA to provide external challenge as well as best practice guidance and learning opportunities from elsewhere. The Council has already benefitted from specific programmes and projects delivered by the LGA in particular those focussed on HR, communications and Member development. We have also worked with Centre for Public Scrutiny (CfPS); they supported the development of our scrutiny committees recently with the preparation of our budget scrutiny process. Members and staff are encouraged to take up opportunities of support especially those that are tailored and subject specific: in particular best practice in relation to communications, grants and the voluntary sector. I have previously mentioned that the Returning Officer has had dialogue with the Cabinet Office in relation to pilot voter ID for the next election. We are exploring opportunities to take part in other Government programmes such as One Public Estate.

Finally, I am extremely keen to demonstrate the Council is an organisation that is open to challenge and focussed on improvement and there are many activities taking place now and in the year ahead that will help shape this journey. Recently, I reconstituted Tower Hamlets Strategic Partnership which had become dormant under my predecessor to ensure there is greater collaboration on borough-wide, regional and national priorities. The Council is also in the process of centralising and strengthening the strategy, policy and performance function which is pivotal to ensuring the organisation is evidence-led

and driving improvement. Alongside this we are also revamping our performance management framework, placing a greater emphasis on accountability and transparency across the organisation and wider community.

Opportunities to drive improvement will also be determined by a range of external challenge including those flowing from the recent Ofsted inspection as well as forthcoming ADASS sector-led peer review. The Best Value Improvement Plan 2017 – 18 includes reference to these and other activity to ensure there is a corporate approach to implementing any future improvement activity. In addition the Council will progress our Investors in People (IIP) external accreditation as well as use the results from our recent staff and residents' survey to help us understand our progress and inform our future strategic priorities.

Being subject to Government Direction is a challenging experience which provides unique insights that should be shared. That is why Sir Ken Knight, the Government's Lead Commissioner, Will Tuckley, Chief Executive and I are keen to share the learning of this experience with colleagues across local government at the next LGA conference in July.

DIRECTIONS AND COMMISSIONERS

Today, Tower Hamlets Council is a different organisation to the one I inherited following my election 20 months ago. There is now real evidence that I have replaced weak management and poor leadership, and adopted a clear determined approach. I have outlined some of the good progress we have made and the steps taken to achieve this. However, it is a continuing journey and I am not complacent about how tough it has been or will be in the future to deliver and sustain the continuous improvement that remains necessary. That is why I have been clear with the Council's senior management that we must transform the way we work, to become an outward facing organisation that is innovative and proactive with a focus on delivery and improving outcomes. I want Tower Hamlets to be confident, committed, and creative; at ease with challenging any culture of organisational convenience in the pursuit of excellence for our residents. And it should go without saying that this includes the expectation that all members and staff uphold the Nolan principles in public life.

The Commissioners' role in Tower Hamlets journey has been pivotal in providing the necessary direction, challenge and scrutiny. There can be no doubt the Council has been the beneficiary of their experience and wise counsel and our progress is testament to this. Whilst I look forward to their departure I want to take this opportunity to formally express my gratitude for their support. Finally, if you are minded to end Directions on 31st March, I look forward to the return of full democratic control. I would like to extend a warm welcome to you should you wish to visit our borough.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Biggs', with a long horizontal flourish extending to the right.

John Biggs
Executive Mayor of Tower Hamlets