

Ministerial Envoys to the London Borough of Tower Hamlets



Ministerial Envoys
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Dear Secretary of State and Minister of State,

We write to set out the envoys' view of the progress of the London Borough of Tower Hamlets (LBTH) since our last report in May and against the Ministerial Directions issued on 22nd January 2025. When we met in November 2025 we provided an overview of the key areas of progress and those which require further attention by the Council. This report reflects and builds on that conversation.

On 19 January you made a Written Ministerial Statement setting out that you are minded to both strengthen and to expand the intervention and that this is necessary to support the Council to get on track for sufficient improvement by the scheduled end of the intervention. This report is sent to you in the representations period ahead of your taking a final decision on your proposal.

We note the Local Government Association's (LGA) recent peer challenge review published on 8 October and the external auditors' Value for Money report published on 16 November. We welcome both reports and consider that the audit report raises serious concerns that are material and of significance to the Council's improvement journey and will provide further commentary.

Like our last report, here we will set out progress against the five best value themes of Leadership, Governance, Culture, Partnerships and Continuous Improvement. As the Council's improvement journey matures, these themes continue to be symbiotic, but the emerging picture is of differing levels of programme maturity and progress. In our last report we were also clear that we were looking forward to the Council switching from intention and planning towards action and measurable delivery in the key areas of improvement and our assessment of their progress in doing this will form a key thread of this report.

Our focus in this report, and in our work, is on the areas of identified Best Value failure and is not intended to detract from the good work the Council is doing in other areas. The Council continues to achieve good operational service delivery across the board, with the residents of Tower Hamlets at the heart of Council officers' work. Whilst the Council continues to face

significant challenges and a long road to recovery, we want to be clear that we recognise these achievements, which continue despite the broader challenges the Council faces.

Contextually, it is important to reflect that the Council will hold Council and Mayoral Elections in May 2026. Whilst the pre-election period does not commence until 27th March, we are already seeing the impact of electioneering in the political arena. In Tower Hamlets, this plays out in the political behaviours we are seeing both in and outside of the chamber, and in the community. We have been clear with the Council that the role of officers in ensuring an even handed and policy compliant approach is crucial in minimising the impact of the election period on the services and experiences of residents.

From August to December 2025 the envoy team was joined by Parveen Akhtar, Executive Director of Corporate Services and Monitoring Officer at Westminster City Council as a consultant to the envoys whilst Pam Parkes necessarily focused much of her time on the intervention in Birmingham. Parveen worked with us across the improvement journey and with a particular focus on governance and her views are included into this report.

The Council are due to submit their latest report to you as part of the representations period on your proposal. Prior to your proposed package being announced on 19 January, they debated a draft report in Overview and Scrutiny Committee on 15 December. On 21 January the Council took a draft report to Full Council to be noted and set out to members that they would be provided with a finalised report in the coming days for consideration, with comments invited by correspondence, ahead of the Council submitting their report to you by 2 February. The Council set out to members that there would be debate on the finalised report at their next Full Council on 25 February 2026 and that any further comments arising from that date would be sent to you.

1. Introduction

1.1 When we wrote to your predecessor on 21 May 2025, we set out that in this new model of intervention ministers had been clear that the Council should drive forwards its own improvement and the role of the envoys would be to monitor, challenge, advise and provide assurance to you on that journey. Since the start of the intervention in January 2025 we have operated in partnership with the Council and have continued to build trust and stronger working relationships with key officers within the Council to deliver this partnership approach.

1.2 In May, we set out that we expected to see *'significant progress in the priority areas of the [Continuous Improvement and Change Plan] CIP ... This includes, but is not limited to: developing and implementing the political mentoring programme; doing further diagnosis of the organisation's culture and formulating a practical cultural change programme that will have measurable impact; progressing the governance review in order to diagnose and then implement meaningful changes in governance practices; making meaningful progress on a recruitment and workforce strategy; making strides to implement the outcomes of the Empowering Services review; making significant progress to address the three statutory recommendations made by the external auditor; demonstrating further progress on building collaborative partnerships; and evidencing genuine ownership of what needs to change at all levels of the organisation.'*

- 1.3 There has been progress in some of these areas, such as the successful delivery of the first Staff Survey in three years, which, as the first independent survey in recent years provides the Council with a strong foundation for the development and delivery of a cultural change programme and workforce strategy. The political mentoring programme and work to develop a member pledge have continued, and whilst their completion and impact will not be seen until after the next election, we commend the officers of the Council for seeking to drive forward this innovative approach to political behaviour change. On partnerships, we are pleased to report good progress, including the co-development of a Strategic Vision for the Council, which they have developed in collaboration with partner organisations and residents, and the development and agreement of a compact between the Voluntary and Community Sector (VCS) and the Council. Whilst there is still work to be done, we have heard consistently that the Council are listening and engaging more effectively with their statutory and voluntary sector partners.
- 1.4 The Council have worked hard to mature their plans for change, developing a more mature Continuous Improvement Plan (CIP) which acts as a foundation for their improvement journey, but we are yet to see enough key deliverables implemented which can demonstrate the impact of improvement and change at this time. The issues the Council face are deep, and while the depth of understanding of these issues has matured in the Council's Leadership in recent months, many of the core issues have not yet moved forwards far enough to demonstrate sufficient positive impact and therefore evidence of sustainable improvement. This includes strengthening the Council's corporate core and ensuring a stable and resilient Golden Triangle of statutory officers. In summary, while there has been progress in some areas the overall pace of change and the grip of the officer and member leadership to drive improvement is insufficient.
- 1.5 Notably, on 16 November the Council's external auditor issued a fourth statutory recommendation as part of their interim value for money report regarding internal investigations, following the three issued in February 2025 on financial reporting, managing risk and internal controls and contract management and procurement. We will discuss this matter further in the Governance section, but we consider this situation to be both material and significant in the context of the Council's improvement journey. At present the Council's ability and capacity to respond at pace to these recommendations causes us concern.
- 1.6 We have continued to have good engagement with officers across the Council on the wider improvement programme and reflect consistently on the dedication, passion and enthusiasm that officers bring to work with them. Many officers are truly proud to work for the London Borough of Tower Hamlets. The strategy and improvement team have worked tirelessly to progress the CIP into a deliverable programme, and we continue to see passionate service delivery across the Council. We have operated openly and transparently and provided regular feedback to the Mayor and Chief Executive about our

observations at the Council. We reflected in our first report that we would like the Council to be working '*proactively with Envoys to seek our support and advice at the outset and throughout delivery*'. This is still variable. At times they have taken on board our advice quickly and fully, and at other times our advice has been heard, but in our view not actioned at sufficient pace. For example, we raised on several occasions the fragility of the Golden Triangle with the council, including in our first report. Despite this, we are yet to see material improvement or serious engagement with our concerns.

- 1.7 Overall, the pace of change and impact have been too slow and after one year in intervention the Council has had a few false starts which are costing them time, energy and resource. The rescoping of the CIP and further statutory recommendations are examples of this. While some of these delays cannot be anticipated or controlled, we feel in each case that action could have been taken sooner to address the underlying issues and that the Council's leadership is at times getting its prioritisation wrong. At the current pace and without a significant shift in the approach to change, the Council faces a very long road to recovery. Currently, we feel the focus of leadership is often centred on managing the message and writing a plan and this needs to shift to a focus on deeper ownership of the Council's issues and driving forwards the key deliverables which will bring about change. This more focused grip should be accompanied by a more open and transparent approach to recognising areas for improvement and to gathering evidence of impact and progress.
- 1.8 You are aware that we have continued to hear from a range of sources about negative perceptions that exist about the Council's practices. It is our view that whilst these persist, they will continue to negatively impact on public confidence and impair or inhibit the Council's improvement journey. We have worked with a core group of Council officers since our meeting with you in November to mature the scope of work and in our letter of 9 December 2025 were clear that this was in development, and that we intended to set up distinct governance for these deep dives. The Mayor and chief executive have recently written to us setting out that they agree to our proposed governance approach and scope, and that they will work with us to commence the procurement of the required external support in February.
- 1.9 We would also like to share our sadness at the recent death of Simon Baxter, the Council's Corporate Director for Communities, who passed away peacefully early in the new year. Simon was a respected and dedicated public servant who had given his whole life to local government, serving for 41 years across the capital. Our thoughts have been with Simon's family, friends and colleagues.
- 1.10 Before providing our full assessment of the Council's progress to date, we will set out some further updates.

2 Updates

- 2.1 **Peer review-** An LGA peer team completed a progress review in October following the 2023 Peer Challenge. The one day review focused only on the 18 recommendations from the 2023 peer challenge and found that the Council has made progress against most of the 2023 recommendations to varying degrees, with further development needed in a number of key areas. The peer team noted that progress had been made 'against a backdrop of high quality service delivery'. Priorities for further work include that the Council holds an internal optimism bias exemplified by their self-assessment ahead of the review, strengthening the diversity of its political leadership and improving the use of evidence and data to demonstrate 'plans for plans' toward more implementation, action and measurable outcomes.
- 2.2 **Continuous Improvement Plan (CIP)-** The Council has matured the CIP since the summer. They have streamlined eleven programmes into four coherent programmes of work: Vision, Partnership and Participation; Governance, Political Culture and Decision Making; Culture and Workforce; One Corporate Team, which are supported by programme teams and overseen by the Council's senior leadership as Senior Responsible Officers for each programme. They have implemented Programme Boards, which are forums for discussing emerging priorities and for tracking delivery. We have been invited to attend these and have participated in several sessions across the programmes.
- 2.3 **Transformation Assurance Board** -The Transformation Assurance Board (TAB) has met a further four times since our first report and has one additional member- Professor Shafi Ahmed, who the Council have appointed as a community representative. The Council publish the TAB papers for each cycle and took the revised CIP to Full Council on 21 January to be noted alongside their draft report to you, with the CIP having been considered by the TAB in November. The TAB sessions have included round table discussion and workshop style discussions on building the success measures to measure the delivery of the CIP and the outcomes of the staff survey, presentations on the LGA review, progress updates from Senior Responsible Officers (SROs) and the Board agreeing the newly matured CIP. The Board has also provided advice on the Council's new member induction programme.
- 2.4 **Senior Officer appointments-** Since our last report, the Council has successfully appointed five Directors with responsibility for Human Resources and Organisation Development; Regeneration and Development; Corporate Property and Estates; Public Protection & Integrated Enforcement and Tackling Inequality and Engagement. They have also sought to appoint a Director of IT and Corporate Director of Resources and Section 151 Officer.

3 Best Value Themes

3.1 Leadership- political arena

- 3.1.1 **Political behaviours-** we noted in our first report that the Council had taken steps to implement political mentoring programmes and that it would be important for each political group and member to reflect on their own behaviours in order for the Council to see real change. We also noted that, *“some behaviours from all sides of the chamber continue[d] to be problematic. Poor behaviour in the chamber sometimes goes beyond the usual political theatre, distracts the Council from doing its business and limits scrutiny and debate. Whilst all sides are saying they are trying to change their ways, this is not yet evidenced in a range of public meetings.”*
- 3.1.2 Since our last report we have seen marginal improvement on this issue. There is recognition by members that work to improve the situation is important, but this awareness does not translate into any substantive positive impact. In recent weeks, we have continued to see challenging behaviours inside the chamber, extending to political hostility and on occasion intimidation outside the chamber. We have seen an increase in the number of complaints members make about one another to us.
- 3.1.3 Whilst we view this in the context of the forthcoming local election, where we would expect to see an increase in political activity we are concerned that these behaviours are now normalised by both politicians and officers in Tower Hamlets and we have heard the comment, “What do you expect, this is Tower Hamlets”. Despite our wide experience we are regularly surprised by what we observe, and this is particularly the case with respect to behaviours relating to election activity. We do not believe these behaviours are acceptable and are clear that they do not happen in most other places. Furthermore, we observe that this is exacerbated by the internal party politics which for some of the political Groups appear to reduce the Party leadership’s ability to hold their own members to account. It is disappointing that we continue to see members pointing fingers at one another as opposed to holding a mirror up to their own behaviours. We are concerned that it is likely the situation will escalate in the period through to the Elections.
- 3.1.4 **Member pledge** – as part of their improvement plan, the Council have sought for members from across the chamber to co-design and implement a ‘Member Pledge’, which intends to go beyond, and exist alongside the member Code of Conduct. The Pledge sits within a wider ‘Member Experience Project’ which seeks to take a holistic view of the roles, responsibilities and experiences of member in any of positions they may take up as part of their role as an elected representative. The Pledge is focused on the spirit and commitment to a set of behaviours and ways of engaging with one another. We commend the Council for its novel and innovative approach to bringing members together to change their behaviours and the development of the Pledge and Protocol, and the wider Member Experience Project has our support.

- 3.1.5 Having brought in a third party to appropriately provide independence for members participating in the workshops to build this Pledge, there have been a number of member workshops focusing on informal conflict resolution, induction, and roles and responsibilities. Attendance at these sessions has been variable, with 27 members out of 46 participating in total, from both main parties and independent members.
- 3.1.6 The Council is also developing a 'Member Empowerment Protocol', which will focus on barriers and frustrations of the Councillor role and set clear expectations of the different roles a Councillor may take (ward councillor; chair of a committee; opposition spokesperson; Cabinet member; speaker of the council; and nominee to an outside body). The protocol, which is in early development, will provide members with role descriptors and set out the support the member can expect from officers.
- 3.1.7 The Council had planned for the Pledge to be ratified by the Council's members before the election in May and then fully implemented with the new cohort of members from after the election. Despite initial good engagement, this work has now stalled and its validity been called into question by some opposition members who do not believe the issues reside within their own party and object to being judged by and held to the same behavioural standard as their administration peers. Additionally, the opposition have raised concerns about the Council's overreliance on the Pledge to manage the political environment. Political behaviour is stalling progress in its tracks and impacting on improvement directly. This example is symptomatic of the lack of trust between political groups. We are clear that the issues exist across the chamber and that the Pledge is an opportunity for members to work together for the benefit of Council and the residents that they are elected to serve, and we would encourage all members to reflect on their own part in the development, or disruption of the Pledge process. However, we also appreciate that the levels of trust within the organisation will need to improve to ensure this is achieved and therefore cultural change work and behaviour change is essential. We are grateful to officers for being proactive in engaging with our advice on how to overcome the barriers that have emerged and developing a plan to overcome this blockage but would note that the significance of this work stalling and the lack of trust has been downplayed in some senior forums, including the TAB.
- 3.1.8 **Member and officer interface-** Any local authority is political, and its officers must be adept at operating and fulfilling the duties of their roles in the context of the political environment they work in. The authority needs to be able to moderate and manage the behaviours of its members. We are concerned that at present the positive relationships and the level of trust we would expect to see do not exist between all of the Statutory Officers and all the members of the Council in Tower Hamlets. This issue has prevailed for some time and was raised in the Best Value Inspection report in 2024. We have advised the Council officers that reflecting and ensuring consistency on their day-to-day housekeeping activity such as responding to emails, enquiries and complaints from members and ensuring a consistent approach to policies and

procedures around the election and member engagement would be a first step in improving this. For example, being clear on the policy of inviting ward members and interested councillors from across the chamber to Council, civic events and events in member's own wards. The Council is more than the just the political administration, and it is important that all members are involved where appropriate. This will be essential to mitigating the issues that we are already seeing which challenge the perception of officer impartiality and would go some way to building trusted relationships. The Council is reviewing its policies and procedures through the Member Protocol currently under consultation. The Council will need to demonstrate how this results in tangible change.

3.1.9 Statutory officers collectively have a duty to challenge unacceptable behaviour and set the culture for the organisation and should take a robust advisory and expectation setting role. It is too simplistic for senior officers to view any opposition member's challenging behaviour as just an inevitable potential political barrier to progress. We are not currently confident that the Council's officers are managing the political environment effectively to minimise these challenging behaviours. It is vital that they work to develop sufficient trust with all members from all groups to tackle any perception of bias, which will in turn encourage greater positive participation from all sides of the chamber.

3.1.10 We have encouraged the Council to carefully consider its induction programme for members after the 2026 elections and welcomed an update at the TAB on 25 November on their initial plans, which have been developed with the LGA. We will continue to work closely with its officers to advise on how they can best manage the political environment in which they work, and on actions the officers can take to ensure a more consistent approach. We will continue to provide feedback to all political groupings on our observations and expectations regarding behaviours.

Officer Leadership

3.1.11 **Stability-** Since our last report, the Council has successfully recruited five Directors, four of whom are now in post with the last joining in late January, and the Chief Executive is now supported by a largely permanent senior officer team. The Council has additionally sought to recruit for a further Director post and a Corporate Director or Resources and Section 151 officer but were unable to appoint. Two Corporate Director and four Director posts are either vacant or filled on an interim or short-term arrangement.

3.1.12 The Council have recently decided that they will seek to make an interim appointment for a Section 151 officer and have now initiated this process. We welcome being invited onto the interview panel. In this case, we believe the Council has been too slow in responding to the resignation of the former post holder in May 2025, a view also held by the external auditor. They did not seek to externally recruit initially until

September 2025 and have had in place an interim, who has stepped up from their previous role. This officer has behaved diligently and professionally, driving through a balanced budget and Medium Term Financial Strategy (MTFS) on time and initiating a plan to respond to the statutory recommendations. Despite this, they have been placed in difficult circumstances and the inaction in seeking to appoint a long-term interim or permanent postholder more quickly last summer has caused delays in the Council's work to respond to the audit concerns and created a long period of uncertainty within the Golden Triangle of statutory officers.

3.1.13 With the sad and unexpected passing of the Corporate Director for Communities, Simon Baxter, the chief executive has acted swiftly to organise temporary cover arrangements for the service areas within this post. These arrangements are not sustainable for an extended period, and the Council will now need to consider how best to fill this role in the long term.

3.1.14 **Golden triangle-** We previously observed that following the departure of the former section 151 officer the Golden Triangle arrangement would need to be reestablished with new officers. We encouraged the Council to *'ensure that this arrangement is both visible and that it demonstrates evidence to the organisation of its impact on good governance and leadership'*. We were clear that we wanted to see *'evidence of the group dealing with some of the more challenging issues that arise in the Council and visibly providing robust challenge to the political leadership of the organisation and to one another.'* We have not yet seen sufficient evidence that the Golden Triangle is functioning in this way and our view is that it remains fragile. The Monitoring Officer will need to robustly challenge the senior officers and elected members of the Council as the local election draws closer, and this will need to continue after the election. The other Statutory Officers will need to support the Monitoring Officer in delivering and reinforcing appropriate challenge. They must work together to create greater organisational trust alongside improving the levels of openness and transparency. The Envoys will also seek to provide further support. The acting Section 151 officer faces significant and worsening challenges in overseeing the Council's financial management, including its response to the four statutory audit recommendations and ten weaknesses.

3.1.15 **Optimism bias-** Tower Hamlets has many things to be proud of as an authority. However, there is a fine line between being positive in your leadership and portraying a distorted view. In their report, the LGA's peer team referred to the Council suffering from an internal 'optimism bias'. We have observed this on numerous occasions and are of the view that it is having a negative impact on the organisation. The focus in several difficult scenarios has been on how an issue is presented, rather than a more open and transparent approach which recognises the detail of issue and focuses on how to tackle it and make change. For example, we have found it unusual that the Council felt it necessary to issue a press release on an ongoing legal dispute with an adult social care provider (3 December 2025). We have also noted that when

benchmarking data, the Council is often comparing itself to a narrow field (e.g. the staff survey), rather than using an industry or public sector wide approach which may give more robust insights. We are pleased that officers are looking to expand the benchmarking for the Staff Survey following discussion with Envoys.

- 3.1.16 We have also witnessed the Council's leadership brush over substantive and difficult feedback. We have observed a tendency to only extract the positive narrative and attempts to steer conversations to focus on the positives without a willingness to get into the detail of challenges. This approach occurs in senior assurance forums such as the TAB. We feel that this is reflected in the Council's most recent report to you. While the report accepts the proposed strengthened package and the need to increase pace, the report still concentrates on their achievements rather than on the best value themes and failures, and their plans to address these together and robustly measure the impact of the changes they are proposing to make. For example, they have omitted to discuss the challenges of the Member Pledge, and it is concerning that the Council has commented that 'Member behaviour at Council meetings has also improved' without framing this in the context of an increasingly difficult political environment, which includes intimidating and challenging behaviours.
- 3.1.17 We feel that the Council leadership is unnecessarily defensive and focuses too heavily on the Council's image and that this is impacting their ability to deal with deep rooted issues. We would encourage the Council's leadership to reflect carefully on where they can give a more balanced narrative and demonstrate in governance, assurance and public forums that they have fully accepted and have a grip on the scale of the challenges faced by the Council. This is essential to improving the levels of trust in the leadership and to creating an open and transparent culture in the Council.
- 3.1.18 **Management forums** - We previously observed that there is a '*comprehensive set of senior management meetings at appropriate levels of the Council and these are effectively chaired by the Chief Executive, or have effective chairing arrangements*'. We have regularly joined the Council's Corporate Management Team meetings in recent months which act as a forum for senior decision making. We have felt that these meetings are focused on information sharing, which can focus on the positives and that too much is brought on each agenda to enable genuine debate and discussion. Having been informed of the meetings in the summer, we have recently been able to attend, for the first time, a meeting of the Council's Statutory Officers. This is an essential forum for any Council where core issues of performance, policy and strategy are discussed and where Statutory Officers can hold one another to account.
- 3.1.19 We would expect these meetings to be clear about the outcomes they are working towards and to be focused on tracking issues through to closure and seeking changes in behaviour. Our early observations in this meeting are that it focused mainly on

information sharing, and whilst we did witness challenge in the forum, this was about monitoring, and less about changing practice or behaviours. We feel this reflects an insufficient focus on improvement, performance management and accountability in the corporate core of the Council. We will continue to attend and feed back to the Council on the form and function of these sessions.

3.1.20 We have seen limited evidence of genuine challenge, strategic conversations and debate within the leadership group in any forum that we have been privy to in the past year. We have recently been provided with commentary on how the strategic thinking within the Council is managed and the space made for these discussions, but we are yet to be involved in this and have been surprised that we have had to ask explicitly to be engaged in these forums. We would expect the Council to be proactive in engaging Envoys and providing evidence of their strategic thinking and grip. We would expect these sessions to give space for the senior leadership to consider the Council's key strategic issues such as the forthcoming election and the response to any change in political makeup of the Council after the election, the cost of living crisis response, the Target Operating Model (TOM) and how the data the Council is seeing may interact with the administration's policies.

3.2 Governance

3.2.1 **External Audit**– we noted the significance of the then three statutory recommendations in our summer report and it is gravely concerning that the Council have since received a fourth recommendation relating to their internal control environment and that further significant weaknesses have been identified. We have attended, or observed all the Council's audit committees, most recently in November and December where these recommendations were discussed and reflected the strength of the auditor's concerns about the Council's acceptance of the challenges they face. We concur with the auditor's concerns that the *'pace and urgency of the response have not matched the scale of the challenges'* in the Council's oversight and governance arrangements, and that as a result they remain exposed to further risk. We believe that the Council is exposed due to the absence of a secure and robust Golden Triangle.

3.2.2 It is positive progress that the Council have recruited and now have in place an independent chair of the Audit Committee, who commenced in that role in November.

3.2.3 In our first report we noted that the Council had *'agreed a plan to respond to these recommendations'* and that it was too early for us to take a view on their response. Whilst the Council have since developed a mobilisation plan which incorporates the fourth recommendation, this work is only now at its early stages, despite the initial three statutory recommendations having been in place since February 2025. The draft mobilisation plan was discussed at the Council's January Audit Committee. It is not yet mature enough for us to comment in detail on its quality. Once the plan has

been finalised, it will be important for the Council to rigorously track its delivery and impact, and to establish expert external verification to ensure its substance is delivered in a timely way and to ensure a read across to the CIP.

- 3.2.4 We feel that if the appropriate resource and prioritisation had been given to the initial recommendations in the spring, including acting more quickly to recruit a Corporate Director of Resources and Section 151 officer, the Council would be further along their journey to recovery, and the auditor would have greater confidence in the Council's ability to respond. We are also concerned that it has only been [??] since the fourth recommendation has been issued that the Council has appeared to step up its response. At present, the Council's actions and plans feel focused on giving the impression of progress, rather than being about genuine change.
- 3.2.5 Progress has been further stalled by the defensive approach they have taken with the auditor between the Council receiving the 2024-25 draft Interim Value for Money report in the summer and its publication in November. We have seen evidence that their energies during this period were as much targeted on refuting the criticism and recommendations as on delivering a robust response. This is further exemplified by the press statements issued by the Council on 8 December where they refer to the concerns raised as *'not reflect[ing] the Council's current position'* and attribute the issues to historic practices, rather than recognising that they are longstanding issues that remain entrenched. Whilst some discussion on the nuances of an audit report may be appropriate, we would advise that the Council reflect carefully on how they can build a trusting and reflective relationship with the auditor.
- 3.2.6 For these recommendations to be addressed to the satisfaction of the external auditor, the Council will need to demonstrate sustained action and embedded improvement. At present the auditor does not envisage the statutory recommendations being removed until 2028. We know that you, Ministers, will need to be assured that these recommendations are being taken seriously and therefore welcome your proposal to implement Directions to the authority and provide powers in reserve to the envoys over the relevant finance and governance functions, and appoint an additional Assistant Envoy with expertise in finance.
- 3.2.7 **TAB-** The TAB meets regularly and brings together a large cast of individuals interested in the Council's improvement. Council officers have worked hard to produce good documentation and updates and are receptive to feedback from Board members. Group representatives who sit on the board have a role to provide feedback to and from their groups to help build political buy in to the improvement journey. Their role and ability to actively contribute will become increasingly challenging in the coming months as the 2026 Local Elections draw nearer.

- 3.2.8 So far, the Board has been information heavy, light on assurance and political engagement in the forum is not strong enough. The member engagement loop which the TAB is set up to facilitate is not working effectively as a conduit for Group input into the improvement journey, which the Council have recognised. For example, members of the opposition have expressed to us that they do not feel sighted on or bought into the revised CIP. The conduit to engaging ungrouped members is also currently ineffective. We do not see elected members on the Board offering comprehensive input from their groups, openly challenging and debating issues or bringing forward issues which are of importance to them. We have referred at 3.1.4 to the stalling of the Member Pledge compact as another example of the member interface and behaviours impacting on the pace of the improvement journey. There is an opportunity after the election for the refreshed cohort of members to be brought onboard the improvement journey, and this should be a priority for the Council.
- 3.2.9 The discussions at the Board have focused on giving feedback, or a steer to the Council on the CIP, but the TAB should also be a robust forum for holding the Chief Executive, the Mayor, other senior officers and members to account for improvement. To work effectively the assurance board needs to be sighted on the evidence of improving outcomes and evidence of the impact of action that underpins the Council's claims that change is happening. Board members now need to drive and lead assurance rather than be the recipients of the information provided. To achieve this, the Council should focus on refining its programme highlights with robust data which provides evidence that demonstrates impact and change (including being clear on timescales for when this will be delivered). The board needs to focus on the difficult or stubborn issues within the Council where the expertise will be most effectively used and have the greatest impact.
- 3.2.10 Whilst we recognise the need to highlight progress and achievements across the Council, it is important to focus the greatest attention on those areas that are most in need of improvement. This includes the leadership and chair of the board being prepared to have robust and difficult conversations which will shine a light on the toughest issues the Council faces. The board has not been sufficiently effective at facilitating honest and open feedback on challenging issues. We have therefore chosen to provide the Council with more direct feedback in a separate forum, and the Advisors have informed us that they have also been providing feedback outside of the TAB. We therefore welcome your proposal to disband the TAB and streamline all assurance mechanisms to sit under a single improvement board to oversee the progress of the Council's improvement journey.
- 3.2.11 **Scrutiny and committees**— we noted in our last report that *'The O&S Committee chairing arrangements have improved significantly since June 2024 under the chairpersonship of Councillor Asma Islam who was elected to the role in October 2024. Following a new chair being elected at Full Council on 14th May 2025, we encouraged the Council to consolidate and maintain this improved chairing to ensure*

appropriate and apolitical scrutiny. Since then, the chairpersonship has reverted back to an Administration member.

- 3.2.12 We have seen evidence that the committee itself is functioning and productive, and the chairing is becoming effective under the new chairpersonship, members have been asking appropriate and challenging questions which officers have been giving strong and honest answers. We are pleased to see that some of the progress made in the summer is becoming embedded in the functions and culture of the committee and look forward to seeing further evidence of this in the coming months. We feel more scrutiny involving both the Mayor and Cabinet portfolio leads is appropriate and more pre-decision scrutiny would contribute to the delivery of greater openness and transparency. We would, however, like to note that despite the increasingly effective chairing of the new chairperson, it is best practice for Overview and Scrutiny to be chaired by an opposition member and for this to be embedded within the Council's constitution. We feel it is important that the Council reflect on this and take forward the advice they have been given by us and by the LGA on these arrangements and revert to an Opposition chair at the earliest opportunity.
- 3.2.13 Full Council meetings are an important element of the civic landscape. While they are an opportunity for members to debate and challenge, behaviour must be appropriate to comply with Nolan Principles, and processes and protocols must enable members across the chamber to represent their residents and engage with the issues. Envoys have observed Full Council meetings are at times chaotic, and many members feel dissatisfied with the current functioning. For example, they do not feel they have had an opportunity to speak, or motions almost always have amendments by the other party, or significant reports are agreed without debate due to time constraints. Members feeling they have not had the opportunity to debate issues engenders a lack of trust. The Monitoring Officer is aware of these issues and is considering options to discuss with members to deal with these concerns. Given the need for Tower Hamlets to demonstrate appropriate member behaviours, build confidence and trust in the statutory officers and ensure openness and transparency, tackling these concerns is an important step forward over the forthcoming electoral cycle.
- 3.2.14 **Consultants** – it is notable that, including the TAB Leads and Envoys, the Council has seven former or serving council chief executives advising them in some capacity. In addition, the Council has recently contracted a range of consultants and advisors for dedicated areas of work, such as the initial development of the Member Pledge, governance and structural reviews and expertise in response to the fourth statutory recommendation from the auditor.
- 3.2.15 Whilst we welcome and encourage the Council to be open to external consultancy, challenge and advice, and some of these pieces of work are well suited to external input, we have observed that the leadership space has become crowded. At times the use of external advice of consultants acts as a distraction from the responsibilities

and accountability of Council officers in fulfilling their roles. For example, it is the responsibility of the Chief Executive and Section 151 officer to lead the response to the external audit recommendations and in such critical work clear leadership, clear accountability and ownership from within the corporate centre are essential.

- 3.2.16 Whilst the expertise the Council have brought in is reputable and experienced, we are not clear that additional support is always necessary. For example, with regard to Audit recommendations, the Council has waited until October 2025 for it to commence, when the first three audit recommendations being issued in February 2025, and the former Section 151 officer resigned in May. In another instance, the Council has used three different consultancies to undertake corporate governance and structure reviews in quick succession. We have not subsequently seen any evidence that this work is being used to transform the Council and feel that external consultancy is used when the Council is looking for a positive view of a complex issue, or wants to demonstrate action is being taken. Energy and resource would be better focused on tackling the issues at their core and using and developing internal expertise.
- 3.2.17 There is a risk that officers of the Council feel disempowered and undermined by the constant use of external consultants to undertake work which many officers in the services and corporate teams may feel able to deliver. We advise the Council to consider streamlining their use of external expertise, reserving external input for a small number of specific projects where they do not have the capacity and expertise internally. When using consultants, they should also ensure they are leaving their learning behind, training and upskilling internal staff to ensure resilience and growth in the organisation.
- 3.2.18 **Budget-** the Council are on track to set a balance budget and MTFs within the agreed timeframe and have followed due process to do this. The budget is comprehensive and takes account of the revised local government settlement. The Council has a projected £18m overspend in the current financial year, which is being mitigated through activity such as in year efficiencies and a recruitment freeze. However, in the medium term addressing the key drivers of this overspend through further efficiency and transformation will be important.
- 3.2.19 The Council have set an ambitious savings target, including £26m of efficiency and organisational change savings aligned to a new Target Operating Model and £13m of savings through transformation within Adult Social Care. These are challenging targets and would be difficult to achieve in any authority. We are not yet currently assured that these targets are deliverable as we have not seen the detailed work programme for this activity. We have witnessed healthy debate on this issue in the Overview and Scrutiny Committee, but we have found the Council's leadership unnecessarily defensive when challenged on this matter, rather than being open to sharing the detail that underpins their proposals.

- 3.2.20 We have been surprised that on a transformation project of this scale the envoys advice has not been sought, where we would have been able to advise caution in their savings targets from an earlier point. We have also been surprised that the Council's senior officers have noted that they would be able to use the Council's budgeted revenue contingency if the targets were not met, rather than focusing on assuring the delivery of the targets they have set. We would encourage the Council to habitually 'show their workings' within their budget setting process in order to be more open and transparent.
- 3.2.21 **Decision making-** in our last report we observed that *'It [was]... not yet fully clear to us how all of the various boards and political committees connect; what the line of sight is between the different advisory forums; and what the distinct roles of the officer leadership team and the Mayor's office are in advising on and making decisions.'* And that it would be important for us to spend more time in these decision-making forums in the coming months to better understand the governance processes at the Council. We have reflected on our observations of the CMT meeting separately and have also regularly attended the Mayoral Advisory Board (MAB) meetings, which takes place weekly, alongside being closely involved in the governance improvement programme.
- 3.2.22 We feel that the Council has taken some steps to streamline its decision-making routes and to improve transparency as to where decisions are made, and that there is therefore a greater awareness of issues, challenges and the way decisions are made in the Council. The LGA review also recognised progress in officers understanding of processes. However, some areas of decision making are still unclear to us. In particular, the role of the Mayor's office and the Mayoral Advisory, and the perception that they operate opaquely is something we have heard regularly from a wide range of stakeholders. This directly impacts on the levels of trust within the Council from opposition members and other stakeholders both internally and externally. We have been unable to fully grip the role the Mayor's office plays in the organisation, including how it interacts informally and formally with the other decision-making forums, the local community and key stakeholders.
- 3.2.23 The LGA review noted the progress the Council has made since 2023 in streamlining the Mayor's office from 36 to 9 staff, and that there was a further need to clarify the roles and responsibilities and to embed and integrate these roles into the wider organisation. It will be important to ensure there is openness and transparency regarding the activity of the Mayoral advisors in future. We welcome that the Council has begun another review of the office structure and proposes to further streamline the office. We look forward to working with them on this as part of the deep dive project, which we will discuss later.

3.2.24 **Corporate core** – a strong corporate core should act as a bridge between the political and officer spheres, delivering safe governance, oversight and a robust strategic framework. The core should take forward the Council’s key issues at the right time, have oversight of the finances, its people and governance and provide the framework to keep business moving. We referred in our first report to ‘the Council ...*tak[ing] positive, significant steps to address [issues in their corporate core] ... by commissioning work titled the ‘Empowering Services Review’, from external consultants, to review the capacity, capability and structure of the corporate centre. ‘And that we ‘hope[d] when implemented [it would]... be a strong enabler for the wider improvement plan’.*

3.2.25 Since this report the work has been taken inhouse and the Council have spent many months in consultation with their unions. In addition, the Council have subsequently commissioned an additional external governance review, from which we have seen a report, but no delivery or impact. More recently they have sourced further external support on a ‘layers and spans’ initiative using another external consultancy, which has not yet been shared with us in full. These reviews and projects appear fragmented, and the Council have not yet been able to provide clarity on how they knit together. We have not seen any evidence that the recommendations from these pieces of work are being tracked and delivered and there is an increasing amount of activity in the corporate core that leads it to feel chaotic.

3.2.26 The strengthening of the corporate core has therefore not progressed as we would have expected. There is a lack of strategic grip, coherence and prioritisation. The leadership need to take a step back and work out what they are trying to achieve, review the recommendations from these pieces of work and bring together one coherent plan for change at the corporate centre, which sits within the CIP.

3.3 Culture

3.3.1 **Workforce strategy** - Since our last report the Council have appointed a permanent Director of Human Resources (HRD), who started in mid-December. We are pleased that the Council will now have an experienced individual to lead the rebuilding of this vital service, which has suffered from under resourcing, a lack of stable leadership, and a clear workforce strategy to guide its practice.

3.3.2 In our last report, we described that the Council’s plans for cultural change were at an early stage and that a detailed workforce diagnostic and a staff survey alongside the appointment of an HRD would need to take place before a comprehensive plan could be brought forward. These things are now in place, and we expect the Council to now move at pace to develop, deliver and evidence a comprehensive cultural change programme and workforce strategy.

- 3.3.3 We were also clear that this strategy '*should encompass plans and programmes for leadership and management development, talent development, succession management, organisational design and change management*'. We look forward to working closely with the new HR Director to develop and implement this strategy at pace, following its progress stalling prior to her arrival.
- 3.3.4 **HR function-** In recent months, we have met regularly with staff networks and unions at the Council, who have expressed their concerns about the HR function and its ability to effectively manage performance and employee relations across the Council. Staff, unions and networks are united in their view that there is an under resourced, inconsistent HR function which has wide reaching implications for staff performance, efficiency, wellbeing and service delivery. We have observed that the Council's tribunal numbers are higher than we would expect, and that many cases are taking too long to resolve, and together with the pace of dealing with FOIs, grievances and SARs, this provides a good indicator of management effectiveness. Reducing tribunal numbers will be a key early challenge for the new HRD.
- 3.3.5 **Workforce engagement-** The Council has successfully completed a robust staff survey, using an independent third party for the first time in three years. The response rate of 50% is commendable for an initial survey and provides a strong foundation for a deep and representative analysis of the state of the workforce. This now gives the opportunity for the Council to take bold action to resolve issues highlighted by the survey as part of their cultural change programme, alongside celebrating the positive results. The Council have committed to an annual survey for at least the next three years, which is a bold and necessary step to ensure that any action they are taking is effectively resolving entrenched issues.
- 3.3.6 Initial analysis has reinforced the messages we have heard from the Council's unions and staff networks, particularly that staff enjoy working for the borough and are proud of what they do, but they are not always clear on the strategic objectives. Organisational trust remains an issue with 31% of staff saying they do not think it is safe to speak up in Tower Hamlets.
- 3.3.7 Although cultural change takes time to deliver and embed, the issue of trust within Tower Hamlets was highlighted in the Best Value Inspection report in 2024. This new result is much higher than we would have hoped for and demonstrates that the issue of a lack of trust still prevails within the organisation. The level of trust is driven by the leadership of the Council's behaviour and the culture they create. Whilst we accept cultural change can take considerable time to change, we would have expected to have seen some movement since 2023, and it is ultimately the responsibility of the leadership team to shift the dial on organisational culture. They will need to reflect carefully on why the actions taken to date have not yet had the desired impact, and what else can be done to build a culture of trust, transparency and openness and an environment where colleagues feel able to speak up.

- 3.3.8 Now that the results of the survey are available, the Council needs to digest and disseminate these appropriately to staff over the coming weeks. We would also encourage the Council to ensure they are benchmarking against a broad public sector group or all other London Boroughs, rather than narrow groups of Local Authorities. This will give their analysis greater depth and robustness when developing the action plans that follow. We look forward to working closely with them on the development of a robust, measurable and deliverable workforce strategy and mature cultural change programme which reflects on the results and gives the staff body confidence that their voices have been heard.
- 3.3.9 **Recruitment-** Since our last report, we have been closely involved in the recruitment of four of the five new Directors at the Council. We are satisfied that these appointments have been made following due process and have seen no evidence of patronage in recruitment at this level. We have welcomed the Council's increased openness to our involvement in these appointments. In this process we have observed that members of the Administration have been receptive to feedback and mostly clear in their roles and responsibilities. All members involved in recruitment would benefit from updated and repeat training, which is necessarily normal in the face of changing employment legislation.
- 3.3.10 The Council are holding vacancies or interim/ short term post holders for two Corporate Director and four Director posts and we understand the Council will go to the market to recruit in the coming months. We will continue to be closely involved in these recruitment exercises. The Council has also implemented a recruitment freeze to in order to facilitate organisation change work over the coming year.
- 3.3.11 In our last report, we noted that *'the Council should recognise that there is still a perception of patronage within recruitment practices in some quarters, and should take steps to address this by ensuring transparency.'* It has become clear to us in recent months that this perception is long standing, deep rooted and focused on frontline delivery, junior officer and middle management roles in addition to senior management roles. The deep dive work we will undertake will explore patronage in recruitment, promotion and performance management at all levels of the Council. If left unresolved these perceptions risk ongoing damage to the Council's reputation, trust in the organisation and improvement in the culture.
- 3.3.12 It is notable that the recruitment of the Section 151 officer was delayed for six months following the resignation of the former post holder. We remain unclear as to the reasons for this delay and continue to see the impact of the Council leadership not acting decisively to fill this Statutory post. We also feel that the appointment of the HRD took longer than necessary as the Council had an interim in place for ten months, before recruitment started. Going forwards, the Council needs to act decisively and at pace to secure good candidates into its senior leadership roles.

3.4 Partnerships

- 3.4.1 **Voluntary and Community Sector (VCS)**- The Council has worked hard to improve their relationship with the VCS in the borough and to work more effectively with VCS organisations and other partners, and as a result there are signs of progress. The development of the VCS Compact and new proposals on lease arrangements for some organisations are both examples of more effective partnership work. A major crisis in the sector regarding rents and leasehold arrangements triggered the need for the Council to review the position, and the senior officers involved worked openly and collaboratively with their partner organisations to put in place a more sustainable approach, which mitigated much of the crux of the issues. Although the Council has worked hard to redress this issue, there is still a degree of anxiety in the sector around the funding.
- 3.4.2 Partners have expressed that the methodology in awarding grants is not always clear to them and therefore in their view lacks transparency, and that decisions are not always communicated effectively. They have also expressed that the criteria for leasehold arrangements and the allocation and use of community resources, such as community centres, are not always clear. This area is included within the scope for the deep dive project.
- 3.4.3 VCS organisations have signalled they would value an even deeper partnership with the Council and the political leadership to further encourage co-production and partnership to support the Council to improve outcomes for residents.
- 3.4.4 **Statutory partners**- The key statutory partnerships have always been strong at an operational level in Tower Hamlets with many examples of good interagency work which has a positive impact for residents. More work is required to consolidate this progress to ensure partners are engaged effectively and that key portfolio holders are involved at a strategic level, and as a result have stronger relationships with the partners. The next steps in this area should focus on bringing partners into early and strategic thinking, so that they are co-producing with the Council from the inception of a project or idea, rather than responding to draft proposals. It still feels very Council led and it will be important to involve key partners at the beginning of policy development and prioritisation going forward.
- 3.4.5 Partners have also expressed that they would value more political involvement from the Council as community representatives and leaders, particularly from the Mayor and from cabinet portfolio leads.
- 3.4.6 The Council and key statutory partners have worked closely on issues relating to organised marches, and protests in the past six months which have raised community tensions. It is expected that there will be more such events in the future, so it will

continue to be important that the Council and its partners continue to work together effectively to minimise the risks and disruptions to the community.

- 3.4.7 **Strategic Vision-** the Council have worked with a wide range of partners and over 2,000 residents to co-produce their strategic vision for the borough, which sets out shared ambitions for the next 10 years. This is a good piece of work and is an example of genuine co-production from the Council and its partners. The vision will be launched in early February and sets the Council clear objectives for their community partnerships and participation work in the coming years. It will be important that the Council are objective and evidence based in measuring the delivery of the vision and that they build on their improving relationships with partners to deliver for the community.
- 3.4.8 **VCS Compact and Strategy-** as highlighted earlier, the Council have co-produced a compact with the voluntary sector, which is designed to set a framework for how they work together in the future and the arrangements for ongoing dialogue and engagement. We welcome this work and commend the Council for its approach to the development of the compact, which has included using an external organisation to facilitate some of the initial discussions to build trust.
- 3.4.9 It is important that the compact is able to hold the VCS and Council relationships together in times of challenge and would expect that the forthcoming election will test its robustness. The Council will need to be engaged, open and receptive to feedback to make the compact work over the longer term so that the improved relationships can make a difference to the communities they serve. This is an example of where the Council has made progress, but we would reiterate that although this is an achievement it is not an outcome in their improvement journey. The outcome will be demonstrated through the evidence of the impact the compact has on the communities that the Council and VCS serve.

3.5 Continuous improvement

- 3.5.1 **Pace of change** - We were clear in our last report that the *pace of change should not be rushed, to ensure it is fully embedded and sustainable and generates strong evidence of its impact, and that the Council need to set themselves clear benchmarks for success and measures of impact, and agree these with the Envoys.* This referred to the Council's tendency to rush to a solution, develop a plan and having a task identified rather than a more outcome orientation. We encourage a more outcome based approach using formalised project methodology to ensure effective tracking of action and to ensure that sufficient time is taken to produce an effective response to a challenge or weakness. Greater focus and prioritisation on important and urgent issues, rather than on every issue would focus minds and ensure activity and resource are concentrated in areas which should be given the greatest priority or necessitate urgency.

- 3.5.2 Whilst it is key to ensure that robust plans are in place for any change journey, we have felt that the Council has taken too long to get the building blocks of change in place. They have developed several plans, referred to as 'plans for plans' by the LGA review team, rather than one coherent strategy and on agreeing outcomes and the evidence based actions necessary to achieve those outcomes. We are not yet able to point to enough evidence of delivered outcomes in key areas of the improvement journey, such as in the stability of the leadership team or change in the political arena. There is no impact analysis on the CIP, which since being revised has only been taken to Full Council to be noted on 21st January 2026, one year since the start of the intervention. This does not demonstrate sufficient pace or political ownership of the CIP. Whilst it was also previously taken in its original form in July 2025, we would expect that moving forward the CIP is taken to Full Council on a quarterly basis.
- 3.5.3 We have observed that the Council is often focused on the delivery of activities, rather than impact and outcomes and that at times, its senior officers struggle to understand the challenges we have raised about the important distinction between these two measures. Whilst 'activities' are important to enable progress, they are not the substantial evidence of improvement themselves, which needs to be measured through impact. We are of the view that this speaks to the Council's defensive nature and focus on process, in that it moves too quickly to demonstrate it is doing something, rather than pausing to ensure it is delivering the right things to drive change or wait until it can demonstrate some sustainable impact. We do appreciate that a Council in intervention wants to demonstrate how much work it is doing, but we would advise that the Council quickly and clearly switch to focusing on the outcomes and the impact its activities are having and reporting progress in these terms, rather than solely on the delivery of process and 'activities'.
- 3.5.4 Your proposal to enhance the capacity of the envoy team and to provide powers on key areas in reserve will support the step change in pace and encourage a greater focus on the deliverables and outcomes required to help Tower Hamlets secure the delivery of its best value duty within the timeframe of the intervention.
- 3.5.5 **Grip of improvement-** We reported in the summer that it was necessary that *the improvement work shifts from being owned by a small team of officers, to the plans being embedded into BAU Council practices, driving wholesale change across the organisation*. We have seen the corporate leadership team take on SRO and sponsor roles and providing oversight to their allocated areas of the CIP. Whilst this is a considerable step forwards, real change will require a further gear shift, with the leadership team not only acting as sponsors and SROs but actively driving the programmes forward as a core corporate priority and proactively seeking the input and advice of envoys on key challenges. We want to see more evidence of Council wide ownership, engagement and participation in the improvement journey.

- 3.5.6 A strong corporate core would accelerate progress and there would be more visible signs of change. For example, implementing new proposals for transformation contained in the Medium Term Financial Strategy (MTFS) or taking forward work to review the constitution, the delegations and committee arrangements within it (a recommendation of the 2023 LGA Corporate Peer Challenge and the 2024 Best Value Inspection). A strong corporate core would also support work to ensure the effective grip of election preparations, including being able to effectively manage an increase in political activity and setting the tone for how the forthcoming election will be managed.
- 3.5.7 We believe that the depth of understanding of the issues faced by the Council has now becoming more crystallised in the leadership team, but strong drive is needed to now deliver sustainable change. At times, it has felt that the envoys advice has not been taken seriously, and that the Council has taken the long road to discovering the way forward.
- 3.5.8 The Council is now information rich, and we want to see greater self-awareness demonstrated and an improvement in the balance in the narrative the leadership is putting forwards, externally and internally. The cultural change work required is a good opportunity to involve staff at all levels of the organisation and for the political and officer leadership to demonstrate a step change in the improvement of the Council. We therefore believe that your proposed package which will give Envoys powers in reserve is a strong and necessary message which will support the necessary shift in the leadership's approach to this improvement journey.
- 3.5.9 **Deep dive projects-** We wrote to you on the 9th December to update you on the deep dive projects that we are pursuing with the Council. These projects stem from ongoing negative perceptions about the Council's practices which we have been made aware of during our time here, and which have been raised with the Council, local MPs, government ministers and the press over a number of years. These perceptions undermine public trust in the Council's leadership, governance and culture and as these are the areas of Best Value failure set out at the commencement of the Intervention, and we believe it is necessary to tackle them directly in order to be able to provide you with assurance in these areas. This work will look into patronage in recruitment and staff promotions, resource allocation (community assets and community grants), housing allocations, licencing and planning decisions and finally the structure, functions, activities and roles within the Mayor's Office and Mayoral Advisory team.
- 3.5.10 Under the envoy model of operating in partnership, we have been in discussion with the Council on the scope and governance of these projects since our meeting with you on 20th November. We have recently had written agreement from the Council that they have accepted our proposed governance structure and scope, and we will be commencing the work in February. Whilst the Council have agreed to the work and

recognises that restoring public trust in the delivery of their Best Value duty is a core part of their improvement journey, its commencement has been delayed by ongoing discussions about the independence we have required in the governance of the project. This is symptomatic of the Council's leadership, who have not yet set and driven forwards the direction and pace on this work.

3.5.11 We welcome your proposal to bring the deep dive project into the scope of the Directions for the intervention. This will enable a faster pace of work, greater rigour and independence and a streamlining of the governance of the intervention to deliver the work efficiently.

4 Looking ahead

4.1 **2026 local elections-** in May, the Council will undertake a local election. As you are aware, elections in Tower Hamlets have historically been contentious and create a hotly disputed political environment and we expect this year to be no different. We have engaged with the Elections Manager, who is highly experienced in his role, and we are assured that his team are fulfilling their role in planning to deliver a safe election. They are working closely with the Monitoring Officer (MO) and Returning Officer (RO) of the Council, for both of whom this will be their first local election in these roles.

4.2 The political behaviours in the Council have already begun setting the tone for the election, and alongside an increase in the political activity we have described above, we have already seen early signs of these inappropriate behaviours spilling out into the community. We would encourage the Council, and all Tower Hamlets stakeholders, to continue, and where necessary increase, engagement with all the relevant parties, including the Metropolitan Police, Home Office and Electoral Commission to collectively support the development of robust and resilient plans, and contingency plans and stand ready to support the Council as appropriate.

4.3 **Emerging priorities-** the Council's priority over the next six months should be to consolidate and build on early progress by focusing on the stability, grip, tone and drive of their senior leadership team. The Council needs to ensure that there is a step change in the pace and depth of the improvement journey which means that they will start to be able to evidence the measurable impact of the plans they have made. To do this, they will need to progress at pace with the work to strengthen their corporate core.

4.4 Inevitably, some activities, such as further development of the Member Pledge, will be stalled by the local election and the focus of the RO and MO will also necessarily turn to the delivery of a safe and secure election, which will also be a core priority. Officers should be ready to make the most of the opportunities the election will present and guide the refreshed cohort of members to lead an improved culture of trust, respect and transparency at the Council. This will require acceptance of the need to change together with careful planning and strategic thinking, as well as robust delivery arrangements.

4.5 Alongside this we would expect to see the Council make a significant shift to tracking the deliverables, outcomes and impact from their various plans, and actions and to mature their approach to honestly assessing their position in each area. Inevitably some areas may be more stubborn to shift than others, but an open and transparent dialogue with stakeholders regarding these to formulate solutions would be a sign of positive progress. The Council will need to demonstrate greater openness and transparency which is crucial to ensuring embedded and sustainable cultural change. They will need to prioritise the delivery of a clear workforce strategy and cultural change programme, and the dissemination and action in response to the staff survey results, which will closely inform the workforce strategy. We will lead the delivery of the deep dive project, and supporting this work will need to be a priority for the Council. Crucially, the Council need to ensure sufficient progress is made in beginning to tackle the statutory recommendations put forward by the auditor and to tackle the level of trust in the Council by making the deep systemic changes required to deliver the necessary sustainable change.

4.6 **Response to your proposed package-** Whilst the Council have made some progress in their journey to recovery, we are concerned that the pace of change is too slow for the Council to meet its Best Value duty within the current intervention period before March 2028, and therefore welcome all elements of the proposed enhanced package to support and help them to deliver change more quickly. Increasing the capacity and personnel in the envoy team will support this, and we welcome the proposal for focused finance expertise to lead support for the Council to make progress against the audit recommendations.

4.7 Your proposal would provide the envoys with powers in reserve, to be used only when necessary, which we welcome. We wish to continue working in partnership with the Council but feel the availability of powers, alongside a streamlined and overarching envoy led improvement board will enable a more robust approach. This improvement board will need to be supported with the appropriate Envoy-led governance to ensure the Council's progress against the directions is delivered at pace. We also would like to see the Council commit to taking their reports and the Continuous Improvement Plan through debate at Full Council, and it may be appropriate to require this by ministerial direction. We would also welcome any further consideration as to how the package can successfully target the entrenched issues we are observing in the political space, where engagement remains inconsistent. We look forward to the outcome of your final decision and to continuing our work with the Council on this improvement journey.

4.8 **Next steps-** we are writing to you in the representations period, before you take your final decision on the status of the intervention. We look forward to hearing of your final decision in due course. In the intervening period we will continue to work with the Council under the existing intervention model alongside preparing for any changes you have proposed. You have asked that we report at regular intervals, and we suggest that we

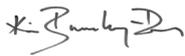
write to you in the summer, to set out the progress of the deep dive projects, and any conclusions that have emerged, alongside a broader update on the best value themes.

4.9 We have noted a change in the Council's tone and engagement with us following your announcement; the Council have publicly accepted your proposal and reflected that they need to change how they lead, organise, prioritise and communicate. The Council's Cabinet have also allocated more resources to improvement for the next period and are proposing strengthened governance for this activity. We are hopeful that this will lead to frank recognition of the issues the Council faces, and a renewed sense of focus and urgency regarding the improvement journey. We will be monitoring how this and the Council's actions in the next phase translate into meaningful impact and change.

Yours sincerely,

Ministerial Envoys to the London Borough of Tower Hamlets

Kim Bromley-Derry



Pam Parkes



Shokat Lal

