

# **LGA Corporate Peer Challenge – Progress Review**

Tower Hamlets Council

7 – 8 October 2025

Feedback



**Corporate Peer Challenge**



## Contents

1.	Introduction .....	3
2.	Summary of the approach.....	3
3.	Progress Review - Feedback.....	4
4.	Final thoughts and next steps .....	16

## 1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) during September 2023 and promptly published the full report with an action plan.

The Progress Review is an integral part of the Corporate Peer Challenge process. It is designed to provide space for the council's senior leadership to:

- Receive feedback from peers on the early progress made by the council against the CPC recommendations and the council's RAG rated CPC Action Plan.
- Consider peers' reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs.
- Discuss any early impact or learning from the progress made to date.

The LGA would like to thank Tower Hamlets Council for their commitment to sector led improvement. This Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

## 2. Summary of the approach

The Progress Review at Tower Hamlets Council took place (onsite) on 7 and 8 October 2025, two years after the CPC. The Progress Review focussed on each of the recommendations from the Corporate Peer Challenge.

For this Progress Review, the following members were involved:

- Cllr Grace Williams, Leader, Waltham Forest Council
- Cllr Jim McKenna, Cabinet Member for Adults and Health, Cornwall Council
- Mark Wynn, Chief Executive, Lancashire County Council
- Ben Mosley, Director of Operations, West of England Combined Authority
- Tasnim Shawkat, Director of Corporate Services and Governance, LB Bromley
- Claire Hogan, Assistant Director, Local Government Association
- Nick Searle, Senior Regional Adviser, Local Government Association.

### 3. Progress Review - Feedback

Peers welcomed the openness and willingness to engage from everyone they spoke to during the process. Peers observed that staff and members at the council remain dedicated to delivering the best outcomes for the residents of Tower Hamlets.

Progress has been made on most of the 2023 CPC recommendations, demonstrating the council's commitment to continuous improvement, with further development needed in a number of key areas. For example, the council has addressed its outstanding accounts dating back to 2018/19, published its Annual Governance Statement 2023/24, and published a Medium-Term Financial Strategy. The council continues to show strong financial management and whilst its budget position is not as precarious as other London boroughs, it must not be complacent in overcoming the challenging financial circumstances facing all councils.

During the revisit the prevalence of a 'two council culture' or lack of trust were not raised by people the team spoke with which is in contrast to the CPC in 2023 when the team found 'an evident lack of trust from some members and officers towards each other'. The existence of the Mayor's office (with 36 staff members) was also adding to the perception of a two council culture. There is now a stable and more unified top team, led by the chief executive, that is committed to delivering the Mayor's and council's priorities. There has also been a reduction in the size of the Mayor's office with some staff either leaving the organisation, or being redeployed to departments within the council. As a result of these changes there are now nine staff in the Mayor's office, which is comparable to the offices of other mayors. However, further work is needed to clarify and articulate the role descriptions of these staff.

Progress on the recommendations have been made against a backdrop of high quality service delivery for the residents of Tower Hamlets. For example, following an Ofsted inspection the council's children's services were rated 'outstanding' in January 2025. Progress is also underway against the council's strategic priorities, with universal free school meals for all children up to age 16; all children receiving a grant towards their school uniform; and a youth centre has been opened in every ward in the borough.

Whilst the peer team saw positive commitment to continuous improvement, peers

remain concerned about the council's tendency toward internal optimism bias. This was demonstrated in the council's overly optimistic self-assessment, which reported that 12 out of the 18 recommendations were rated 'green' and the remaining six were rated 'amber'. No recommendations were rated 'red'. For example, the recommendation on the Workforce Strategy was rated 'amber' despite there being very little progress made, and the recommendation on membership of committees was rated 'green', despite there being further scope for members of all political parties to work much more collaboratively. The peer team did not agree with the council's ratings overall.

Furthermore, whilst it is encouraging to now see one woman on cabinet, and the establishment of the Women's Commission, political representation falls short of expectations for gender balance and inclusivity. Continued focus is needed to ensure the voices of women and those from different backgrounds are directly influencing policy through their lived experience.

The progress review took place against the backdrop of an unusual operating context. A government [written ministerial statement](#) issued in November 2024 accepted the conclusions of a [Best Value Inspection](#). This stated that the council is failing its best value duties on continuous improvement, governance, leadership, culture and partnerships. In January 2025, the government confirmed its first use of the envoy model as a form of intervention.

The envoys' [first report](#) to the Minister was published in July 2025. This found that there had been some good progress in the council's initial response, but that it needed to build on these foundations and move to delivery at pace with a focus on outcomes and measurable change. It also set out that there is a need for wholesale buy in to the improvement journey from members and staff, rather than this being owned by a small team of officers. The [Minister's response](#) to the report called for clear evidence of political and officer leadership gripping and driving change and noted that the option to escalate the intervention to commissioners remains.

As well as a ministerial envoy team the council also has a Transformation and Assurance Board, with membership including the Mayor, councillors from the administration and opposition parties, the LGA and thematic leads as well as the

envoys.

Overall, the peer team felt that progress has and continues to be made at Tower Hamlets and that the building blocks are in place for further progress with a clear commitment to continuous improvement. The council is encouraged to build on the progress made by enhancing the use of evidence and data to demonstrate outcomes. This could help challenge any negative perceptions about the council, which was highlighted as a concern by some of the people the team spoke with. The creation of a single plan with clear deliverable objectives that are measurable and can show impact will further support the council on its ongoing improvement journey.

The Progress Review considered all 18 recommendations from the Corporate Peer Challenge in 2023. Progress has been achieved on 17 of these recommendations, to varying degrees, with limited progress on one. The following summary outlines in more detail the peer team's view on the progress made against each of the 18 recommendations with a view on what needs to happen next.

***Recommendation 1: Strategic vision – Develop a more comprehensive long-term strategic vision for the borough and the council which is co-produced with the community.***

The peer team heard that the council has meaningfully engaged staff, members and partners, including the VCS, in co-producing its shared priorities. Whilst the recently developed Continuous Improvement Plan provides much needed coherence, the council does, however, have lots of plans, and there was a sense from the team that there is 'a plan for a plan'. Peers encourage more consistency, coherence and a strong delivery narrative in relation to these plans. There is now an opportunity to align and streamline these plans with work underway to do this. The peer team recommends that the council ensures the strategic vision document is more focused, with a single narrative that sets out clearly defined priorities, includes measurable outcomes, and is aligned to its Medium Term Financial Strategy (MTFS).

***Recommendation 2: Medium-Term Financial Strategy (MTFS) – Develop a***

*MTFS, including the Housing Revenue Account (HRA), which can demonstrate the future financial sustainability of the council, and which is aligned to the long-term strategic vision of the council.*

The council continues to show strong financial management, and the team thought it was good practice to undertake scenario planning in advance of the government's Fair Funding Review to assess the potential financial impact of different funding outcomes and ensure it is well prepared.

The council has now published its [Medium Term Financial Strategy \(MTFS\) 2025-2028](#). However, the MTFS needs to be aligned to the borough's long-term strategic vision.

Tower Hamlets must also continue to take a considered approach as it seeks to deliver the long-term strategic vision for the borough, as well as withstand service demand pressures.

***Recommendation 3: Performance management – To assist with the focus on delivery of the council's priorities, measures should be taken to enhance the existing performance framework, making better use of data to inform decision making and policy development. Consideration should be given to how the impact of decisions and priority areas is captured.***

The peer team recognises the council's efforts in improving its approach to performance management, which was described as 'variable across the council' in the corporate peer challenge report. Performance management is now being used more consistently, with the implementation of Power BI and the introduction of a new Performance Management Accountability Framework. Corporate Directors now have dashboards to monitor performance, there is greater accountability for delivery, and peers saw some evidence of resources being allocated to enhance areas of improvement, with these decisions informed from data. Peers recommend the council continues to embed its approach to performance management across the organisation and continue to evidence and communicate how they are doing this.

***Recommendation 4: Workforce Strategy – Develop a refreshed workforce strategy to address recruitment and retention challenges. This is particularly important given the current vacancies in key senior management positions and the Mayor’s stated priority of the workforce representing the community. The Overview & Scrutiny Committee should be given responsibility for overseeing performance against the council’s aim to ensure that its workforce and service provision reflects the diversity of the borough.***

The council has recruited to key senior managerial positions, addressed recruitment challenges, undertaken a pay review of the top three tiers and has reversed the Gender Pay Gap. Nevertheless, the peer team found that there had been little progress on the development of the Workforce Strategy. This is a crucial gap, but the council does acknowledge that there is considerable work still to do. The peer team therefore encourages the council to develop and complete the Workforce Strategy, ensuring it aligns to the strategic vision of the council. The council also needs to move at pace to complete the pay review, beyond the top three tiers, and communicate the plans and timeframe to all staff.

***Recommendation 5: Mayor’s Office – Review the roles, functions and deployment of officers within the Mayor’s Office. This should be done to ensure streamlined decision making, removing barriers and duplication elsewhere in the council. The council should also ensure that colleagues remaining in the Mayor’s Office are given training and development opportunities to ensure a wider understanding of the roles and requirements of different services areas.***

Following the peer review in 2023, the council undertook a review of the Mayor’s Office. As result, the size of the Mayor’s office has reduced from 36 to nine staff members. On their return, peers found that relationships between staff in the Mayor’s Office and the wider organisation have improved, with no mention of a ‘two council culture’. While positive progress has been made with staff transitions from the Mayor’s Office, the council needs to further clarify and embed these roles to ensure they are fully integrated and aligned to the wider organisational structure. These



changes also need communicating internally to challenge the perception that the team heard from some 'that the Mayor's people are just working from somewhere else in the council'. The council should therefore clarify the roles and responsibilities of those members of staff remaining in the Mayor's office, and then communicate them to the wider organisation to avoid ambiguity and ensure a consistent understanding of its operating model.

***Recommendation 6: Internal governance – Conduct an urgent review of the internal governance arrangements including the board structures to ensure focus on the delivery of priorities, clarity of reporting and clear lines of accountability. This should seek to speed-up decision making, and delegate business-as-usual decisions to an appropriate level.***

In response to this recommendation the council has streamlined its internal governance arrangements. For instance, the Transformation and Governance Board framework has reduced the number of boards from six to three. The peer team also heard that senior officers better understand the new approval routes in place, with processes far simpler than there were at the time of the original peer review and there is clearer focus on priorities. Spend control panels are in also place, which are proving effective and there are clear lines of accountability.

The council has commissioned an external review of its internal governance, undertaken by the Good Governance Institute which has informed the Governance Programme in the Continuous Improvement Plan. The council should continue to communicate its new internal governance arrangements to the whole organisation in order for all staff members to have clarity on governance and decision-making processes.

***Recommendation 7: Working with partners – To ensure more effective partnership working, the council should consider reviewing current partnership governance arrangements.***

In their discussions with the peer team, partners reported positive progress in how

they have worked collaboratively with the council on co-producing shared priorities such as in production of 'Tower Hamlets 2035', noting that there are particularly strong relationships at the operational level on various projects. As with some other councils, there is an opportunity for greater engagement between cabinet members and partners to ensure strategic alignment on the work to deliver the vision for Tower Hamlets.

***Recommendation 8: Grant allocation – Build on the framework for the Mayor's Community Grant scheme and introduce a robust process for the Small Grants Fund and the Emergency Grants Fund, demonstrating links to the corporate priorities, ensuring openness and transparency, and reset relationships with the VCS/third sector. Monitoring of the grants programmes should be undertaken in partnership with the VCS/third sector and overseen by Overview and Scrutiny.***

The peer team welcomed feedback that the council has taken steps to work more collaboratively and develop relationships between council officers and the Voluntary and Community Sector (VCS). This was demonstrated via the approach to co-produce a new VCS strategy. However, some challenges remain. There is further work to improve the communication from the council to the VCS. For example, whilst the VCS welcomed the approach on the development of the VCS Strategy, they would appreciate more regular updates on next steps and greater responsiveness to emails.

The team also noted that clear governance arrangements and processes are in place for approving grant funds. However, whilst the council formally reports which organisations have received grants, there remains a challenge around the perception that the Mayor still approves grants and that certain groups are prioritised, which the council is clear is not the case. To challenge this perception peers recommend that further work is undertaken to improve the communication of the awarding of grants, in order to reinforce the transparent approach that has been adopted.

***Recommendation 9: Transfer of property to third parties – Record and formalise Mayoral/member involvement in decision making relating to the transfer of property***

*to third parties; reflecting Mayoral/member oversight in the property and assets policy and procedures document (and developing overarching strategy) Also report decisions in this area to Overview and Scrutiny Committee.*

In a similar vein to the allocation of grants, the peer team were told that governance arrangements are in place regarding the transfer of property to third parties. Peers heard that the council has taken steps to drive improvement in this area. For example, VCS colleagues were complimentary about improved engagement with the council; a list of Community Assets of Value has been established; and there is a joined-up approach across the Senior Leadership Team regarding the potential use of soon to be available assets. To further strengthen this area, the council can improve its communication regarding decisions, processes and on the role of members regarding leases with the VCS, as well as develop a long term leases policy in partnership with the VCS too.

***Recommendation 10: Cabinet Member responsibilities*** – *To speed up the pace of decision-making consideration should be given, as part of the constitutional review, to reviewing the delegated responsibilities from the Mayor to both Cabinet Members and officers.*

The peer team heard that decision-making is now more timely and more streamlined than it was previously. However, there is more to be done. The recommendation to complete the delivery assurance work has not progressed. A key component to this was greater clarity on the responsibilities and decision-making delegated from the Mayor to cabinet members. The peer team strongly encourage the council to complete and implement this work at pace, ensuring progress in relation to how delegated responsibilities are made.

The council has committed to member development and has achieved the LGA Councillor Development Charter. Cabinet Members have engaged with learning and development initiatives, including engaging with mentors via the Local Government Association. The team welcomes this approach and commitment but encourages further work to make sure leadership is more distributed around decision-making.

***Recommendation 11: Membership of committees*** – *The council should consider best practice in relation to the chairing, membership and cross party working in and of key committees such as Full Council, Overview and Scrutiny and Audit. External training for these committees should also be arranged.*

The peer team identified that there is further scope for members of all political parties to work much more collaboratively. This could be on areas such as developing measures to safeguard members from abuse and harassment, ensuring all members behave in accordance with the principles of civility in public life, and corporate parenting initiatives.

Whilst effective work has been undertaken by the council's Overview and Scrutiny programme, for example on free school meals and hate crime, peers were made aware that the Chair of Overview and Scrutiny has reverted to a councillor from the administration. It is good practice for councils to appoint the chair of scrutiny from a party other than the administration to ensure independent and effective scrutiny, and to promote impartial oversight and accountability. Peers urge the administration and the opposition groups to consider how they can achieve this. At the time of writing, the peer team understand that the council has appointed an independent chair of audit, which is welcomed.

***Recommendation 12: Member development*** – *The existing member training and development offer should be strengthened with support initially focussed on Cabinet members and committee chairs.*

Since the peer review, the peer team found that the council has committed significant efforts and financial resources to member development, including a budget of £60,000 per annum. Members have worked with the Centre for Governance and Scrutiny to develop a Councillor Compact, and all cabinet members have been offered a mentor via the Local Government Association. Feedback from members on both these initiatives has been positive. It is also encouraging to see that 69% of councillors have completed a personal development plan, demonstrating a commitment to their development. As a result of these efforts the council has achieved the LGA Councillor Development Charter. Looking forward, the peer team

encourages the council to complete its work on developing and implementing the Councillor Compact, which will provide further clarity about member expectations and civility in public life.

***Recommendation 13: Diversity*** – *Given the composition of the ruling administration, consideration should be given to how the voices of women and those from different backgrounds are directly influencing policy through their lived experience. It is recommended that the council actively promote the LGA’s ‘Be a Councillor Campaign’ to promote the opportunity for women and people from underrepresented groups across the borough.*

The peer team heard about key initiatives supporting the council’s approach to diversity. This included the work of Women’s Commission, launched in 2024, in addressing inequalities for women in Tower Hamlets and its role in supporting the development of a new Women’s Strategy that will be published in 2026. It also heard about the launch of ‘Be a Councillor’ campaign to promote opportunities for women and underrepresented groups in local government, in line with the LGA’s work on this area. Despite these initiatives and the step forward of there now being one woman in Cabinet, peers remain concerned about the council’s overall lack of diversity in political representation and stress the need for more work on this. Continued focus is needed to ensure the voices of women and those from different backgrounds are directly influencing policy through their lived experience. For example, the council should ensure that there is a clear mechanism for the work of the Women’s Commission to influence policy development.

Internally, the council has effective and passionate staff networks, and the peer team heard examples of their innovative work as well as about the new framework that allows chairs of staff networks to dedicate time to their roles, which is commendable. To further maximise the impact of staff networks, the peer team encourages the council to offer chairs dedicated training to enhance their development. Peers also urge stronger engagement from senior politicians and senior management, including the Mayor, cabinet members, and the senior leadership team, with all staff networks in promoting and endorsing their work. Recognising and understanding all strands of

equality, diversity and inclusion will ensure that decisions are considered through multiple lenses.

***Recommendation 14: Annual Governance Statement – Prepare and publish the Annual Governance Statement.***

The council has published its [Annual Governance Statement 2023/24](#). In line with best practice, the peer team heard that the council is committed to preparing and publishing this on an annual basis.

***Recommendation 15: Outstanding accounts – Outstanding financial accounts going back to 2018/19 need to be resolved with the external auditors as a priority.***

The council has now resolved its outstanding accounts dating back to 2028/19. In a further sign of progress, the peer team heard that the council's accounts for 2024/25 were the first to be published across London. The council may consider it appropriate to discuss materiality thresholds with their auditor as they move forward.

***Recommendation 16: Organisational capacity – Develop the corporate centre so that it is genuinely a strategic enabler and provides the appropriate accurate management data and information to support the transformation of the organisation.***

The peer team recognised the unified and strong senior leadership team and its commitment to delivering the Mayor's and council's priorities. The council is well supported by the new Strategic Director of Change and Improvement, who is the Improvement Lead named in the Ministerial Directions. This appointment has given impetus to the transformation agenda and plays a pivotal role in connecting the various aspects of improvement taking place, including the envoys, the Transformation and Assurance Board, and delivering the recommendations from the original progress review.

Peers heard of improvements within the corporate centre, including new dashboards and information for managers. The peer team were informed that work to strengthen

the council's strategy, improvement, transformation and data functions, known as the 'Empowering Services Review', is underway, and peers encourage this to be completed as soon as possible.

***Recommendation 17: Responsiveness*** – Review the council wide approach to handling member enquiries, complaints and freedom of information (FOI) requests to ensure less duplication, faster responses and greater efficiency.

The peer team found that the council has reviewed its complaints process and strengthened its approach to handling member enquires, complaints and Freedom of Information (FOI) requests. Peers were told that dashboards have been developed to support senior officers in monitoring responsiveness and that regular progress checks are made too. There was a clear sense that senior officer accountability was in place. Nevertheless, clarifying expectations on response timescales would benefit the organisation. The peer team encourages a facilitated conversation between political groups to help further improve responsiveness and ensure it is embedded across the organisation.

**Recommendation 18: 'People First'** – Accelerate the 'People First' transformation programme and develop a clear narrative ensure a common understanding. (This should be entwined with the development of the strategic vision).

During the corporate peer challenge in 2023, peers observed that the council's transformation programme, 'People First', was at an early stage of development. On their return to the council, peers recognised that the initiative is being embedded across the organisation, with a clear narrative around transformation and improvement set out in the Continuous Improvement Plan. The council is already seeing positive results from this initiative, for example there are improved levels of staff having appraisals with the completion rate now at 90%.



## 4. Final thoughts and next steps

The LGA would like to thank Tower Hamlets Council for undertaking an LGA CPC Progress Review.

We appreciate that senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

Mona Sehgal (Principal Adviser) is the main point of contact between the authority and the Local Government Association (LGA) and their e-mail address is [Mona.Sehgal@local.gov.uk](mailto:Mona.Sehgal@local.gov.uk).