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By email and hard copy

17<sup>th</sup> November 2014

**RE: Response to Price Waterhouse Inspection, London Borough of Tower Hamlets**

I am writing with my responses to the 4<sup>th</sup> November letter from you to Stephen Halsey, Head of Paid Service, London Borough of Tower Hamlets following the Best Value Inspection of Tower Hamlets Council by Pricewaterhouse Coopers LLP.

I note that the Secretary of State is considering exercising his powers of direction with regard to the 1999 Act to secure compliance with best value duty. An action I fully support in the interest of good governance of this Council

In my capacity as a Tower Hamlets Borough Councillor I have read the report and fully endorse the proposed intervention package. I attended the Cabinet meeting on Wednesday 5<sup>th</sup> November, whereby the Executive Mayor confirmed his acceptance of the immediate request relating to the making of grants, modification of existing agreements to pay grants, and not to appoint any of three statutory officers without prior written approval of the Secretary of State. Commissioners will be in a position to ensure that the Mayor or his councillors do not obstruct these vital appointments.

With regard to the proposed intervention package, my comments on the sections are as follows:

**Paragraph 1**

I support the notice

### **Paragraphs 3 - 4**

The appointment of commissioners will be an opportunity for the council to demonstrate best value with fully Independent persons who will be able to assist officers and the Mayor to rebuild confidence in the conduct of the council which has been lacking.

With regard to the commissioners, I condemn the suggested harassment of them at their homes as suggested by Ken Livingstone in support of Lutfur Rahman. I believe that the Mayor must give an undertaking that the commissioners will be free to undertake their rightful activities without any intimidation from his close supporters, such as Mr Livingstone, or by others who may be influenced by publicity surrounding this speech.

### **Paragraphs 5 - 6**

I support all proposals, in particular the drawing up of an action plan and the regular reporting of this to the Secretary of State. I would add that in order to ease transparency, this plan should be delivered to the council's Overview and Scrutiny Committee for their comments.

There may also be situations, perhaps relating to matters not immediately covered by the original report, which the commissioners may wish to include in their work. In particular the disbursement of Section 106 receipts are a matter of considerable concern.

### **Paragraphs 7 - 8**

The filling of the posts are integral in rebuilding confidence. An appointment of particular importance will be the appointment of a fully Independent Monitoring Officer, who can act on behalf of the residents of the borough, the taxpayers and the council as well as the Mayor. This will certainly reduce the tendency of "denial or obfuscation" which predates the arrival of the present interim office holder in January 2014. A permanent Head of Paid Service and a full time Section 151 Officer are also essential in order to prevent the holder of these posts being beholden in any way to the Mayor in the hope of achieving permanency at some point in the future.

### **Paragraphs 9 – 11**

The grant making process needs to be open, transparent and be seen to be without favour and bias. These paragraphs are a template to achieve this.

### **Paragraphs 12 -13**

The criticisms relating to property transfers are amongst the most powerful in the report. I would support the appointment of a commissioner with both legal and political experience, who would independently ensure that the Asset Transfer Board (ATB) of the council operates in accordance with best value and is fully independent of the Mayor and administration. As such any appropriate commissioner would need to play an active role in supervising the ATB to oversee property disposals.

### **Paragraphs 14 – 15**

Publicity by the council remains fraught with difficulty. East End Life was excluded from the terms of reference sent to PwC. However, following the criticism of the council by Ofcom and the blurring of political promotional material and information relating to the activities of the council, it is essential that before any plan is proposed, let alone costed, the Mayor, his personal office and council officers need to demonstrate that they understand the seven principles of Nolan. Ofcom is one of many bodies that has criticised the attitude of the council to Nolan and to publicity. This needs to change, and the first step will be an understanding by the Mayor and his office what is promotional and what is information. That the council has a communications department with some 60 staff, coupled with the Mayor's team who focus on his personal publicity and promotion, shows a highly unbalanced promotional environment.

### **Paragraphs 16 - 19**

Management of the electoral process in this borough has long been a source of concern. With an election petition currently before the Court, I simply say that the speedy implementation of paragraph 19 is essential to restore some semblance of order in a process which has seen extremely high levels of public concern and a collapse in confidence in the local electoral system.

### **Paragraphs 20 – 21**

I support the recommendations in paragraph 21.

Yours sincerely

**Councillor Peter Golds  
Island Gardens Ward  
London Borough of Tower Hamlets**