



Department for
Communities and
Local Government

Mayor John Biggs
Executive Mayor's Office
Tower Hamlets Town Hall
Mulberry Place
5 Clove Crescent
London
E14 2BG

16th Jan 2017

Dear Mayor Biggs,

LONDON BOROUGH OF TOWER HAMLETS: REVISED INTERVENTION PACKAGE

I am writing to inform you that the Secretary of State for Communities and Local Government has today made further Directions under section 15(5) and (6) of the Local Government Act 1999 ("the 1999 Act") in relation to your Authority. I enclose a copy of these Directions.

These Directions amend the Directions issued on 17 December 2014 and are consistent with the Secretary of State's 'minded to' letter of 2 December 2016 regarding the return of the grants-making functions to the Authority, subject to oversight arrangements, and to end the Commissioners' oversight of the processes and practices your Authority adopts for entering into contracts. In all other respects, the December 2014 Directions remain unchanged.

My letter of 2 December set out the context for those proposed Directions and the Secretary of State's reasons for making these proposals. My letter also invited your Authority to make such representations as it wished about the Secretary of State's proposals. On 15 December the Secretary of State received representations from you.

The Secretary of State is satisfied that the processes and practices your Authority adopts for entering into contracts, including how it implements its written procurement policies and procedures, are now compliant with the Best Value Duty. He has therefore decided to revoke the Direction issued to your Authority on 17 December 2014 (paragraph 7 of Annex A).

The Secretary of State is also satisfied that your Authority is now able to exercise functions in relation to the making of grants under any statutory power or duty, in compliance with the requirements of Part 1 of the 1999 Act. However the

Alex Powell
Deputy Director – Local Government Stewardship
Department for Communities and Local Government
2nd Floor North East Corner, Fry Building
2 Marsham Street
London SW1P 4DF

E-mail: alex.powell@communities.gsi.gov.uk

exercise of these functions should be subject to oversight arrangements to enable the Commissioners to advise and scrutinise the Authority and ensure its compliance with the Best Value Duty. The Secretary of State has therefore decided to revoke paragraphs 1 and 2 of Annex 8 to the 17 December 2014 Directions and to issue further Directions under section 15(5) and 15(6) of the 1999 Act in relation to Commissioner oversight arrangements.

The Secretary of State notes the comments you make regarding the importance of the Authority being able to undertake this function without the need for case-by-case approval from the Commissioners. He also notes your request for further clarification on this matter. The Secretary of State believes it should be a matter for the Commissioners, given their expertise in local government and specifically in Tower Hamlets, and the opportunity they will have to look closely at the details of these matters and how they will work in practice, to decide exactly what arrangements should be put in place. Likewise, it may be sensible for the Commissioners to grant block approval to certain types of grants; the Secretary of State believes that this is most appropriately decided by a discussion between the Commissioners and the Authority.

The Secretary of State welcomes your update on the by-election in the Ward of Whitechapel, held on 1 December, and your observation that it was well planned and well conducted. He also notes your appeal to reconsider his position on related Directions. The Secretary of State remains of the view that he is not minded to return functions in relation to the appointment of persons to and the removal of persons from the statutory offices of Electoral Registration Officer and Returning Officer for Local Elections (paragraphs 3 and 4 of Annex 8 to the 17 December 2014 Directions) to the Authority at this time. However he will consider this and related evidence in any future decisions he will take in respect of these Directions.

In recognition of progress made by the Authority over the past two years, the Secretary of State confirms that he intends to reduce the Commissioner team from four to three. He notes your concern regarding the cost of supporting Commissioners to local taxpayers. The Commissioners ensure that their time spent on Tower Hamlets business is proportionate.

The Secretary of State would like to take this opportunity to express his disappointment with having to cancel his visit to Tower Hamlets last month due to urgent parliamentary business. He hopes to reschedule the visit soon and his office will be in touch shortly to finalise arrangements.

I am copying this letter to your Authority's Chief Executive, Section 151 Officer, Interim Head of Legal Services, and to the Commissioners' office.

Regards,


ALEX POWELL