



Department for
Communities and
Local Government

Will Kenyon
Partner
PricewaterhouseCoopers LLP
By email

Helen Edwards
Director General, Localism

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Dear Will Kenyan

Letter of appointment

I am writing to inform you that the Secretary of State, in exercise of his powers under section 10 of the Local Government Act 1999 (as amended by the Local Audit and Accountability Act 2014), hereby appoints PricewaterhouseCoopers LLP (PwC) as the person to carry out an inspection of the compliance of the authority known as the London Borough of Tower Hamlets with the requirements of Part 1 of the 1999 Act in relation to the authority's functions in respect of governance, particularly the authority's functions under section 151 of the Local Government Act 1972.

In making this appointment and the directions set out below, the Secretary of State has had regard to certain documents that the Department has received about governance in Tower Hamlets, and the review of those documents undertaken by PwC, which recommends that appropriate further investigations are carried out to establish whether allegations about poor governance and possible fraud have any foundation. He has also had regard to the BBC Panorama programme broadcast on 31 March 2014, which made allegations about governance failures, poor financial management and possible fraud at Tower Hamlets, particularly in relation to grant payments.

The Secretary of State also, in exercise of his powers under section 10 (4) (b) of the 1999 Act, gives the following directions to PwC in relation to their undertaking the inspection.

First, PwC are directed that the matters to be covered initially by the inspection should in particular relate to: the authority's payment of grants and connected decisions; the transfer of property by the authority to third parties; spending and decisions of the

authority in relation to publicity, and the authority's processes and practices for entering into contracts.


Second, PwC are directed that the inspection is to cover matters in relation to the period from the date at which the Mayoral form of governance was implemented in Towers Hamlets on Monday 25 October 2010 to the present.

Third, PwC are directed to report the findings of the inspection to the Secretary of State by 30 June 2014, or such later date as the inspector may agree with the Secretary of State.

The Secretary of State may following receipt of PwC's report or otherwise issue further directions to PwC.

Section 12 of the Local Government Act 1999 provides that the authority to be inspected must pay PwC's reasonable fees for carrying out the inspection.

Yours sincerely

A handwritten signature in black ink that reads "Helen Edwards". The signature is written in a cursive style with a large initial 'H' and 'E'.

Helen Edwards
Director General, Localism