



Department for
Communities and
Local Government

Stephen Halsey
Head of Paid Service
London Borough of Tower Hamlets
Tower Hamlets Town Hall
6th Floor, Mulberry Place
5 Clove Crescent
London E14 2BG

30 June 2014

Dear Mr Halsey

Sir Bob Kerslake wrote to you on 4 April 2014 informing you about the inspection of your authority to be carried out by PricewaterhouseCoopers LLP (PwC). He explained that it is envisaged that PwC would report the findings to the Secretary of State by 30 June 2014, although a later report date may be agreed between PwC and the Secretary of State.

As you will see from the enclosed letter to Will Kenyon of PwC, the Secretary of State has agreed that PwC will report the findings of the inspection to him at a date later than 30 June 2014, and intends by the middle of July to agree with PwC the date by which he can reasonably expect them to report.

As explained in the enclosed letter, the Secretary of State has agreed to a later date having regard to the information provided by PwC about the progress of the inspection, and recognising the circumstances that PwC have encountered in your authority, which have resulted, and continue to result, in information material to the inspection being made available to PwC only after delay, or not at all to date. This disappointingly delayed provision of information has necessarily affected the overall progress of the inspection, including the timing of the interviews which PwC judge are needed with a number of persons.

As also explained in the enclosed letter, it is intended to agree the date by which the report can reasonably be expected on the basis of an assessment about the progress of the inspection over the next two weeks, and of our judgement about the future likely circumstances at Tower Hamlets. I recognise that your Council is considering a proposed claim for judicial review

Paul Rowsell
Deputy Director - Democracy
Department for Communities and Local Government
3/J1, Eland House
Bressenden Place
London SW1E 5DU

Tel 0303 44 40000

Email paul.rowsell@communities.gsi.gov.uk

and has sent us a formal letter before claim to which we responded on 19 June. How your Council decides to proceed with this matter may materially affect the future circumstances at Tower Hamlets, and the final report date.

All these matters, including the final report date, may have implications for the cost of the inspection. In my letter of 28 May to Mr Holme, I said that we intended as soon as practicable to give you some indication of costs. I am now able to say that given the circumstances to date of the inspection we envisage the likely total cost being within £1 million, assuming future full cooperation of your Council.

Yours sincerely

A handwritten signature in cursive script that reads "Paul Rowsell". The signature is written in dark ink and is positioned above the printed name.

Paul Rowsell