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Dear Secretary of State

Further to my letter of 19th January please find attached a response to your questions on the Alpha Square allegations. Given that there may be a desire that this exchange be published, I would emphasise, again, that it concerns a potential criminal investigation, the confidentiality of which has been we think scrupulously observed by the authority, and which should in the interests of proper process and justice continue. It was however compromised by a leak to a national newspaper from a source outside of the Council (the publication contained material we have simply had no access to). There is clearly a public interest, both in terms of justice but also in terms of confidence in local government, in the story and we would reiterate that this requires the investigation of this matter, which has been with the police for about 18 months, to take place. We would urge you to use your offices to ensure that this happens.

As you would expect, the investigation into the original allegations was conducted by the council's Monitoring Officer, at the time Ms Melanie Clay. Sadly in July 2016 Ms Clay became ill and was incapacitated and subsequently passed away at the end of November 2016. As a result, while we have reviewed her files, it is possible that Ms Clay had additional documentation in her possession which has not been located. Further, she assiduously and quite properly defended the independence of her Monitoring Officer role and we were not privy to her thoughts on how she should proceed in this matter. Therefore a full breakdown of the Monitoring Officer's actions and reasoning used by her following the allegations being raised with her is not possible. As a result the responses enclosed relating to her role are based on legal file notes and documents currently available to the Council, but cannot be guaranteed to be complete.

Please note also that some of the information referred to elsewhere, including audio tapes referred to in the Sunday Times, were never given to the council and were only handled by Far East Consortium International (FECI) and then Ernst & Young in secure conditions. Contrary to various local assertions about 'cover-ups', all that I had sight of before the Monitoring Officer took on responsibility, and the subsequent intervention of forensic accountants were three sheets of A4 paper and the benefit of a conversation with FECI. None of this could be shared because of risk of prejudice to an investigation. The file referred to the police was prepared by forensic accountants, and received by the Council, who

referred it, with a copy retained under secure conditions. It has only been seen within the Council by the Chief Executive and Monitoring Officer(s) and an authorised member of her staff.

To add some context of the time at which these allegations arose, it is noteworthy that the council was undergoing a period of significant change and reform. I had been in post as Mayor for only five months, following my predecessor's removal, when these allegations were raised with me. The Chief Executive had been in post just over a month and the Monitoring Officer just over two months.

At the same time the council was working with your officials, the Commissioners, auditors and others to identify and address the many deficiencies in council policies and procedures following the previous Mayor's removal. We and they were investigating and addressing the many allegations of wrongdoing, and poor practice which had been highlighted and were referred to in the Directions under which the Commissioners were appointed. The workload resulting from this was massive and we were not only taking control of an administration but in parallel unravelling a series of problems, restructuring the council, appointing new staff, meeting with Commissioners and conducting a series of wide-ranging investigations, while keeping the day-to-day business of the Council on the road.

It was in other words a busy period with many, many priorities. Transforming the Council has proved to be a continuing and demanding exercise. The arrival of this allegation needs to be considered in this context. It should be added that as regards referral to the police, we were not in a position to do so until the allegation had been considered internally. The onus on an early police referral lay, I think, with FECl, who on the face of it, based on the media story, if true, had been approached with a request for a bribe.

As set out in the accompanying note, the council has transformed itself over the past two years, including embedding transparency in the decision making process, introducing far more robust audit, anti-fraud and whistleblowing policies and conducting a thorough investigation of historical wrongdoing. There is still much to do but as a result we have not only strengthened our corporate processes but taken action against a number of individuals identified as engaged in wrongdoing, including a councillor (Shahed Ali - an Independent member) who was investigated, convicted and imprisoned for housing fraud offences. We have also reviewed the size and membership of the Strategic Development Committee, retrained members on their roles, significantly amended our Constitution and last year held two ethics and probity training seminars for members. Contrary to the assertion in your letter I believe this council has demonstrated a determined zeal to reform and ensure the criminality and corruption of the past cannot return. I remain utterly committed to this.

With regards to Alpha Square, the investigations into the allegations should of course be thorough with anyone found to have been complicit in any attempt to corrupt the planning process facing justice. The application itself however was rejected (at our planning committee) in line with officer advice and to date no evidence has, to my knowledge, been found to suggest that any improper activity took place in relation to the Council's processing of it.

Although there are clearly limits to what we have been able to share publicly, I remain committed that my administration should be as open and transparent as possible. Indeed three days after the publication of the Sunday Times story, my Chief Executive and I put ourselves forward to give evidence

to the council's Overview and Scrutiny Committee and respond to their questions as fully as possible given the public interest. This was also publicly webcast and remains available for public view. Prior to the Sunday Times article however we remained under QC advice that , for risk of tipping off anyone involved, only those with a clear need to know should be made aware of the allegations, investigation and referral to the police.

You will know that we are coming towards the pre-election period in London, including in Tower Hamlets. As a result this story has led to all manner of allegations, suppositions, leaflets and assertions of wrong doing, including that we failed to inform the wider world of the allegations. The reality is that because this matter is sub judice we were not in a position to inform anyone about it as I'm sure you would agree. The 'smoke of war' however can obscure this.

As I previously wrote, this matter is one of great importance to the council and despite commissioning a full independent investigation, seeking QC advice and presenting the police with all the evidence and information we had gathered, almost a year and a half later we have received no response from the National Crime Agency nor seen any other action in relation to the allegations.

While it is entirely right that senior council officers and I are asked to account for our actions, as detailed in this response and elsewhere, it is clear to me that there are even more serious questions to be asked of the seeming lack of police response to these allegations and the files we provided.

I would ask that you press the Home Secretary to seek a resolution to this and the other outstanding investigation (Operation Lynemouth) as quickly as possible.

I and my Senior Leadership Team are deeply committed to transforming the council and consigning its past politics to history. Over the past two years I believe that the action and transformation we have undertaken and the relationship we have built with both the Commissioners and you and your officials have illustrated this.

If you or your officials have any further questions following the any of the above or enclosed responses please do not hesitate to contact us. I am aware that inaccurate claims have been made in letters to you and in local political party literature on this issue and hope this response will go some way to showing you that the council have acted properly.

Attached you will find a detailed response to the questions you asked. I would however in this covering letter like to emphasise that the assertion in your first question that it took me three weeks to report this to the Chief Executive is entirely untrue. When I was made aware of these allegations I passed them as quickly as possible (the next day) to the Chief Executive and through him the Monitoring Officer for independent investigation.

Yours sincerely,



Mayor John Biggs
Executive Mayor of Tower Hamlets