

Audit and Risk Assurance Committee

17 August 2017

Chronology of the sale of the Public Toilets and the Cabinet role of Councillor Ian Jones

1. Summary Statement

- 1.1 This report, which was requested by the committee following its interview with Councillor Ian Jones at its meeting on 15 December 2016, provides the chronology associated with the sale of the public toilets along with Councillor Jones's term as a Cabinet Member of the council over this period, including his portfolio responsibilities.

2. Recommendations

- 2.1 That the Audit and Risk Assurance Committee considers the attached chronology and associated information in order to gain an overview of the timescale involved in the sale of the public toilets and the Cabinet roles that Councillor Ian Jones held over this period.

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3. Strategic Resource Implications

- 3.1 There are no direct resource implications arising from the recommendations in this report.

4. Legal and Statutory Implications

- 4.1 Legal and statutory implications have been taken into account in producing this report.

5. Implications for the Council's Scorecard Priorities

- 5.1 The Audit and Risk Assurance Committee helps strengthen the risk, governance and internal control environment.

6. Background Details

- 6.1 Annual Council appointments, Cabinet Member Portfolios, Committee Terms of Reference, the Wragge Report and the outcome of the recent judicial review were used to compile this report.

7. Appendices

Appendix A – Chronology

Appendix B – Portfolio responsibilities for Jobs and Economy
2011/12

Appendix C – Terms of Reference of the Asset Management and
Land Disposal Cabinet Committee

Appendix D – Portfolio responsibilities for Neighbourhoods
2012/13

Chronology – Sale of Toilet Blocks

24 May 2011 – 22 May 2012: Councillor Ian Jones was appointed as the Cabinet Member for Jobs and Economy (responsibilities attached at Appendix B)

On 18 July 2011, an entity called Central Property Line (“CPL”) wrote a letter to the office of Councillor Ian Jones expressing interest in the purchase of disused public toilets. On one copy of the letter there are manuscript annotations referring to both Councillor Jones and Councillor Hussain.

On 15 August 2011, a trainee surveyor in the Property Services Department of the Council wrote to CPL noting that a public auction was due to be held on 22 September 2011 and suggesting that the toilet blocks be added to that auction. The surveyor wrote a briefing note to Mr David Willetts, the then Head of Property Services, headed “Public conveniences in Sandwell”. However, the toilets were not ultimately included in the public auction.

27 October 2011: First meeting of the Asset Management and Land Disposal Cabinet Committee, of which Councillor Ian Jones was a member (Terms of Reference attached at Appendix C). There was no reference made to the sale of the toilets at this meeting.

In October / November 2011 a meeting occurred between Council officers and CPL. Manuscript notes on emails sent on 16 December 2011 and 12 January 2012 indicate that Council officers consulted members about the interest shown by CPL. There are a number of documents referring to the involvement of the “Councillors / Members” having been consulted between July 2011 and May 2012. There are also other non-specific references simply to “Members”.

22 November 2011: Further meeting of the Asset Management and Land Disposal Cabinet Committee, of which Councillor Ian Jones was a member. There was no reference made to the sale of the toilets at this meeting.

17 January 2012: Further meeting of the Asset Management and Land Disposal Cabinet Committee, of which Councillor Ian Jones was a member. There was no reference made to the sale of the toilets at this meeting.

On 30 January 2012, a letter was sent by a Council officer to CPL referring to previous correspondence and setting out proposed terms and conditions of sale. A hand written note prepared by the officer stated "*DW discussed contents of letter with Councillor Hussain Agreed okay to be sent*". The reference to "DW" is to Mr David Willetts.

On 2 March 2012, a second letter was sent by a Council officer to CPL with revised terms and conditions which stated: "*Further to my letter dated 30 January 2012 and discussions with Councillor Ian Jones and Councillor Mahboob Hussain, I outline the revised terms and conditions that the Council is prepared to proceed*". The letter listed the purchase prices and other terms and conditions.

On 2 March 2012, Mr David Willetts, stated that his "*gut-fee*" was that the toilets should be valued at £15,000 per toilet. Mr Willetts has accepted that there was a high degree of subjectivity about his valuation.

7 March 2012: Further meeting of the Asset Management and Land Disposal Cabinet Committee, of which Councillor Ian Jones was a member. There was no reference made to the sale of the toilets at this meeting.

On 9 March 2012, CPL made a revised offer of £50,000 for all four toilets and this was accepted by the Council. The relevant officer who accepted the offer recorded, in an email, that he had consulted with members.

Between 13 and 19 March 2012 there was an exchange of emails and documents relating to a change of identity of the purchasers and that of their solicitor. This did not result in any questions being posed by either the Property or Legal Services of the Council as to why there was a change in identity or as to any connections between the new purchaser and Council members or officers.

In the course of April 2012 one of the toilets (at Bearwood) was withdrawn from the offer and, in consequence, CPL agreed to proceed with the sale of the three remaining toilets for £35,000.

24 April 2012: Further meeting of the Asset Management and Land Disposal Cabinet Committee, of which Councillor Ian Jones was a member. There was no reference made to the sale of the toilets at this meeting.

On 24 April 2012 Mr David Willetts explained that the members wanted an independent open market valuation of the toilets. On 23 May 2012, the District Valuation Service (“DVS”) completed a report concluding that the appropriate value for the three toilets was, in total, £130,000. An attendance note of a call by a Council officer with the Council’s Legal Services stated: “*Told to hang fire and not proceed. Have received independent valuations in excess of what is agreed with the prospective buyer. Await further instructions*”.

22 May 2012 – 21 May 2013: Councillor Ian Jones was appointed as the Cabinet Member for Neighbourhoods (responsibilities attached at Appendix D)

23 May 2012: Further meeting of the Asset Management and Land Disposal Cabinet Committee, of which Councillor Ian Jones was a member. There was no reference made to the sale of the toilets at this meeting.

On 24 May 2012 it was agreed that there would be no immediate exchange of contracts. Members were “*now considering options*”. A few hours later, but on the same day (24 May 2012), a further email stated: “*Received further instructions from David via Councillors Hussain and Jones. The transaction you are dealing with can proceed as normal*”.

On 7 June 2012, solicitors acting for the purchaser confirmed that the identity of the purchaser was Mr Abdul Naeem Quayam, and not CPL. The conveyance of the three toilets was completed on 13 August 2012 for £35,000.

22 May 2013 – 11 June 2014: Councillor Ian Jones was appointed as the Cabinet Member for Jobs and Economy

Subsequently, Savills provided an independent expert opinion upon the value of the land at the time of the sale. They also valued the total package at £130,000.