

Minutes of the Audit Committee

**15th December, 2016 at 3.00 pm
at the Sandwell Council House, Oldbury**

Present: Councillor Sidhu (Chair);
Mr Ager (Vice - Chair and Independent
Member);
Councillors Gavan, Dr Jaron and Piper.

Apology: Councillor Preece.

In Attendance: Councillor I Jones and his legal representative.

37/16 **Minutes**

Resolved that the minutes of the meeting held on 29th September, 2016 be confirmed as a correct record.

38/16 **Questions to Councillor I Jones regarding issues arising from the Gowling WLG Investigation**

On 22nd June 2016, the Committee resolved that Councillor I Jones and a former Service Manager responsible for the service at the time identified in the Gowling WLG Investigation would be asked to attend a future meeting of the Audit Committee to consider the events contained in the Gowling WLG report and the subsequent QC advice in relation to land sales and other matters (see Minute No.18/16). The former Service Manager as identified in Gowling WLG Investigation had declined to attend. Councillor I Jones now attended the meeting with his legal representative and, as agreed, had received the Committees questions in advance of the meeting.

Attached to these minutes are a verbatim record of the meeting, this is also available to view on the Council's website (<http://sandwell.public-i.tv/core/portal/home>).

Audit Committee – 15th December, 2016

(Meeting adjourned at 4.43pm and reconvened at 5.00pm)

Resolved:-

- (1) the Interim Director - Resources invite the former Service Manager as identified in the Gowling WLG Investigation, to a future meeting of the Audit Committee;

- (2) that in connection with resolution (1) above, in the event that no further information is brought to the attention of the Audit Committee, no further action be taken in respect of Councillor I Jones responses in relation to issues arising from the Gowling WLG Investigation;

- (3) that a further report be submitted to the next available meeting of the Audit Committee in relation to the timeline of events on the sale of toilet blocks as identified in the Gowling WLG Investigation.

39/16

Whistleblowing Update

The Committee received a report on the whistleblowing queries the Council had received between the period 1st April 2016 and 31st October 2016.

The Confidential Reporting Code had been established to encourage and enable employees to report serious concerns that they may have without fear or prejudice whilst still following the Council's complaints procedures and other statutory reporting procedures.

The Monitoring Officer also highlighted that the Standards Committee had adopted a confidential informant programme for employees complaining against councillors.

Audit Committee – 15th December, 2016

The Committee was informed of the following whistleblowing instances:-

- 11 concerns were raised with the Monitoring Officer;
- 3 of those cases had no evidence to support the claims;
- 4 investigations had been completed and a range of appropriate actions had been taken;
- 4 cases were ongoing and their outcome would be reported to a future Committee.

In relation to housing and benefit fraud, the Committee was informed that benefit investigation had been transferred from local authorities and passed to the Department for Work and Pensions in readiness for the nationwide introduction of Universal Credit. Between 1st April 2016 and 31st October 2016, the Council had received 36 concerns through the benefit procedures.

The Committee was informed of the following concerns raised:-

- 28 concerns were passed on to the Department for Work and Pensions for their consideration;
- 8 concerns had been raised with the council to consider;
- 4 were investigated and no fraud was proven;
- 4 cases were ongoing and their outcome would be reported to a future Committee.

(Meeting ended at 5.20 pm)

Contact Officer: Matthew Powis
Democratic Services Unit
0121 569 3479

Agenda Item 11

AUDIT COMMITTEE MEETING

THURSDAY, 15TH DECEMBER 2016

PRESENT:

Councillor Sidhu (Chair)
Mike Ager (Vice-Chair)
Councillor Piper (BP)
Councillor Gavan (BG)
Councillor Dr Jaron (AJ)
Councillor I Jones (IJ)
Darren Carter (DC)
Peter Farrow (PF)
Matthew Powis (MP)
Meic Sullivan-Gould (MS)

Commenced 15:00

Concluded 17.20

[ILO: UNCLASSIFIED]

Chair: Good afternoon members. I have to make this announcement from the Chair. Please note that members of the public and the press are now allowed to film a due record, take photographs, blog (unclear words) this meeting. I would ask at this point if anyone is intending to film the meeting? I would ask anyone who is recording to avoid any disruption of the meeting and to avoid filming members of the public. If you do not film, if you do film members of the public there is a potential of civil action against you by anyone who has not given their permission to be filmed. This meeting is filmed by the Council Webcast, subsequent broadcast on the Council's website. The webcast may also be used for training purposes within the Council. Public seating areas will not be filmed. If you are not happy with being in the room while filming is going on, this is your opportunity to leave the meeting. I have the discretion to terminate or suspend the meeting if I think this would prejudice the proceedings of the meeting or infringe the rights of any individual. We are not expecting a fire drill so in the event of fire alarm sounding, please leave the building as quickly as possible. The Governors Officer will direct you to the appropriate exit and assembly point. Toilet facilities are available outside the Council Chamber. Councillor Jones, welcome to the meeting. Apologies for absence. Matthew?

MP: Councillor Preece.

Chair: Councillor Preece sent his apology. Any other apology? Members who declare any interest in matters to be discussed at the meeting. Any members got any interest? To confirm as a correct record the minutes of the meeting held on 29th of September 2016. Approved? Second? This is a following update. Mike, you want to say anything on that?

Chair: (unclear words).

Chair: Item five, questions to Councillor Jones regarding issues arising from Gowling WL investigation.

[ILO: UNCLASSIFIED]

IJ: Chair, err, before we do that, err, I know that nobody's made any declarations of interest in this matter and, umm, I would ask that you consider whether you have any declarations in this matter, err, in the Wragge Report and the evidence given, there are members of this Committee who are mentioned in that, in that report.

Chair: Any response?

IJ: Chair, if you, umm, I can help colleagues if you wish, umm, to help them not go down a route that may lead them into, err, umm, a monitoring officer position. Umm, there is evidence in the Wragge Report which was provided to myself, err, and my, err, Legal, err, Team, that, umm, the Councillor Piper and Councillor Jaron, err, were party to, err, email traffic as was the Chief Executive, err, the Executive Director of, err, Nick Bubalo, the Head of Legal, err, also Jane McGovern and also Santok regarding the Bearwood toilets and the withdrawal of the Bearwood toilets. Err, evidence was provided through, err, the Wragge Report which suggests that, err, members were involved in that decision to withdraw those toilets, umm, at that time. Umm, a significant loss to the Local Authority then was accrued, umm, and those matters then, err, I believe may and colleagues may know or may not know that this evidence was presented by Wragge's, umm, if they don't, I apologise and you should have done, err, but if they do, err, then, err, declaration of interest and I would imagine that, umm, err, they would withdraw from the meeting.

(unclear words).

MSG: Err, members, it's always a matter for you whether you have a declarable, err, interest or not, err, and the, err, categories of declarable interest relate to people's employment, err, people's, err, err, ownership of property, err, people's, err, err, relationships with other people. Umm, being party to a previous decision is not a, err, err, a personal or private or pecuniary interest, umm, so long as you are approaching the matter with an open mind today, err, then there is no objection to you, err, err, participating in the events. So it's, as I say, a matter for you but the categories of disclosable interests are very narrow indeed and, err, with due respect Councillor Jones, err, he hasn't indicated that any, that information would be a disclosable pecuniary interest in my judgement.

Chair: Mr Sullivan-Gould is the Monitoring Officer of the Council.

MSG: Yes, sorry, I should have made that clear.

Chair: Right.

Okay.

Chair: Councillor Piper.

BP: I have a vague recollection as an elected member for Abbey Ward of being included in a trail of correspondence in respect of the disposal of the toilets in Bearwood but was never in any position, certainly an executive position, to influence that decision one way or the other.

Chair: Any other member to declare any interest? To confirm as correct record, minutes of the meeting held on 29th of

MSG: We've done that already so I think it's for Darren to outline their position now.

(unclear words).

DC: Thank you. Err, what I'll do now is just provide a bit of background detail as contained in the report about the matters for discussion today.

[ILO: UNCLASSIFIED]

So following concerns raised on a number of issues and through a variety of routes including the involvement of the police, the Council commissioned Wragge & Co now Gowling WLG, to investigate and report back on these matters. The final report was dated 27th of April 2016 and the Council subsequently sought the legal opinion of an independent QC. The QC's written legal opinion was signed and dated 9th of May 2016. Both the report and the QC's opinion were published by the Council on 20th of May 2016.

Issues raised in these reports related to the Council's risk, governance and internal control environment and therefore fell under the remit of the Audit Committee. These documents were presented to the Audit Committee on 22nd of June 2016 in order for the Committee to gain assurance that the issues identified in the reports were being comprehensively and were promptly addressed.

The key issue arising for Audit Committee relating to the sale of toilet blocks in August 2012. Section 4.1.50 of the Gowling WLG report states the agreement to sell the toilets for a price lower than that identified by the District Valuation Service appears to be a serious breach of the Council's internal financial regulations.

Now just for clarity, those regulations which apply to every member and employee of the Council require that assets for disposal are identified and are disposed of at the most appropriate time and only when it's in the best interests of the Council and the best prices obtained unless otherwise approved by Cabinet.

At the meeting on 22nd of June 2016 it was resolved that Councillor Ian Jones be asked to attend a future meeting of the Audit Committee. Err, we subsequently written to Councillor Jones on behalf of the Committee with a series of questions that will form the basis of our discussions today.

Chair: That's it.

Yeah.

[ILO: UNCLASSIFIED]

Chair: Any comments or observations? Councillor Jones, what will happen is you were sent six questions and some supplementaries arising from your answers. So what I will do is I read out the questions one by one and then if members have got any supplementary questions they will ask it.

Can you please explain your understanding at the time of the disposal of the toilet blocks, how Asset Management and Land Disposal Committee worked and the processes involved?

IJ: Thank you Chair. Umm, the Land and Asset Management Committee was only formed partway through the year and didn't form part of, umm, any Committee, err, before that. Umm, at a later stage during the year, umm, it would have been that the, err, officers would bring, umm, their proposals for the Land and asset Disposal Committee and, err, the Chair, together with, umm, other members of that Committee, would have a, a pre-briefing and then would be in a position to then say progress to the Land Committee as it was known or not.

Chair: Any supplementary questions?

BP: Yes Chair. I wonder if Ian could perhaps, err, take us through what he perceives was his role in that process?

BP: Sorry?

BP: I'll say it again. I wonder if you could take us through what you perceive to be your role in that process as the portfolio holder and Cabinet Member and a member of the Committee presumably?

IJ: Err, yeah. Umm, it was to, err, be present at, umm, all Committee meetings as best as we could. Umm, any pre-briefings, err, regarding what the officers bought would have been on their professional judgement and it would be one of scheduling, umm, appropriate, err, sales of land which the Committee would then, umm, decide on for disposal, that Committee.

[ILO: UNCLASSIFIED]

- BP: Could I ask then, umm, as I understand it the executive portfolio at that time included the acquisition and disposal of land and assets in consultation with other Cabinet Members where less than best value was involved. Was that your understanding?
- IJ: Again those things would apply to all Cabinet Members at the time.
- BP: Yeah, so you do accept that where less than value was involved, that would be a matter that would have to be discussed by Cabinet.
- IJ: Err, I believe it would be discussed by the Land and Asset Committee not Cabinet but I may be wrong on that.
- BP: Did you consult with other Cabinet Members in respect of the sale of the toilet blocks where you had a valuation which was four times less than the value provided by the District Valuer?
- IJ: Err, I believe some of those questions are further down and you'll have the answers when those apply.
- BG: Umm, Chair, Councillor Jones, were you Chair of Land and Assets or the Land Committee as it was known then?
- IJ: Err, no.
- BG: Who chaired then please?
- IJ: Umm, I believe that to be Councillor (*unclear name*) at the time.
- Chair: (*No audible sound.*) err, Land Disposal Committee remain as passive bystander and allow Councillor Hussain to work without challenge.

IJ: Err, thank you Chair. Passive bystander is something that the independent, err, err, person has put on. Err, I don't consider myself as a passive bystander. Err, this was, err, a small part of a thirty million pounds portfolio of, umm, land sales. It's the smallest part of my, err, directorate as, as was then. Umm, the sale of this was less than 0.5 per cent of all assets and that and the officers felt that this was of such importance that they gave it to the trainee.

BP: *(No audible sound.)* The independent investigation arrived at the decision that you behaved as a passive bystander not because you were deemed to be guilty of any sins of omission that you, you'd actually committed an offence but that by not intervening in accordance with your portfolio of responsibilities, you failed in your duty to act with full probity. Now that isn't, that isn't to say that you, umm, you did anything consciously wrong but that by not carrying out your responsibilities diligently and I think that the, the phrase itself is that, according to the QC's report, was that your behaviour was reckless and lacking diligence. By not carrying it out in a diligent manner, you actually lead to a considerable loss to the Council in terms of the sale of these assets.

IJ: Umm, yeah, umm, independent person I've already made my remark to the independent person. I don't believe he was independent. He suffered significant pecuniary loss in decisions that I made and others made previously to, for his law firm not to be awarded the Council's contract. I had those prior to and after my, umm, exoneration as a member. Umm, the point you make, the point is that this was a very small amount in the, err, scheme of thirty million pound of land sales. It was an insignificant proportion that the officers themselves delegated all the contracts and everything to the office junior. The office junior does not come to Cabinet Members and discuss these issues. I do dispute some of the, err, points that, umm, that the independent person has said and when I was at the High Court, Lord Kerr also said this is one person's view and I agree with that and it's also that certain matters which he has made assumptions and conclusions were factually wrong. It's also a fact that I've made reference that the independent person had made racist and derogatory comments which the Chief Executive and the QC had to comment. How this Council can be party to what was racist comments and discriminatory matters which had to be redacted from his report beggars belief.

BP: Thank you Chair. Given that you don't think you were responsible for sins of omission, in other words you weren't a passive bystander, you were an active participant, you actually accept that you had a hands on approach to the sale of these toilet blocks for ninety-five thousand pounds less than the, err, District Valuer's estimate.

IJ: As I said the questions that have been asked pre, umm, at this will, I will answer in that order otherwise you will be having the answers twice.

BP: Sorry. Same question as the original question really. You were, you were either a passive bystander or you were actively hands on involved in the process. I'm asking you which one really.

IJ: I believe I've made my statement with regard to what I was told and not told at the time and if you choose to ignore that, that's your opinion.

[ILO: UNCLASSIFIED]

BP: With all due respect, I'm not ignoring it. The question that the Chair asked you was, err, whether you remained as a passive bystander and that allowed Councillor Hussain to act without challenge. What I'm asking you is do you accept that or do you in fact think that you participated fully in a hands on approach to this sale.

IJ: I believe I've answered that and also that you are ignoring my answer. So if you go back on webcast you will see that I've accepted that I'm not a passive bystander but I also accept that the matters that have been discussed here was not brought to me in the order that you are assuming.

BP: I haven't made any assumptions about the order in which the matters were brought to you. *(No audible sound.)* Hopefully Chair we'll get the answer later on then.

IJ: I would hope that you would free up your emails with regards to the Bearwood sale so other members of the Committee can actually then see what involvement members had of this Committee at the time when other, the whole Executive Team of this Council was involved in the decisions that you are discussing at this moment and not one of them had been interviewed and neither has yourself or the other members from Bearwood.

AJ Thank you. I agree with Bob. I think there's a slight inconsistency in that you're saying it was too small for you to be dealing with and therefore but you're still not a passive bystander. At what point do you think sales don't need to go past you, don't need your direct involvement?

IJ: Umm, hundreds of sales go through, or have gone through, Local Authority with land which have not been passed through any Cabinet Member, hundreds of sales, not just this one. As I said this was less than 0.5 per cent of a thirty million pound portfolio.

AJ: Umm, do all of those, do any of those have such a discrepancy between the District Valuer's value and the apparent local value?

[ILO: UNCLASSIFIED]

- IJ: Umm, you would need to ask, umm, and look at every one of those whether that was the case or not. The question about the District Valuer's, err, report is coming up farther, err, farther down the agenda and I'll answer it then.
- AJ: Yeah, that was (*unclear word*) the point but would you have any instructions for staff if they saw such a discrepancy? Would they, would you expect them to bring it to you?
- IJ: Those are the professional judgements of officers and again you would have thought that that would have been the case.
- AJ: And (*unclear words*) you thinking that this was a matter delegated to a junior officer. Does that mean you don't think that junior officers are capable of making these assessments or why, why are you, err, why are you so concerned that this was delegated to a junior officer?
- IJ: Err, to point of fact, err, I believe it was the junior or office apprentice and at that time I can't comment on the, umm, value of his work or not but the officers have delegated the responsibility down to him at that time. That wasn't my decision.
- BG: Councillor Jones you, you are the Cabinet Member and you said it was a thirty million pounds, err, part of a thirty million pound, so for me it doesn't matter about the figures whether it's thirty million or whether it's thirty quid, sorry, thirty pounds, umm, the protocol that was or obviously the, the, the way in which the Council conducted itself, err, as you say and, and (*unclear words*), surely the buck stops at the Cabinet Member for land and assets or land committee. You're responsible for the whole thing not for part of it and, and maybe would you agree with me if that was the protocol then have we done the right thing this year in changing the protocol so that that couldn't happen again? I'm off, sorry.

[ILO: UNCLASSIFIED]

IJ: Okay. Umm, I'm not aware of how you've changed the protocols this year. I haven't been involved in that, umm, so I couldn't comment on that but, err, again the protocols existed, err, previously but I do make the point that hundreds of land sales go through every, umm, every year and whether they are meticulously, err, scrutinised as this one was, I couldn't comment.

BG: You would accept the fact that you're responsible as the Cabinet Member, that was your portfolio, sorry it was under your remit?

IJ: Err, the remit of land sales, err, not the asset and land (*unclear words*) but the Department was under my remit.

Chair: (*No audible sound.*) do the Asset, Asset Management and Disposal Committee for approval.

IJ: Thank you Chair. Err, quite simply the Land and Asset Management Committee didn't, umm, wasn't formed at the time that, umm, looking back and I'm looking back, umm, six years, five years later, err, but also that, umm, the decision for disposal was done in 2003 I believe by Councillor Badham at the time who was the Cabinet Member. So officers didn't need any further Committee decisions to dispose of the toilets. I'm led to believe the decision was made previously by Councillor Badham some, some years earlier.

Chair: Councillor Jones, can you explain, sorry (*unclear words*), err, carry on.

AJ: If you're not, if, so where does your accountability lie in that situation if you're not sending items that you're not sure about to Asset and Management?

IJ: Err, the decision had already been taken by Councillor Badham to dispose of the toilets previously. There was no need for a further decision to be made.

BG: Councillor, Chair, so technically what we're saying then, were the sales of these toilets in your portfolio at the time?

IJ: Umm, you could say that but again the sale, umm, and I'll answer that farther down. Umm, the portfolio responsibility was for property and property sales, umm, so, but you could say that the decision had already been made several years earlier and some of the toilets have been empty, err, for several years so the disposal decision I'm led to believe was done by Councillor Badham and I don't know if it was 2003, 2006 or whenever it was but it was a long time ago so the officers didn't need further permissions for sale because they'd been on the register for disposal for that many years.

BG: So then what you're really saying then is, is it wasn't your responsibility.

If that's the case then why are we asking the question.

IJ: Err, you could say that, yeah.

BP: Umm, if we go back to the independent report with full acceptance that you don't accept that it's independent but the, umm, the independent report seems to suggest that you did attend meetings and briefings often with Councillor Hussain in order to, err, and where, where discussions took place about the disposal of these toilet blocks. Are you saying that's not the case?

IJ: Umm, again I said the Land and Asset Committee was formed, umm, I'm not quite sure whether it was September or October, I wouldn't like to be held when it was formed, and there was meetings where, umm, officers would bring, umm, new land disposals to that Committee, err, but I stress that this wasn't a new one. In hindsight, umm, there was, the decision had already been made. So officers didn't need to bring it to any Committee because the Committee previously had already made a decision to, umm, dispose of, they already had the, err, authority to dispose of.

BP: Presumably hadn't agreed a price to sell them otherwise you would have been involved in the valuation aspect.

IJ: Err, valuation is a question farther down so I'll come to that question.

[ILO: UNCLASSIFIED]

Chair: Councillor Jones can you please explain why you and Councillor Hussain decided to part from the original valuation as provided by the District Values Service and accept a significant lower bid?

IJ: Err, thank you Chair. Umm, again this is I suppose the crux of the matter isn't it. Umm, the District Valuer's, err, valuation was commissioned by officers without my knowledge. I need to, err, qualify that what Councillor Hussain did but I believe it wasn't. It was at a time when the Bearwood toilets were being in discussion and that, err, email traffic suggests that officers put on hold, umm, the Bearwood toilets, err, because of political, err, interference, was it interference, I forget whether it was interference or whatever, umm, I stand corrected if it was that, umm, but the Bearwood toilets then was on the 12th and 13th of April. During April of that year I was fighting my election and wouldn't have been in the Council very much. Umm, the District Valuer's report was commissioned on the 22nd or 23rd of May. I was not the Cabinet Member at that time. My responsibility ended previously and I was the Cabinet Member for Neighbourhoods. The officers wouldn't then have needed to bring any request for the District Valuers to be commissioned. I did not commission that and I only found out about it some two years later when this investigation started. The questions you ask about valuation, the question you ask about loss, needs to be addressed to the Cabinet Member who was party at the time of sale which was Councillor Rowley and not myself. There was no need for officers to bring those discussions to myself. I was a different portfolio holder.

BP: So the, umm, Wragge report says the evidence suggests that Councillor Jones was aware of the sale to CPL but was unaware of any association between Councillor Hussain and someone described as A3, you say that's not correct. You weren't aware of the sale or the valuation.

[ILO: UNCLASSIFIED]

- IJ: Categorically I did not order the valuation. I believe that was done by those who were involved in the Bearwood toilets including the Executive Team of Officers and the email trail is there and the reasonableness that those involved at that time would have then said we require a valuation. I wasn't involved at that time and when the district valuation came in I wasn't even Cabinet Member.
- BP: If I could just repeat it then, the evidence suggests that Councillor Jones was aware of the sale to CPL but was unaware of any association between Councillor Hussain. You're saying and it goes on to say the evidence suggests Councillor Jones was consulted alongside Councillor Hussain on the initial terms and conditions of sale, you're saying that is incorrect.
- IJ: I categorically state it's incorrect and the evidence does not suggest, the evidence on the documentation said members were requesting a valuation. I was fighting an election at that time and would not have been in the Council House very often and after the election my portfolio changed and the valuation came in at, I think it was the 23rd of May. Why would officers then tell me about a valuation that I hadn't commissioned. The valuation only became an issue when, umm, the next question down and I'll answer that.
- BP: So when Mr Willetts gave evidence to Wragge and said that the evidence suggests once in receipt of the District Valuer's report, the members sought Mr Willetts' professional view as to the correct price and instructed him to sell at the lower value that he had suggested, Mr Willetts thought that was you, he's mistaken.

IJ: Umm, I refer to what the QC said about Mr Willetts. Unless there was any corroborative evidence regarding Mr Willetts' statement then I would be wary of accepting it. Umm, the sale of the toilets is a different matter to the valuation so the sale knowing there were toilets being sold, err, was a small part of conversations that were in the corridor regarding that. That is in the evidence. Err, whether the independent person who hasn't followed up, err, extensive leads, err, with the evidence provided and has just gone down a narrow track of trying to, err, make sure that, umm, he investigated two individuals and not where the evidence trail went. Umm, I refer back to what the Law Lord said in the High Court. This is one person's opinion.

AJ: I can accept that you didn't commission the District Valuer to make a valuation. I would hope that you wouldn't be needed to do that or, err, or any member would need to do that at that point. If the decision's been made to sell the property then I would imagine that the procedure would be to obtain a suitable valuation, most probably via the District Valuer who should be regarded as the most independent person to do so, so I think you're not actually answering the question which is can you explain why you and Councillor Hussain, decided to depart from the original valuation. I'm not really bothered who actually gave the order or asked the District Valuer to do it but the District Valuer came in with one figure and it was sold for one substantially lower and I was just wondering how you decided to come to such a decision. If it wasn't your decision, am I still not sure whether you're, you say you're not a passive bystander but you said you weren't giving the approval, umm, why, when you found out, you wouldn't actually expect someone to explain themselves for doing so.

- IJ: Again that's the next question which I'll answer then but I will comment, umm, from my evidence and verbatim of what the independent person said. District Valuer's price (unclear words) they assess the rateable value for the purposes of establishing Council Tax which begs the question why use the District Valuer for valuing property sales. I believe he's summed it up in his entirety that the District Valuer's assessment, umm, even the independent value and that's in evidence in statements which he said and is recorded to the fact that the District Valuer's valuations are not the best way to assess a value.
- AJ: That's (unclear words). Err, so how do you arrive at a valuation then if, are you going out yourself to do it? Surely that's not your job.
- IJ: Sorry about that. Just, umm, receiving, err, some advice. Umm, I didn't know about the valuation so I couldn't make comment on it. I did challenge two years later when I found out, when I then became Cabinet Member again for the same portfolio. That was after the radio which you're going to ask next.
- AJ: Sorry. Who did you challenge?
- IJ: I'm straining to answer in the next question but, err, it would have been the officer, it would have been the officer, err, when, umm, and that would be the radio interview.
- AJ: Oh good, we're getting somewhere. So, and what did the office, how did the officer explain himself?
- IJ: Do you want me to answer next question because it's, it's in there.
- AJ: Yeah.
- IJ: Okay. Do you want to ask the next question for the purpose of the webcam? Okay. Thank you.
- BP: Perhaps before (unclear words), is it not correct that one of the toilet blocks was sold on fairly shortly after the, err, disposal by the Local Authority?

[ILO: UNCLASSIFIED]

IJ: Umm, I'm not quite sure on that. There was, umm, and we presented evidence. Umm, it's going into the next question but, err, we presented evidence that in the next question I'll answer a bit more. Umm, I'm not quite sure whether it was sold on later or not. I, it may have done, I'm not quite sure. It wasn't a Council sale anyway.

Chair.

BP: No, sorry, no, it was sold on for substantially more than the Council received for it within a very short amount of time it would imply that the District Valuer's valuation was a bit closer than Mr Willetts wouldn't it.

IJ: Umm, you, you have (unclear words), I don't.

BG: Chair, sorry, umm, just checking from what Bob said, umm, the Shambles of Wednesbury, umm, was sold on very quickly, umm, for much more money and, and then it's, the new occupier sends a planning application to, originally it was going to be preserved to flatten and build a block of flats, umm, to me that's the update on the Shambles. Somewhere along there, it's well named, we could maybe have, umm, done something but I would like to just clarification from you for this whole question. It says can you explain why you and Councillor Hussain decided to part from the original valuation? We've covered all that. Are you saying then that you had nothing to do with that valuation and that was just purely Councillor Hussain and others or is that in the next question?

IJ: I have said that I did not commission District Valuers. I only became aware of it, umm, some time later. You mentioned the Shambles toilets which I will comment on. Provided evidence that the request from local members for the Shambles toilets to be used as a, an arts community facility, umm, and there's an Express & Star article on that. That was twelve months later. Umm, after that article, umm, I was told when chasing up, can we do a lease for the good Burghers of Wednesbury, umm, to, err, have it as a community facility, err, only to be told that it had been sold. That was the first time more than twelve months after the date of sale that I (unclear words) the knowledge that it had been sold.

BG: Thank you Ian for that. Mr Chair, I just would like clarification on the fact that you said and you're saying that you had nothing to do with the, with any of these valuations so can we then take it that it's just Councillor Hussain and Co and officers and it wasn't part of your remit at the time?

IJ: Err, no. I believe I've made a statement that I believe the whole Executive Team, including the Chief Executive, was party to the emails which the Deputy Leader, who is now the Leader, had regarding the Bearwood toilets. That was on the 12th and 13th of April. The discussion and the emails and the documents suggest that a valuation then was sought round about the end of April. It's reasonable to suggest that those, umm, conversations at such a very, very highest level of this Council, which I wasn't aware of until later, would have then said have the valuations. That did not include Councillor Hussain. You need to ask the questions of those who were in those email trails.

- BP: Umm, (unclear words) directly to 4.1.41 of the Wragge Report where you'd been interviewed by, umm, the Solicitor who albeit you didn't consider them to be independent, in interview Councillor Jones did not recall any conversation about the value of the toilets or who they were being sold to. He denied asking for an independent valuation or giving the go ahead to sell afterwards. In response to his Maxwell letter however his evidence changed. He stated that he recalled being accosted by Mr Willetts following a meeting and the fact of the DVS report being discussed. So you recalled, not Mr Willetts recalled, you recalled discussing the District Valuer's report with Mr Willetts. Mr Willetts considered the sale was value for money but did not discuss the price. He did not state when this conversation was but said following consultation with Mr Willetts it was agreed the sale would continue. Whilst Councillor Jones' evidence was he merely had oversight of the fact of the sale process, the documentary evidence and this submission indicates that he was consulted about the sale and he knew about the District Valuer's report.
- IJ: Ah the Maxwellisation letter and the buy that we gave to, umm, that, that assertion was part of a further Maxwellisation letter which we refuted.
- BP: Sorry. I'm not very clear what you were refuting. According to Wragge, your evidence changed between giving evidence at interview and your Maxwellisation letter meeting.

IJ: Err, the evidence and the statement is in my bag. It's many pages of, the interview lasted two and a half hours. It was based on, err, my recollections of four, five years ago. You remember something about an email trail in 2011. Your colleague can't, and I don't blame because somebody asking you five years later, can you recall on the 12th of April 2011 what email you had off the Deputy Leader and was you then involved in any discussions on the sale or not of those toilets. Now those are the type of things that were brought about in two and a half hours of questioning. The interviewer did not want any of the evidence that I was provided. When I was interviewed by the police on these matters, they did, and they went away and reviewed all of the evidence of Wragge's, all of their own evidence and made the same conclusion as Wragge's, that there was no case to answer. The QC who then looked at all those three thousand pages of evidence and witness statements, also made the conclusion that there was no case to answer. The High Court Judge who looked at some of the evidence with regards to what Wragge's had said also came to the same conclusion that this is one man's opinion and I've always made, also made and the Chief Executive knows this because I wrote to him and the Monitoring Officer that this man was tainted and he made racist and discriminatory statements which had to be redacted and I believe that those have been apologised for.

IJ: Err, receiving a letter from the Chief Executive saying well if we change the investigation officer now it might not look good with the police. That is not good enough when you're dealing with racism and discrimination and it's appalling that this Local Authority has accepted the diatribe which has come out of it and accepted that this man was not fit for the purpose of being an independent person.

BP: Yes your evidence did change between giving an interview to the independent person and the Maxwellisation letter or not, I'm really not clear what your answer is. You went all around the houses but I'm not quite sure what the answer was.

[ILO: UNCLASSIFIED]

IJ: I believe there were two Maxwellisation processes. One which the High Court saw, err, which was, err, used unlawfully by another, another, umm, organisation and, umm, that, err, we challenged his perception of what that was said.

BP: Okay. Well leaving aside change of evidence, when you spoke in response to the Maxwellisation letter or you responded on the Maxwellisation letter, you stated you recalled being accosted by Mr Willetts following a meeting and the fact of the DVS report being discussed. Is that true?

IJ: Umm, that comes in the next question.

BG: Councillor Jones, can you tell me why you went to the High Court? What was the purpose of going to the High Court?

IJ: Umm, I was suspended voluntarily by the Labour Party after a letter from the Chief Executive, umm, with, umm, umm, officers' comments. Err, the High Court ruled in my favour and brought an injunction against the Labour Party for unlawful suspension.

BG: Err, (unclear words), so with reference to the questions that Bob was asking about courts and about the Wragge Report and you continually refer back to in the court, you were actually in court to do with your membership of the Labour Party, whether you were in or out. Nothing to do with most of these questions here plus the fact that the Labour Party never had its own enquiry before the court case so consequently that, that, to me that's irrelevant in, in what we're asking. The questions we're asking today is if, was it you and Councillor Hussain or was it just Councillor Hussain and you're saying it will be in the next question. You're saying that you had nothing to do with it.

IJ: Umm, yes I answered that question some time ago. Supplementary questions went off track. Umm, the District Valuer's, umm, valuation I did not commission. I don't believe Councillor Hussain commissioned. I believe it was those who were at the time, err, concerned with the sale of the toilets. I wasn't, I was fighting an election.

[ILO: UNCLASSIFIED]

AJ: Just coming back to the question, I agree with everybody that we have really gone by somewhat a torturous route and I'm still not clear why there was a decision to depart from the original valuation. Err, you've explained that the District Valuer is not always the best way to do it but you haven't actually explained what would be and therefore the basis of your reasoning.

IJ: Umm, the 23rd of May was the District Valuer's letter, I don't know if you've got it there but I wasn't the Cabinet Member. I'm not responsible for other portfolios. You would need to have asked and I would have thought the investigation would have needed to ask the then current Cabinet Member which was Councillor Rowley. Umm, I did make that point in evidence to, err, the investigator but like a lot of things, he didn't follow it up.

BP: *(No audible sound.)* Sorry, I presume from Councillor Jones' earlier answer that he considers the next question to be about the discussion between members and officers, yeah, so I don't know whether you were gonna ask that Chair. It's down as a supplementary question so I'm, I'm quite happy to ask that question if you wish.

Chair: *(No audible sound.)* you can come but

BP: Question five goes past the question we're talking about really which is that Councillor Jones has indicated he is prepared to answer next.

IJ: It would be part of my response.

BP: So do you mind then if I ask that supplementary question? Are you aware of any discussion between members and officers discussing the decision to accept a lower valuation outside of the Committee?

IJ: Err, no.

BP: So on that basis there was no discussion in the corridor. I thought you mentioned earlier there was a discussion in the corridor with Mr Willetts.

IJ: The next question, umm, will explain that. Umm, I haven't done the order of questioning but my answers will be in the order that are, are on the paper otherwise you will say that I haven't, umm, answered anything but, umm, if you want to ask the next question I can then, umm, draw reference to the, umm, officers and members' discussions.

BP: The next one is another supplementary which says you've worked as a Councillor for many years etc. and I can't see how that relates to corridor discussions with *(No audible sound.)*

BP: The supplementary question Ian is are you aware of any discussion between members and officers outside of the Committee and you said no, I understand.

IJ: Umm, there are discussions outside of Committee as I identified previously. There would be, err, meetings where the Chair and other members of Committee would then discuss, umm, properties which the officers wanted to bring. I, I thought I'd answered that previously, err, but this, umm, wasn't part of that process because it was not of, of, umm, significance in the context of the thirty million pound portfolio sale.

BP: So there wasn't a discussion in the corridor with Mr Willetts about the District Valuation Service valuation.

IJ: Sorry to be pedantic but that's the next question. I will answer the next question and you'll get your answer.

(unclear words).

IJ: Umm, I'm sorry. I've got six questions. The next question is can you explain the reasoning behind statements given on air to the Radio WM regarding the block of the toilets at that valuation was received after the sale. Is that the same one as you've got?

BP: Yes but I'm not sure how that relates to discussions in corridors with Mr Willetts about the valuation.

IJ: Because discussion came after the radio interview.

BP: Let's move to the next question then.

[ILO: UNCLASSIFIED]

Chair: Councillor Jones, perhaps it hasn't come very clear, can I repeat my question again? Are you aware of any discussion between members and officers on the decision to accept a lower valuation outside the Committee, outside the Committee?

BP: Chair, I think Ian's saying he's gonna answer that part of the question on the Radio WM interview.

IJ: I think you want to know, when I challenged the officers about the valuation, yeah. Yeah.

BP: We'll get to what my questions are once we get round to the actual question.

BP: So we now, can we now move to this question, can we now move to this question about the Radio WM interview please?

IJ: Okay. Err, the question says can you explain the reasoning behind your statements given on air to Radio WM regarding the sale of toilet blocks, that the valuation was received after the sale of the toilet block when the timeline shown in the report clearly demonstrates that the valuation was received prior to the sale of, err, being agreed? Err, that was the question.

IJ: Umm, I received a press briefing, err, and a request to go on radio. Err, as is normal and most Cabinet Members will tell you.

IJ: Umm, I could say what the investigator said, you're the sacrificial lamb being sent to slaughter. Umm, after, umm, umm, a request, err, by Adrian Goldburn I think it was regarding, umm, the, the sale of toilet blocks. Err, the press briefing, umm, given to me, err, was one what was prepared. Umm, I think the Press Officer said it was by Nick Bubalo but I never spoke to Nick and I never spoke to Dave. Umm, as it was early morning I believe that, umm, umm, err, we never had a conversation.

[ILO: UNCLASSIFIED]

So, err, I referred to the press briefing that was given, umm, and then, umm, I was hit with, err, well why have you, err, sold at undervalue, which I didn't know and that is when I went back and asked the officers in 2014. Umm, the undervalue was then quite rightly highlighted and I quite rightly went back and challenged the officers regarding why have we sold this at undervalue and they are calling me a liar on the radio.

The valuation as I was then told verbally after, well we do some valuations after we've agreed a sale, not a contract sale date. So we've agreed a sale which was, I don't know, back in May and the contracts are then exchanged back in August/September and sometimes we then get a valuation and I, this, this was in 2014 and you can check the, the date, I believe you've got it.

I then said, how on earth did we sell this at undervalue. The officer, Mr Willetts, said the District Valuers always overvalue and quoted a set of toilets in the Jewellery Quarter. Umm, those toilets were valued by the District Valuer and that is the, umm, auction details. This set of toilets in the one of the most prestigious areas of the Jewellery Quarter was valued at thirty thousand pounds.

Umm, his recommendation was this was a win, win, win situation for the Council. Number one, number one, these toilets had been sitting empty for up to ten years some of them. These toilets would have cost the Council business rates, water rates, security, repairs. The restrictions that I had placed on the sale would mean that we could have back those toilets at the agreed sale price if we were not, we were not happy, umm, after six months.

Now this was two years and a bit, two years later. So his, his explanation was this was a win, win, win situation for the local economy, for the Local Council because we didn't have to pay business rates, water rates, security costs and repairs. Add those up, there isn't a loss to the Council, we've saved a whole load of money and we can have those toilets back if the restrictions in place like at the cost of the purchaser, his cost would be to gain planning permission for those toilets at his cost. If after he's got those costs or if he cleared the site like Bearwood toilets cost forty thousand pound I believe to, err, clear, if he clears the site we can have it back so it's costing forty thousand pound for each one and we will have the cleared site. That was in 2014, not 2011, not 2012. 2014, so the report and the Wragge Report, err, not correct, it was 2014 that I challenged the officers regarding the under sale because that was the first time I knew.

BP: But on the radio broadcast and I, I heard it myself actually and, umm, you were on with the Sandwell's Skidder blogger as I understand it, I think, was he a phone-in, he was a phonee I think who phoned in, umm, you stated there that you got the valuation, you stated on the programme that you got the valuation after the sale so you knew on the 21st of August 2014 before you went off to see Mr Willetts that you'd got a valuation on the toilets that was done after the sale. Do you accept that?

IJ: Again not listening to the, umm, err, radio interview and being put on the spot, err, I wasn't, I think I was aware that there could be commentary coming from other quarters on that. I thought it was a straightforward interview. Err, it could have been that I was put on the spot, err, but I did not know the valuation at that time, err, at that time. Err, I believe there was a Freedom of Information request which came in, it's in the evidence somewhere, which also, err, was prior to that, umm, time so it may have been and I'd need to go through the, through the order of that but it certainly wasn't in 2011, it certainly wasn't in 2012 when the sale went through, I was not the Cabinet Member with responsibility at the time of, of contract sale, umm, contract, umm, umm, contract exchanges.

[ILO: UNCLASSIFIED]

BP: But you accept there is a possibility that when you were on the radio in August 2014 you did know a valuation had been obtained after the sale had been made.

IJ: Umm, it is possible, err, but that was in 2014 and (unclear words) anything. I'd need to go through the, the, umm, umm, sitting here today is like remembering what was back 2014, I can't remember what was yesterday, but, umm, it, it is possible and I'd need to go back and I will give, err, a response back if that's the case. I do remember a, err, Freedom of Information request coming in from the said, err, person, umm, and that may have pre-dated the, umm, radio interview. I'm not quite sure, err, I'd need to, to check, check that and, err, but it certainly wasn't in 2011, it certainly wasn't in 2012.

BP: No I accept that. Umm, in response to and this is more about the procedures than anything else really, in response to the question by Julian Saunders, you, who seemed incredulous when you described the fact that you got a valuation after the sale and I think, I think he's written it up on his, his blog actually, you said it happens all the time. Well is it true that you used to obtain valuations after the Council had sold property and if so what's the purpose of that?

IJ: I think what you're missing, missing is the point of, umm, agreement for a sale and the contract exchange. There's two different things. So, err, what officers explained and what they were saying that the said person, umm, umm, was mixing up, this is how they explained it to me, I think you need to go back and ask them, I'm just a simple person in that sense, is that, umm, at the agreement of sale which was whenever it was and then the contract exchange, we would sometimes look and that's what they explained to me as their, umm, defence of me challenging them, why have we sold this at undervalue.

BP: I can accept that Ian, umm, if, if, if I recollect what you just said correctly, you'd have a sale price agreed and then before the contracts they'd get a valuation and you'd say okay and you'd sell. Is that what you're saying?

[ILO: UNCLASSIFIED]

IJ: No, what I'm saying is officers said sometimes they will test that, not always, and you'd need to ask the officers whether that would be a, a normal course, it doesn't sound sensible. You would have, umm, a, umm, a valuation, umm, at the time of, err, when you've agreed the, the price. I accept that. That is what officers told me at the time when challenging why have you sold this at undervalue. It may be a question you'd need to ask, ask them.

BP: We're trying to do that.

BG: Chair. I find it, umm, ludicrous to have a valuation for something that's already been agreed on a price. Umm, I find that in any commercial or even private sale that a valuation if sought, is done before but a, a sale price and a handshake and then exchange of contracts. Err, I cannot comprehend that as a current Chair of Land and Assets, that I've never heard of that in the two years I've been there, umm, and you continually refer back to officers. Do these officers have a name please?

IJ: Umm, I've forgot you were Chair of Land and Assets previously, you would be able to tell the Committee how many sales of, err, assets have not gone through, umm, your Committee which have been sold by the Council so that may be a question for you later on.

IJ: Umm, I can't, all I can demonstrate is what the officers actually, umm, told me. The Hockley toilets, which the police were interested in but this independent investigator wasn't interested in, had a guide price of thirty thousand and that is the, put on by the District Valuer I think. That's what, that's what they told me.

I've tried to get some information and maybe the officers can trawl back and get information as whether that is correct or not but you're asking a person who was told something, umm, two years ago now, two years ago to then look at what happened five years ago. Umm, the evidence the police accepted. The independent person didn't even bother, didn't want to know. The evidence regarding the Shambles toilets, didn't want to know.

[ILO: UNCLASSIFIED]

The police took the evidence and then corroborated the, the statements what were being made. Umm, I cannot understand why the, err, investigator didn't follow the leads that were quite evident and the basic one, I wasn't Cabinet Member when the point of contracts and sale went through. It was a different Member. That's basic and we had to correct that on more than one occasion in our correspondence with this, this person.

So the agenda seemed to be we're going down this one route, we've got two people and it don't matter who's of it, we're just sticking to those two people, err, to actually then find something on them. As I say, this is was not an independent person who I accepted as being independent. I'm saying it now but I also said it previously. I was told that my target date for completion of the investigation was six weeks. I have been asking since May 2015 for the report to come forward and to be published and you know how long that has taken, not through anything that I have delayed in respect of that report.

BG: Chair. Thanks Ian. Umm, like you I understand very much, things get brought to you at Land and Assets where, umm, it's nothing to do with me and like you say Ian, nothing to do with you and you, you didn't have anything to do with it. None of that was really my question. My question was having these valuations done after, would you agree with me that that's a bit hideous?

IJ: If you're going to have a, a valuation it needs to be one that is informed and, umm, I agree with, with what you were saying.

AJ: You may not have been Cabinet Member at the point of the actual exchange of contracts but (unclear word) this has been something that's been proceeding for several years beforehand so I find it very hard to accept that you didn't actually know about the details.

IJ: I'm sorry, I missed that, could you

AJ: Umm, I'm sorry.
(unclear words).

[ILO: UNCLASSIFIED]

AJ It's rather a comment, comment rather than a question. (No audible sound.) invited to comment yourself.

IJ: I'm sorry I'd comment if I could hear the, the question or, or comment to myself but, umm, I didn't quite hear.

Chair: Councillor Jones I got little bit serious problem. You said agreement different price and contracts signing a different price. Is that normal procedure in the Council?

IJ: Umm, I'm not aware but what I said was the agreed price was back in whenever it was with the, the purchaser and I've only found this out through the evidence provided by Wragge so I would have thought Wragge's would have provided the evidence to the Executive Team and those of this Committee. Err, in fact there was an audit investigation which, err, also I would have found, found. Err, I haven't seen that investigation, umm, but I'm told and the explanation was by officers that, umm, they were getting mixed up with the date of the agreement and the date of contract exchange. Now that's what I was told, umm, by the officers. If it's rubbish I can't defend what was said, err, but that's what I was told.

AJ: So when do you think that the contract was agreed as far as you understood it this has been going on long enough, I'm sure you must have asked the question.

IJ: Umm, I'm not quite sure when it was agreed. Umm, I know when it was completed which is in the evidence provided to me by Wragge's. Not being party to any of the sale, I wasn't aware when it was sold for twelve months later. That was the evidence given to the police which they accepted. That was the evidence of the Express & Star, err, report which was given to the police and given to Wragge's.

Wragge's wasn't interested because I didn't know that these toilets had been sold for twelve months later and to ask questions about when did they agree the price or what, is immaterial because I didn't know they'd been sold and Dave Willetts told me they have been sold in 2013 when we wanted it for a community building in Wednesbury.

[ILO: UNCLASSIFIED]

That's in the Express & Star. You can actually go online and draw that back which will then corroborate, why would someone be putting in for a lease of the building that we don't own to the Council. It does not make sense and when asked, Dave Willetts, is this lease possible to go to this group or whatever, he said no, we sold it twelve months ago in two thousand, that was told to me in 2013.

AJ: Right, so sold in 2012 and you were the Cabinet Member at the time.

AJ: No.

IJ: Sorry, I think you missed, umm, I've said on several occasions I was not the Cabinet Member at point of contract sale and I'll say again for the record, I did not know these toilets had been sold for more than twelve months later hence why there was a, a campaign in the Express & Star for a, err, community building of one of the toilets only then to be told no we've sold it twelve months earlier.

BP: Chair. Just to help me, umm, I'm sure I can go back and check this but what were your dates as the portfolio holder responsible for these, just to try and help me get this into a timeline?

IJ: Umm, yeah, umm, yeah, yeah, yeah. I think I was portfolio holder up until the AGM of 2012 but as I explained previously and the Cabinet would have been out on the campaign trail in all wards across Sandwell from March onwards through to April.

We wouldn't have been in the Council very much, umm, so officers wouldn't have been able to get me. Err, we were out campaigning and then my transfer would have been on the Annual General Meeting of the Council, May whatever date it is. This is dated the 23rd of May, the District Valuer's report but I'm making the assertion that I wouldn't have been around and nobody would have been around. It would have been through the Executive Directors and senior Cabinet Members at the time who would then have requested the district valuation. It wasn't me.

BP: Sorry Ian, I, I probably should have picked this up from your earlier (unclear words) but what you're actually saying then is that you ceased to be the Cabinet Member effectively from, I don't know, late March when you went out campaigning with everybody else through to, err, the AGM which would be end of May and somewhere in between there, the 23rd of May was it that the

IJ: 23rd of May I believe the District Valuers was commissioned, umm, and I think they turned it round in, inside so many hours which is, I don't know, err, that's one of the emails that, I'm surprised you haven't got this information.

(unclear words).

IJ: Okay.

BP: We certainly should have.

IJ: Yeah.

BP: I'd say it's fairly easy to dig up but it's, umm, what, what did, what happened to you subsequently in late May in terms of the Council AGM?

IJ: Umm, I was then Neighbourhoods.

BP: You had the Neighbourhoods portfolio.

- IJ: I took over Neighbourhoods portfolio and Councillor Rowley took over the Regeneration Property portfolio. Hence why I couldn't understand why he was never asked the question about the valuation and the sale because it dovetails with the, the, umm, the time that was, err, if you've got a responsible person, the responsible person would be at the time of whatever actions were taken.
- BP: I know I've got here and, umm, I could spend our time sifting through the papers till I found it but what was the actual date of sale? Do you know?
- IJ: The date of?
- BP: Sale.
- IJ: No. I think it was August. I, I don't know.
(unclear words).
- IJ: Umm, we will have a look and save you having to do whatever, we might be able to find it.
(unclear words).
- IJ: Okay, but I, I believe it was August time or something so officers wouldn't speak to me as Cabinet Member because I wasn't the Cabinet Member. Although I was still on the Land Committee I wasn't a Cabinet Member
(unclear words), I wasn't their line, line direct, umm, their line Cabinet Member.
- DC: Umm, so the timelines that you were discussing is quite clearly set out, err, some of them in the QC report so just for clarification the
- BP: What page (unclear words).

DC: It's page seven and eight of the report. So the, err, it says in here that a District Valuer valuation was requested on the 24th of April 2012. The valuation was forthcoming on the 23rd of May 2012. A decision to proceed with the sale was made on the 25th of May 2012 and that the, err, contract was entered into on the 22nd of June 2012 and the contract was completed on the 13th of August 2012. I've just checked on CMIS and the AGM that year took place on the 22nd of May 2012. So that would have been when the, err, portfolio responsibilities changed.

IJ: I think it's also, as members would know, that, umm, after the elections and that, umm, responsibilities and all that may transfer at the, umm, AGM but group meetings would have meant that people would know their, umm, likely destination before then. Umm, I was told you ain't Cabinet Member over the property sales and regeneration, you're going into Neighbourhoods and I believe that would have been a meeting early May that the Labour Group would have made those decisions.

Chair: Councillor Jones, umm, I'm asking my question again. We as Councillors, you as a Councillor are responsible for upholding the financial regulations of the Council. Agreement of sale, price agreed at that agreement, can it be lowered at the contract stage? Price agreed at agreement stage, can that be lowered at the contract signing of the contract because that's a financial regulation?

IJ: Umm, officers, umm, you have got the expertise to actually agree that. I believe what you're asking me is that at the time of agreement of sale, can it be lower than

Chair: It can't be, it shouldn't lower, little or any, any date.

IJ: No and in this case it was at the same, the sale was agreed at a price, yeah, and I believe the contracts were then exchanged at that same price.

Chair: Same price?

IJ: I, I believe so. I mean you don't need to tell me. As I wasn't Cabinet Member at the time.

[ILO: UNCLASSIFIED]

DC: The same section of the report details the price of thirty-five thousand pounds throughout that process once the Bearwood toilets had been removed from the, err, from the sale. So there was no change in the, in the price between the sale being agreed on the 25th of May 2012 and the sale, the contract being completed on the 13th of August.

Chair: So there is no change.

Chair: No violation of financial regulations.

DC: The, the issue for financial regulations is the requirement to achieve the best price on the sale of the land and the issue that we've got here is that the District Valuer valuation far exceeded the thirty-five thousand pounds that was ultimately received by the Council for the sale of those toilets.

(unclear words).

Chair: (unclear words).

IJ: Chair, sorry, just, just, can I just, umm, I believe the Committee is at, err, umm, a loss regarding the sale and the valuations.

The officers explained to me and I've given evidence that it's a win, win, win situation because of all the restrictions that are placed on.

What hasn't been accepted and the independent person went out to Saville's to get a further valuation which then confirmed the valuation of the District Valuer. It does not confirm the valuation of the officers because it did not include any restrictions and responsibilities on the purchaser. You are dealing with different valuations. The district valuation, and I've got it here, does not have any restrictions on the purchase. The valuation given by officers and you have to defend them in that circumstance, there was a load of restrictions placed on the purchaser which then would have meant that the valuation would have been greatly reduced. If you can't get that right how on earth can you then say that there's been sold at undervalue when Saville's and the District Valuer's valuations do not include any restrictions placed on the purchaser like planning permissions, like clearing of site, like giving back the property at the same cost as what you've purchased it. It is at a loss that I, those are just simple things which you would have thought people would have been able to extract from the valuations. The valuation of the District Valuer and Saville's I believe are confirming themselves. It is not confirming the value, valuation that the officers placed with all the restrictions. So you would defend officers because they placed a load of restrictions in, which then drove the price down and for officers now not to pick that up I find astonishing. You may wish to comment.

BP: Well one of the blocks sold on the 2nd of April 2014 for five thousand pounds more than the Council obtained for all three blocks so was Saville's and the District Valuer, umm,

IJ: Can you give me the date again?

BP: 2nd of April 2014 one of the toilet blocks, this is in the, err, QC's report, was sold for forty thousand pounds.

IJ: Again I'm not here to defend officers. I'm here to put the facts. We had a world recession. We couldn't sell anything. We had an officer who was placing restrictions on a potential buyer and

BP: But A3 managed to sell it.

IJ: Sorry?

[ILO: UNCLASSIFIED]

BP: (unclear words) A3 managed to sell it fairly quickly.

IJ: Umm, again those are, when you say very quickly, it looks like it's two years, almost two years later. I'm not here to defend officers, I'm here to defend, err, my actions. The actions of officers with respect to putting a market value on this and looking in hindsight two years after, isn't very helpful. Yes there are, umm, properties which go up in value but you and this Committee are looking at valuations and accepting them but they are different beasts. The valuation put on by officers and you may be able to question, umm, is different to the valuations of the District Valuer and Saville's. It's apples and pears and whether anybody made a profit out of it after, umm, you're dealing with valuations and coming to a conclusion that you've lost x amount of money. You could make the same conclusion about the Bearwood toilets. We were offered eighty thousand for them. Forty thousand to knock them down. This Council has lost one hundred and twenty thousand pounds but that isn't the reality is it.

BP: I appreciate entirely that the Bearwood toilets aren't the subject of this meeting but in actual fact the Bearwood toilets would never have been sold. They're in the middle of a plot of Council land. There would be no purpose whatsoever in selling those toilets to someone else leaving us with two odd pieces of land.

IJ: Umm, I believe officers and you was at Neighbourhood Forum meetings where these eyesore of toilet blocks were a regular feature which is minuted in Neighbourhood Forums' meetings and that the then Trade, Chairman of the Traders Association approached the Council and (unclear words), and Councillors so that a trader in Bearwood and I believe it was a restaurant, umm, would take it over on a lease and, and, and do that so again it, it's different when it's a different circumstance but again the Council has suffered a loss there and I appreciate it isn't what's being investigated and also I appreciate the Wragge's Report did not want to go down that route but at that time you had a very senior officers of this Council, the Chief Executive, the Head of Legal, the Executive Director, Governance Officers, umm, you had the Deputy Leader, all involved in these discussions about the toilets. I was not, nor the other member, they were and you were.

BP: If by the other member you mean Councillor Hussain.

IJ: In respect to those discussions it would have been Councillor Eling.

BP: No I think you said neither was the other member. Were you referring to Councillor Hussain?

IJ: Umm, I was referring to Councillor Eling who was involved in the discussions and the email traffic with the very senior officers of this Local Authority where there has been no investigation of the Bearwood sale. It is reasonable

BP: There wasn't a Bearwood sale, a proposed to be a Bearwood sale.

IJ: Umm, I believe if you look at your notes, the sale of Bearwood toilets was to go through at eighty thousand pound. On political instruction from members it was withdrawn and a lease was then explored with a colleague of the then Chairman of Bearwood Traders Association who is now Cabinet Member, err, for a lease to open a restaurant and to open, whether it was a restaurant or fast food, that was the sale. Sorry, now the evidence in the report and the evidence which is there shows that the Bearwood toilets were in the original proposals for sale.

[ILO: UNCLASSIFIED]

BP: By officers, yes absolutely. They were withdrawn because it was an impractical suggestion that was never going to take place.

IJ: I didn't have those discussions, you may had those discussions at that time which you now seem to be making that you did know about the, umm, the, umm, discussions with the, I, I cannot comprehend how the Chief Executive of this Local Authority, the Head of Legal, the Executive Director and all the other officers below, receive an email from the Deputy Leader of this Council about this sale and then everything then changes and valuations then come about and you then try to assert that I had something to do with it. It isn't the case.

Chair: Councillor Jones, (unclear words).

AJ: No, (unclear words). Umm, yeah, the Bearwood toilets have not been sold, they are still in Council ownership or rather the area in which they stood is still in Council ownership and has been much improved as a gateway site to the Borough. It is not under discussion here. The discussion is that the three toilet blocks that were sold, were sold at considerably less undervalue as a respect to the District Valuer's Service. You don't like their, err, report, however, their assessment I think has been vindicated by the sale of the Shambles toilets which was slightly more than, which would have been roughly the same value as the District Valuer and I think that evidence speaks for itself that these were sold at undervalue it was predictable. It's been sold at a market value. The market has decided the value and supports the, the, err, the District Valuer's Service and I didn't realise that another valuer had been done, had, err, Saville's had done the same valuation, had given a similar report so it again vindicates them as well.

IJ: Umm, I believe that's a comment and not, and not, umm, but I also note that the comment that you haven't declared an interest in these matters but you now seem to know a lot about it.

[ILO: UNCLASSIFIED]

AJ: I just repeat again. The (unclear words) toilets area is still in Council ownership. It has not been sold. Err, we're talking about the underselling or the selling at considerably below considerable value of three other blocks.

IJ: I think talking about loss to the Local Authority and the loss to the Local Authority of the Bearwood toilets is one hundred and twenty thousand pound.

AJ: The, I repeat again, that land is still in Council ownership.

BG: Chair.

Chair: Councillor Gavan.

BG: Councillor Jones, umm, I can see maybe room for movement with the District Valuer but if Saville's have been involved, err, I'm sure they would have taken into consideration any covenants that we had placed or was placed on it. Umm, if they hadn't then, umm, I'd be extremely annoyed that we paid them for this, umm, and I'm sure they would, err, they would enjoy that, the reputation, umm, and you're going on about what, what has cost the Council in other things and other places. Wouldn't you agree irrespective of who, why or what, that the Council lost a fair bit of money in the sale of these toilets.

IJ: Again those are questions you would need to ask the officer who made the valuation. Err, the valuation as I've explained had many restrictions and covenants. You may be aware what Saville's instruction was and their terms of reference. You may be aware what the District Valuer's terms of reference was. I only have the District Valuer's. We have requested the Saville's and have not received it from this Local Authority. I am making the assessment that you are dealing not with like with like because of the restrictions placed on the officer and I'm not here to defend officers but if there are a list of restrictions that would then drive down the price, again I take Councillor, umm, Jaron's point that the market has whatever the market will pay and at that time in 2011/12 the market was stagnant.

[ILO: UNCLASSIFIED]

Chair: Councillor Jones, at what point did you understand that there was a closer relationship between Councillor Hussain and A3 as you refer to in the redacted report?

IJ: Thank you Chair. Umm, the redacted, err, person. Umm, I've looked at the notes and going through most of all of this, umm, the name does not appear in full until the very last page of my investigation. Umm, the, the letter received and I did not receive it directly, it came into the office, err, from the company actually does not name the person that you have redacted. It's a different person or it could be the same person with a different surname. Again, provided by, umm, the investigations and we queried this at the time, a lot of notes on these. My note is, umm, can you have a look at the suggestions? Sent it to officers. (unclear words) read it out to me, I said can you have a look at the suggestions, sent it to officers. That's that letter. That's that letter. The actual name at the bottom of that letter is not the name redacted in there.

(unclear words).

IJ: No. No. I'll, I'll explain. There is another letter because the assertion is that I was made aware and they had wrote to me directly. There is another letter which we were misled at my interview and it was only weeks later that we were told this is a photocopy of that one by the interviewer and yet any fool can see that

(unclear words).

IJ: Sorry, okay. Anybody can see there are two different signatures. So there were two letters what came into the Local Authority and I received one to my Secretary.

The Local Authority should also be aware that the person who apparently wrote these letters said he wrote into the Local Authority not to me. Also he had discussions with officers in the department and not with me and again that evidence is there.

[ILO: UNCLASSIFIED]

Umm, it's hard to say how do you know if somebody whose redacted in three, when the evidence here isn't the same person as you redacted. I could say his name but again it's redacted and I believe it's been proven that it's of no, the allegation is he was a relative. It's been proven he's not a relative but for clarity I did not know this person and when you're looking at letters which does not even have his name on, how on earth are you supposed to know any relationship with anybody else. So the answer is no I didn't but also the answer is when questioned, only his name became, through the investigation and through there and it ain't the same name as what's on the contracts. It ain't the same name as what's on the letter. It's only at the very end of the process that this person's name became available, err, for officers. There was different names throughout the whole process. So how on earth are you supposed to know if somebody is a relative or an acquaintance of somebody else when you're reading a letter and the name ain't on there, it beggars belief.

AJ: We're not asking about how, we said at what point?

IJ: Again, I didn't realise until the investigation and all the conflicting pieces of, umm, information and again if you've got that evidence, you know, you can see that there's two letters and we were told there was one and that was supplied by the Council to Wragge's. We then made the accusation that letters and evidence had been tampered with after the event which again, umm, seems to have been glossed over.

AJ: Nothing's been glossed over. When did you know that there was a close relationship, we're not saying he's a relative, or she, between Councillor Hussain and A3. When?

IJ: I believe I've just said that. Not until
(unclear words).

[ILO: UNCLASSIFIED]

IJ: Not until after the investigation which is 20, this, 20, the date of the report, 2016.

BP: (No audible sound.) Yeah, can I just ask you. Have you ever, at any stage, made any material gain as a consequence of the sale of these toilet blocks?

IJ: As regards to this, have I made any

BP: As regards to the sale of these three toilet blocks, have you ever made any material gain as a consequence?

IJ: I've made thousands upon thousands upon thousands of pounds of loss through legal charges clearing my name. Tens of thousands of pounds from what this process has cost me, umm, so the answer is no, I've never made one penny piece from any of the transactions, err, that are in place. The only money I have lost is to clear my name through the internal report, the, umm, the independent investigation, umm, the QC's look at that and, and later on in the High Court.

(No audible sound.)

(Meeting adjourned at 4.43pm and reconvened at 5.00pm)

MS: Position now is you must decide what the next step is, if I can remind you what the contexts are, Errm, that you are conducting an investigation as to whether further action should be taken, particularly in any apparent breach in the Council's procedures. Of course, require a decision which is reasonably obtainable. I think that the issue for you today is whether you are satisfied by the answers to the questions from Councillor I Jones, his case is that he wasn't aware of any undervalue in respect of the property and he wasn't aware of any close relationship between the purchaser and another councillor which was involved in the process, Errm. On the basis on the information that

[ILO: UNCLASSIFIED]

you had received, errmm, you must decide whether you are satisfied by the case that he has given you and the evidence he has shown you and whether therefore if the matter ends here or if its referred for further investigation into some item or if you are satisfied that there was a breach of financial regulations then the matter should be referred for investigation by the Standards Committee.

MS: Does that help?

BP: Thank you Chair, difficult given the information that we received at this afternoon to determine much more at this stage that the Wragge Report got it right first time round. I think I phased it that Councillor I Jones was guilty of a sin of omission than a sin of commission and that errm, the Wragge Report described his behaviour regarding this item reckless and lacking diligence but that doesn't mean that it is an issue for Standards so unless we have further information subsequent to investigation some of the answers Councillor I Jones gave to us this afternoon, I don't think we have sufficient evidence to proceed to the Standard Committee.

BG: Thank you Chair, errm, I think what's come out of today if it's at all possible its essential that we try and interview Mr Willetts errm, people say that there is two sides to every story and I find that there is contradictions in some of the things that were said. I do believe that Councillor Jones was the Cabinet Member and that the valuation was commissions and on that I would like clarification on that please.

AJ: I still find it difficult to believe that Councillor Jones had no knowledge of this transaction. Err that in the months in fact years coming up to the date of transaction and the these things he said himself had been dragged out for several years for in time he was the Cabinet Member with the responsible portfolio and he may not actually remember but I find it difficult to believe that he had no knowledge when there was a significant discrepancy between the district value and allegedly some officers said. So I think this bit of information and I would certainly like to question officers involved particularly Mr Willetts but

[ILO: UNCLASSIFIED]

I don't think we don't have a huge amount of evidence other than what Wragge Gowing Report has presented to us but it does suggest very strongly that Councillor Jones had considerable knowledge about these events over a long period of time all being possible not taking a lot of his time but was aware of them. I think in order to proceed further; I would like to question the relevant head of service at that time.

DC: I take it that the Committee would like me to request, erm like me to speak to David Willetts to request him to attend a future meeting of the Committee.

(unclear words)

DC: Ok, in which case, we will make contact with Mr Willetts.

VC: I can't say that I was satisfied fully by the answers to questions, the issue with the valuation is the one that concerns me most but I am sure it wasn't such time that the policy of the Council that all sales be support by a valuation and shouldn't take place until they were support by a valuation and I am sure Councillor Jones knew about this but there is a critical timeline of when he was responsible but erm seems to me he was pretty responsible at the relevant time but I go along with the suggestion that he try and get David Willetts to answer similar questions.

BP: Errm, Yeah, I think that an important point really, it's what the normal procedure was at that time and by interviewing Mr Willetts it may give us opportunity to clarify whether this sale was a normal run of the mill sale of a very small part of Councillor Jones property portfolio or whether this was treated differently to other sales at that time.

BG: Errm, I would like to add that not only Mr Willetts, officers and Councillors who were involved at that time, if it's possible to question because if everything today which was said was true, then Councillor Jones is out to be the fall guy. However, erm his considerable experience of a council officer and his other job and enormous experienced man, he has got to have his intelligence at
[ILO: UNCLASSIFIED]

least. I would like to hear what other people have got to say at least. Thank you.

Chair: Sorry, (unclear words), timeline of events taking place, I think we received a further report at the next Audit Committee. Is that generally agreed?

MS: So Chair what I am agreeing, is to take no further action pending an interview with Mr Willetts and a report on the timelines of the activities here. Ok. Thank you very much.

Chair: Whistleblowing update.

PF: Thank you Chair, this is a whistleblowing update bringing the Committee up to date with the number of concerns which were raised with the Council through one or two routes, we do have a confidential reporting code also known as the whistleblowing policy and erm for the period 1st April this year to 31st October, you can see in the report that we had 11 concerns raised all were investigated, 3 were found to have found no evidence to support the claims, 4 have concluded and where appropriate a series of actions of measure to improve controls and processes have been put in place. Another 4 remain ongoing and we will report back to you on how those 4 progress. As well as the confidential report code, we also have an online report form on the Councils website and that is predominantly used by the members of the public to flag any concerns they have round housing tenancy and illegal subletting.

PF: Since June 2015, Housing Benefit investigation have been taken by the DWP and we refer vast amounts of those concerns to the DWP and in this period of time there were 28 which were passed onto them. However, 8 of them did still have impacts on the Council, around issues about single persons discount and possibly some issues around tenancy fraud so we are investigating 8 of those. 4 have been concluded and again we found no evidence of fraud, 4 cases were still ongoing. We are pleased that so many members of the public are aware of that website and they do use it to flag their concerns because it does give us the opportunity to look into them,
[ILO: UNCLASSIFIED]

further than a member of the public wondering where to go, the fact that they use it, we find it pleasing. Again we will continue to report back to you on the number of concerns that come through that route and where and how we deal with them. Thank you.

MS: Chair, can I advise the Committee, that the Standards Committee at its last meeting, adopted that it calls its confidential informant programme. Errm because I think in fact the whistleblowing practices that the Council, specifically exclude any whistleblowing by member of staff against Councillors. Those members of staff would have to bring grievances or resign and then err, take cases for unfair dismissal on the basis of bullying or harassment so on. So I think that this is something that members of staff are happy to do so what I say is that the Standards Committee have adopted is a confidential informant programme, where by information can be passed to the monitoring officer anonymously and if there are grounds within the information which merits investigation for a breach of the code of conduct then the monitoring officer can initiate that without having to identify the member of staff concerned. On the basis we are expecting because that is what your unions are telling us, there are a number of people who would be willing to come forward with information about, err, what they think is misbehaviour in, err, as long as there anonymity was protected so we have created that route and clearly if there are any people that come forward, then they will start to go into the process Peter has explained to you and will report outcomes of those whistle blows in due course, either to here or the Standards Committee if they go that far. So I hope you will be assured that the Council is taking the position of whistle-blowers very seriously and importantly closing the loop from whistleblowing to outcomes being reported in public so that people can be reassured that the Council has sound governance which people can rely.

BP: Thank you Chair, I would like to welcome that last piece, certainly in the context of that report we have just been considering, errrm involving allegations of bullying and intimidation by elected members against officers I think it's a valuable addition to our processes. Referring to the

[ILO: UNCLASSIFIED]

report considering, are we to believe that the reports that we have got are confidential reporting issues relating to members of staff and members of staff or members of staff and the public?

PF: The whistleblowing one is the 11 that I refer to, they tend to be internal member of staff raising concerns about either the activities within the council or individual members of staff but the other 36 that relate to housing tenancy go through the public route.

BP: So, the 4 people, 3 cases where there was no evidence to support the whistleblowing process, does the whistle blower have a right of appeal?

PW: Sometimes, where the concern is anonymous we are unable to get to them and in the majority of cases that is a fact but where they do make themselves known and we are able to feedback them, it is in our policy to get back to them with the outcomes.

BG: Mr Chair, erm, like Bob I am very much in favour of the last comment going to Standards and the whistleblowing, would that be for current and future cases or will it be whistleblowing and retrospective?

MS: Your arrangements for handling code of conduct complaints indicates that where something is more than 12 months old would be unlikely to be of sufficient to warrant an investigation but I have to say, should I be given information that shows a serious breach of financial regulations or corrupt behaviour whatever I wouldn't be too concerned with how old that was if the subject Councillor was still a serving Councillor.

AJ: That's a relief, cases do become more difficult longer they are there but I would be against putting a date on any of the serious allegations. You just need to take other events, football, child sexual exploitation not talking about that here but there are similar events. There must never be an absolute limit into taking, doing investigations however long they have otherwise, victims clearly not being supported.

[ILO: UNCLASSIFIED]

AJ: When someone is making an allegation of misconduct of some sort they are given an opportunity to say who they are? Or are they always anonymous because difficulty anonymity is it becomes difficult preserve that in practice. You can refer to it by general terms.

MS: The current arrangements are that there named complainant who maybe anonymous and a named subject councillor so that is why the current investigation into Councillor Hussain is complainant is the Chief Executive. If you think about it is that the Councils code of conduct is being breached but it doesn't matter who the complainant is, errm, if a Councillor is not behaviour is within the code of conduct it shouldn't matter if the complainant has the moral strength or whatever to bring that complaint but the Council should be concerned about, errm, should there be information that that goes on. So it seems to me that it seems to be a false trail to have in those matters that you need to have a complainant to protect for anonymity purposes in some cases. The point is that is the Councillor behaving in accordance with the standards that they rest of the Council feels is appropriate and if there are any concerns about that, then they should be looked about, evidence sought and you may be talking to a witness who was the original complainant but you don't need to know that to follow that through, did they see that, did they hear that, were they told something that they shouldn't have been.

Chair: End of meeting at 17.20pm