

STRATEGIC OVERVIEW AND SCRUTINY PANEL

11 JULY 2012

- Present :-* Councillor Terry Sutton (Chairman)
Councillors Helen Chuah, Pauline Hazell, Peter Higgins,
Kim Naish, Nigel Offen and Gerard Oxford
- Substitute Members :-* Councillor Dennis Willetts for Councillor Kevin Bentley
Councillor Sonia Lewis for Councillor Beverly Davies
Councillor Mark Cory for Councillor Bill Frame
- Also in Attendance :-* Councillor Lyn Barton
Councillor Martin Hunt
Councillor Anne Turrell
Councillor Tim Young

7. Referred items under the Call in Procedure

Councillor Tim Young addressed the Panel.

Councillor Young said the Monitoring Officer had advised him that he could make a personal statement to the Panel prior to the commencement of the hearing. Councillor Young thanked the Chairman for allowing him the opportunity to make his statement.

Councillor Young said he felt the final reason for calling in this decision, concerning the presumption for openness was a personal attack on his credibility and reputation. Councillor Young said following his own enquiry, the Monitoring Officer had confirmed to him that there is no conflict of interest with his dual roles of Chairman of Colne Housing and the Colchester Borough Council Cabinet Member, Portfolio Holder for Planning and Community Safety, and Councillor Young felt the two roles are positively beneficial and complimentary to each organisation.

Councillor Young informed the Panel that the work that ultimately led to the decision taken had commenced in November 2011 with walkabouts involving various Ward Councillors. This was long before he applied for the vacancy of the Chairman for Colne Housing in early March 2012, involving a thorough selection process that led to a final interview on 25 April 2012. The decision taken by Councillor Hunt was taken on 13 June 2012, and Councillor Young was appointed as Chairman of Colne Housing on 27 June 2012. Councillor Young confirmed he would commence his role as Chairman on 19 September 2012.

Councillor Young summarised by reiterating his belief that final reason stated for the call-in was a personal attack on his credibility and he was disappointed by the wording. Councillor Young thanked the Chairman for allowing him to make his statement and left the meeting.

Decision STR-001-12 “Hythe Forward” funding contribution

The Panel was asked to consider the decision STR-001-12 “Hythe Forward” funding, authorised by Councillor Martin Hunt, Deputy Leader of the Council on 13 June 2011.

The decision was called-in by Councillor Will Quince, supported by four other Councillors, believing the decision had not taken account of the following principles, Consideration of all the options available, having regard to due consultation, consideration of professional advice from officers, clarity of aims and desired outcomes and presumption for openness.

Presentation of the Call in

Councillor Quince addressed the Panel to explain the reasons for the call in.

Councillor Quince said he wanted to make clear he was not contesting the decision that had been taken, but was challenging the openness and transparency of the process that led to the decision. Councillor Quince said he did not have any objections or problems with the content of the report.

Councillor Quince said that in regards to the background of the decision, at the time leading up to the decision the communications between the opposition group and the Cabinet had been poor. This had since been addressed, for which he thanked the Leader, saying that had the improved situation been in place earlier, it could have avoided a call-in hearing, a point later confirmed to Councillor Cory.

In regards to the reasons for the call-in, Councillor Quince said he still sought clarification on the third and fourth reasons, ambiguity around the name of the company to which the contract should be let, and ambiguity around whether the payment was a loan, grant or investment. Councillor Quince noted the statement from Councillor Young, and said he did not believe the final reason for the call-in, concerning openness and transparency of the process, was a personal attack on Councillor Young's credibility or reputation.

Councillor Quince posed the question as to whether Councillor Hunt, signatory to the decision, knew that Councillor Young had an interest in the decision, in regards to his appointment of Chairman-elect, at the time the decision was authorised, and if so, why wasn't the interest disclosed? Councillor Quince asked what a reasonable local person would think of the integrity of the process that allowed a Borough Councillor to simultaneously be a Cabinet Member with Executive Powers and the Chair of the largest social landlord in the Borough, thereby answerable to two paymasters. He believed Councillor Young's position was untenable and it would be in the best interests of the Council if he resigned from his new position.

In response to Councillor Cory, Councillor Quince said he had spoken to the Monitoring Officer concerning the appropriateness of Councillor Young's dual roles, and that whilst not all the issues covered are specific within the Code of Conduct, he believed it was more a moral issue than a legal issue, a point later reiterated to Councillor P. Higgins.

Councillor Quince responded to Councillor Naish and Lewis in respect of financial probity, clarifying his question to whether other potential suppliers were consulted. Councillor Quince said the report needed more information about the business decision, and to indicate whether there is more than one organisation capable of carrying out a function and if so, what assessment was made.

Councillor Quince responded to Councillor G. Oxford, saying that in respect of dual roles, he did not think the same conflict existed for Councillors that hold two Executive roles in public authorities, for example, a Cabinet Member for Colchester Borough Council and Essex County Council.

Portfolio Holder Response

Councillor Hunt, Deputy Leader, addressed the Panel and responded to Councillor Quince.

Councillor Hunt explained that the decision was taken the day following a Leadership meeting, and was authorised by himself on 13 June due to the Leader being on holiday. Councillor Hunt believed the reasons behind calling in this decision were political, and that in respect of Councillor Young's new appointment, Councillor Hunt said he was unaware of this until he read it in the call-in papers. In response to Councillor Willetts, Councillor Hunt said that to his knowledge Councillor Young had not made any formal announcement concerning his new appointment. Councillor Hunt explained that the decision was taken the day following a Leadership meeting, and was authorised by himself on 13 June due to the Leader being on holiday. Councillor Hunt believed the reasons behind calling in this decision were political, and that in respect of Councillor Young's new appointment, Councillor Hunt said he was unaware of this until he read it in the call-in papers. In response to Councillor Willetts, Councillor Hunt said that to his knowledge Councillor Young had not made any formal announcement concerning his new appointment. Councillor Hunt also said there was no question that he wouldn't have signed-off the decision notice had he been asked to do so today, in a situation where Councillor Young was now appointed to his new post and had contributed to the pre-discussions and decision taken.

Councillor Hunt said he was happy to have the report amended so Colne Housing will read Colne Housing Society Limited (CHSL).

Councillor Hunt said the decision taken, to provide £30,000 of funding, was a level of spend that was not subject to the competitive tendering process and was a one-off payment to contribute towards the Hythe Forward Project.

Councillor Hunt apologised for the lack of clarity in the report in respect of the funding, explaining that if the investment generated funds the Council would receive refunds to offset against the original funding.

In response to Councillor Willetts and Councillor Lewis, Councillor Hunt said Mr. Robert Ashton was a leading commentator on the localism agenda and with representatives from CHSL gave a presentation to the Leadership meeting on 15 March 2012. The £30,000 funding would primarily be used to support the work of Mr. Robert Ashton as mentioned in paragraphs 4.4 of the Portfolio Holder report, with the funding approximately split £22,500 to Mr. Ashton and £7,500 to CHSL for secretarial support.

Councillor Offen said listening to the responses from Councillor Hunt, he felt the decision taken was reasonable, with no reason to be contested.

In Summary

Councillor Quince gave his closing remarks, thanking Councillor Hunt for his responses and clarification in respect of questions around the funding and procurement process.

Councillor Quince said this hearing was not about a political attack, but about perception of local people in respect of the reputation of the Council.

Whilst acknowledging that Councillor Hunt was unaware of Councillor Young's appointment at the time of authorising the decision, Councillor Quince asked shouldn't it be standard practice for a Portfolio Holder being appointed to a post such as Chairman of CHSL, to immediately notify all other Cabinet Members.

Conclusion

Councillor Offen proposed that the Panel confirm the decision. Having heard the presentations and responses from Councillor Quince and Councillor Hunt, he was of the opinion that the questions posed in relation to the first four points on the call-in form had been adequately answered, and that the appropriateness of dual roles for Cabinet members was not for the Panel to decide.

Councillor Willetts felt the Panel should request the Leader to review the process to determine whether additional procedures are necessary.

Councillor Anne Turrell, Leader of the Council, addressed the Panel to explain it was not in her gift to review and change as appropriate, procurement and Governance procedures, but was the responsibility of Council.

Councillor Willetts requested the Leader to review the moral and ethical issues raised, and make recommendations to Council for approval. Councillor Turrell said all Councillors have the right to table amendments to Council, and this was not a part of the Leader's remit.

Councillors T. Higgins and Naish both supported Councillor Offen's proposal to confirm the decision.

RESOLVED that the Panel confirmed the decision STR-001-12 "Hythe Forward" funding contribution (SIX voted FOR).