

Some information is excluded under FOI

CASTLEREAGH BOROUGH COUNCIL

Minutes of the proceedings of the Special Council Meeting held in the Council Chamber, Civic & Administrative Offices, Bradford Court, Upper Galwally, Castlereagh, BT8 6RB on Wednesday 13 January 2010 at 6.45 p.m.

PRESENT: Councillor M Copeland
(in the Chair)

ALDERMEN: J Norris MBE
Mrs G Rice MBE
J White

COUNCILLORS: Mrs A Beattie
J Beattie
Ms J Bunting
Mrs M Chambers
Mrs J Cochrane
D Drysdale
Mrs S Duncan
B Hanvey
M Henderson
Miss R Hughes MBE
T Jeffers
M Long
Mrs V McCoy
J Spratt MLA
C Tosh

IN ATTENDANCE: Acting Chief Executive (Director of Technical & Environmental Services), Director of Leisure Services, Administration Manager and Assistant Member Services' Officer

Prior to the meeting commencing, Members agreed to the television camera crews entering the Council Chamber for a photo opportunity.

Following the photo opportunity, the television camera crews left the Council Chamber and the meeting commenced.

APOLOGIES: Apologies were received on behalf of Councillors Hall, Robinson and Walker

2010/01 : MAYOR OF CASTLEREAGH, COUNCILLOR LAWRENCE WALKER

Councillor Spratt stood on behalf of his Party colleagues to pass on best wishes for a speedy recovery to the Mayor who was currently in hospital. He added that he hoped to see Councillor Walker back in the Council Chamber in the not too distant future.

Alderman Rice, Councillors Copeland and Hanvey stood on behalf of their Party colleagues to pass on their best wishes for a speedy recovery to the Mayor. Councillor Tosh concurred with the sentiments expressed by Members.

Alderman Rice asked for a card to be forwarded to the Mayor on behalf of all Council Members.

Alderman Rice expressed her deepest sympathy to the Robinson family and outlined that the prayers of her Alliance Party colleagues on Council were with them.

RESOLVED : That the Acting Chief Executive arrange for a card to be sent to the Mayor, on behalf of Council Members.

2010/02 : ALDERMAN MRS IRIS ROBINSON

The Acting Chief Executive advised Members that a letter of resignation had been received from Alderman Mrs Robinson and he would be reporting the Council vacancy to the Chief Electoral Officer.

Noted.

2010/03 : RETROSPECTIVE APPROVAL

The Acting Chief Executive outlined, that following the BBC Spotlight Programme broadcast on 7 January 2010, a cross party meeting had been convened the following day to give preliminary consideration to the issues that had arisen out of the programme. He advised that it had been agreed that three initial actions should be taken, as follows:

- (i) a press statement be released
- (ii) the Acting Chief Executive be instructed to instigate an external investigation into the allegations made in the Spotlight Programme, in so far as they relate to the granting of the lease for the Lock-Keeper's Inn
- (iii) in the interests of good governance, the Council will keep the Local Government Auditor fully informed of the process

The Acting Chief Executive referred to Action (i) and advised that a copy of the press release was attached to his report for Members' information. He recommended that retrospective approval be granted for the three initial actions.

Councillor Spratt proposed that retrospective approval be granted, and this was seconded by Alderman Henderson.

RESOLVED : That, following the issues that had arisen out of the BBC Spotlight Programme, the Council grants retrospective approval for three actions taken, as follows:

- (i) a press statement be released
- (ii) the Acting Chief Executive be instructed to instigate an external investigation into the allegations made in the Spotlight Programme, in so far as they relate to the granting of the lease for the Lock-Keeper's Inn
- (iii) in the interests of good governance, the Council will keep the Local Government Auditor fully informed of the process

2010/04 : DRAFT INITIAL TERMS OF REFERENCE RE: EXTERNAL INVESTIGATION INTO THE AWARD OF THE LEASE AT THE LOCK-KEEPER'S INN

The Acting Chief Executive referred Members to the draft Initial Terms of Reference that had been drawn up in order to progress action (ii). He advised that the draft Initial Terms of Reference had been prepared following consultation with the Management Team and were in line with the principles of the Local Government Audit.

At this point, Members were given a few minutes to read the Terms of Reference.

Councillor Spratt proposed that the Acting Chief Executive read out the proposed draft Initial Terms of Reference to the members of the press, and Alderman Henderson seconded the proposal.

Councillor Hanvey expressed the view that he felt it would be appropriate to provide the press with a copy.

Following discussion, it was agreed that the draft Initial Terms of Reference would be read out, as follows:

Draft Initial Terms of Reference:

1. To identify if the Council incurred any financial loss as a result of the award of the lease at the Lock-Keeper's Inn.
2. To investigate any impropriety on the part of the officers and elected representatives in the award of the lease at the Lock-Keeper's Inn.

3. To investigate whether officers and elected representatives complied with the requirements of all relevant local government legislation and guidance in the awarding of the above-mentioned lease.
4. To make any recommendations to the Council, where necessary, arising from the findings of the investigation on how its processes and governance arrangements could be improved upon.
5. Revise these terms, where necessary, arising from the findings of the investigation.

Councillor Spratt outlined that, based on the above, he was satisfied that the external investigation would be carried out in an open and transparent manner and he therefore proposed that the Terms of Reference be agreed. He expressed his gratitude to his colleagues of the DUP group within Council as well as to the Officers of Council who had worked tirelessly over the past number of days dealing with this matter.

Councillor Long indicated that he was pleased that this was to be an independent inquiry but he was of the view that an independent body should be responsible for drawing up the Terms of Reference. He added that it was important for public confidence in the Council to be restored.

The Acting Chief Executive outlined that advice had been obtained from relevant sources to ensure that the Initial Terms of Reference were in accordance with Local Government practice.

Following discussion, Members were of the view that the Initial Terms of Reference, and in particular No.5, would allow for a thorough investigation to be carried out, and if necessary, be expanded upon to address any further issues that may arise as a result of the independent, external investigation.

Alderman Henderson seconded the proposal put forward by Councillor Spratt.

RESOLVED (unanimously) That Council approves the Terms of Reference for an external investigation into the awarding of the lease for the Lock Keeper's Inn, as follows:

1. To identify if the Council incurred any financial loss as a result of the award of the lease at the Lock-Keeper's Inn.
2. To investigate any impropriety on the part of the officers and elected representatives in the award of the lease at the Lock-Keeper's Inn.
3. To investigate whether officers and elected representatives complied with the requirements of all relevant local government legislation and guidance in the awarding of the above-mentioned lease.
4. To make any recommendations to the Council, where necessary, arising from the findings of the investigation on how its processes and

governance arrangements could be improved upon.

5. Revise these terms, where necessary, arising from the findings of the investigation.

2010/05 : STANDING ORDER 10 (A)

The Acting Chief Executive reported that, in line with Standing Order 10 (a), Members were asked to consider whether the meeting should go “In Committee”.

RESOLVED : That, in line with Standing Order 10(a), the Council agreed that the meeting go “In Committee”.

The press and public left the Council Chamber and the Local Government Auditor joined the meeting.

2010/06 : APPOINTMENT OF MANAGEMENT CONSULTANTS

The Acting Chief Executive reported that preliminary and exploratory discussions had been held with a firm of experienced management consultants with the relevant investigatory experience. He referred Members to a copy of their project officer/s portfolio, together with indicative costings for carrying out the investigation.

The Acting Chief Executive advised Members of the unique circumstances pertaining to the proposed investigation and the requirement to set aside the Council’s procurement policy. He further outlined that the following key criteria had been considered as essential in sourcing a suitable consultancy to undertake the work:

- Internal audit- including corporate governance
- Audit – general
- Accountancy

The following additional criterion was also outlined and promoted as desirable in such an exercise,

- Forensic Accounting

The Acting Chief Executive further outlined that it was also necessary to consider the following local criteria, given the uniqueness of this particular issue:

- The high profile aspect of the allegations
- The likely requirements of Northern Ireland Audit Office
- The high profile need of the consultants to be appointed and their strong reputation so as to add weight to the conclusions

- The need to ensure that no conflict of interest exists between the consultants and the council, including the consideration of present and past business relationships
- The need to appoint and complete the investigation as quickly as possible

The Acting Chief Executive referred to the Central Procurement Directorate (Department of Finance & Personnel) and the guidance contained therein.

At this stage of the meeting the Local Government Auditor was asked for his comments on the matter. The Local Government Auditor outlined that, given the unique set of circumstances, he had decided to become involved in this process. He added that this was a matter of public confidence and he was of the view that it was preferable for the Council to be seen to be fulfilling its stewardship role of public funds by instigating an external investigation. He confirmed that the suggested Terms of Reference were in keeping with what he would expect from such a matter which had generated the level of public interest recently expressed.

He advised that the Local Government Audit Office would be issuing a statement about the investigation and in due course a Public Interest Report would be issued on the findings, regardless of what the investigation found.

Councillor Hanvey indicated that he was pleased to hear the Local Government Auditor's comments and that no financial restrictions were being placed on the Council that would prevent a thorough investigation being carried out.

In response to a query from Alderman Rice in relation to the timeframe, the Acting Chief Executive advised that a time period of one month would be deemed reasonable, but if required, the timeframe would be extended.

Councillor Spratt thanked the Local Government Auditor for attending the Council meeting. He added that he and the other Members of the DUP group within Council were pleased that management consultants were being engaged and that the investigation would commence as quickly as possible.

He referred to Alderman Rice's comments in relation to the timeframe and outlined that the Terms of Reference allowed for additional time, should it be necessary. He added that he was sure that the Council would have no objection to the investigation taking longer than one month to ensure that a thorough investigation was carried out.

Alderman Henderson indicated that he was delighted that the Local Government Auditor was in attendance to witness how strongly Members felt about an external investigation being instigated as quickly as possible.

Councillor Long outlined that, whilst he appreciated the need to expedite the investigation, he asked whether setting aside fiscal policies would help restore public confidence. He sought clarification as to how long it would be before

the investigation could commence if the Council went through the tendering process.

The Acting Chief Executive advised that the Central Procurement Directorate of the Department of Finance & Personnel held the detail of consultancy practices which could be drawn upon for the wider provision of 'financial services'. He added that, in effect, a wider tender process had already been carried out by the Department. He advised that tendering was quite a lengthy process from placing the initial advertisement to awarding the tender. He outlined that consideration would also have to be given to the sensitive nature of the matter.

The Local Government Auditor emphasised that this was a unique set of circumstances requiring an investigation to be instigated as quickly as possible. He added that he was in favour of the Council setting aside the usual tender process as he was sure that the public would not like to hear that an investigation was being delayed due to a lengthy tender process

Alderman Henderson indicated that, based on the comments from the Acting Chief Executive and the Local Government Auditor, he was happy to propose that management consultants be engaged, subject to meeting the requirements of this particular investigation.

Councillor Spratt seconded the proposal.

RESOLVED : That the Council grant approval for setting aside the Council's procurement process and that a management consultant be appointed to carry out an investigation into the awarding of the lease for the Lock Keeper's Inn, in line with the principles outlined by the Acting Chief Executive.

2010/07 : DRAFT PRESS RELEASE

The Acting Chief Executive referred to the draft press release and he asked Members to note the statement therein that no further comments would be made to the press, as it may implications for the investigation.

Alderman White concurred with the Acting Chief Executive's comments.

Councillor Bunting expressed the view that any comment should come from the Council body rather than individual Members to ensure that the investigation was not compromised. She added that the Local Government Auditor's key comment was restoring confidence in the Council and she did not want to see the investigation compromised by comments made either inadvertently or by design.

Alderman Henderson expressed the view that Members should not be restricted from speaking with the press about what had been agreed at this evening's meeting, but nothing should be said that might compromise the investigation.

Councillor Spratt stated that, as a corporate body, the Council should not be making comment until the investigation had been completed. He outlined that the Terms of Reference were open and transparent and he would personally not be making comment on the investigation to the press.

Councillor Hanvey indicated that, as the Terms of Reference were in the public domain, he could see no reason to restrict Members speaking with the press in this regard. He stated that he fully accepted that speaking with the press on any commercial aspect would be a breach of confidence.

At this point, the Acting Chief Executive advised Members that the documents containing any commercial details would be collected at the end of the meeting. He then sought approval for the content of the press statement.

Councillor Long outlined that he would agree the content of the press statement if it was clarified that Council meant the Council as a corporate body.

Councillor Spratt proposed that the press release be approved.

Alderman Rice expressed the view that Members should be able to discuss with the press the Terms of Reference and the fact that the Council had agreed to appoint management consultants. She added that Members could not make further comment until the investigation had been completed.

Councillor Copeland asked for a vote to be taken, and with 17 Members in favour and two abstentions, the proposal was duly carried.

Councillor Hanvey proposed that the Initial Terms of Reference and the Press Release be put onto the Council's website

Councillor Long seconded the proposal.

Councillor Long outlined that the Council would need to give consideration to putting the Minutes on the website.

Councillor Spratt referred to the proposal and asked that, if possible, Officers put the Terms of Reference and the Press Release onto the website this evening, and if this was not possible, the following morning.

The Local Government Auditor reminded Members of the requirement under the Local Government Act for Councillors to complete the declaration of interest form.

RESOLVED :

(a) That the Council agree the content of the press release, as follows:

“Further to the Council’s press statement of Friday 8 January 2010, the Council has confirmed at tonight’s Special Meeting, the Initial Terms of Reference for the investigation.

An independent external team of consultants be appointed to undertake the investigation, and furnish the Council with its independent findings.

Attached can be found a copy of the Initial Terms of Reference

The Council will not be making any further comments on this matter until such times as the investigation is concluded”.

- (b) that the press release and the Terms of Reference be put onto the Council’s website immediately, and if this was not possible, it be put on the following morning

All Officers, with the exception of the Administration Manager left the meeting.

There being no further business, the meeting ended at 7.55 p.m.

CHIEF EXECUTIVE

MAYOR