

Date: 12 September 2016

Your ref: -

Our ref: MT/DJC/Scrutiny

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**To:** All Members of the Council

**BY EMAIL**

Dear Councillor

## **SCRUTINY REVIEW OF LICENSING**

As you are aware the Scrutiny Committee was tasked by full Council to review the way in which the external licensing investigations was handled. I committed at the time to carry out a thorough, robust and evidence-based review.

The Task Group has worked hard over the last few months to review all the evidence available and to establish all the facts that will help meet the review's terms of reference. I am now writing to let you know that the Task Group has completed this important review and I attach a copy of the Task Group's draft final report for your information. The draft report is due to be considered at the Scrutiny Committee on Tuesday, 20 September 2016 before being forwarded to Full Council on 5 October 2016 for a debate by all Members.

The draft report has been finalised earlier than anticipated due to the quality of the fact finding meetings that took place between relevant Members and Officers with our external legally qualified advisor. The extensive information released following a number of Freedom of Information Act requests has also assisted the Task Group in its work. As a result of all the information available to the Task Group it has been decided that additional meetings in public with Members and Officers would not add any value to the review.

I hope that all Members of the Council will read the report and use the findings and recommendations to help the Council to repair the damage that has been caused, re-build trust and improve the Council.

The draft report will be circulated with the Scrutiny Committee agenda later today and a press statement has also been prepared.

Continues..

I would be grateful if you could please direct any queries about the review or draft report by email to Darren Cranshaw (email: [dcranshaw@southribble.gov.uk](mailto:dcranshaw@southribble.gov.uk)) so that they can be effectively co-ordinated and considered by the Scrutiny Task Group.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Titherington', with a small flourish underneath.

Councillor Mick Titherington  
Chairman of the Scrutiny Committee

**Attached:** Draft Final Report on the Scrutiny Review of Licensing

# Scrutiny Committee

## *Scrutiny Review of the way in which the external licensing investigation was handled by South Ribble Borough Council*



**Draft Final Report – September 2016**  
To be discussed at Scrutiny  
Committee 20 September 2016

### **Task Group:**

- ▶ Councillor Mick Titherington (Chair)
- ▶ Councillor Andrea Ball
- ▶ Councillor Colin Coulton
- ▶ Councillor Sue Jones
- ▶ Councillor Matthew Tomlinson

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For further information on this review or to view the background information and research, please contact Darren Cranshaw, Scrutiny & Performance Officer on 01772 625512 or email: [dcranshaw@southribble.gov.uk](mailto:dcranshaw@southribble.gov.uk).

## Foreword

The Centre for Public Scrutiny is the leading national body promoting and supporting excellence in governance and scrutiny. It believes '*embedding the principles of transparency, accountability and involvement into an organisation's culture and processes leads to better decisions and improved outcomes*'. Here at South Ribble it is those principles and values that we have striven to uphold and promote. As chair of South Ribble Scrutiny committee I have endeavoured to champion the cause of effective scrutiny and good governance within the borough.

This review has been the most challenging and difficult task in which I have been involved. I have felt both frustrated and disappointed in equal measure over the approach and apparent reluctance of some members and officers to engage in this process. This has caused me grave concern but has strengthened my resolve to fulfil my promise to council to deliver an evidence based report.

Some of the difficulties and obstacles will be referred to later in this report. However the Council has a responsibility to identify and address failings on the part of elected members and officers to show due respect and proper regard for the aims, purpose and need for the scrutiny process. Members and officers need to recognise that all of us are responsible and accountable for our actions and are open to scrutiny at all times, failure to recognise this damages not only the individual but the council as a whole.

I want to thank Alison Lowton, the LGA associate, for her professionalism and commitment in supporting the task group. Without her the task group would have been unable to complete its work.

Darren Cranshaw has also proved invaluable. He has remained completely focused on his role of servicing the committee in a similarly outstanding and professional way.

I wish to also thank my fellow task group members for the responsible manner in which they have conducted themselves.

There cannot be anybody even remotely connected with the council who is not aware of the profound effect this episode has had on the council's standing, reputation and functionality. Clearly there are major lessons to be learned. It is the fervent hope of the task group that the messages contained in this report are taken on board and that the Council is able to move forward with positivity, restoring any damage to its reputation.

**Councillor Mick Titherington**  
**Chairman of the Scrutiny Committee**

## Background

In April 2016 an interim report from external solicitors Wilkin Chapman on their investigation into how the Council carried out hackney carriage and private hire licensing functions was leaked to the media. The content of the interim report was extensively reported in the national, regional and local media.

Due to the seriousness of the situation it was agreed to hold a special Full Council meeting on 27 April 2016. Full Council agreed that the Scrutiny Chairman be asked to establish arrangements to receive and review the final report on licensing functions from Wilkin Chapman with any recommendations. This element was discharged by the Scrutiny Chairman at Full Council on 20 July 2016 (a copy of the report is available at: <http://bit.ly/2ccaszf>). Secondly, Full Council asked the Scrutiny Committee to consider the overall review process and identify any areas for improvement. This review deals with the second part of Full Council's resolution.

## Task Group

In accordance with our usual approach to scrutiny reviews the following Members of the Scrutiny Committee formed the Review Task Group, which was agreed by the Committee and endorsed at Full Council:

- ▶ Councillor Mick Titherington – Scrutiny Chairman (Task Group Chair)
- ▶ Councillor Andrea Ball – Scrutiny Vice-Chair
- ▶ Councillor Colin Coulton
- ▶ Councillor Sue Jones
- ▶ Councillor Matthew Tomlinson

Support:

- ▶ Alison Lowton - external advisor to the Review
- ▶ Darren Cranshaw – Scrutiny & Performance Officer

## Terms of Reference

The following terms of reference were agreed by the Scrutiny Committee and endorsed by Full Council:

**The scrutiny committee consider the overall review process and identify any areas for improvement, prior to consideration by the council**

1. To consider the background and circumstances leading up to the exercising of Section 5 of The Local Government & Housing Act 1989 and the commissioning of an investigation into the licensing function. To examine and review the appropriateness and motivation for taking such action.

2. To undertake a review of the commissioning and management of the report on taxi licensing and to make recommendations accordingly.
3. In particular, to examine: why the licensing review was commissioned; who commissioned it; whether the commissioning was done in compliance with the council's policies and procedures; how the process of the review was managed;
4. To identify and consider the procedure adopted for selecting the firm instructed to carry out the investigation and the terms and reference under which the investigation was carried out.
5. To establish the sequence of events, the extent and depth of involvement of officers and elected members and the contacts made with the investigators. Consider whether any instructions given to the investigators and the process agreed with them reflect best practice.
6. To consider the overall process, identify any areas for improvement and make appropriate recommendations. In particular it may make recommendations about: amendments to council policies and procedures; amendments to any scheme of delegation; proposals on how issues like this may be managed more effectively in future.

It should be noted that it was not appropriate for the Task Group to look at the licensing service or individual cases as this had already been considered in great detail by Wilkin Chapman in their investigation and final report.

## Methodology

Throughout the review the Task Group has been committed to ensuring its review is evidence based and robust.

The Task Group appointed Alison Lowton an associate of the Local Government Association who is legally qualified and has extensive experience of undertaking similar review to provide external advice and support to the review. This was funded partly by the Local Government Association as part of their support for member councils. Because of the importance and complexities of this particular review the Council also agreed to supplement this with its own resources.

The Task Group has considered the following documents as part of their review:

- ▶ Wilkin Chapman Interim Report into taxi licensing functions
- ▶ Internal Audit Report on Licensing
- ▶ Monitoring Officer's Report to Cabinet
- ▶ Monitoring Officer's Timeline of Events
- ▶ Various Freedom of Information releases on the What do they know website
- ▶ Media coverage of the licensing issues
- ▶ Council constitution
- ▶ Unpublished delegated decision
- ▶ Waiver appointing Wilkin Chapman to carry out investigation

- ▶ Waiver appointing Wilkin Chapman to work on the disciplinaries

The Task Group commissioned Alison Lowton to meet with the following Members and Officers to carry out a fact finding meetings on behalf of the Task Group:

- ▶ Councillor Margaret Smith – Former Leader of the Council
- ▶ Councillor Phil Smith – Cabinet Member for Regeneration & Leisure including licensing
- ▶ Councillor John Rainsbury – Chairman of General Licensing Committee
- ▶ Councillor Warren Bennett – Former Deputy Leader and Cabinet Member for Finance & Resources
- ▶ Councillor Michael Green – Former Cabinet Member for Housing & Healthy Communities
- ▶ Councillor Cliff Hughes – Cabinet Member for Strategic Planning
- ▶ Councillor Caroline Moon – Former Cabinet Member for Corporate Support
- ▶ Councillor Peter Mullineaux – Cabinet Member for Neighbourhoods
- ▶ Mike Nuttall – Chief Executive
- ▶ Ian Parker – Director of Corporate Governance & Business Transformation (Monitoring Officer)
- ▶ Mark Gaffney – Director of Neighbourhoods, Environmental Health & Assets
- ▶ Denise Johnson – Director of Development, Enterprise & Communities
- ▶ Steve Nugent – Head of Human Resources & Public Relations

The Task Group agreed the following key lines of enquiry for Alison Lowton to use as part of her fact finding meetings:

1. Child Sexual Exploitation (CSE)/safeguarding:
  - a) What do those involved understand by CSE?
  - b) When was CSE first mentioned as a potential issue and why
  - c) What action was taken within Council's safeguarding procedures in relation to specific cases
  - d) Was LADO (Local Authority Designated Officer) informed
  - e) Was Lancashire County Council informed
2. Decision-making:
  - a) No formal cabinet meetings were held. Who made the decisions e.g. to proceed with investigation, to exclude the Chief Executive and others from process and to initiate disciplinary proceedings.
  - b) Why were no formal meetings held
  - c) Who made the decision to procure the external investigators
  - d) What process was undertaken to procure the investigators
  - e) Who agreed the expenditure
  - f) How was the Contract Standing Order waiver agreed
  - g) Who agreed the terms of reference for the investigation



3. Monitoring Officers (MO) Report:

- a) Was this a Monitoring Officers report under section 5
- b) If so, why wasn't it formally reported
- c) If it was, were required consultations carried out
- d) Why did it go informally to Cabinet when Licensing is a non-executive function reserved to full Council
- e) If it went to cabinet for safeguarding reasons, why was this not explained in report

4. Internal Audit Report:

- a) Was consideration given to extending remit of Internal Audit assessment?
- b) If not, why not

5. Exclusion of Members/Officers:

- a) Why were individuals excluded from process
- b) Were they given reasons for this exclusion
- c) Why did the excluded individuals accept exclusion

6. Disciplinary:

- a) Why were members so closely involved with process given statutory position of non-involvement
- b) Why were members not advised of statutory position

Non-verbatim notes were taken of the key points from the fact finding meetings. These were then sent to those Alison Lowton met to check for accuracy. All the notes have been approved apart from those of the Monitoring Officer who provided an alternative submission. We have therefore included both notes for completeness along with a note on the approach taken by Alison Lowton.

The notes were used by Alison Lowton to prepare a report on her fact finding meetings (see Appendix 1). The notes have been included in the back of the fact finding report to be as transparent as possible.

Throughout the review a timeline of the key events and information has been used to guide the review as more information has become available (see Appendix 2). This has been updated from time to time as dates and events were clarified.

The Scrutiny Chairman also met with the Council's External Auditors, Grant Thornton, who were re-assured that the approach being taken by the Council and in particular with Scrutiny was appropriate.

The Task Group had originally intended to hold some meetings in public when meeting with relevant Members/Officers. However, due to the good progress made

in fact finding and the amount of valuable information released in Freedom of Information requests it has been decided that such meetings are no longer required. As such meetings would be unlikely to provide us with any additional information to meet our terms of reference, the Task Group is pleased to make the findings and recommendations in this report.

## Findings

1. There has been a major corporate governance failure within the Council which resulted in significant damage to the Council, its reputation and trust with residents.
2. The failures were exacerbated by weak political and senior management leadership.
3. There appears to be a lack of regard to the Council's policies on safeguarding, which is of concern. We found that no safeguarding referral was made as required by the Council's safeguarding policy by any Cabinet Member or member of the Senior Management Team to the safeguarding lead who is the Director of Development, Enterprise and Communities.
4. We found that the actions taken by Cabinet Members and the Monitoring Officer were not constitutional in that no formal meetings of the Cabinet were held, no record or note of any of the decisions taken were made.
5. The Council's contract procedure and procurement rules were not followed in the appointment of Wilkin Chapman to carry out the external investigation.
6. There is no available record about how the terms of reference for the external Wilkin Chapman investigation were developed and the reasoning for the witnesses who met with Wilkin Chapman.
7. The escalation of costs and management of the contract/relationship between the Council and Wilkin Chapman is of concern with no evidence of effective management of costs.
8. There is confusion as to the status of the Monitoring Officer's report and whether it was a section 5 report.
9. There was no reference to the work being undertaken by internal audit in the Monitoring Officer's report, which had already reported on some of the areas for improvement needed for the licensing service and most of the remedial work had been undertaken by the licensing service prior to the external investigation commencing.

10. It is difficult to see any justification for commissioning an external investigation into the licensing service considering the outcomes of the internal audit report and that the internal audit findings were being addressed.
11. We find it inexplicable as to why the Leader of the Council, Cabinet Member for Regeneration and Leisure and the Chief Executive should be excluded from anything to do with the licensing service. There was no clarity about the extent of the exclusion.
12. Equally we find it inexplicable why the Leader of the Council, Cabinet Member for Regeneration and Leisure and the Chief Executive should allow themselves to be excluded and not challenge the reasons. It is unclear why those excluded accepted the situation and did not take control of the situation earlier.
13. With the exclusion of key members and officers it is concerning that appropriate alternative reporting arrangements were not put in place.
14. The interim report should not have been kept secret and should have been treated in accordance with the constitution for dealing with exempt/confidential business.
15. It was inappropriate for Members to intervene in the disciplinary proceedings of officers as they did, which goes against the Council's constitution and the law. Members did not know where the line was in relation to employment matters.
16. Members should not have been involved in commissioning Wilkin Chapman to work on the disciplinaries.
17. Senior officers do not appear to have known the distinct role of Members and Officers and the clear lines of separation and have not been assertive in the way they have dealt with Members.
18. From the emails seen some of the language, comments and approach by Members were not felt to live up to the Council's values and high standards set and therefore appear to have gone against the Member Code of Conduct.
19. Communications with Members, employees, residents and partners was not effective and damaged the council's reputation and standing. This has also significantly affected the morale of our employees.
20. Whilst the review was not able to investigate the disciplinary process due to ongoing proceedings, the Task Group is surprised the disciplinary processes are not complete after 9 months. It is important that any lessons are learned on the way the disciplinary has been handled.

## Recommendations

1. The political group leaders work together to stabilise and strengthen the Council's political leadership.
2. Following concerns expressed in the Wilkin Chapman report, the Council develops a new, robust and SMART corporate plan that sets our priorities, objectives and actions that will achieve our vision and unifies the whole council team in working together to improve the quality of life of our residents.
3. Member and officer training and development be re-prioritised and extended to include training on roles and responsibilities, council structure, governance arrangements and constitution. The clear distinction between the Cabinet, quasi-judicial and other committees such as licensing is to be emphasised.
4. The Standards Committee be strengthened and role be enhanced to improve the ethical governance of the authority and set the standard for Members and Officers to follow.
5. Greater priority, liaison and support be provided to the Scrutiny, Governance and Standards committees in promoting high ethical, performance and governance standards.
6. The five Members of Cabinet involved in taking the unconstitutional decisions be referred to the Council's Standards Committee.
7. The conduct, behaviour and competency of the Monitoring Officer be considered further.
8. A Member/Officer relations protocol is developed and political awareness training is provided to Members and Officers.
9. The senior management structure is reviewed as a matter of urgency to ensure it is fit for purpose and that senior managers have the necessary skills, qualifications and experience to undertake those roles.
10. The role, capability and capacity of the in-house legal and democratic services team and that of Shared Financial Services be reviewed to ensure they provide proactive advice to Members and Officers to ensure compliance with the constitution and governance frameworks.
11. A review of the way in which the Council has dealt with the disciplinary arrangements be carried out once they are completed.
12. Scrutiny Committee receives an annual report on safeguarding to ensure the Council is taking it seriously.

13. The way in which the Council communicates with Members, employees, residents and partners is overhauled to improve our reputation and the trust they have with the Council.
14. The Council's Our People Plan be completely re-freshed to support our employees and improve employee morale.
15. An internal audit of the management of the legal instructions and associated costs be carried out.
16. The Local Governance Association be asked to carry out an ethical governance peer review in six months' time.

## Appendices

Appendix 1 – Fact Finding Report prepared by Alison Lowton and meeting notes

Appendix 2 – Timeline

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**SOUTH RIBBLE BOROUGH COUNCIL**

**SCRUTINY REVIEW OF TAXI LICENSING**

**FURTHER REPORT**

**1 Introduction**

1.1 I wrote a short report on lines of inquiry for the Task Group meeting on 5th July. This report updates the first one, having now undertaken the interviews requested by the task group. Footnotes to this report update it for the purposes of further consideration by the Task Group and by Scrutiny Committee, following approval of the interview notes.

**2 Timeline**

2.1 I attached a timeline to that first report which came from the papers I had. It also incorporated some, but not all the information then available from the FOIA releases on What Do They Know (WDTK). Since then I have read all the documents on WDTK which relate to the first major release together with the second batches released as part of the response to that main request. Councillor Bennett also sent further e mails to me which I have also read (and which I believe to be in WDTK). I have not recently revisited WDTK for any later FOIA releases. Some other documents have also surfaced which I have taken into account.

2.2 I have also updated the time line from the interviews (but see below for more information on the status of those interviews).

2.3 The updated timeline is attached as an appendix to this report. This is largely complete but there may be some further amendment once the interviews have been signed off.

**3 Interviews**

3.1 Since the task group meeting I have undertaken a significant number of interviews. I have interviewed the following face to face:

- Councillor Bennett
- Councillor Moon
- Councillor Green
- Ian Parker
- Mike Nuttall
- Mark Gaffney
- Steve Nugent
- Councillor Margaret Smith

- Councillor Phil Smith

3.2 I have undertaken telephone interviews with the following:

- Councillor John Rainsbury
- Councillor Cliff Hughes
- Councillor Peter Mullineaux
- Denise Johnson.

3.3 My usual practice in undertaking interviews is to take notes and then produce a non verbatim record which I ask the person being interviewed to check for accuracy and for other amendments they might wish to make. I am happy to make factual amendments but there are times when other amendments might need more discussion (because for example, the interviewee wants to make substantial changes to views expressed in the interview). If that is the case I would still record their comments but would make it clear that these were made post interview. Once amended, I then ask the interviewee to sign the notes as an accurate record.

3.4 In this case, several of those to be interviewed wanted to record the interviews themselves, which I agreed to. Those were Councillors Bennett, Moon and Green and Ian Parker. I therefore also recorded those interviews but only used the recording to double check my notes. I asked if I could record others who were interviewed face to face. Mike Nuttall did not want his interview recorded. I did not record or offer to record telephone interviews. The recordings were done for my personal use and it is not my view that they are part of the evidence before the task group. It is not my intention to make the recording available or to produce a transcript. The final signed notes of the interview will be the evidence.

3.5 At the point of writing this report, one interview has been signed off (Denise Johnson) and three others have been amended following comment and are awaiting sign off (Mark Gaffney, Steve Nugent and Councillor M Smith). The rest are in draft, waiting for comment. I anticipate that more signed off notes may be available by the time the task group meets.<sup>1</sup>

3.6 The task group can only properly rely on the signed notes. It is preferable for the task group to see all the interview notes in one go so that a more complete picture is presented. All the agreed notes will be circulated together when they are available.

3.7 The section that follows relies to some extent on unapproved interviews. The task group must therefore bear this in mind when considering what is said. I have however been cautious in relying solely on, say, one interview. I am confident in the facts stated below, many of which are independently

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<sup>1</sup> All interview notes are now signed off except for those of the MO. A separate note explains this.



verifiable by the documentation that is, or in some cases, isn't available. .  
Nonetheless, it is the case that some might be wrong and the task group must bear this in mind.<sup>2</sup>

#### **4 Lines of Inquiry**

4.1 The lines of inquiry have not changed substantially since the previous report. However I understand more detail of what took place and have identified areas for questioning around why things took place as they did. Where I have made statements about what individuals may or may not have done, I have made clear where these have come from interviews and which may therefore be subject to change once the notes are agreed.<sup>3</sup>

#### **4.2 CSE/safeguarding:**

4.2.1 Concerns about CSE seem to have been triggered by the consideration of a particular case at GLC on 21<sup>st</sup> July 2015. Those concerns and others were then discussed at an officer meeting on 3<sup>rd</sup> August called by Mark Gaffney. This made the MO aware of the discussion at 21/7 for the first time (from his interview).

4.2.2 In interview with Denise Johnson, who is the council's safeguarding lead it is evident that training is provided at officer and member level in relation to safeguarding and there had also been training specifically offered to GLC members around CSE and other issues relating to taxis arising from the Rotherham and Rochdale cases. One of those sessions was on 21<sup>st</sup> July but there had been others before that and since. SMT had received a paper on 14<sup>th</sup> July as part of their normal business which also dealt with issues arising from Rotherham and Rochdale. Two of the key recommendations in that report were concerned with training and producing an integrated taxi licensing policy.

4.2.3 What is concerning is that it appears that not one person, at officer or member level, thought to alert Denise Johnson to any safeguarding concerns even though the council's safeguarding policy makes it clear that this is each individual's responsibility. This is despite high levels of anxiety being expressed by some of the individuals about possible child sexual exploitation and apparently missing DBS checks. All those interviewed thought that it was someone else's responsibility or that someone else would have done it. The first that Denise Johnson

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<sup>2</sup> Now that the interview notes have been agreed, I am confident that the facts set out in what follows are correct.

<sup>3</sup> No changes have been required.

knew about the concerns was on 27<sup>th</sup> April this year when she took immediate action.

4.2.4 A potential line of inquiry therefore seems to be:

- Why did no-one think to make a safeguarding referral?
- Is this indicative of a more general issue or is it something which is specific to this issue?

#### 4.3 **Governance and decision making:**

4.3.1 To put it at its starkest: throughout the whole review process, not one single decision was taken at a formal cabinet meeting; no record of any decision was made (or if it was, has not been produced) or note taken of the meeting. There were several meetings which have been loosely described as 'cabinet meetings'. In order for the cabinet to take decisions, that has to happen at meetings properly called in line with the constitution with a published agenda, reports and minutes. Officers should be there to provide advice. If a matter is confidential, then proper access to information reasons have to be given for it being exempt from publication. None of this happened; although the monitoring officer was present at most meetings and the chief executive at the first. The relevant Chief Officer, Mark Gaffney was not present nor was he asked to be present at any meetings.<sup>4</sup>

4.3.2 There is one delegated spend decision which relates to Wilkin Chapman's investigation into licensing. This was not published nor does it have any access to information reasons for being exempt from publication. It wasn't circulated in accordance with the Council's processes. There are two contract procedure rules waiver decisions. One is in relation to the Wilkin Chapman investigation of licensing and one is related to the Wilkin Chapman role in the disciplinary process. The first post-dates the decision to use Wilkin Chapman by several weeks even though the Council's Contract Procedure Rules clearly state that waivers cannot be retrospective. They both rely on 'extreme urgency' for the waiver. No reason is given as to why no other firms were approached. Law firms are experienced at providing responses to procurement in a very short turn round time. The Chief Executive, in interview said that as the council's s151 officer was not made aware of this additional spend as part of the Council's budget setting process.

4.3.3 There is no formal record of the decision to procure Wilkin Chapman in the first place. When asked, all those concerned relied on the delegated spend decision as evidence of the procurement but there is nothing in that decision

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<sup>4</sup> In his separate submission, the MO now says that these decisions were officer decisions and no record was required to be kept. He is the only person to say this and it is likely that all the decisions were in fact key decisions within the Council's constitution. This sets out the procedures to be followed. They were not followed in this case.

which explains the basis for any procurement. In essence, one firm was recommended to the Monitoring Officer and that was the firm that was chosen.

- 4.3.4 It is not an exaggeration to say that the whole process was conducted unconstitutionally. This matters because legally it leaves the Council open to challenge on decisions taken, it militates against good governance and effective administration, it is not transparent and can lead to poor and unclear decision making.
- 4.3.5 When asked in interview, none of those involved could provide an explanation of why that was the case. Some expressed concern that no-one else had highlighted this to them. Those involved were all senior cabinet members and the Monitoring Officer whose role is to uphold the constitution. All of them said that if they had done something wrong, it was for the right reasons. It ought also to be noted that Councillor Bennett asked the Legal Services Manager for confirmation that all decisions had been properly taken. He was advised that they had been.
- 4.3.6 There is no clarity about who agreed the terms of reference for the licensing investigation. I have not seen any terms of reference for the disciplinary investigation. In terms of the first, there were some e mail exchanges about whether and if so how, member behaviour should be included but no-one has laid claim to finalising them. There is also no clarity about who agreed the list of witnesses for Wilkin Chapman to interview. It has been suggested in interview that this was Wilkin Chapman's decision but it is hard to see how this could be the case. Omissions from the list of witnesses include the portfolio holder, the chair of licensing, the chief executive, the then leader of the council and the council's safeguarding lead. Councillors Bennett, Moon and Green were interviewed but not Councillors Hughes or Mullineaux. Mark Gaffney felt that his addition to the list was made at the last minute by Wilkin Chapman.
- 4.3.7 Possible lines of inquiry would seem to be:
- Why were no formal meetings held
  - Why was there no record or note of any decision taken
  - Why was the procurement dealt with in the way it was
  - Why is there no available record about the Wilkin Chapman procurement
  - Why is there no available record about how the terms of reference and the list of witnesses

#### **4.4 Monitoring Officer's report**

- 4.4.1 It seems clear that the original report produced by the Monitoring Officer which was taken to the meeting on 10<sup>th</sup> November 2015 was not a s5 report,

or was not seen to be such a report at that time. Wilkin Chapman, in their final report, said it was not a formal s5 report. It was a report from the Monitoring Officer. No one interviewed said they thought it was a s5 report at the time. In interview, the Monitoring Officer said that it could not have been a s5 report because at the time, he did not know what s5 said. However, on 6<sup>th</sup> January 2016 he wrote an e mail to Steve Nugent which said 'For their point of view, the Executive is acting upon a Section 5 report from the Monitoring Officer.'<sup>5</sup> So whilst it seems to be the case that in November, no-one saw this as a formal s5 report, by the beginning of January, the Monitoring Officer himself was describing it as such. It is not clear why the Monitoring Officer purported to change the status of the report at this stage. To be clear, a report cannot become a s5 report in retrospect.

4.4.2 This has serious implications. There are formal processes for a s5 report to go through (such as consulting with the Head of Paid Service and s151 officer) which did not happen. There is statutory weight to such a report which should only be seen as a last resort. Any such report must be reported to Council or Cabinet at the earliest opportunity, not least because if the report is written because the Council is about to do something illegal, it serves to call a halt to that activity. The other concern is the apparent concession by the Monitoring Officer that, as at 10<sup>th</sup> November 2015, some two years after taking on the role, he had no real idea of what the role, or more particularly, a s5 report meant.

4.4.3 Potential lines of inquiry into this are limited by the fact that the task group has no remit to look into the capability or otherwise of any officer. The task group may wish to ascertain whether the picture set out here is accurate but other than that it is not clear how much further the task group can go.

#### 4.5 Internal Audit Report

4.5.1 Before the Monitoring Officer took the report to the cabinet, Internal Audit had completed a review into the licensing service, although had yet to report on it formally. This was part of the Council's annual audit plan. The findings of that review are broadly similar to the findings of the Wilkin Chapman report in terms of record keeping and so on. That review was completed by 3<sup>rd</sup> November. There is evidence which suggests that most of the remedial work in terms of sorting out documentation, filing etc was triggered by the findings of the internal audit review and in fact was largely completed by the time the decision was taken to undertake the external investigation.

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<sup>5</sup> The MO's submission does not deal with this point.

4.5.2 In interview, the Monitoring Officer said that he had no knowledge of the internal audit review and he made no reference to it in his November report.<sup>6</sup> However, the Chief Executive says there was a meeting in mid October attended by Mark Gaffney and the Monitoring Officer to discuss the findings of internal audit's work. It is not clear why no reference was made to internal audit. No consideration appears to have been given to either asking internal audit to look at licensing or for the remit of its existing review to be extended. Councillor Bennett said in interview that he would not ask internal audit to undertake a service review.

4.5.3 Lines of inquiry might include:

- Why was there no reference to the work being undertaken by internal audit
- Why was no consideration given to extending the remit of IA assessment?
- Was it the case that most remedial work had been undertaken by the licensing service prior to the external investigation commencing

#### **4.6 Exclusion of the leader, the portfolio holder and the Chief Executive**

4.6.1 It is common ground that the meeting of 10<sup>th</sup> November excluded the then leader, the portfolio holder and the Chief Executive from issues relating to licensing. However, no record was made of this decision and it has been interpreted in several different ways ranging from them being asked to stand aside from decisions relating to the investigation to them having no communications with officers regarding licensing issues and for any attempts at contact to be reported to the Monitoring Officer. All three were at the meeting on 10<sup>th</sup> November where this was agreed. None of them spoke against it. Both the then leader and the portfolio holder were going away on 20<sup>th</sup> November until Christmas and were of the view that since the intention was for the investigation to be completed by then, it made no practical difference. The Chief Executive felt unable to speak against it, given the consent by the other two.

4.6.2 The exclusion was extended to the disciplinary processes which flowed from the external investigation. It is not clear where that decision was taken or whether it was seen as part and parcel of the original extension.

4.6.3 Reasons for the exclusion were varied. They included a wish to be seen to be undertaking an independent investigation, a wish to protect the individuals from any damage, a lack of trust by some of the individuals concerned in those or some of those excluded or for transparency.

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<sup>6</sup> The MO refers to the red rated audit report in his submission and indicates that it did raise concerns about documentation and that remedial action was taken. He does not comment on why no reference was made to it in his own report. The submission does not say when he became aware of the IA report.

4.6.4 No consideration appears to have been given to how the three excluded individuals could carry out their roles properly, nor to how other officers were meant to conduct business. No alternative reporting arrangements were put in place or, it would seem, considered. Mark Gaffney, for example, was effectively prevented from speaking to either his line manager or to his Cabinet member in relation to licensing at a time when they were about to present a draft taxi licensing policy for approval. Steve Nugent reported to the Chief Executive and to the Leader. On at least one interpretation, he could not discuss the disciplinary proceedings in licensing with either of them.

4.6.5 Possible lines of inquiry could include:

- Why were individuals excluded from process and what this intended to achieve
- What were they excluded from and why this not made clear
- Why were alternative reporting arrangements not put in place

#### **4.7 Disciplinary Proceedings**

4.7.1 There are a number of aspects in relation to decision making around this which seem to be a cause for concern. However, pursuing these in the context of ongoing disciplinary proceedings is complicated and must not prejudice the outcome of those proceedings

4.7.2 The key question is why members were so closely involved with the disciplinary process given statutory position of non involvement and the Council's own Officer Employment Rules. Without going into significant detail at this stage, Councillor Bennett sent an e mail to the Chief Executive on 15<sup>th</sup> December instructing him to commence disciplinary proceedings in respect of licensing officers<sup>7</sup>. This was a week before the interim report was released. There had apparently been a discussion at a meeting on 12<sup>th</sup> December when those present agreed that disciplinary action should be taken but the only information they had was an oral report from Councillor Bennett from a meeting he had with Wilkin Chapman. Regardless of whether it was appropriate for members to be having these discussions, any decision taken was taken without the benefit of full information or appropriate officer advice.

4.7.3 The day after the interim report was delivered there was a further informal meeting when it was agreed that Wilkin Chapman should be appointed to undertake the disciplinary investigation. This was taken without officer advice and without any consultation with Steve Nugent, who at that stage had not seen the interim report. He then had to work with an investigator he did not know, who was based in Grimsby. This obviously added a complexity to the process.

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<sup>7</sup> His e mail said that the CEO should do this as a matter of urgency.

4.7.4 It is evident from Steve Nugent's interview that he was placed under pressure by members both to provide briefings and updates and to move the disciplinary process along more quickly than he was. He was also asked to explain why some disciplinary decisions had been taken. He reluctantly agreed to provide weekly updates which he initially copied to the leader and Chief Executive. He was then told to stop including them.

4.7.5 The members concerned were all of the view that they had not stepped over the line in respect of member non involvement in disciplinary proceedings. It is not clear that this is the case. Both Steve Nugent and the leader advised them to be very careful about their involvement. The Monitoring Officer says he was told to keep away from disciplinary matters and he was either unaware of their involvement or didn't seek to advise them.

4.7.6 Possible lines of inquiry might be:

- Why did members intervene as they did?
- Did they have an understanding of where the line was in relation to employment matters?
- What impact did this have on the conduct of the disciplinary process?

The task group ought to take advice on how far it can go with these lines of inquiry at this stage.

#### 4.8 Other Matters

4.8.1 There are a number of other issues which the task group may want to pursue but which I have not set out here. They include:

- Management of the leak, concerns about PR and the leak investigation
- Management of the council meeting on 27<sup>th</sup> April
- Concerns about differences between the final and interim report from Wilkin Chapman

4.8.2 There may be other lines of inquiry which the task group wish to pursue once they read the timeline. Some of the lines of inquiry set out above may be ones the task group do not wish to pursue.

4.8.3 Once the lines of inquiry are settled, the identity of witnesses for the task group will be clearer. There is no doubt that Councillors Bennett, Moon and Green wish to appear before the task group. In terms of others, at this stage, the most relevant other witnesses appear to be the Monitoring Officer, the Chief Executive, Steve Nugent (depending on how far the task group can go with questioning) and Councillor Mrs Smith. It is of course the task group's final decision.<sup>8</sup>

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<sup>8</sup> This has been overtaken by the Task Group's decision not to have public hearings.

5 Conclusion

- 5.1 The purpose of the fact finding interviews was to establish the factual framework within which the task group could undertake its own role. I hope this is the case, notwithstanding the fact that not all the interview notes have yet been agreed.
- 5.2 Once the lines of inquiry for the task group have been established I am happy to work with the Chairman to identify potential questions for the witnesses.
- 5.3 The task group also ought to know that the Council's external auditors have been in contact with me in relation to this scrutiny review. They would like to see this report and the timeline. A decision on that is a matter for the task group. In addition, this report has raised some concerns about officer competency. The task group needs to consider whether action in relation to this needs to be taken outside the framework of the scrutiny review.

Alison Lowton

10<sup>th</sup> August 2016

Footnotes added: 7<sup>th</sup> September 2016



Councillor Bennett – interview notes – Final

Interview with Councillor Warren Bennett

21<sup>st</sup> July 2016

*There have been some redactions to these notes to prevent disclosure of personal information and to avoid prejudicing other processes.*

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It is for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

Councillor Bennett (WB) wanted to record the interview which I agreed to and explained that I would be recording it as well if he agreed, which he did.

I gave WB some brief background on my experience.

I explained that, as well as recording it, I would take notes and then write up a non verbatim transcript which I would send to him for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents.

WB had no questions for me prior to the interview other than to ask about my previous investigation experience and information on my background.

WB was first elected to the council from 1999 – 2005. He was on scrutiny for the whole of that period. He was then elected again in 2011. Since then he served on scrutiny and has been chair of Governance Committee, and became a member of the Cabinet in May 2015. He held the Finance portfolio and was also deputy leader.

He is a business consultant outside the council.

He has had training provided by the LGA in the last year. He has undertaken their leadership programme. He has also done training on commissioning and leisure review and quite a few other things. He thinks that the organisation doesn't use the LGA as much as it should have done. Nor has it had any peer review.

WB said he had not had any safeguarding training. He caught the back end of a seminar last week, having missed the first hour but stayed for the second hour and asked for a copy of the slides.

He goes to a lot of meetings in order to understand what is going on. He saw it as part of his role as deputy leader. He had told the leader he wasn't interested in being leader at this time but he did want to go for deputy leader. He might be interested in a year or two's time.

He had never been to a GLC meeting until about two years ago. None of the officers knew who he was. He had had to leave because he recognised the applicant. He

Interview notes – Councillor Bennett - Final

attended GLC again on 9<sup>th</sup> June 2015. He went because he was trying to go to as many different meetings as possible; not for any particular concerns about GLC.

WB said that on that agenda, the approvals on items 4 and 5 were given against the policy of the council on aged vehicles, which he found strange. He was used to Planning Committee where they follow policy. He was surprised to find GLC blatantly going against policy.

There was an informal meeting with the leader and CEO on 17<sup>th</sup> June and WB said he raised the issue of GLC decisions and thought it odd they had gone against policy. The CEO said he was also worried about licensing. WB thought that was strange. He had known the CEO since 1999. He is normally reserved and proffers no opinion unless he wants you to know it.

WB then went to the next GLC meeting on 21<sup>st</sup> July, as much because of the CEO's response as because they had got decisions wrong. WB spoke to Councillor P Smith (PS) so he was aware that members were doing CSE training prior to the meeting. Councillor Moon (CM) was also there which he had not expected, so there were three members of cabinet in attendance.

Item 11 was an overaged vehicle which received approval when it was against policy.

Item 13 was an Asian chap who had hit his sister in family dispute. He was refused a license which surprised WB. Item 14 was approved. He thought it should have been refused. If the policy is not correct then alter the policy.

Item 15 was the main issue of the evening. This concerned inappropriate comments made by a driver to a 16 year old on her birthday. On the night, WB said he was appalled by the behaviour of committee members. His thoughts on this changed over the following weeks. On the night his concerns focused on the committee members but over the coming weeks other things concerned him.

The driver had admitted making references to lap dancing and how he wouldn't be classed as a paedophile if he had sex with her. WB said that the committee did not in any way shape or form seem to think this was a problem. One of the committee members asked the driver if he liked Benny Hill. That was the only question he asked. WB said as a scrutiny member, he had been taught how to ask questions. As soon as the member asked that question, WB said he got where the member was coming from – a generational thing. He didn't agree with what he had said but understood where his comment was coming from. He didn't understand why this was his only line of questioning, with nothing around the appropriateness of the driver's comments.

In addition, the driver had also said he was so concerned about the girl he had gone round to see her mother to say he was concerned about her behaviour. WB found this utterly bizarre. It turned out that the girl was at a special school. WB said he didn't know the school in question but others appeared to. The taxi driver said the girls from there were a nightmare. WB said another councillor agreed they were. WB

said, in his view, the statements read out by officers legitimised the driver behaviour. He felt that there was no balance as there was no-one there to defend the girl.

WB said he was appalled by the behaviour of members. He had to leave the room for deliberations which he was unhappy about. He questioned the instruction to leave during deliberations, especially as he was deputy leader. When they left he had said to PS that the committee would grant him the license. PS thought they wouldn't especially as they had just had CSE training but in the event the license was granted.

The following day, WB said he rang the Chairman of GLC (JR) to express his concern about member behaviour. WB said he was telling him as a matter of courtesy as he was going to make a formal complaint. WB said that in Planning Committee the Chairman would say that a comment was not relevant. WB said that he did not believe the Chairman of GLC had control over members. It felt wrong all the way through the meeting, everything from the moment you entered the room felt wrong that night. WB said he raised with the Chairman about the Committee going against policy. The Chairman told him that as WB didn't hear the deliberations, he didn't hear the legal advice. WB said then the legal advice was wrong.

WB said he then wrote to the CEO as he wanted him to start an investigation. Mark Gaffney (MG) had also been in attendance at GLC. WB said everybody knew it was wrong that night, the staff looked uncomfortable. The CEO had said that MG was on the case.

WB said that on the evening of 22/7 Councillor Jane Bell (JB) (a member of GLC) asked him if he had enjoyed licensing. WB said he gave a wry smile and said no. She said that he had come last night and last month and had been making notes. WB said he didn't know where those notes were. WB said he didn't want to talk about it but she pushed. WB said he told her the meetings were appalling and made incorrect decisions against council policy, incorrect decisions last month and this month. WB said he asked her whether she thought that if the Asian chap had been white, he would have got the license. JB said he probably would have, so to WB the committee admitted racism, he said. She asked if some of the inappropriate comments had been made by her and WB said they had. WB said he asked her if she thought visiting the parents of the 16 year old girl was inappropriate and she had replied that she had not heard that. WB thought she didn't even listen to what the driver was saying never mind asking pertinent and appropriate questions to see if he's a fit and proper person.

Over the next few weeks, WB said he had conversations with legal particularly about attendance by other members at deliberations. He said that he thought it was his job to understand if they are doing their job correctly or not because he was part of the committee appointments process and to see if members were carrying out their duties.

He said in terms of committee appointments, GLC was in a secondary position which meant that it did not get priority in terms of member appointments. He had gone with what the leader wanted.

WB said he wanted to see what happened in deliberations. He said it was told it was practice which only said this is what you do. He wanted to know the legal position. That was in July.

WB said he had waited til August having been told by the CEO that MG was on the case. WB said that he thought MG was a good officer but his background was operational so he doubted whether he (WB) would have put him in charge of a legal type environment. He said he had big issues with MG being put in charge of licensing. WB forwarded the CEO response to MO without comment. WB said he had probably talked to him.

WB said there was another leader/CEO meeting on 12/8 and nothing was said about licensing.

At a meeting with the leader and CEO probably on 2/9, WB said he wrote LICENSING in quite large letters on the top of his papers so it was visible to them, giving them an opportunity to raise it. He said it almost felt like they had had the meeting already. It felt as if the real stuff was happening outside the room. Still nothing was said about licensing so he raised it. WB said the leader's response was that he was 'not allowed to ask any questions about licensing'. WB said he then looked at the CEO who said the same thing. WB said he didn't recall asking why. He was just very angry and left. He had not had feedback having raised it formally as deputy leader, despite this being some time since the complaint was made.

I asked him if he recollected that there was an internal audit of licensing during this period. WB said he hadn't remembered that there was although he accepted it was in the annual audit plan which had gone through Governance. He could not remember raising queries with the Head of Shared Assurance Services. WB said he was probably being nosey. His character trait is to ask questions if he feels something appears wrong.

At some point CM told WB that she was concerned about safeguarding issues. She was coming from a completely different place around safeguarding where his original concern was over the behaviour of members, then he became concerned over process, legal advice etc. I asked him whether internal audit could be used if it was process driven concerns. He said audit do a good job, but he wouldn't ask them to do service reviews given the number of times he heard at Governance Committee concerns they raised being ignored at management level. He preferred to go external as his record shows as a cabinet member.

Not a lot happened after that. WB said he might have contacted the MO to find out what was happening. He knew the MO was dealing with issues and he would bring a report.

WB said he didn't consider raising issues with the safeguarding lead. WB said safeguarding was alien to him and that it seems to have been alien to the organisation as a member taking a keen interest in the council WB wasn't aware who was the safeguarding lead. He didn't know anything about safeguarding due to lack of training. It was an issue for him about individual taxi drivers, after the likes of

Rotherham how did they still have taxi drivers with licences. He did not automatically see it as safeguarding.

From 22/7 to November he had no knowledge of anything changing. Several months went by without anything being done.

WB said he knew the MO was doing a fact finding investigation and knew he was going to bring something to cabinet. WB doesn't remember how he knew. All the cabinet knew. WB said it wasn't a formal cabinet meeting – but a workshop. WB said that the MO report had recommendations and he had suggested adding two more – standing aside the leader, portfolio holder and CEO and secondly that the investigation should be done externally.

WB said all the cabinet were in attendance and the CEO and MO. There had been a prior meeting with SMT but WB had no recollection who asked other members of SMT to leave. He said no member had done that from his recollection. It would have been someone else.

WB said as far as he was concerned it was an update report. He didn't know if it was a s5 report or know what its status was. He didn't know what a s5 MO report was at that point in time.

He did not know who in fact had made the decision to proceed with an external investigation, given it was not a formal cabinet meeting and therefore it could not have been a decision of the cabinet.

The report was presented. All those present asked questions and there were a number of recommendations. WB proposed the two recommendations fully supported by all present. WB said that the CEO should stand aside because WB was extremely concerned that not a lot had happened. WB said he told the cabinet that he had been told 'not to ask questions' about licensing which he thought was an inappropriate response by the leader and the CEO. This was also one of the reasons for excluding the leader. In addition she was married to the portfolio holder; it just felt inappropriate. It wasn't seen to be unusual.

Everyone there agreed, including the leader and portfolio holder. The CEO said nothing. No concerns were raised by anyone present.

WB didn't know if there was a record of the decision. He said he didn't know how it was recorded. There's correspondence between the MO and James Button who was advising them at the time.

WB then said he wanted to go back a bit. There had been a restructure two years ago. He had been very much against it and PS walked out of the council meeting when it went through. The right people were not in the right places. The senior managers went down from 5 to 3. The portfolios didn't match up. MG gained licensing and Denise Johnson (DJ) got planning. Neither of them knew anything about either of these services. The council had not got LGA advice and it was just based on which three senior officers were left and the jobs were divvied up. The leader said she would review it after a year, but this review never occurred.

WB said that in his first meeting with the leader after becoming deputy leader, he said that the council needed someone at director level who knew more about planning. He said he had explained that it wouldn't be necessary to remove anyone. WB said he told the leader that the most effective director they had was the MO who was head and shoulders above the others. The leader agreed. WB had suggested promoting the MO in order to keep him, he appeared head and shoulders above the other directors.

*[WB agreed to a significant redaction at this point because of the potential disclosure of personal information relating to senior officers. ]*

WB said that back in January 2015 he had been sat on a table at a dinner with Councillor Phil Hamman (PH) (who previously held CM's portfolio which had responsibility for the MO). WB said he had asked PH about the MO saying he was worried about him leaving. WB said he was probably ready for a CEO job somewhere. WB said he had raised the idea of a promotion with PM who had agreed. PH had said that there had been a fall out with the CEO over the previous 18 months which had something to do with licensing so that WB needed to be aware that the MO might not get on with the CEO. WB did not pursue it any further.

WB said that all this added to his feeling that it would be inappropriate for the CEO, leader and portfolio member to be included.

WB said that at the 10/11 meeting, he had suggested to the remaining 5 cabinet members that they should inform Councillor Paul Foster (PF) because he might pick up on the delegated decision. This was resisted by the others but WB said it was better to tell him now because of links to problems elsewhere. This was agreed so on the next day (11/11) PF was shown the MO report. He was fully supportive of all the recommendations including the additional two recommendations of going external and for the three to stand aside. WB also asked for the LGA to be informed and to get their approval.

WB said he had a history of going externally. He had done this for reviewing the earmarked reserves and the new policies for the disciplinary process for the CEO and MO. The Cabinet decided to go against the recommendations of Governance Committee to go externally.

WB explained that the e mail to the legal officer in November about other members attending deliberations, was after he had been raising it well before that. WB said that CM had been asked to leave a GLC meeting.

In terms of the choice of investigators, the CEO had said to the MO that it should not be anyone in Lancashire. WB said he wouldn't have a clue who to pick. The MO had said he would check with James Button. WB said they were keen to have a short sharp investigation so he was keen for someone they could get quickly. The MO had done a fair bit already. A recommendation came through relatively quickly of a firm who had experience in the field. WB said there was a delegated decision. I asked if he knew where that was as I had only seen a delegated decision about expenditure. WB said he signed the decision to spend.

WB said that in terms of CSOs he had been advised they could appoint someone this way because the need was immediate. WB took the advice of the legal officer. He did not recall details of the waiver, prepared by the head of legal and democratic services and counter signed by him on the 12<sup>th</sup> December.

The terms of reference had been kicked around a bit. Everyone was involved in drawing them up.

On 18/11 there was a meeting in Manchester with Wilkin Chapman (WC). This was to see if they were appropriate. CH and PM could not make it. The terms of reference had been agreed before then.

WB said he did not know who had drawn up the list of people to be interviewed.

WB said that from that point he had no involvement in the investigation. WB didn't understand why Councillor Green (MiG) was interviewed as he hadn't been involved in any previous licencing complaint.

He said he only semi recollected the informal cabinet meeting on 24/11. He did not recollect why/if PF was invited.

WB said he didn't go to GLC after this as he thought it was not appropriate. He had raised concerns about the absence of legal and finance comments on the draft licensing policy report but he said he was always raising concerns, if he was aware of anything that wasn't correct.

WB said that he and CM and MiG had been interviewed collectively. WB had signed the delegated spend decision on the same day.

After this there was then a disagreement over whether WB could see the internal audit report. He had a big issue with internal audit reports. He said that as a member of Governance Committee he could see internal audit reports but as a member of the cabinet he couldn't. He found this utterly bizarre. He said he wanted WC to know he had been refused access to the internal audit report as the whole organisation would rather stop someone getting information than give it to them.

On 3<sup>rd</sup> December WC found a lot of DBS' not in place.

On 7/12 WB went to a meeting with WC and the MO about their report. WB hasn't seen any minutes. Their oral feedback confirmed a lot of the MO report. He was told that the service seemed to be failing; licences were issued without the correct documents; there appeared to be no investigations and no enforcement. It pretty much mirrored the MO report but had a bit more detail about the cases. They were coming up with recommendations which evolved over a few weeks, including checking documentation and by January, they were recommending that everyone's licenses were looked at. WC said that one of the recommendations would be to discipline officers. He subsequently e mailed CM and MiG to update them and said the report was 'damning' and that when you started to look at it, they were running out of senior officers to conduct disciplinaries. WB explained that when you started to look at who might be the hearing officer etc they would be running out of bodies.

WB said there was another informal cabinet meeting on 12<sup>th</sup> December (after the group meeting on the Saturday morning) which had agreed to proceed with all the external recommendations. He said there was no paperwork in front of members and the decision was based on his verbal feedback from the external solicitor's update.

WB said he had no knowledge of the Officer Employment Rules but he did not consider the cabinet had been involved in disciplinary proceedings. He had passed on a recommendation from the external investigation. He had rung the CEO on the Monday. The CEO had concerns about going external in respect of disciplinary matters but did not disagree with anything else. That was the difference of opinion. WB then emailed the CEO on 15/12 passing on the wishes of the cabinet to follow the external recommendations of the report in full and to start disciplinary proceedings at the earliest opportunity. The cabinet wanted the disciplinary recommendation to be done externally. They wanted the externals to recommend who would be the hearing officer. They wanted to look at the service and any corporate issues that came out of it.

WB said that all the cabinet members, including the leader and the portfolio holder, had received the interim report by hand delivery when it came into the building. He did not know who was on the distribution list nor did he have any control of it. He assumes the MO must have distributed it or the CEO. He said that the exclusion of the leader, portfolio holder and chief executive had only been to stop them influencing the independent review so there was no issue about them seeing the report, even though it was an interim report. That was about what they had to do to fix things then. That's why it wasn't in the public domain.

WB said he had no idea why not one decision was taken at a formal meeting. WB asked at what point formal decision making would hinder actual decision making. I said that the Council had to rely on a structure of how decisions were taken. This had not been raised by anyone, including the CEO or the MO, head of legal or head of democratic services.

There was an informal meeting of the Cabinet on 23<sup>rd</sup> December. There is no record of what the decisions were. All recommendations were agreed at that meeting and he had e mailed the CEO to tell him, without setting out what the recommendations were or providing a copy of the report. WB said after the interview that he had explained the recommendations during lengthy phone calls on the Monday and Tuesday. WB told the CEO he could get a copy from the MO. WB said that the CEO was always going to be involved in the service, it was just the investigation he was excluded from so he would be able to implement the recommendations. WB said he presumed the MO would carry forward the recommendations.

The leader was always kept in the loop. The CEO always had to ensure they had a service. The reason why WB complained about SN including the leader and CEO was a spat between him and SN. They were being copied into everything.

WC were not conducting the disciplinaries. SN was the lead. If WC were offering support that was ok.



The IA report was received by Governance Committee by the end of January. It is normally a background paper. WB said he goes to most meetings. WB asked for a copy of the report which he did eventually receive

On 7/2/2016 the MO sent WB an update on disciplinary process. He had said he wanted to discuss Plan C in case of dismissals. WB said he could not really remember Plan C or Plan A or B but likely to be options to ensure continued service delivery.

On 10<sup>th</sup> February WB and the others met with SN. WB thought it would have been an update.

WB was not involved in WC being instructed on 13/2 (as WC say in their report) to undertake the disciplinary investigation. He did not know this before. He said he did not instruct them.

WB now thinks the disciplinary process is taking too long. He had agreed with MiG on 4/3 that the process was taking too long. They hadn't even arranged some of the interviews. WB wasn't expecting a result by then but raised concerns over ensuring the process moved forward in a timely manner.

WB was still complaining in March about SN updating the leader and CEO on the disciplinarys. An instruction had gone initially about not involving them with decision making. In respect of the CEO and the leader he didn't think anyone was getting a clear update. WB had no objection to SN being circumspect in any update to the relevant cabinet members. It's when you are not hearing anything that it's a problem.

WB thought that the meeting he had with the other four cabinet members and the MO on 23<sup>rd</sup> March was concerned with the modified taxis issue. Tanner (which was in the subject heading of the e mail) was a label that the MO used to identify e mails about the issue.

By that stage virtually all the recommendations had been carried out and there were questions about whether they should redo all the licenses. They had decided to redo all the licenses and that was done by mid to end of January. The service had been fixed during a 6 week period from instructing WC. The service was fit and proper. The only operational issue was modified taxis.

WB received a telephone call from WC saying that there was a disconnect between the MO and SN and that they were not joined up. WC thought it would be useful to have a meeting that involved them both and have them both on the same page. This was the meeting that happened on 30<sup>th</sup> March in Burnley. WB said he didn't sense any disconnect on the day at all. WB in the main just sat and listened. WB thought SN and WC were not entirely in agreement about the way forward.'

WB said he was surprised. That seemed to be the only disconnect. WB said that JG from WC wanted the MO and SN in the room and WB was invited at the request of WC.

WB said that he sent an email to the rest of the cabinet on 12<sup>th</sup> April to update them about a meeting he had that day with WC, the leader, the CEO and the MO. WB said

from the start they had said to WC to 'follow the evidence' wherever it went. He said that at that meeting WC had given an oral update that was a lot harsher than the final report. He said that might be appropriate. He didn't know. WB said the final report does raise the issues they were concerned with but its language is not hard hitting. It does talk about lack of recording and legal advice. He had wanted to know what had gone wrong with the service and why and had anything changed. There is nothing in the report about members. WB said he didn't think the council had learned anything and gave a recent GLC decision as an example where someone got a license even though convicted of having a drugs possession warning and driving without insurance. He raised a concern that the fit and proper test had not been learnt.

WB said that WC's tone had changed when he went to the meeting on 12<sup>th</sup> April. They had started off saying that there was a failure to have policies in place for safeguarding (this was what they said at the meeting on 30/3) but were now saying that the service was failing to safeguard people. That is why he e mailed SN on 13/4 asking why a staff member had not been suspended given the change in tone from WC.

In his e mail to the other cabinet members on 13/4 he also said he had no confidence in 'members/officers in the mix' and that he would lodge a motion of no confidence in CEO. WB explained that he had no confidence in the CEO for a number of reasons. WB said a lot of problems in the organisation are down to the restructure from two years ago. There was a failure to ensure MG was supported. There is also a lack of management over flexi and overtime; a report on flooding will also point to management failure.

The conservative group meeting on 15<sup>th</sup> April was about modified taxis. The leader called it.

The MO sent a draft timeline on 14/4 which started in November even though the covering e mail said it started in August. WB had asked him to do it.

After the leak occurred, WB was very critical of the press handling. He thought it was atrocious. WB said they had a failing service which they had fixed quickly. This should have been the focus of the press handling. WB said he had wanted to have a council meeting in December but had been advised against it.

They had an email from SN warning them about press interest. WB wasn't sure what the press had.

WB said he got a call from the now ex head of PR to decide the message. He was on his way to the Council when he was told to go home. He thought that was because the leader did not want him involved. A short statement was put out which failed to defend the council's position. The head of PR rang WB and told him that he (the head of PR) had been asked to go home after asking for all involved to get in the same room to agree a message.

WB said he had no idea who had released the interim report. He certainly hadn't. The CEO after a number of weeks eventually informed the police but they didn't talk

to WB. CM was the only cabinet member spoken to as far as WB is concerned. The MO gave the police his number but they did not get in touch. The police dropped the case immediately

The parent of the autistic child said WB and the others had tried to fix the problem and so had the parent of the 5 year old WB was led to believe. As far as he was concerned they had seen a problem and were trying to fix it. He would do the same again.

WB said that member behaviour at GLC had not improved. He agreed that a change of committee membership was in group hands. He said he had suggested it to the leader but he was no longer the deputy leader. WB said he would have sacked everyone of them and had suggested this to the leader but he is not currently flavour of the month. He tried to fix a service rather than sweep it under the carpet as might have been the case previously.

On 27<sup>th</sup> April WB said there had been a meeting between CEO, leader and leader of opposition to do a deal. He explained that the labour opposition had called an extraordinary meeting to debate licensing following the leak. WB said it was the right thing to do and he had wanted it to go to council meeting in December but he had been advised against it. WB said that at the council meeting the leader remained neutral and did not reply to questions about the proposal to sack WB, CM and MiG. She did not give a reply in a radio interview to a similar question. There was rumoured to be a deal with the labour leader.

WB said that in May, the leader had offered CM and MG a position in cabinet which they had both turned down. When this was revealed in the May council meeting PF said publicly he wanted to speak to the three of them about what the leader had said to him about them. PF called WB later in the week. WB said he discussed with PF who said he had no intention of attacking the three of them. He said it was suggested to him that the three had behaved inappropriately. WB e mailed PF repeating what PF had told him which he recently confirmed.

The leader offered a different view. She thought that a labour notice of motion against the three of them might have been lost at full council so she had agreed to let PF have a go but not push the motion. She said she had consulted the LGA about this approach and they had agreed. Once this was said in front of WB he had written to the leader asking her to confirm it. The LGA say they gave no such advice and weren't asked for such advice. WB subsequently met senior conservative members at the LGA conference who confirmed this verbally and in writing confirming the leader had lied to the Conservative group.

The council meeting was held up for 15 minutes while the BBC moved cameras round to get a better shot of the three of them. Recording of council meeting is national legislation as long as this does not interfere with the meeting which it clearly did supported by the CEO.

Interview notes – Councillor Bennett - Final

WB said that everything of any importance had been dealt with by all five cabinet members. He disagreed that copying in Councillors Mullineaux and Hughes was random.

WB said he was surprised that Councillors Mullineaux and Hughes were not being interviewed together with Brian Thompson. I confirmed that I had been involved in terms of reference in discussion with Councillor Titherington and the CEO. WB thought the Terms of Reference were weighted. WB has complained to this effect and the inclusion of the CEO in preparing the terms of reference.

WB said that there was nothing further he wanted to raise. Nor was there anything he thought I should have asked which I had not.

I confirmed the record would not be verbatim.

Alison Lowton

6<sup>th</sup> August 2016

Amended 9/8/2016, 28/8/2016, 6/9/2016, 7/9/16

Signed as a correct record by Councillor Warren Bennett

Dated 7 September 2016

Final interview notes – Mark Gaffney

Interview notes - Mark Gaffney, Director of Neighbourhoods, Environmental Health & Assets

22<sup>nd</sup> July 2016

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It is for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date. I explained I was trying to focus down the issues for the task group.

I explained that, although it wasn't my usual practice I would be recording the interview as others were recording theirs. MG did not object.

I gave MG some brief background on my experience.

I explained that, as well as recording it, I would take notes and then write up a non-verbatim transcript which I would send to him in draft for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents. I explained that I would not usually put these in the public domain but in the circumstances it was likely they would be made public. I said he needed to tell me if there was anything that should not be in the public domain.

MG had no questions for me prior to the interview.

MG had been at SRBC for 30 years, gradually taking on services, with constant restructuring and so on. He was depot based and the services he was responsible for included waste management, recycling, street cleaning and street scene, fleet management and maintenance, parks, playgrounds and grounds maintenance, enforcement, car parks, environmental health and licensing, property services and estates and key external partnerships - Community Safety Partnership, Health and Well Being Partnership and the Children's Partnership Board.

He started working in Parks but his main background was in services based in the depot which was arm's length for years and then re-integrated into the Council following CCT.

There was a restructure in April 2014 when he also took on licensing, environmental health and property and estates. Licensing and Environmental Health were under the same director, Denise Johnson (DJ) who was responsible for that service from he thought 2013. Before that, some elements of licensing and enforcement were with environmental health and some including the admin elements of taxi licensing were with legal. They were brought together under DJ.

His view was that licensing had a very competent manager (JM) and that the staff gave confidence in the way they performed. He also attended GLC. He had no concerns when he took it on. There was nothing that suggested problems. It was a

Final interview notes – Mark Gaffney

new service to him but nothing suggested problems. He was used to taking over new services so this was nothing strange. He runs the largest directorate in the council.

He understood safeguarding. He knew about the policies and procedures and the designated officers. He knew there were cases which might raise safeguarding concerns and there were other agencies involved in that – the police, and the county council.

When MG took licensing on they were part way through business transformation (which is the MO's responsibility) so that Gateway would receive the details for the application which would go to licensing to process and determine. That meant a mixture of two computer systems. Firmstep within Gateway was the front facing element. It's a very flexible product and can be used in different ways. They were using it as a customer relationship management (CRM) system and it was being developed for taxi licensing. It gathers the information which gets passed to the back office to process.

There were issues over this between IT and Licensing staff. There was a lack of coming together of minds in how it could work. There was a conflict of views about how it should work and make everyone's life easier. In his view, that can often happen with any transformation. He had similar experiences in the depot many years ago over the transfer of phone calls to Gateway.

The MO had concerns around the transformation exercise. He had discussions with the MO a few times during the transformation period mainly around getting the system set up. It was taking longer than it should have done and the staff were not working together too well. The staff were not agreeing commonality. Eventually, the solution was quite simple. This was to task and leave it with the service manager in IT (who understood IT better than MG and the MO) and the service manager in environmental health/licensing (who understood licensing better than MG) to get on with it. It had taken some time for this to happen. That sort of project shouldn't need the intervention of directors as the service managers and employees are able to sort it out. The directors don't necessarily have the specialist knowledge.

There was a mismatch in record keeping. Licensing were using both a software system (LALPAC) and hard copy files which meant that documents and supporting information on applications and cases could be held in two places. Also Firmstep was being used in Gateway to gather supporting documentation for applications. Generally everything ended up on the hard copy file. The audit review picked up some issues around record keeping. Some applications couldn't be verified because the documentation was not in the file. In addition, the staff had got behind with filing essentially, so he put in more resources to clean that up.

He has a good relationship with the portfolio holder. PS puts in a lot of time and effort and very rarely fails to attend GLC. MG tries to separate it so that policy related strategic type issues go to the portfolio holder; and operational day to day licensing issues to the Chair of GLC. MG tries to keep that separation though in some cases there needs to be a meeting between the two of them such as licensing policy. MG,

Final interview notes – Mark Gaffney

JM, licensing officers and the chair plus vice chair held briefings before GLC. This has carried on but with the temporary officers who are currently supporting licensing.

JM kept the chair of GLC up to date but this is currently done by MG.

He did have concerns about some of the decision making by GLC. For example, decisions counter to policy on over age vehicles go to GLC. There were decisions at GLC in favour of the applicant in relation to aged vehicles. Whilst important this was relatively low impact decisions whilst moving away from policy.

Decision making started to raise alarm bells at the GLC meeting on 21/7. This was the decision about the inappropriate comments made by a driver. As an officer you take your own view when you go into committee. In this case they allowed the driver to keep his license but MG is not privy to what members discuss in deliberations so he didn't know if there was something in there that he was not aware of but from where he was sitting he questioned the decision. He thought that some of the lines of questioning could be more professional. Some of the comments were more for deliberations rather than during open committee.

Prior to this there had been a report to SMT on 14/7 on CSE and licensing. This had been part of normal business, updating SMT on the issues from Rotherham and entirely co-incidental to what transpired later. The report recommended training and a taxi licensing policy. He hadn't personally discussed it with DJ prior to SMT.

There had been some e learning packages on CSE from the community safety partnership which they wanted to roll out. Also safeguarding training was done corporately. The training recommendation in the SMT report was on CSE and was a county wide package. He wanted SMT to give it a push. There had been some glitches within the system so it did take some time before it could be made available to staff.

GLC also received CSE training prior to the 21/7 meeting. MG wasn't there for that.

GLC members have a robust training programme which all members go through. It's mandatory to attend in order to sit on GLC. Officers provide a good in depth training. They also offer non mandatory external training. For example in October/November 2015 James Button provided training as a joint venture between a number of councils. Unfortunately only 4 SRBC GLC members could attend. Recently they have rolled out further training which is also mandatory. This used external and LGA facilitators. Two members missed the recent mandatory training and they were given it separately by the interim manager, who is excellent.

They do have specific training around safeguarding. They brought in an ex police officer to do this a few weeks or so ago.

After 21/7 there were concerns raised with him from members and officers. As a result, MG called a meeting on 3/8 which was attended by MG, the MO, Dave Whelan and JM. Before that WB had raised concerns with the CEO who had told WB that MG was on the case. They were discussing what had happened at the meeting and the member interest in how the meetings operate. Cabinet Members were also

asking to sit in on deliberations. They were picking up all those issues as well as the particular decision which had caused concern. MG couldn't recollect the specific case being called a CSE case but that was one of the issues that was discussed. There were a number of issues and, in particular, members who were not members of GLC wanting to be involved beyond their remit and protocols which had been in place for many years and were established licensing practices.

Outcomes from the meeting included the MO to go away and have a look at the particular case. This began to develop and the MO was starting to look at the process that took the committee to that decision. MG was to look at some of the issues members had raised such as sitting in deliberations.

There was then a decision in the five year old case. MG had some discussions with the MO and Legal Services Manager about it. The police had investigated and CPS had decided not to take the case and the police lifted the bail conditions. The license had been suspended on the basis of the bail conditions and so the licensing officer decided to re-instate the Hackney licence. MG was not happy about the re-instatement and thought the decision should have been taken further up the food chain. It created a risk and it was eventually revoked following the MO looking at it.

MG did not personally raise this with DJ as safeguarding lead as he assumed it had been picked up elsewhere and other lead agencies had been involved.

At the same time there was a routine audit taking place. IA were linking with JM and MG was brought in at the end of the period as the report was becoming final. He was a bit shocked by what they found as this had not been his perception. He asked JM to work through the recommendations before the report became final. Record keeping was a concern. JM was categorical that they were not granting licenses until everything was in place but their filing was poor and behind. LALPAC was not necessarily being fully used but it was due to be upgraded. The key recommendation was the one on record keeping. Audit picked up that they could not verify that everything had been checked off because of the poor filing. MG allocated an additional resource and they then brought the files up to date and any missing paperwork was chased up. There were a number of other recommendations which MG asked JM to address urgently. By the end of the year it had largely been signed off.

WB was keen to see the IA report. MG sought advice from GB as it had not been through the proper channels. GB said that it was MG's report and so it was up to him whether he gave a copy to WB. MG then spoke to the MO who said that in terms of the governance arrangements, WB should not have it until it had been through the process.

At the same time, his cabinet member was on holiday. When he came back from holiday, MG briefed him on the report so he was aware of it.

The MO was starting to look at things in more detail following the GLC decision in July, the processes around that decision and the link back to the service. He did speak to MG about a report that he would submit to the Cabinet. MG's



understanding was that the MO had been asked to have a look at it by some cabinet members possibly via the CEO. It wasn't just something that arose from that August meeting. The MO talked to MG about the things he was going to put in. The sort of things he was indicating like doing a review, MG was ok with it because reviewing a service is always a good thing. There was also to be a recommendation about reviewing cases with safeguarding/CSE issues and the investigations. MG said he is no expert on investigations and he would bow to better judgements in this field. If the cases were to be reviewed to check everything was as it should be this can also only be a good thing.

MG said he was on holiday on 10/11, the date of a cabinet workshop. He explained that what usually happens at cabinet workshops with SMT is that the cabinet meets for an hour from 9.30. SMT joins them at 10.30 and then when that is over there is another core session of the cabinet. SMT members would usually just leave.

When he returned from leave later in November he was shocked to find there was an external investigation. He wasn't expecting that. Yes some members and officers had raised concerns about GLC decision making; the licensing officers appeared to be relying on police investigations and he would bow to others with better knowledge re the need for improving investigations. But an external investigation was so far away from the approach he expected. His view was that some internal work using the right people was usually better and that staff learned from that process. This could include specialist help from outside the organisation. He was quite surprised by cabinet, as he understood, asking for an external investigation. He was not at the meetings with cabinet so he did not know how this decision to go external was taken.

The other thing that shocked him was he was told not to speak to the CEO about licensing or the portfolio holder or leader. This was absolutely difficult for him. Licensing officers couldn't speak to the portfolio holder either.

He said he did see WC within 2 - 3 days of returning from leave. He just wasn't ready for all of that. There were clearly issues within the service but they had done and were continuing to do some work around the internal audit. He had thought they would be doing a review internally to their own timeline. He didn't raise it with anyone because he was concerned at that point that he was missing something.

The taxi licensing policy was scheduled to go to GLC in November. It was approved for consultation. The consultation was quite light weight; there wasn't much of a response. They were just at the point of analysing the consultation responses and getting it to the stage of agreeing it with the Chair of GLC and updating the portfolio holder. It was due to go to council in early January.

Staff got suspended in early January so the development of the policy was stopped in the circumstances so it could be checked and reconsidered.

He was interviewed by WC but it felt like an afterthought. It wasn't scheduled. They asked generally about GLC decisions, his views of the staff and how applications were dealt with. He said to WC that he didn't get into the detail of the service because he had a manager and team to do the detail.

When WC said on 3<sup>rd</sup> December that there were a lot of DBS checks missing, this was a shock. At the time, Gateway via Firmstep were gathering the information and transferring it to the back office which was using LALPAC. In between this there was a hard file system which the internal audit had established was in a mess with filing not up to date. Ideally application details should all be in one place but if the information is there, it's there, even if it is in 3 places. It can still be checked. Part of business transformation was to look at how they could develop a computer system to do it all. Initially they thought Firmstep could do it all but as time went on, they came to the conclusion that they did need a specialist licensing system as well. It was agreed to commit to upgrading LALPAC which has now been done. LALPAC would be the bible. They were in the process of eventually moving away from hard copy files.

It was identified that 40 DBS or medical checks were not there and WC advised an immediate review. It was a bit of a shock that this was the position. MG did not lead on this work but these records were eventually found, verified or sourced.

They had divided up the tasks so that MG was dealing with day to day licensing business and the MO was investigating and looking at cleaning anything up that needed it. Anything that had links to CSE/safeguarding would go to Brian Thompson. It was safeguarding, not CSE. Using that term ups the ante in people's minds of what the issues are.

MG said he was brought into the loop over the disciplinary issues before staff were suspended, either just before or, possibly just after Christmas. MG said he still privately thought the issues would be at a lower level than they appeared to be but it is something serious if disciplinary investigation or action is to happen. He was still feeling he was missing something. It was a bit of a shock but at the end of the day, they had an external firm looking at it and that was their advice. He thought there must be enough there to warrant it. He felt he was bowing to better informed judgements as he was not involved in the investigation. He was not party to the informal cabinet meetings. He was completely outside all that.

He understood why he might not be involved as they might have been looking at him. Licensing was in his directorate. MG never felt he had done anything wrong. The service was as it was when he inherited it. He began to be worried problems had gone undetected for a number of years.

He was excluded from discussing licensing with the portfolio holder and the CEO. He had regular 1;1s with the CEO but both had been instructed not to discuss licensing. He never understood that because he didn't regard the issues to be at scale 10 on a 1 – 10 scale which would have warranted it. There were clearly issues to be resolved within the service but possibly mid-way around 5. During the investigation and as time went on he started to doubt himself on many occasions that it was all far more up the scale than he had first thought.

The interim report was issued to SMT at Christmas. It had gone to the cabinet first. MG said he started to believe that things had been rattling on for years not in the

right way. That report suggested that was the case. When the report was released is when he found out about the recommendation for disciplinary investigation.

Staff were suspended in the second week of January. JM was taken away from licensing and 2 members of staff were suspended.

The MO transferred two members of staff from Gateway. MG was looking for a licensing officer. One of the MO's managers recommended someone to help out. That person knew LALPAC and had masses of experience of taxi licensing. He came in with the remit to help with the investigation but soon became licensing officer. MG was trying to support him and the young bright staff from Gateway. Preston also loaned them two people for one day a week. They had the bones of a technical team to see them through.

The temporary officer was used to having a LALPAC system with everything on it so he was used to working in a different way. His view was that the recording could be a lot better. There were issues without a doubt. He thought the records should have been a lot better. MG said they had invested in the temporary team through training and they had been there much longer than first anticipated. They have got them in to quite a good place as they are now quite able. They were waiting for the outcome of the disciplinary investigation. MG has confidence in them continuing the service until then.

They brought in a temporary manager through the LGA – Sharon Davis from Blackpool. MG was keeping her focussed on the improvement plan. She re-arranged the draft taxi policy, though didn't make any fundamental changes. The policy finally went to a special GLC, and full Council this week. Not every authority has a taxi licensing policy.

MG said the damage the leaked report has done brings tears to his eyes. He said he just didn't get it. How could somebody do it? It has to be either an officer, a member or someone from WC. He didn't understand how anyone in any of those roles could have done that, knowing the damage it has caused to a very good council which was punching above its weight. The leak had put the Council in the gutter which it didn't deserve. At the forefront of every member and employee's mind should be the well-being of the organisation. It's got personal and confidential information about individuals both internal and external to the Council. It's a disgrace.

MG said he is very angry and very upset at how the organisation had been trashed in the last few months. For what reason? The employees who are suspended are still employees of this council whatever the outcome of the disciplinary process may be. It's all over the news. How must they feel? It's a disgrace. It is hard to remember that only last year, the council had received the Gold award for liP without even trying and was recognised as an excellent council.

Final interview notes – Mark Gaffney

The Council just shouldn't be in this position. It doesn't deserve it.

He didn't think there was anything else he wanted to say or thought that I might ask.

Alison Lowton

30<sup>th</sup> July 2016

Amended 9/8/2016

Signed as a correct record by Mark Gaffney

Dated 11 August 2016

Interview notes

Councillor Michael Green

21st and 22nd July 2016

21st July 2016

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It is for the task group to reach conclusions about this and those interviewed will have an opportunity to answer questions by the task group at a later date.

Councillor Green (MiG) wanted to record the interview which I agreed to and explained that I would be recording it as well if he agreed, which he did.

I gave MiG some brief background on my experience.

I explained that, as well as recording it, I would take notes and then write up a non verbatim transcript which I would send to him for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents. He needed to tell me if there was information which he was telling me which ought not to be in the public domain. He said it ought to be made public and there needed to be transparency. They have been accused of some sort of cover up, but it was actually the reverse of this.

MiG had no questions for me prior to the interview.

MiG was first elected to SRBC in 2003. He was a member of the shadow cabinet for 4 years and also served on different committees including the vice chair of a scrutiny committee with a longstanding councillor and a former leader of the council as chair. In 2007 the Conservatives won a landslide and had a 33 seat majority. He was appointed to the cabinet with the corporate and support services portfolio. This was effectively the back office services including legal and democratic services, Gateway services, benefits and revenues etc. he held this role until 2010.

He was then a lead member until 2011. He thereafter served on a number of committees. He was an active councillor and regularly attended meetings even if he was not a member, such as planning. He was re-appointed to the cabinet in 2015, with the housing and healthy communities portfolio.

He had enjoyed the 12 months since his re-appointment to the cabinet in 2015. He had made significant progress. He had ensured that a housing framework was in place for the first time and had commenced moves to make SRBC a dementia friendly borough.

He had also been Chief Whip of the group from 2005-2016 so had significant experience of dealing with complex and controversial issues.

At a political level he is deputy chairman and is responsible for political matters and campaigning in his constituency.

He is also a county council member having been elected to LCC in 2009 when the conservatives took control. He was lead member for finance working under the leader and was then promoted to the cabinet in 2010 with a portfolio of economic development, environment and planning. In 2013 they lost control of the council due to national factors. He is in the shadow cabinet and is also group secretary. He serves on a number of committees including executive scrutiny, employment and development control.

In terms of training, the induction programme in both councils gives councillors a pretty decent grounding. They get specific training as a cabinet member, including relevant briefings etc and training sessions outside the council. Both councils operate 'learning hours (SRBC) and 'bite sized briefings (LCC) on relevant topics.

He had safeguarding training last week at SRBC. Prior to that he did not remember any detailed sessions. He has also had safeguarding training as a school governor. He couldn't remember having any safeguarding training at LCC.

He had no previous direct involvement with licensing. He had never been a member of the licensing committee.

His concerns were first triggered when he received the MO's report. He had not attended the GLC meeting on 21/7 where there had been concerns about member behaviour. The MO report was delivered to cabinet members' houses on 9/11. On 10/11 there was a cabinet workshop with SMT. This is an opportunity to have an informal chat. No decisions are taken about policies.

At the end of that meeting, the cabinet were asked to stay behind. He cannot remember who asked the others to go or why they were asked to go. The MO and CEO remained along with 7 cabinet members. The MO presented his report which set out issues of significant concern.

It was just described as a report from the MO. He knew it has been described as a s5 report, perhaps even by him but it wasn't. His view was that if the cabinet had not taken the report at face value and taken action on it, the MO could then have formally brought a s5 report. It was never badged as a s5 report and clearly wasn't.

The MO presented the report. He set out cases and failings some of which were significant. There were no interviews under caution, no witness statements, either here or from Lancashire County Council, no significant intelligence sharing with the police, evidence had been put to the committee which wasn't in the report (e.g. a reference on behalf of the driver being read out by the officer not the driver). There was a serious concern where there was an absence of documentation for a number of licences which had been issued.

There was potentially an issue of safeguarding and CSE. Jane Booth's view now is with the benefit of hindsight. He understood CSE to be a very serious matter which needs to be taken seriously. It includes grooming and various issues linked to

vulnerable people. There were many cases where there was no documentary evidence of live medical information and DBS checks, but licences had been issued. It was set out in the MO's report that this is not to say that evidence wasn't available but that there was no evidence. This caused him concern. Witnesses had been let down, which is fundamentally wrong. They have got to be considered and must have a voice.

He said that in fairness to members of GLC, who have been criticised, they are willing amateurs. There was a view that they were expecting the GLC members to make decisions when they didn't have complete information. He personally felt, and he thought the rest of the cabinet thought the same, that in the absence of documented evidence, GLC decisions and the integrity of the committee were compromised. This meant that victims were let down and public confidence is undermined, which is wholly wrong.

The report was presented and the recommendations were part of that report. The whole cabinet of 7 members collectively accepted all those recommendations. Additional recommendations were proposed by the then deputy leader (WB). These were a) they needed to carry out an independent investigation and b) the then leader, the relevant cabinet member and the CEO should not be part of the investigation.

MiG said that the background to the second recommendation was that at one of the regular meetings between the then leader, deputy leader and CEO WB had asked about licensing and was told by both the then leader and chief executive that 'you can't ask questions about licensing'. WB told them this at the meeting. When the recommendation to exclude them was proposed, neither the then leader nor the CEO said anything. Secondly, the portfolio holder is the then leader's husband so there was a direct interest there, Public perception is about being seen to do the right thing (the reasonable onlooker test) so it was important that they weren't part of it. All 7 cabinet members agreed with these additional recommendations.

There was an additional reason for MiG's concerns over the CEO which relates back to May 2015. The then leader had formed a new cabinet following the election. Cabinet members were invited to have a chat with CEO about their portfolio. This was on 22/5, prior to being formally appointed to the cabinet. MiG said the CEO spent about 5-10 minutes on the portfolio. It was a very brief conversation even though that was the purpose of the meeting.

It quickly morphed into a conversation about a senior officer and the CEO proposed a way forward regarding that officer. MiG had serious concerns regarding the proposal and therefore did not agree to support this.

*[MiG has agreed to a significant redaction of the interview notes at this point, as they contained personal data about the CEO and the senior officer and form the basis of an on-going complaint.]*

MiG agreed it was not a formal cabinet meeting on 10/11, but no concerns were raised by anyone at the time and the decision was subsequently taken as a

delegated decision. I said that the only delegated decision I had seen was to do with spend, not the actual decisions taken. MiG said he would expect that notes were available and the decision recorded. He suggested that enquiries be made with the MO.

On 11/11 they asked the MO to bring the leader of the opposition (PF) in to bring him up to speed. He was presented with the report which he read through separately and then came into a meeting of the cabinet. They set out the proposed course of action, including the independent investigation and asking individuals to stand aside from the investigation. PF gave his full support for the proposed course of action.

MiG didn't think about contacting the council's safeguarding lead.

The CEO did not want the independent investigation to be carried out by anyone inside Lancashire to maintain independence and confidentiality. The MO made inquiries of the person he called 'his MO' and WC was the name that came forward as a firm of significant standing who had carried out similar types of investigations and dealt with serious cases.

On the 18/11, the MO agreed to meet WC to discuss the possibility of them doing the work and asked the cabinet members to attend. The meeting was in Manchester. MiG, WB and CM attended. He had rescheduled other things to attend, as this was a serious matter. PM and CH said they were busy, so they couldn't come.

The terms of reference for the investigation came back to the cabinet and were collectively agreed. It was soon after the meeting. It could have been the 24/11. There was some e mail correspondence between elected members about it. MiG said he did not know who had proposed the list of witnesses.

He could not remember what the informal cabinet meeting on 24/11 was about, unless it was the terms of reference. If PF attended, it would have been to keep him in the loop.

Three councillors were interviewed together. He did not know why PM and CH were not interviewed, as all 5 cabinet members had been involved throughout. No one raised any queries about it at the time. MiG was happy to attend, in the interests of openness and transparency.

He thought the cost was reasonable. It was given to them on the basis of advice. They acted on advice from the MO who was acting on advice he was receiving. As councillors, they rely on professional advice from officers.

Interview paused here and reconvened on the next day.

22nd July 2016

The interview from the previous day was recapped. MiG said he wanted to stress that all seven cabinet members had taken the decision on 10/11. The MO had offered advice together with the CEO who had been CEO for 5-6 years and worked in senior positions in the authority for many years. So they felt they could take a



decision. Nobody said they could not do so. He does not understand why, if there were any issues, they were not flagged up at any point.

Following on from that there was a delegated decision by WB and senior officers, including Susan Guinness, David Whelan and the MO. If anything was wrong it should have been flagged up. PF had access to the decisions and he was vice chair of Governance Committee and a long standing member of that committee.

MiG said the Chair of Governance would have seen the decisions. He would have expected the Chair of Scrutiny had access to those decisions and would have been able to call them in. I asked him how that could have happened as I had not found any written record of the decisions taken on 10/11.

MiG said that following on from that there was a waiver to contract procedure rules and a delegated decision about financial spend. I said that it doesn't set out what the decisions were and was never circulated because it was marked confidential. It didn't have the proper access to information on it. MiG said it wasn't as widely circulated as a delegated decision usually is. He said that he gets on a weekly basis any delegated decisions that had been made which gives them an opportunity to raise any queries and potentially call it in for scrutiny. He believes that this decision did not follow that process due to confidentiality but would have gone to the chairman of Governance and chairman of Scrutiny. It would also have gone to the leader of the opposition as the vice chair of Governance.

If something was wrong with that decision he is surprised that nobody saw what was wrong. Senior politicians knew about this decision. And more importantly, senior officers knew about it, including the CEO, MO, Head of Finance and Head of Legal Services. He would be surprised if the CEO did not see it. It's not a very big council. He would think the CEO would see something as important as that.

The CEO was fully aware of the course of action and yet nothing was flagged up until April to the best of his knowledge which causes MiG surprise and deep concern.

MiG flagged up the e mail which WB had sent to DW asking for confirmation that everything had been done properly and DW had confirmed that "prior to the appointment of WC, an appropriate delegated decision was made and the waiver of contract standing orders was granted in accordance with the council's constitution".

I then re capped on the discussion about the choice of external investigators and the terms of reference. MiG said that he wasn't sure how WC drew up the list of people to be interviewed. They were professionals. It was up to them to decide who they needed to speak to. There was an e mail exchange between CM, MiG and WB about including members in the terms of reference. MiG said that if something goes wrong in a service, and it transpired that there were significant failings, there potentially will be political responsibility. That was the essence of the exchange of e mails.

MiG couldn't think of any reason why PM and CH were not interviewed by WC. The only thing he can think of is that it was the three of them who had attended the meeting with WC with the MO. MiG had not been able to add a lot to the issue. All he

could say was when he first became aware of the licensing issues. It was WB and CM who had the experience as well of having attended the licensing meetings.

On the same day as the cabinet meeting on 24/11, GLC agreed a draft licensing policy. MiG had not realised it at the time but has read it in the report since. It was somewhat disappointing that SRBC didn't have a policy in place beforehand. It has finally been agreed this week.

WC had talked about costings at the meeting on 18/11. They gave them a broad idea. Obviously something like that is variable. The very clear thing WB, MiG and CM had said to them was that they were to follow the evidence. It was not for them to steer it in any way. There had clearly been some failings in licensing but as to who was responsible, they didn't know. That's why they needed an independent external investigation so the council and, more importantly, the people could understand it and have confidence that the investigation had been done independently. That's why they were so clear about 'follow the evidence'. WC gave hourly rates and he is aware that lawyers don't come cheap especially if they instruct a firm with the reputation of doing work of this nature.

They didn't ask to see other firms. There was a need to get on with the work promptly. They had received advice that this was a reputable firm, with significant experience of carrying out this sort of work. There were failings in the service and safeguarding concerns. They didn't want to delay. They wanted to get the service right and one the council could once again be proud of. They wanted to get on with providing a service and keeping anyone who uses that service safe. They also wanted to safeguard the reputation of the taxi drivers as well. Some of them have had fingers pointed in their direction unfairly as a result of the way the issue was handled further down the line. This was very unfair as the vast majority are reputable people providing an invaluable service to all residents.

He said it was quite right to ask about costs. It was important to him to provide value for money services. It was always an important consideration but to be perfectly honest making sure the service was fit for purpose took priority over the financial amount. It did not seem to be a big figure in the grand scheme of things for the council to ensure they provided a decent service going forward and safeguarded vulnerable residents.

MiG said he had some knowledge of CSOs. He understood that you would normally get three quotations for that amount and that's why the waiver happened. I pointed out to MiG that waivers could not be retrospective. He didn't comment. He said there is more than one signature on the waiver. He wondered why it had not been flagged up if there were any concerns. He was sure it was done for the best reasons.

They had queried whether they needed to take the issue to council. In essence MiG's starting position was to bring it to the council's attention. But they were given strong advice that there were potential disciplinary proceedings and it was important to ensure that any individuals concerned were given a fair hearing. So they were advised against holding a council meeting. They do not have a very big licensing department and fingers can get pointed very easily which is unfair and might legally

have consequences. Although there weren't at the time any disciplinary proceedings, it was always an option that there might have been.

His email about officers leaving the council was general. It wasn't referring to anyone in particular. Failings had happened but it was not clear whose responsibility it was. It could have been the case officers, or it could have been failings of management, or structural failings. It might have solely been an officer issue, or political responsibility might have had to be taken for the failings. There were a variety of options but at that stage they couldn't rule anything out or in. Ultimately employment issues are not the remit of councillors.

He was made aware of WC's concerns on 3/12 about DBS records. He said it had not been treated as a serious issue by this council sadly, but clearly it should be. His understanding was that there were no accurate records of all the evidence that should be there. The evidence might not have been provided; it might not have been requested; it might have been lost; it might never have been there; it might not be in the right place. This meant there was a lack of confidence that all the records may not have been provided and that is a concern when licences had been issued.

WB's email following his meeting with WC on 7/12 said the report was damning and they were running out of senior officers to conduct disciplinaries. MiG said the view was that in terms of the senior officers they were all involved to some extent. The MO was involved, DJ had overall responsibility for safeguarding and had previously had responsibility for licensing, MG currently was responsible for licensing so that's the reference to the number of officers because they were all involved to some extent.

The indications were that WC were confirming the very things that had been flagged up to them in the MO report and when the interim report came out it was quite similar to the MO report. It identified similar issues and the IA report also identified similar issues. That came out in November.

There had been a previous IA report about 2 years before which had given the service a glowing report and yet subsequently it was found that some of the failings were historic so it's a cause for concern that they weren't flagged up then, as they could have been rectified at that time. He had not been aware that IA were doing an audit.

It's part of the culture of the organisation. A lot of things were not brought to cabinet that should have been. The audit plan is brought there but the findings aren't. IA findings are not shared with the cabinet collectively and they should be.

MiG said there were a lot of meetings and he couldn't specifically remember a meeting on 12/12. I said I was interested to know if WB's e mail instructing the CEO to take disciplinary proceedings was as a result of that meeting. MiG said he couldn't recall.

In terms of disciplinary proceedings, it was clear that things needed to be looked at. Things had not happened. There were safeguarding issues, the council had let witnesses down. They had let vulnerable people down. The integrity of GLC had not

been protected. GLC did not have all the information to make decisions and may have made incorrect decisions as a result of that. There were clear failings. There needed to be an investigation of what the case officers had done. They were not automatically culpable but it needed to be looked at. There could be a number of issues at play there. Was it their fault or someone else's fault? It could be the management. Did they need training or was it the structure of the organisation? It was reasonable to ask for disciplinary proceedings to be started.

MiG said that when you are in a situation like this, you don't just wait for the interim report. If you have feedback as WB was getting and it was raising significant concerns, it is right and proper that the council puts steps in place to deal with these, not just to sit back and wait for the interim report before taking action. He became aware on 10/11, but officers were aware long before that and issues were raised by members in July. If issues are identified, the council has a duty to fix those issues. They had already fixed some issues by December which was the right thing to do to take action to safeguard the residents and provide a proper service. If there were issues with licenses, which there were, then it was right to resolve them. That is the action of a council that is working in the best interests of the residents.

He said that you always need evidence to take action. That's the basis on which he works. The request to commence disciplinary proceedings came from WB who had received feedback from WC on what they found when they came into the building so the picture was being formed and the evidence was being collected. WB was asking for the proceedings to commence.

MiG said there was nothing wrong in requesting that proceedings are started. I asked if it was reasonable for the CEO to act when it looked as if he had nothing in front of him as he had been excluded from the process. MiG said that was a moot point. There are references to the CEO having been excluded until April, but that was not the case. I said that everybody I had spoken to had a different interpretation of what the CEO was excluded from. This ranged from being excluded from licensing to being excluded from the investigation. MiG accepted that, but the CEO had not been excluded from licensing.

The MO received the interim report on 22/12. They had a meeting on 23/12 and MiG's recollection is that the MO circulated it at the meeting. All the cabinet had copies, including the then leader and the portfolio holder, who were not at the meeting, but they subsequently made references to the contents of it. The MO obviously had a copy and he believed PF did, as the leader of the opposition.

The meeting on 23/12 was the five cabinet members and the MO. There were no other officers there to give advice. The report wasn't withdrawn by the MO at the end. It was presented as a confidential report. MiG couldn't add anything to why all the meetings were informal and no-one noticed. It was part of the culture though not to call extra formal cabinet meetings at South Ribble – indeed, the then leader more often cancelled cabinet meetings, such as in January. The MO might have a file note and MiG advised me to speak to him.

When WB wrote to CEO he said all the recommendations were agreed and that the CEO could get a copy from the MO. MiG is sure that the CEO received a copy of the report in the same way that the then leader and portfolio holder did. He said they weren't told at the meeting on 23/12 that he had.

During January the MO was updating the then leader and CEO and that seemed to be ok. When SN updated the then leader and CEO, WB was angry about that. I asked MiG whether he understood why there was a difference in approach. MiG said that stemmed back to the meeting on 10/11 when the decision was collectively taken by all 7 cabinet members with the MO and CEO in the room, that the then leader, portfolio holder and CEO were not to be involved in the investigation to ensure openness and transparency. MiG suspects that's why WB was not pleased because SN was ignoring what he had been told. The MO shouldn't have done it either. Having said that, if there were officers who thought it was important to keep the then leader, portfolio holder and CEO in the loop then that was fine.

MiG had different meetings with SN around 10/2 on other issues. MiG thought the purpose of the meeting on 10/2 was to discuss the other issue in his portfolio but the licensing issues were also discussed. At all times the five cabinet members were invited and took part.

At the time, MiG did not see the IA report which was received by Governance Committee.

MiG said they had all expressed some concerns about how long the disciplinary proceedings had taken but he fully understands how long they can take. SN had explained that issues were coming up which were causing delay. To the best of MiG's knowledge, the proceedings are still ongoing.

MiG could not remember what the meeting with the MO was about on 23/3. The e mail was headed TANNER. MiG said it was the name of the project.

The e mail from the MO on 8/4 saying the service was working well and the e mail from WB on 12/4 saying there were structural issues were not inconsistent but complementary. WB was saying how the service was previously and that there were structural failings and the MO was saying how the service was now. MG said that if they had still had the same service as they had 6 months previously, then there would be serious questions. The nature and seriousness of the problems should not have happened but how you respond to them matters even more.

The 12/4 e mail from WB did cause concern. There were significant issues in there and MiG was concerned about the difference in that to the wording in the final report. The final report is damning but caged in more carefully worded forms than it was in the advice that was given in April. The advice in April was that the service had failed not only recently but historically from director level down. There were no policies in place which WC was particularly shocked about in the light of what had happened at Rotherham. Staff were making it up as they went along and the potential financial cost of suing the council carried more weight in one of the cases than protecting the

public. There was an historic failure to record or investigate or any understanding of the primary role of public protection by all involved.

The report went on to state that there was a failure to safeguard children of the borough which was a change to what they had previously said to WB. That was about as damning as you could possibly get. There were references to the corporate plan indicating that the council cared more about dog poo than safeguarding. The last restructure had been done for financial reasons with no evidence of protecting the public and had completely failed. They had repeatedly asked about the restructure and the then leader and CEO would not address this. MiG believed that questions had been asked about this before he had re-joined the cabinet, but time and again they wouldn't look at the restructure. There was also extensive criticism of the director and staff changes with no training plan being in place at all. So there were some damning points that were made and clearly the final report isn't caged in those terms.

MG didn't know why WC didn't interview DJ. She had previously had responsibility for the service and has responsibility for safeguarding. MiG would imagine that if there were safeguarding concerns they would have been discussed at SMT level. MiG does not know if anyone talked to DJ. Clearly safeguarding issues had been raised with the CEO when colleagues had become aware of them.

MiG didn't remember the MO finding out about the leak at an updating meeting with WC on 13/4, but MiG was not at that meeting.

WB had e mailed SN on 13/4 asking about a specific staff member and whether there would be different decision given the change in tone of the WC report. SN had said that he had not been told of a change in tone. MiG said that the change in tone was that previously WC had said that the council had failed to have policies in place to safeguard children in the borough whereas now they were saying the council had failed to safeguard children. He could only assume that WB was concerned about that and that action hadn't been taken. MiG accepts that came close to the line re non involvement of councillors in disciplinary matters, but you have to remember that WB had just been told that "the council had failed to safeguard children in the borough". MiG accepts that was WB's interpretation of what he had been told because they did not have the report.

MiG said they had wanted the disciplinary procedure to be carried out externally but the CEO said no so it was carried out by SN. WC were involved. MiG doesn't know if SN had the information about a change in tone of the report, but he should have been given it by WC.

MiG said there were significant reasons for not having confidence in the CEO. He was sad to say that. The restructure which had caused them concern and had been the cause of some of the failings had been instigated by the CEO with the support of the then leader. He understands that a majority of the cabinet at the time did not agree. The then leader had said it would be reviewed in 6 months but it wasn't. Whenever the review has been asked about, it hasn't been discussed. It was taken off the only cabinet agenda it had ever got on as it was not seen to be important. The

restructure had happened because staff had left. The Director of Planning and the previous MO had left. The CEO had carried out a restructure where Ian Parker became MO; DJ took responsibility for planning. She had no experience of planning and some of the areas where she did have experience, like licensing and environmental health, where she had a very good track record, were given to MG who had no experience in these areas. MiG has some doubts about whether management skills can be transferred. For this to work, there should have been significant training. Senior officers were left relying on more junior staff.

As a backbench councillor at the time, MiG's concern more than anything was that there was no Director of Planning at a time when the borough was starting to grow, there were lots of developments and infrastructure and so on and they needed someone with appropriate skills to carry that forward. There needs to be training in place to make sure that a manager taking on new responsibilities is acquitted to carry out that role. There was no evidence of training. The WC report leads to that finding.

MiG's confidence in the CEO had also been affected by the conversation which had taken place on 22/5/15, when he had been unable to accept the proposal being made by the CEO.

The meeting MiG was trying to have on 19/4 with MG was about something else, probably his portfolio or local ward issues.

MiG has no idea about the leak of the interim report. He wished he did because obviously problems occurred from then onwards. Whilst there were significant concerns about failings in the service and the Council had let vulnerable members of the public down in that regard and let councillors down, he thinks there was a good story to tell out of all that. The council had identified the issues, had instigated an independent external investigation for reasons of openness and transparency and had taken the steps to put the service right in a quick period of time. There was a good story to tell. They had been told at all times to keep the interim report confidential, mainly for the reason of the potential disciplinary proceedings.

The wider membership of councillors weren't aware until January time. There was a full council meeting on 20/1. Before council meetings, they have group meetings. Two members of staff had been suspended. The MO came to the group meetings to say that two members of staff had been suspended but to stress the importance of it remaining confidential. When I asked if the councillors should have been told this, MiG said it's not a large licensing department so when two licensing officers had been suspended licensing members in particular would have found out. There were no queries. It was accepted. It wasn't raised at the council meeting by any members. Generally when councillors are asked to keep something confidential they do. He agreed there might have been conversations about it but there weren't. No members expressed any surprise about the suspensions.

It's his understanding that it was the interim report that he had seen in December that was leaked. He had no idea why it had taken so long to leak. It depends who leaked it and he doesn't know that and he doesn't want to randomly point the finger

without any evidence. Obviously it was a time they were in election mode for the Police and Crime Commissioner election and there was a by election at the beginning of May. Whether there was any link to party politics he doesn't know, but anything else would be pure guesswork.

The email from MiG regretted the attack on the MO and WB on 22/4. WB had been accused of leaking as had the MO. Fingers were also pointed in the direction of WC. That was wholly inappropriate in his view. It was stated that WC were a big firm of solicitors, so a member of staff could have leaked it. MiG had responded, saying that the person suggesting this was questioning the integrity of a well-established firm of solicitors.

The then leader took control over the comms. She apparently took advice from the LGA. They had concerns over the way it was handled. At first, the approach seemed to be 'lets not say anything and it will go away'. Clearly they wouldn't on an issue of this significance. Whilst no-one wanted the report to have been leaked, as they had been advised to keep it confidential, once it had happened, the media should have been dealt with professionally. They should have been brought in. You should tell them what you could tell them and what had been put right in terms of the service. If you leave a vacuum, the media tend to fill it.

Councillors, rightly in MiG's view, had concerns that they had not seen the interim report and various media sources had. Personally he cannot see why members can't be given a copy of the interim report even if parts of it have to be redacted. The council should have been far more proactive about what had gone wrong and what had been done to rectify this. In his view you should admit when things have gone wrong, apologise to families who were let down, set out what had been done to put it right, including the independent investigation, and look to the future.

At the time of the council meeting on 27/4, he did not think there had been a deal between the then leader and PF. MiG referred to the transcript of the council meeting. The three of them had been accused by PF of deliberately bypassing constitutional arrangements. He had said 'cock up, stitch up or cover up, or all of the above' etc. There are a number of quite serious allegations that he made. MiG took exception to that and still does. PF had been in the loop from 11/11 and he had fully supported the actions going forward, including that the matter must remain confidential and that they should request an external investigation. Whilst politics is politics, on 11/11 PF had said he would play the politics at some point, but he would not do so while the process was ongoing. For him suddenly on 27/4 and definitely point the finger at three councillors in what was clearly a defamatory way was appalling. The then leader of the council sat there and did not comment or counter any of it. PF had said that they had effectively taken control of the council and set up their own administration and excluded the other two cabinet members (PM and CH). This was untrue and they were involved all the time. It was particularly concerning that the then leader sat there and said nothing.



He didn't know at that time that there had been some kind of plan. Things had come out subsequently which indicate that there had been. The impact on the three members was significant as a result of the accusations made.

At the next council meeting on 18/5 – the mayor making had been on 11/5 and the next business meeting was 18/5 - the then leader had made a comment about what had happened by which time CM and MiG had been offered their cabinet positions by the then leader the day before. They had both declined partly because of the defamatory allegations but also to protect their integrity. WB wasn't offered a position. The then leader said something about it in council. PF stood up and said this was not an accurate reflection of what had been agreed and he wanted to speak to the three of them to set out what had happened. MiG has not spoken since to PF. MiG is not speaking to him because of his inappropriate and untrue allegations on 27/4.

PF has subsequently sent out this e mail which referred to meetings which had taken place between PF, the then leader and the CEO. When WB asked him further about it he set out that while he had called the extraordinary meeting on 27/4 to discuss the issues, he only started to point the finger at the three of them as a result of what the then leader had said in those meetings, after she had alluded to her belief that the opposition would be attacking her and PS.

WB, CM and MiG have sought legal advice with regard to defamation, which is ongoing. The then leader has denied the allegation made by PF. They felt they had been hung out to dry with no protection.

The then leader subsequently said that she had done that on the advice of the LGA. They had allegedly advised her to stay silent and let PF do what he was doing and then move forward. That has been checked and e mails have been produced which say that the LGA did not do that and the then leader has admitted that this advice was not given. That has caused issues within the group.

The whole terms of reference of the scrutiny review very much focus in on what was said on 27/4 and PF's allegations. I said that they were focussing in on what triggered the concern, where it came from, the process and what had happened since. MiG said that 27/4 was the first point at which any concern was raised so it's all going back to PF's words. He doesn't have a concern with scrutiny doing that but they are missing the elephant in the room which is the failings in the licensing service. He accepts that was WC's role. Scrutiny ought to be looking at the findings of WC and probing. They have ended up with a final report which is damning in some respects but is not as damning as the indication of what it was going to be in April. The final report was ready in April so what happened between April and June. That will come out in terms of the audit trail which has been promised. The report is very different so it needs to be probed about what has changed, why it's changed, who instigated the changes and who is responsible for them. What was their motivation for the changes.

Scrutiny seems to be missing that they have had a failing service here. The council has let the public down, the council has let vulnerable people down and has failed to

take safeguarding seriously and rather than asking the key question about what has caused that – was it genuine employee error or was it management issues or structural failings? What has been the cause of it all? Those are the key questions that scrutiny should be looking at. The really big question for the public out there who they are elected to serve is why on earth a service that was as important as taxi licensing was allowed to go so badly wrong. That is what WC were looking at but scrutiny should be probing that too. Scrutiny should be probing WC about their report.

The scrutiny task group has met with WC, but the meeting with WC should happen in public and there should be an opportunity for WC to present their report and an opportunity for councillors and members of the public to ask pertinent questions.

MiG asked why the other two cabinet members, PM and CH, are not being interviewed. I explained the task group did not put them on the list. MiG says this again points back to 27/4 when the finger was pointed at three but five cabinet members have been involved in this at all times. On 27/4, both councillors stood up and said that as cabinet members they had been involved with the process. CH said he knew as much as the three – WB, MiG and CM. PM said everything had been done for the right reasons. Scrutiny needed to be speaking to all the relevant witnesses if they wished to carry out a full meaningful review.

I asked if he would put anyone else on the list. He said maybe the deputy chairman of GLC because they need to know about issues and comments being made at GLC which continue even very recently. This is after more and more training. One of the positives of what has happened is that training has now been offered. However, one of the licences which was referred to in the MO's report had in fact been granted immediately after a training session. The public need to have confidence in this council's ability to provide a proper service, and questions need to be asked about this.

If members are making inappropriate comments, they need to be flagged up and the group leaders need to take action. At a training session on safeguarding, one councillor made an inappropriate comment only a couple of weeks ago.

MiG expressed his concern over the chairman of the task group. At full Council on the previous Wednesday, he said he had not read the FOI e mails as he had a life. It's important that he does read the e-mails, so that he is aware of everything that's gone on. He understands that the issues need narrowing down but the members of the task group need to read the e mails because then you get a very different picture. The real picture is not a cover up. It is the reverse. You would not appoint external investigators if it was a cover up. You would do it internally which would have been the normal way things might have been done in this council. The intention was to work openly, honestly and transparently so that at the end of the day they know that the council could have confidence in that service and importantly that people have confidence in it. That should be the test for all members of GLC – would you trust this driver to carry your grandson or granddaughter safely from A to B? He is concerned at the comment of the task group chair.

He has concerns about how the task group was set up. He doesn't know why the scrutiny committee as a whole couldn't have dealt with it. He understands that the next meetings of the task group will be held in public but won't allow questioning from other councillors and members of the public. It's a matter of such significance and such magnitude, dealing with failings to vulnerable members of the public, and they are proposing to ban affected families from asking questions. At the end of the day members of the public have paid for that investigation and have a right to ask questions but they have been excluded. The council is accused of a cover up and the council is doing nothing to change that perception. Whilst issues happened that should never have happened, they should be proud as a council that steps were put in place to rectify that and to carry out an external investigation. We should have nothing to hide and if members of the public, the press, the media, TV want to come and ask questions, that should be permitted. He would have no problem with answering awkward questions. Maybe they haven't quite ticked all the boxes. But they have done it for the right reasons. They have done it to rectify the failings in the service and to provide a safe service that deals with safeguarding issues and gives confidence to South Ribble and beyond. That is what they are there to do as councillors.

Inevitably when a task group reports back to the scrutiny committee, the members of scrutiny refer back to the task group as they have done the work. He agreed it would be a move away from the norm for questions to be asked by the public in a task group meeting but it's an issue of such significance. Sadly, South Ribble has been in the media virtually on a daily basis. There's a clear public interest there and that's why they should be doing it in public. Instead of that they have set up a task group which was not constituted properly by the scrutiny committee but by one individual. Equally, the terms of reference were set before it got to a scrutiny committee meeting, so this has not been carried out in the correct procedural way.

They have had to live with this for months. At the end of the day, he just wanted to get the truth out there. They don't need to be afraid of the truth, including any mistakes that may have been made by anybody and they can learn from that. In terms of the investigation those people who were involved were involved for the best of reasons and in the best interests of the residents of South Ribble. That includes the five then cabinet members and the MO.

Alison Lowton

31st July 2016

Amended 5<sup>th</sup> September 2016

Signed as a correct record by Councillor Michael Green

Dated: 5<sup>th</sup> September 2016



Final notes of interview – Councillor Cliff Hughes

Interview Notes - Councillor Cliff Hughes

Telephone interview 2<sup>nd</sup> August 2016

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It was for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

I explained that I would take notes and then write up a non verbatim transcript which I would send to him for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents.

CH had no questions prior to the interview starting.

CH had been a councillor for 30 years except for one term. He had mainly been involved in planning and chaired Planning Committee for many years. He has been on the cabinet ever since it was invented. His cabinet portfolio is planning and housing, with some other things as well.

He thought SRBC provided good training for councillors. He hadn't been to safeguarding training as such but had been in sessions about it. He probably will be doing some safeguarding training though as he may have to take responsibility for safeguarding.

He was away in November 2015 so was not at the meeting on 10/11. He arrived back on 15/11. He had messages to attend a meeting at 3pm on 16/11 with the MO and also there was PM, WB, CM and MiG. At that stage, there had been a decision to keep the leader, the portfolio holder out of the equation and that they should use an outside agency to investigate. At that point he had not seen the MO report. He said that he agreed with the leader and PS stepping aside as it sounded logical.

There had been a meeting arranged with WC which he couldn't make because he had another meeting and it seemed mob handed for them all to go. He did agree with their appointment. PM couldn't go either so it was WB, CM and MiG who went. In fact he has never seen the solicitor, has never spoken to him and wouldn't know him.

Instructing the solicitor and the costs were agreed by the three who went to the meeting. He never queried it. It seemed logical and useful.

They fed back to him on an ad hoc basis so he felt involved to a degree. He trusted them and had every confidence in what they were doing.

Final notes of interview – Councillor Cliff Hughes

It became obvious in the New Year that the leader and CEO had somehow taken back control of what was going on. He was no longer involved.

On 4/4 he had a telephone call from WB who said that he had resigned from the cabinet. He had sent an email to the leader saying he was stepping down because of his work commitments. He said he would support whoever took over as deputy leader. So the group identified someone to take on being deputy but at the AGM in May, at the last minute, WB threw his hat into the ring. He didn't win though.

Since then, CH said this small group had formed which now seems to include Councillor Wharton. From then until today the council was getting bad press and it's been non stop. It's been mayhem with lots of pressure. As of now, the CEO has also retired.

He said there was casual talk from early on about getting rid of the leader and the CEO. He is convinced it was a plan. The taxi issue was manna from heaven for them. It meant they could try and show the leader was rubbish and the council was rubbish.

They had good staff and they had a good council. The council was respected. Now they are inundated with FOIs and there's hardly any work being done. They had an incredible relationship with the unions. Now they are getting bothered. There's no end in sight.

The problem is that you can sack an officer but you can't sack a member. You can get a member out of the group but they would still be on the council.

They have a good relationship with the other groups on this who see the three for what they are.

He said he wasn't involved in the process but was kept up to date. When the leader and the CEO took back control he got information but it was public by then anyway.

He said he has a reasonable relationship with the press because of his involvement with a local hospice but the leak was fodder for them. The three were speaking to the press and being interviewed for TV without any permission to do that.

Any meetings were ad hoc and were more like a chat. There were no minutes. Its only since it all happened that he has wondered about what happened. He had full confidence in the three. He had no reason to think that anything was wrong.

The interim report was a bit damning but they were dealing with everything. The three are still complaining. They say the conclusion of the final report has been tampered with. The only people who could have done that is the cabinet. They are trying to completely rubbish the leadership of the council and they think they are winning. The leader has stood down and the CEO is going and still they are battling on with it.

He has no real recollection of being included in updates from SN though he may have been. He clears e mails when he reads them.

He thought it was running alright until the final hurdle.

Final notes of interview – Councillor Cliff Hughes

Cabinet had agreed that the interim report would remain confidential because it identified people and they hadn't proved anything at that time. It would have been wrong for it to be in the public domain.

He trusted the solicitors to do a good job because that's what they do for a living. There were 10 copies done of the report as far as he knew. He has no idea who leaked it or why.

He said he couldn't remember having a discussion about the issue on 12/12 although there was a group meeting that day so they might have discussed it.

On 23/12 he had a funeral and was also travelling to London for Christmas so he was not at that meeting.

CH thinks the MO was involved. He had lots of meetings with the three. He has no proof of anything more.

He now regrets that he didn't get closer to the issue at the time but saw no reason to do so.

At the council meeting on 27/4 they were berated by PF for not doing things right. PF called for the three councillors to resign. He had said that he was at meetings with them but he didn't know what they did outside of meetings. He didn't feel it was right for the three to get flak from the opposition. PM said something similar.

The three took offence because the leader didn't slap the opposition down. In the group meeting before hand they had expected a lot of flak from the opposition. They had agreed that they would just let them say what they wanted and try not to get involved so as to avoid a big slanging match across the floor. Then at the end they could vote.

The three have not let this go and say they were abandoned by the leader. CH thinks it's to gain sympathy from the rest of the group who don't know what's gone on. They are trying to win friends in the group.

With hindsight there should have been proper meetings.

Alison Lowton 3<sup>rd</sup> August 2016.

Signed as an accurate record by Councillor Hughes.....

Dated.....1 September 2016.....





Interview: Denise Johnson – Final

Interview with Denise Johnson, SRBC safeguarding lead

By telephone 20<sup>th</sup> July 2016

I introduced myself as the person who is conducting fact finding interviews to assist the task group. My focus is to understand the sequence of events and who did what when. It is for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

I gave DJ some brief background on my experience.

I explained that I would take notes and then write up a non verbatim transcript which I would send to her for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask her to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents.

DJ asked if I had read SRBC Safeguarding Policy, which I had.

DJ explained that she was Director of Development, Enterprise and Communities. As such she was not operationally responsible for licensing.

She was also the council's safeguarding lead. She had been at the council since 2003 and had been the safeguarding lead since 2012. Her professional background was in environmental health.

The safeguarding policy had been in place at least since 2008. It was updated in 2012, 2014 and 2016.

Lancashire County Council (LCC) was responsible for safeguarding arrangements. Lancashire Safeguarding Childrens Board (LSCB). They set the standards and approved safeguarding arrangements. Jane Booth (JB) was the independent chair. She had been involved in the Rochdale cases so had experience of CSE issues. The independent business manager is Victoria Gibson (VG). The LADO responsibility sits with LCC and Tim Booth (TB) is the LADO. DJ has had a lot of dealings with him, particularly in cases where the referral process in the safeguarding policy has been followed.

The roles and responsibilities of the authority and partners are clearly stated and the safeguarding lead responsibilities are on p6. In essence, she is the point of contact within the LA for safeguarding issues. Anyone with concerns about safeguarding should come to her. The referral process is clearly stated and there is lots of evidence to show it works.

At paragraph 3.1 on p6 the policy states what the council is responsible for and what it is not. In particular the council is not responsible for any investigative role. This is restated in paragraph 4.3 on p8. That has always been part of the policy.

In 4.5 on p8 it also says:

Interview: Denise Johnson – Final

*It is not the responsibility of a Council representative to decide whether, or to prove or disprove, a child is being abused. It is their responsibility to act on any concerns by reporting them accurately and quickly to the relevant Officer / agency in line with this procedure. This applies to concerns about any child, not just those with whom employees come into direct contact.*

In her view this is pretty clear.

The role of the LADO is clearly stated on p15 together with his name and contact details. It goes on to say:

*Consequently, the LADO should be informed of all allegations that come to the attention of managers. The LADO should also be informed of any allegations that are made directly to the police or to Children's Services.*

Services within the council, particularly those which are most likely to give rise to safeguarding concerns (like leisure or sports) should have localised procedures in place.

DJ said that the final report talks about a lack of awareness or priority being given to safeguarding. She said that no-one from the investigators spoke to her. There is safeguarding awareness in the council. They receive reports on safeguarding and community safety. Mark Gaffney (MG) is on the community safety board. The CEO is aware. There are safeguarding champions in place in each directorate and have been for a number of years. These meet regularly and notes of those meetings are available.

DJ has the names of all those trained in safeguarding since 2012. LSCB sets the standard it expects re training. Overall it has an 80% attendance target. DJ said that since 2012 level 1 training had been delivered to 195 out of 218 staff, which was 89.5%. level 2 had been delivered to 75 out of 79 staff, or 95%.

DJ has had a full days training and refresher. The MO has had a full day's training as has Steve Nugent, the CEO and all of SMT. All licensing and legal officers involved in the investigation have been trained. Members have been trained. She has the names of those members who were invited to general safeguarding training since 2012. The final slide of the training gives key contact details. More detailed training is given to GLC members, including the training given on 21/7.

Since May 2015, GLC members have been trained on 4<sup>th</sup> June 2015, with a sweep up session on 9<sup>th</sup> for those who couldn't make the 4<sup>th</sup>. This training referred to the Casey report which was sent to members with the relevant pages highlighted. A report produced by the Police and Crime Commissioner's Office on taxi licensing and CSE was also sent to GLC members. On 21/7 details of the LGA handbook on taxi licensing was sent out. There was also followup training on the 27<sup>th</sup> October.

In terms of what had happened, the MO mentioned to her in passing that there were issues that seemed to be evolving in licensing. DJ couldn't remember exactly when this was but she thought it was in September 2015. She said her response was 'just

Interview: Denise Johnson – Final

remember safeguarding'. DJ said she was involved in no further discussion. She was kept out of it.

She was in an informal meeting of the Cabinet and SMT – it was a joint meeting on a work day (she thinks 10/11). These were regular meetings. She, along with other SMT members was told to leave. She can't remember if the CEO also left. This had never been done before. She assumed it must be something extremely confidential and sensitive. She never saw the report by the MO.

She has seen the terms of reference for the subsequent investigation which refer to CSE which the final report says came from the MO report. If it was about safeguarding it should have come from her. The ToR say that they were to review the local investigation of 3 CSE cases. There is no reference in the final report to the role of the LSCB or to the LADO or to her.

DJ said she knew nothing of the behaviour of members at GLC on 21/7. Member behaviour would not necessarily come to her.

If there were safeguarding concerns she was not made aware of them. The first time any of these cases were brought to her attention was at 9am on 27/4/2016. On that day the CEO had called a meeting of all senior managers. She was instructed by the CEO to look at 4 cases. She got the files and immediately notified the LADO. The CEO had asked her to get advice ahead of a meeting that night. The CEO also asked her to speak to Sally Allen (the LCC arm of the LSCB).

The LADO came back to her on 29/4. He had reviewed the LADO records and discussed one case with the Lancashire police. He provided a summary review of the 4 cases including whether or not the drivers were authorised for the solo schools contract, whether they were known to the LADO etc. of the 4 cases, 3 were known. One wasn't.

DJ then met with the CEO, JB and Sally Allen to discuss the cases to make sure who knew what when.

I asked about the SMT meeting on 14/7 which had received a report on taxi licensing and CSE. She said there are regular reports to SMT on safeguarding. This report was MG's. It was not done as a knee jerk reaction and was about a general upgrading of taxi licensing and in the light of the Casey findings to ensure they were implementing best practice. It was part of normal business.

One of the licensing officers is chair of the Lancashire licensing group which was working to ensure the Casey recommendations were taken forward across Lancashire.

I said that I understood that she had had no involvement but there were one or two questions I wanted to put to her.

I asked if she knew anything about a meeting which the MO says he went to on 3/8/2015 called by MG in which reference was made to 'a CSE case'. Had anything been said to her? Nothing

Interview: Denise Johnson – Final

The MO informed the CEO on 18/8 that he was investigating whether council officers had completed investigation of allegations made of CSE against taxi driver. Did he talk to DJ? No.

MO wrote a report for Cabinet which referred to CSE and safeguarding concerns. Did he consult DJ before he wrote it? Other than when he mentioned 'an issue' in passing, he did not. She had told him to remember safeguarding.

The first recommendation in his report was for review of all cases with CSE allegations. Was she asked to assist? No

A recommendation was agreed to appoint external investigators. Was she asked about the appropriateness of this? No she was not. The clear process in the safeguarding policy was not followed.

On 3<sup>rd</sup> December the external investigators identified an urgent need to check DBS records. Did she know about this? No

The MO received interim report on 22/12. It says there was lack of awareness amongst licensing staff of safeguarding issues. Is this a surprise? Yes it is but no-one asked her for any information.

I asked DJ if there was anything she thought I'd ask about that I hadn't or whether there was anything else she wanted to say. She said that one of the things they have to do under s11 Children Act 2004 is to submit an annual assessment of safeguarding for the council. This is done every year. In 2014 they had a challenge. Everything went well and the safeguarding champions were all involved. They asked for a challenge this year in view of these issues. This is done by JB, VG, an independent analyst and the CEO representative on the Board. They are still waiting for the formal feedback in writing but the informal feedback so far has been very good. On the 13<sup>th</sup> July 2016 there was a member briefing and learning session. JB gave feedback for the first hour and members in the room were given training by the person who had given previous training in the second part of the session. DJ also said that she has evidence of members also referring things to her successfully.

Finally I asked her why she thought this had happened. She had no idea.

Alison Lowton 20<sup>th</sup> July 2016



Signed as a correct record by Denise Johnson .....

Date .....26/7/2016.....

Councillor Moon – interview notes FINAL version

Interview notes - Councillor Caroline Moon

22<sup>nd</sup> July 2016

*These notes have been redacted in part because of personal information and to avoid compromising any other investigations and procedures.*

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It is for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

Councillor Moon (CM) wanted to record the interview which I agreed to and explained that I would be recording it as well if she agreed, which she did.

I gave CM some brief background on my experience.

I explained that, as well as recording it; I would take notes and then write up a non-verbatim transcript which I would send to her for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask her to agree the notes and they will be appended to the report I write for the task group. They may well therefore be public documents. It was therefore important that she told me anything which she did not want to be in the public domain. She is comfortable with her transcripts to be in the public domain. She would fully expect them to be redacted. She would expect members to understand by now that they have to protect the integrity of that.

CM had no questions for me prior to the interview.

CM had been elected to the Council at a by election in 2010. She became a member of the cabinet last year after the election. She held the Corporate Support portfolio. She was offered the opportunity to return in May this year but declined. She regards being a councillor as a privileged hobby.

She had induction training when she joined the Council. There are learning hours and mandatory diversity training. She thought councillor training is minimal and not pushed. As a member of the cabinet, she had access to LGA training and has done their leadership programme. She missed the safeguarding training at SRBC but has done advanced safeguarding as part of her professional life. CM thinks that councillor training is a bit of a gap in the council. She might be biased because she is a trainer but it's important to give people support and broaden their perspectives.

She said she had never been to GLC although she had served on Planning and Governance. When she joined the cabinet, the leader had told her it would do her good to go to different committees. The first GLC she could get to was 21/7. Prior to that she had no interest or involvement in licensing. She was aware there were two licensing committees. It had never come on to her radar. It was a complete coincidence that she and WB ended up there at the same meeting. It was purely a fact finding exercising as a new cabinet member.

The 16 year old case was the first thing that got her. She doesn't expect others to see what she sees because of her professional background. The driver was so confident. She was genuinely concerned to see the licensing officer present what seemed to be a biased case. She didn't know if it was biased at that point. It was very warm towards the driver. There was lots of eye contact and smiles and encouragement. It didn't suggest neutrality. It got worse when his convictions were

Councillor Moon – interview notes FINAL version

talked about. His previous convictions were referred to as 'just' and 'only', not neutrally. He had a character reference from his employers, referring to exceptional service. There was no victim voice; no balance in the case. But she didn't want to prejudge it as she had no experience of licensing so she didn't know.

Then they got the comments from members which sought to minimise the behaviour. The girl was described as a nightmare; there were references to Benny Hill, and comments such as 'I don't think you should have to put up with girls who are a nightmare'. 'This can't be right. Where's the support for you'. There was not a neutral approach. She didn't know what happened in deliberations as she wasn't in there but she does know that the driver, to give him credit, admitted everything he'd said and done. He seemed proud to her, believing he had done the right things and that this person was a lower order to him. There was a disconnect for her. She came back in after deliberations and he'd got his license. She thought that she didn't know much about licensing and South Ribble but she did know that there were some things in there that concerned her. She was aware of having her professional head on.

It was a historical event so the girl was no longer connected to the driver. They had moved her away from him. CM did not see any immediate risk in that environment but she felt uncomfortable.

She then told the CEO. She regrets not putting things in writing. She told him she was very concerned about the way officers presented the case. That was her first concern. It was very biased. She says she made it clear she wasn't talking as a councillor but as someone who had a professional view. She was concerned about how well they were doing safeguarding. She stressed it as a serious matter and wanted it followed up. She wanted re- assurance that they were doing things the right way. She wasn't casting aspersions at that point. She was reflecting what she had seen.

She found out that GLC members had just had CSE training while she was outside during deliberations.

She asked the CEO if she should raise it with the MO. She had never raised things or complaints with the MO. She never felt able to because they don't work in the most supportive environment, one where an individual feels able to raise things. It's not an open, straight, clean, supportive environment. She is not used to working somewhere where you are driven to want to hide because you'll be beaten, picked at, chastised, blamed for raising things. She doesn't come from that environment. She has considered whether this is the right environment for her to be a councillor.

She thinks this is the organisational culture. The conservative culture is also more controlling than the labour group culture. The labour group is much more aware of the modern world being more supportive, to deal with issues than the current Conservative administration. Things have been said in SRBC and no- one bats an eyelid and no-one flinches. It's the norm. And it's not the norm for other people.

Anyway, she felt very uncomfortable with the CEO and regrets not putting her concerns in writing. She followed it up with numerous conversations, often when she was in contact with the CEO on another matter. She can't prove it.

CM never thought about talking to the safeguarding lead. She doesn't know why and accepts that's its strange given her background. Everything sits with the CEO. Everything. He wants to talk rather than e mail and its very abrupt and controlling.

She doesn't have a problem with talking but it's not done like that here. It's done for the 'don't you dare put it in writing' purpose. She has no doubt about that. She queries why she behaves so differently here.

Councillor Moon – interview notes FINAL version

CM said she assumed she was getting somewhere, the CEO said he would speak to MG and assured her that he had done so and that things were being dealt with. Nothing came from the leader or came to cabinet.

She went to the next GLC and was told by the Chair that she should leave on the basis of legal advice for data protection reasons. The meeting was in public. She said it was wrong but did leave. MG later apologised. At the time, she took that to be coming from the top of the organisation; to keep her away.

There is previous history with licensing. When she took over her portfolio, she had not done business transformation. The previous portfolio holder, Councillor Hamman told her that licensing had been shut down. He meant that she should stay away, not that the transformation work had been done. He told her to just stay away. He said that the MO had been warned off by the CEO and he was told to stay away. She said they couldn't even do the baseline for the service because the officers would not co-operate and just entered the blame game.

She thought those officers had not been supported to be responsible. When she was sent out of GLC she thought that maybe she was being kept away as well.

She had not known that IA was looking at licensing during the same period. She said that IA was invisible in the council. Not invisible as a team, they are an excellent team but you'll not find out the detail. She said she had to go to Governance Committee and plead with the chair and vice chair to change the arrangements so that all members of the administration got to see audit reports automatically. They got sight of nothing but are held responsible and that cannot be right. She said you can ask until you are blue in the face for information but you don't get it.

She didn't know the MO was heavily involved in licensing concerns in August, only afterwards. The MO is Director of Business Transformation. When she took over in May, she did meet with the MO over business transformation but licensing had been closed down so it wasn't a current issue.

She did not seem to be aware that the MO had been involved in trying to transfer licensing to Gateway during this period and that's why he had concerns about record keeping. She said this was an operational issue that she would not be involved in. It wasn't a business transformation project. Anything going on as part of service delivery would go to the relevant director or portfolio holder. She had her programme for the year which was digital provision – enforcement of dog fouling, fly tipping and the smart phones and the issuing of smart phones.

The MO never raised his concerns about Gateway and licensing with CM.

She didn't check that anyone else had referred anything to safeguarding. She had put her safeguarding concerns to the CEO. She would have expected him to do something with them. That was perfectly legitimate. In any event, the safeguarding concerns were historical, not current. It was more about how licensing went about the safeguarding process than about safeguarding concerns themselves.

WB at one point asked her about DBS checks while the IA was going on. He might have thought she knew, but she didn't. She was worried when she was told as part of the investigation that they didn't have the evidence that they had them.

By October, she sent an e mail to the CEO. She got a phone call as usual in reply which she declined. She didn't want to talk she just wanted information in writing. He said there was an investigation and she asked what was happening and she never got a response and then 10/11 took over.

She didn't know that the MO was writing a report to bring to cabinet. He didn't talk to her about it.

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The cabinet got the report delivered the day before the meeting. The cabinet was meeting on 10/11. She couldn't remember what they were talking about beforehand. She wasn't sure if it was a formal cabinet workshop with SMT. That meeting concluded and the MO said they needed to address the report. The request was for cabinet and the MO to stay. The other officers got up to go. The CEO said he would stay. There was a general discussion about whether he should stay or not. It meant that the Chief Officer for the service and the safeguarding lead left. It was just one meeting finished and they just got up and went.

There was a discussion which was basically about that they needed to know the scope of the problem. That was the tone of the conversation. They wanted real information, including what was under somebody's rug or in the cupboard; truth. She said she had already had thoughts about having something done externally. WB raised it and it was unanimously supported. There was no conversation about not doing that.

She couldn't recall that the CEO or MO contributed to that.

The decision about members and the CEO being excluded came after that. One thing the leader hammers into members when they join her team is perception is everything. She emphasises that people are watching them constantly and it's what they are seen to be doing that is important. So they were keen to show and give confidence to members and the public that the process was clean. So the portfolio holder was set aside from the decision making process. The leader was excluded only because she was married to him. That is an interest so it was right and proper that she shouldn't be a part of the decision making process.

At that point she had no trust or faith in the CEO. She could see that not very much had been dealt with so she didn't trust him to drive something that needed driving. She didn't want him to be part of the decision making; she wanted a non-manipulated process.

The CEO didn't say anything. It was unanimously accepted. They only said he was to be excluded from the decision making, not from operational decisions. I said there were a range of views about what they were excluded from. She thought it was convenient for him to think he was completely excluded. I raised with her that there was no record of the decision and she said there wouldn't be.

I explained to her that the cabinet needed to be formally called to take decisions. She said she knew that. In that environment with that sensitivity of information and public safety, it would never have occurred to her to take it to a formal meeting. I explained that the decisions have to be taken constitutionally. I said there was not one single decision through the whole process that, in my view had been taken properly. She said she was shocked. It wasn't malicious. She says she sat in that room with very experienced cabinet members, the 151 officer, the MO and the leader of the opposition (the next day) but it never occurred to her that they were behaving unconstitutionally. She said it's not right. At no point did it enter her head that they were behaving in an unconstitutional way. She knew that decisions had to be taken formally which concerned the business of the council. But she hadn't seen it like that.

The leader of the opposition raised that point in council. CM very confidently told him he was wrong and he had been involved. She would be shocked if anyone tried to suggest that anyone had acted that way deliberately.

I asked her if they had ever taken cabinet decisions that way on other things. She said they hadn't. She hadn't thought of it as a cabinet decision. She said that they have never taken exempt cabinet decisions so she didn't think this was a possibility.

She understood that the report they had was a report from the MO and that if they



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didn't act on it, a s5 report would come next.

She said they later asked the head of legal if they had acted unconstitutionally and he said they hadn't. The external investigators had not picked it up either. None of them for all that time got that it was unconstitutional. She worked out that some 20% of the council members didn't get that it was unconstitutional.

I said that is why now people are focusing on the process and not the substance. I told CM that I had not found one single piece of paper which set out the decisions. She understands that there is a problem in not knowing what the decisions were.

On 11<sup>th</sup> November they had a meeting with PF in order to bring him in and seek support for their actions. He was given time to read the report and time with the MO. He was happy to use external investigators and follow the evidence. He was comfortable with the three individuals being asked to stand aside. He was walked through in every detail. He was completely positive and supportive of the way forward.

At that point they discussed the delegated decision for the expenditure. Because of the sensitivity they stressed to him that they needed to have closed conversations. They said he would see the delegated decision, it would come forward and they asked if he was comfortable with that. He gave that his full support. It was unconditional.

The external investigators were narrowed down because the CEO didn't want it to be anyone based in Lancashire. Her understanding was that the person described as the 'MO's MO' was asked to narrow down a list based on location, expertise and availability. WC were chosen.

Three cabinet members met WC on 18th November with the MO. It should have been all five (including PM and CH) but they couldn't make it but they were keen to move it on. It's always been the five.

The terms of reference were initially done by the MO and passed to WB as he was the conduit. They all discussed them. She wasn't completely happy with the member bit but they were going to deal with that outside of the investigation if they focused on the service.

She didn't know who drew up the list of those to be interviewed. She was interviewed.

She didn't recall an informal cabinet meeting on 24/11 with PF.

She thought it was strange timing for GLC to be agreeing the draft taxi licensing policy at that time. She was told at the time it was coincidental. She did ask whether it was right to be doing it rather than waiting for the policy to reflect the outcome of the investigation.

She felt comfortable about all three of them being interviewed together by WC. They are all supportive and transparent. PM and CH weren't with them.

The costs were talked about on 18th November. She didn't think they stood out as anything excessive. She thought you have to pay properly for someone with that level of experience.

She didn't know much about contract standing orders. She knew they had them and there are ongoing debates about waivers. PF in particular raises them on a regular basis.

During the investigation, WC were feeding in stuff that couldn't wait, like the DBS records. They were feeding in to the MO who was liaising with relevant operationally responsible people.

When WB e mailed after the verbal update that the report was damning and they would

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run out of officers to do the disciplinaries, they had known that from the start. They didn't want SN doing the disciplinary investigation because he would be the hearing officer. But each chief officer might be seen to have an interest so they were running out of officers to do the disciplinary investigation. They had wanted SN out of the way as he would be the hearing officer.

There was an informal meeting of cabinet on 12/12. That was prior to the report coming. She remembered meeting about all the 'what ifs' plans A,B,C, what they will need to do as an organization, planning ahead to make sure they would have a service. But she can't remember that particular meeting. She has a timeline but does not store all the dates in her head

On 15th December WB wrote to the CEO instructing him to start disciplinary proceedings after cabinet had agreed. She said that would just be WB telling the CEO what happened and it was put back to the CEO and SN to deal with. She understood how the words appeared but it was important to understand the way that WB writes. His e mail style both in tone and his way he puts it makes it sound like he is barking instructions but that is so far from the truth. It's his way and style.

She said they were more than aware of the demarcation line between the strategic role of the elected member and the operational role. The person who instructed the disciplinary, started the disciplinary, initiated the disciplinary would be a senior manager carrying out the operational role and would take the decision. Whatever WB said, it was for the officer to make the decision. She said she could well imagine the tone of the e mails. She couldn't remember specifically which meeting discussed the disciplinaries. But because WC were always feeding in the learning and action points they knew it was coming up.

She got a hand delivery of the interim report at home on 22/12. She doesn't know who else got a copy. That was her question of the police when she was interviewed by them. She would love to know the distribution list. She knows who she saw with it. The Cabinet of 7, MO, SN had it; the CEO had it.

The cabinet met on 23/12 and agreed the recommendations.

She met the CEO between Christmas and New Year over the flooding thing and he referenced that he hadn't read it. He had been busy. She thought it was quite shocking that he hadn't read a report into a service in his organisation that was failing. She would find it hard to believe that he wasn't issued with the report at the same time CM said that the leader and the CEO knew what was going on throughout. They were just not to be decision makers. On 20th April the leader said that had she been involved she would have steered it in a very different direction and this is exactly what they didn't want. They didn't want a steer as that suggests them controlling its direction. What they told the externals was that they should follow the evidence. WC stressed to them whether they understood that open doors can lead you anywhere. WC said it could bring you to your knees as an organisation and they said they understood that and if that is what happened then so be it. If they were pursuing the truth and that happened they would have to deal with it and rebuild. At the end of the day they were paying the externals. If they had wanted to set terms in the way that scrutiny has then ok but she find it horrifying that you can sit in a room and manipulate that process, you can, but they didn't. But they didn't want that. WC kept on asking whether they understood.

It's because they didn't want a steer and they wanted to stand with the public knowing it was completely clean that those persons who had an interest weren't involved in decision making.

When SN included the leader and CEO in updates, CM had called him a muppet in a

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private e mail (which has since been disclosed). She believed she was confiding her frustrations in a colleague. She says she wasn't aware at the time that the MO had been updating the leader and CEO. I said that she was included in those e mails and she said she would need to check them. She said that if it was a decision making e mail then she would be right but if it wasn't she would accept that she was wrong.

She had always been supportive of SN and always would be. She said she would double check.

It's her understanding that the leader and the CEO have had a full awareness of what was happening. They were asking the CEO to do things which it appears he didn't do. They weren't to be involved with the decisions because they didn't want it steered. The leader would have had every motivation to steer because her husband was the portfolio holder of a service which might be found to fail.

The cabinet members met with SN on 10/2 because they didn't seem to be getting very far with the disciplinary investigation. The externals said they couldn't get the final report back to them until the disciplinaries were concluded. The disciplinary just wasn't moving. They wanted re-assurance that the delay was not being caused by SRBC. SN explained the reasons for the delay. They got that re-assurance.

At that meeting SN said he would provide weekly updates on a Friday so they could see, without any of the detail, that any delay was not the fault of the authority. They weren't involved in the disciplinaries. In January the MO had spoken to all members and said that there was a problem with licensing and members weren't to discuss it until further notice. So all elected members knew there was an issue but couldn't debate it. They had staff members suspended and one moved. They didn't want delay. They weren't involved; they were responsible. They had asked early doors for a council meeting but had been told they could not have one because it might prejudice the disciplinaries. They had nothing to do with the disciplinary. They wanted to know from the Head of HR whether he was operationally doing what he should be doing. She didn't think that was an unreasonable request of an elected member, not when she knew that they had over 50 members who can't discuss this, debate it or otherwise until this concludes, she does not consider this is being involved in it.

The taxi modification issue was just another part of the whole investigation. She was disappointed that the leader was advised and then lied to her. The leader had been advised of it on the Monday. On the Saturday she told CM that she had only found out about it the previous night and that she had tried to ring CM. She was just disappointed that the leader had lied to her but it confirmed that they had been right to exclude her, as the leader wouldn't give a straight answer.

They met with the MO on 23/3 which might have been the modified vehicles issue. There was nothing else going on at that time that she could recall.

On the 8/4 the MO said the service was working well and WB in response to an e mail from CM said there were structural failings. This was not a disconnect. The structural failure was how it happened and how they found themselves in this position. She understood that the Director went and got himself trained on licensing pretty pronto after that. The manager had been moved and her understanding was that the licensing service got a retired officer in and other people in to help so that the service was now working well. That was because there were new people and the structural stuff was how they got to that position.

They were all aware of the meeting on the 12/4 between WC and WB, the CEO and the leader which was a verbal update on the fact finding. WB e mailed them the day after when he talked about continuing to support officers and members 'in the mix'.

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She understood that to mean that there might need to be further disciplinarys.

She supported an e mail WB wrote to SN also on 13 April asking questions about the disciplinary process given the change in tone to WC report. She thought there had been a change in tone because they had concluded the investigation. So they had changed from 'possibly, maybe, could be' to 'these are your issues'. They were giving them a heads up. She had raised points earlier about the disciplinary process and an individual officer. *[part redacted because of ongoing disciplinary process]*.

The conservative group meeting on 15/4 was about the modified taxis issue. PS didn't attend as the leader didn't think it right that the portfolio holder should attend.

CM had no idea who had leaked the report. She is incredibly disappointed that the leadership and the CEO did not move to deal with the communications. SN e mailed the week before saying there had been approaches from the press and not to talk about licensing. It was very inappropriate for whoever leaked the report to do that.

As an organisation, they could have and should have prevented it going into the press arena. Not because they should have hidden it but there are processes for dealing with it. They should have spoken to the media and made it clear there was an ongoing investigation; that vulnerable children were involved; that the families had pleaded with them that they did not want this in the press. She would at least have tried to prevent it. They might have failed spectacularly but they should have tried.

She would not have come back with a pitiful 'no comment'. There were lots of things they could have said that didn't prejudice anything. They could have offered reassurance. They could have expressed full support for the families and they should have supported the decent, genuine taxi drivers of SRBC. It was just unacceptable. The leader and the CEO failed on those communications.

The press officer had contacted WB and asked him to come in to respond. She was away but understands that he was on his way to respond but was then telephoned to stop him coming in and was told that the leader would be dealing with it. They should have allowed WB to front this. On 20/4 they asked the leader to involve the cabinet to which she said that she was not just talking to anybody and everybody about these things. To which CM said they were not anybody and everybody, they were the cabinet and she said that she would not speak to them about any of it.

CM thinks that they let themselves down as an organisation; they let residents, families and taxi drivers down. They let everybody down and all the bad press subsequently – they shouldn't have had any of that. It's sad that political capital has been made out of it but they are in a political environment. They shouldn't have had any of that. They should have protected the families and the drivers, the decent drivers of SRBC. She feels hugely disappointed in that but can't change it now.

At that point it went wrong and should never have gone wrong. They did everything (the constitutional bit aside) you could expect a group of members and officers to do when faced with that situation. All they wanted to do was to do it in a genuine non-agenda way. It wasn't about protecting the conservative face or even the face of SRBC. It was about making sure they had got a statutory service right. She knows they will get an absolute pasting now on the constitutional stuff but she will deal with that.

The police have let the leak investigation go because they could have interviewed another dozen people and still not known. She understands that. She wishes she knew who had leaked it.

PS accused MO and WB of leaking it and then accused WC. MiG regretted that attack. They are back in that blame culture which is distasteful and they don't need to operate like that.

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They came to the 27/4 council meeting blissfully unaware that there had been a deal between the leader and the leader of the opposition. They knew it was being filmed. There was a big hooah of them moving the cameras. They expected to get a political kicking. It was just twisted completely. It ended up with the PF speech, singling out the three when it had been the five of them throughout. He accused them of all kinds. There are transcripts of his speech and he waxed lyrical about how rude they had been to the leader and the CEO and how they needed to give it back to the leader and CEO to deal with it. PF said the three of them needed to be dismissed from cabinet with immediate effect.

They didn't know anything at the time but it came out at the next meeting in May. WB had stood for deputy leader and didn't get it. CM and MiG both declined portfolio roles. When they stood up in the chamber and said this, the shock on PF's face was obvious. He was livid. He stood up straightaway and said that wasn't the deal. He said he could not believe that the leader had offered them cabinet positions. He said he wanted to meet with them after the meeting so that he could tell them what the leader had said about them behind their back. That he had met with the leader and CEO and they needed to know what had been said.

PF wanted to meet in a hotel down the road which was out of the norm. She said she wasn't comfortable with that. Meeting at a hotel at 7.30 on a Monday night is not usual. Then he wrote and said that he didn't want to put anything in writing and wouldn't meet until after the final report was delivered. He then did that. CM's recollection is that he said he had been invited to a meeting with the CEO and the leader where the leader had said she needed his help; that the three of them had been trying to stitch her up and unseat her. She had said they were making a mountain out of a molehill; that they had made a really big issue out of a blip, as she calls it. What the leader told the group was that PF had approached her with a motion of no confidence in the three of them. That PF had picked the 3 out of the 5. She had said she didn't want to embarrass them so she had sought advice from the LGA who had advised her to go back to him and negotiate a position where he could say what he liked but where he didn't bring a motion so that he could save face but that she shouldn't respond. That's exactly how it played out. She told the group this twice.

They then sought clarification from the LGA because CM didn't believe for one moment that the LGA would give that advice. The leader then said she had not had those conversations with the LGA and she hadn't had any advice from the LGA on this. So they found out at that point that that bit was lies. What they still don't know is the CEO involvement. PF had said it was the leader and the CEO who had the idea. The CEO declined to comment because it is now subject to a formal complaint.

PF says a deal was done. The leader hasn't confirmed the deal but has confirmed that she lied about the LGA. The LGA have since told them that the leader has not raised licensing at any point. They had just helped with communications.

I asked CM whether there was anything else she wanted to say. She said the conversation was not a surprise but that the terms of reference for scrutiny were not what she had expected them to be. She thought that scrutiny would want to understand how the organisation found itself in that position as well as understanding the process, to satisfy themselves that they were not there now and what the next steps would be. That is missing because that bit of WC feedback is missing because the report has gone very strategic. When you map the report onto the terms of reference, they have answered the terms of reference but all the peripheral stuff along the way has been lost and they would have wanted that to be included. She does find a lot of damning things in the final report but nothing about what needs to change to make sure that the organisation doesn't go back round the loop again. In the early

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days, that was verbally pointing at the structure at the organisation and was fed back and is in the email from WB (13/4)

If it comes down to all the stuff they did being overshadowed by the fact that those decisions weren't taken right then that's a shame. She holds on to the fact that she thinks they are where they needed to be but she wants them to be further on as an organisation. She wants the staff to be able to work in an organisation which supports responsibility. When she thinks about what they have been put through to do this, she questions how they are supposed to encourage people to speak out and to be brave and strong enough to say they are worried about that.

She said having said to an external that they should just follow the evidence; they

have been absolutely on their knees for it. It shouldn't be like that. If there was malice aforethought or misintent then she can understand not tolerating that behaviour. But she would defy anybody to find anything other than a genuine desire to want to put the service in a good place.

She said what else she wanted to say would be massively redacted from a transcript but it was important to understand the tone that was set for them as a cabinet in May. Before she took up her cabinet position she was called to a meeting with the CEO and given a fait accompli about a senior officer.

*[CM has agreed to a significant redaction of the interview notes at this point, as they contained personal data about the CEO and the senior officer.]*

The CEO was furious about the position she took. He was really unhappy and sat back and his mouth was really tight. He was not happy with her at all.

CM said her regret was not doing something with that information. She doesn't know why she didn't say something about doing something with the CEO or why she didn't tell the officer concerned. She thought what had happened was fundamentally wrong. Her husband told her if everybody walks away it just continues and it was all the more reason to accept a cabinet position.

Alison Lowton 31<sup>st</sup> July 2016

Amended 28<sup>th</sup> August 2016 and 5<sup>th</sup> September 2016

Signed as a correct record by Councillor Moon

Date 5 September 2016

Final interview notes – Steve Nugent

Interview notes - Steve Nugent, Head of HR

22<sup>nd</sup> July 2016

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It is for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date. I explained that I was trying to narrow down the extent of the inquiry to make it manageable.

I explained that I would be recording it as well if he agreed, which he did. This was not my usual practice but others had been recording their interviews so I had been doing the same.

I gave SN some brief background on my experience.

I explained that, as well as recording it, I would take notes and then write up a non verbatim transcript which I would send to him in draft for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents. I explained that I would not usually put these in the public domain but in the circumstances it was likely they would be made public. I said he needed to tell me if there was anything that should not be in the public domain.

SN didn't have any questions before we started.

SN had worked for SRBC for 6.5 years. He came in initially as an interim for 2 years and became permanent in September 2011. His role is Head of HR (which includes OD). Public Relations was later added. That includes comms, media, press, public relations, website, social media. He's not a PR person but is using his management skills to support that team. It's just part of them all sharing out the work.

He's an HR professional by trade and worked for over 30 years in HR. he is a member of the CIPD.

He does HR and OD as well. They have done a lot of good OD work in the council on OD.

He is deputy lead for safeguarding and fills in when she is away. He has responsibility for DBS checks for staff. DBS checks for e.g. taxi drivers is dealt with by that service.

SN first became officially aware of licensing as an issue in January 2016.

There had been a request previously to one of his staff to send out an e mail for a non disciplinary interview with WC regarding the licensing service. He was off for a day and then on an away day. This was last November. He had a word with the MO asking what it was about and he said it was nothing, they were just doing an investigation. SN said he wanted to see the wording as they needed to be careful

what they said. He was concerned about why HR were sending it out if it wasn't a disciplinary but they have investigations in planning, prosecutions all the time so he thought it might have been that. SN did wonder what was going on.

It was only after he thought about it that he had concerns about WC speaking to staff and about whether they were accompanied. In the e mail that went to staff it referred to a report by the MO and the IA report. When he saw that, SN e mailed the MO asking for copies of those reports. The MO said he couldn't see a problem and there would be an order for distribution and he was sure SN could have it but he never sent SN the reports. SN chased him several times. In the end he thought he would forget it for now but would need to keep an eye on what was going on.

Before this, SN said he had got a strange e mail on 20/11 from the MO saying that the leader, the portfolio holder and CEO were to have no communications with officers regarding licensing issues. It asked that if any of them made contact, officers were to tell the MO. He wondered what it was all about but he doesn't make a habit of checking things out with the MO. He had not heard anything about licensing at this point.

He is a senior manager in the council which isn't a place where HR gets involved only at the last minute. He will interfere if he has to but people should come and speak to him as well. He won't interfere in operational inquiries and it's none of his business but in this case he did make an effort to find out what was going on but he didn't get anywhere.

He got an email on 24/12 when he was on leave. He only read it on 4/1. In that The MO starts to give SN the heads up on what was happening. There had been an investigation and it had recommended that disciplinary action was started. The MO was quite clear about how it was to proceed. The e mail said that the MO had instructed WC to start the disciplinary investigation and that it was imperative that they liaise with HR throughout. He was keeping SN away from the detail so he could later present to any appeals committee.

SN explained that they have a small HR team with distinct roles and responsibilities in disciplinaries. There are 3 HR advisers. One will deal with investigation from the HR perspective supporting the investigating officer. If it goes to a disciplinary, that HR adviser will attend with the investigating officer and another HR adviser will support the hearings officer. SN does not fulfil that role in SRBC and has never fulfilled it in previous roles. So there are always two HR advisers involved in a disciplinary case. If action is taken and there's an appeal against it, SN is always held back for appeals. That's how it normally works. But people can't just wantonly dismiss his view and he has an overseeing role from the background.

So the MO was implying in his e mail that is how it would work.

On 5/1 the MO gave SN a hard copy of the interim report, with the recommendation for disciplinary action. SN didn't know beforehand that this report existed. But he was matter of fact about it. It was about a 20 page report so SN said he would need to read it and get his head round it. SN asked who they were thinking of disciplining.



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One was the branch chair of UNISON and another one was an officer in UNISON and the third one was a senior manager in the council. SN said this was potentially difficult and he needed to understand what was going on before he jumped into the situation. He said he would contact the MO on the Thursday (two days later) so he could try and understand and get a feel for it. SN was looking at it cold.

The MO sent him an e mail on 6/1 (Wednesday). This said that the cabinet was treating this with the utmost urgency and that they had agreed to utilise external investigators for the disciplinary investigation and the process was to start with immediate effect. The e mail referred to the report from the MO as a s5 report and said that the WC report exposed fundamental issues to do with CSE. He said that the Council must act that day. It was also copied to the CEO.

He and the CEO met with the MO on the Thursday morning. SN said he explained that he was still trying to understand what the failings were and what the allegations were. He said he knew nothing about taxi licensing as a service or what it entailed and what goes on. The MO amplified in the meeting about what it meant in practice. He made it clear to SN and the CEO that there were taxi drivers driving round with missing DBSs. SN said he was very concerned about that and asked if the MO was sure. SN asked if the MO was saying that they had not checked the DBS before issuing the license. SN asked if there could be a taxi driver driving past the building now and licensing wouldn't know if they had a clear DBS. The MO said that was the case. That did worry SN. The MO was very compelling in making that point. He also mentioned missing medicals but the concern was mainly the issue of the DBS. There was some other stuff about investigations. At that point SN didn't even know the taxi licensing service did investigations into taxi drivers. He didn't know what they did from day to day.

SN said that it was very worrying and a clear picture was painted. The MO said they had already got WC to do the disciplinary investigation and that the money was already signed off. This was all happening too quickly for him. The e mail from the MO referred to the deputy leader and to a s5 report which sounded serious. The MO was concerned that WB wanted some action.

He has since seen the email from WB to the CEO on 15/12 instructing the CEO to take disciplinary action.

In SN's view, he was instructed to use WC as external investigators. SN said he raised all kinds of concerns with the CEO – service failings, political dimensions, external investigators, branch chairman of UNISON. He said that this was his January gone. He said he had no choice but to be the lead for the council and work with the external investigators. He had never used external investigators in his life. He would always go internal. If he did commission investigators SRBC is part of a consortium where they get a 25% discount.

SN had a quick phone call with NW Employers and spoke to the Director of Workforce. He explained to them that he would put himself in at the early stage, though he hadn't done it for 20 years but would need someone to advise at disciplinary hearings because it wouldn't be right for his more junior HR staff to be

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put in that position. They agreed but said they didn't want to know anything more about it as they wanted to come in clean to the process. SN was happy with that approach. He thought they could use their legal manager for any appeal. He has done it once before when SN had to be a witness.

SN lined all that up and advised the CEO that SN was going to be the HR lead. He knew right away that there were going to be major employee issues because they were suspending the branch chairman of UNISON.

He had a conference call with WC on the Friday morning with the MO and they spoke to their employment lawyer and to JG. The employment lawyer asked SN what he was thinking. He replied that, based on what he knew then it was very serious. She agreed. SN said there were two people that the allegations directly affected and there was a manager who also was a manager of Environmental Health. SN said he was thinking that in order to allow a quick as possible investigation he had no choice but to formally suspend the two licensing officers and get the manager taken off licensing duties especially given that people were still in there with computer records and so on, He said it isn't common these days to suspend – it's the final act. The employment lawyer agreed with the proposal to suspend.

The staff were suspended on 12/1. They didn't see it coming. Suspension is a neutral act. You have got to look at the whole picture and not make any judgements. He learned that a long time ago. The branch chairman had worked for the council for 25 years. He told the union that he would take the lead on the investigation and they were ok. In general, the union respects the role SN fulfils.

He then had to start the process of working with someone based in Grimsby who he didn't know. He has only met the investigator three times. He shook hands with him for 5 minutes and spent a day and half with him. The investigator did the work and SN played the HR advisory role.

They also put in interim arrangements to keep the licensing service operating.

There was a bit of toing and froing with WB. SN said WB was putting pressure on him. In January they were so bogged down. They were trying to get cracking on the investigation. SN thought the investigator was good and he had a lot of time for him. They were working on it together and the weeks went by. Then WB sent him an email wanting an update. SN was conscious that just to say no to the cabinet might not be the right answer. He also thought there was a lack of clarity on who was leading on this now the leader was back in the frame, as far as SN was concerned. SN had met with her and given her a general update. The leader's portfolio covers HR, PR and member development etc. She is SN's cabinet member. All his reports go through her. SN works with her closely.

He thought he would just give WB an update. SN said he would never ever cross the line but he thought it wasn't unreasonable to have a general update. WB asked SN to come to a meeting rather than talk on the phone. SN was asked to come to a meeting at short notice on a Monday at 5 (10<sup>th</sup> February). WB had asked a few

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questions in an e mail and he had thought he would just reply to those. In the meeting, SN was getting pummelled by questions and he did not think this was right. At least one other matter was thrown into the pot as well. He did see how important it was to them. He had not seen that before. SN decided he would just give them an update to the e mail questions.

He was called to another meeting with WB/MG/CM about another disciplinary matter on 12 February where SN was getting a lot of scrutiny again by WB on licensing. He wasn't sure where it was going. He had a lot of things going on at that time. He thought that WB was very keen to see what was happening and he wasn't going to go away. It was a difficulty for SN. SN thought he couldn't just keep being dragged to meetings and answering e mails and phone calls piecemeal. SN rang WB on 14 February and said that he now realised that there was a lot going on and WB had been involved for some time so SN said he needed to strike a balance. He told WB that he understood that things go cold and quiet during an investigation and he offered to give him a weekly update but not going into detail.

SN included the leader and CEO in the updates. There was no direction about who should or shouldn't be included. SN told the leader that he was starting weekly updates and would make sure she was included. She agreed. After a few, he was instructed not to send the updates to the leader or CEO. He thought he could spend too much time arguing about who should get what when he was trying to move things forward. By then there was a lot going on. So in the end he dropped the CEO and the leader off the e mails. WB was quite forceful in making that point in the e mail to SN.

Since the interview, SN has read the FOI emails and there is an email from CM dated 18 February 2016 to WB and MiG. It is a follow on email from SN's email updating on progress and included in the distribution is the Leader of the Council and the Chief Executive. This was following the meeting referred to above, where the leader said she agreed to be updated via the weekly email. SN then discussed this with the Chief Executive who said he should be included as well. As far as SN is concerned and those people who have read the FOI emails and have discussed this particular email with him, this reference to muppets is aimed at him.

He is upset by it and feels he has been humiliated and ridiculed in this email.

The leader would never ask him what was going on in disciplinaries. He tended to tell her at key stages but she would not interfere.

He did get a level of pressure from WB on this.

SN was liaising with WC over the investigation through March. It was difficult to do, through telephone meetings. They had three investigations running together so planning it was difficult. There were 10 or 11 witnesses WC wanted to interview and they had to make sure it all happened in the right way. There were a lot of logistics involved. The more people that got involved the harder it was to keep it confidential in the council. It became a massive piece of work.

SN had been optimistic that in January they could get a lot of it cracked. That proved to be wrong. WC undertook a very thorough investigation. They unearthed things that had not been unearthed before for the interim report. Some of the allegations in the interim report were not supported by the thoroughness of the disciplinary investigation.

Spending time talking to the staff in detail led to one issue coming out which was quite dumbfounding. The DBS had been a major concern of SN and was the main allegation leading to suspension. It was only by 3/3 when they had got each of the three officers in investigation meetings with the regional officer that when they put the missing DBS to them, they said they applied a practice called 'without prejudice' which they had inherited from legal services when they were doing licensing prior to it transferring in 2013. If the DBS had not come back in time for renewal, the taxi driver would have made a declaration that they had no convictions and had a clean record. Licensing would then issue a license 'without prejudice' so that if anything comes back from DBS which contradicts the declaration, licensing would deal with it straightaway. SN said that there often appears to be a delay between the expiry of the previous DBS and obtaining a new one and this could appear as a gap in the record. But in fact, licensing get an e mail from the DBS checking service they use within maybe a week or two, telling them whether the check is clear. The checking service e mails customer service copying in the two licensing officers. At the same time, they continue to chase the driver for the DBS itself. They retain all e mails from the checking service and still need to see the DBS.

Before Christmas there had been no reference to this practice (and there is no reference to it in the interim report) which SRBC operate, as does Preston City Council. If that had been referred to, SN would have asked about the 'without prejudice' practice before deciding to suspend the officers. This understanding meant that the missing DBS checks had been blown away as an allegation. And that's one of the reasons why the final report changed from the interim report.

More recently SN has had a bit of time to go back through things and has briefly looked at the FOI e mails. He has seen the MO timeline. SN has his own time line but there is no reference in the MO timeline to a meeting they had in Burnley on 30 March. That was a meeting with WC, the MO and WB which he had been invited to attend. At the meeting WC gave a complete update on what was happening in the disciplinary process and SN was very concerned at the time about the amount of detail that was given and he knew this was a completely inappropriate and unsatisfactory position that he had been placed in. He said he wasn't there for all the meeting as WB met with WC separately.

On 13/4 WB wrote to SN asking why the third officer had not been suspended given the change in tone of WC in a meeting of WC with the Leader/CEO/WB/MO on 12 April. SN said this came from a meeting which he hadn't been at. SN said he told WB that he had not been told of a change in tone and he would speak to WC. By now there were too many e mails flying around. SN spoke to JG. JG said there was nothing he had said in the meeting that had changed and there was no reason to suspend the member of staff now. JG said that nothing had changed. SN was

concerned that WB thought the officer should have been suspended earlier. SN said you don't just suspend; moving staff is fine.

It then all started to go wrong. The Mirror rang the PR office and said they had the report. At that stage it was highly confidential and very few people had seen it. SN said they had to batten the hatches; they were preparing a response. The Mirror had the story as their scoop but they didn't run it in the next few days or the Sunday Mirror. SN was on leave on the Monday. He had arranged to go out with his wife as they had just had their wedding anniversary. He cancelled his personal arrangements for the day and came into work. He could have said 'sorry PR team but I am going out for the day' – but didn't. He was told that the New Day (which is part of the Mirror) had run the story. When he came in he was told that all media outlets had the report and they had not seen that as something that would happen. There was no reason for the Mirror, who had the scoop, to give it to everyone else. They were all at them. What has transpired since is that someone had leaked it to all of them but they didn't know that at the time. They thought they were dealing with the Mirror as they had the story.

That day was not a good day all round. It's hard to remember everything that happened. They were trying to find the leader to respond. The media were all outside the building. SN said his thought was to try and slow it down and take stock. They contacted the LGA and their Director of Comms gave them some helpful advice straightaway. Working with one of their senior comms people they had council spokesman response which really tried to deal with the day. They were really helpful and they built up a rapport and working relationship during April and May with the LGA comms people who gave invaluable help. This is crisis communications and this was not something they were used to dealing with. At the same time, SN's senior PR officer had resigned. He said he resigned in late March and he was working his notice until May. His focus was about leaving rather than being involved in the crisis.

SN had not heard criticisms of the comms response and that they should have been more on the front foot. That has not been said to him. SN said he was criticised by WB in an e mail on 18 April about poor handling and WB demanded chapter and verse over what happened. SN said he would get back to WB but the senior PR officer had been leading on the day. SN never got a full picture of what happened as the PR officer was not well and never really came back into the office. SN couldn't get the detail to WB as he needed his PR officer to do it and he never did. I explained that the criticism was generally that there was a good story to tell and the council had failed to tell it. SN had not heard that.

SN gave the leaked report to the LGA that afternoon. The LGA said they had never seen such a poorly written report. They were horrified. SN said he had learned a lot over the last two years in managing PR. If you are going to start putting quotes in you have to balance them up. That report wasn't balanced.

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SN said that a lot of what he is involved in is the disciplinary side of things. They are at a stage of concluding that but it's a complex piece of work and he doesn't want to stray into that in the interview.

Alison Lowton

2<sup>nd</sup> August 2016

(amended 8/8/2016)

Signed as an accurate record by Steve Nugent.....

Date.....12 August 2016.....

Final interview notes: Mike Nuttall

Final Interview notes - Mike Nuttall, CEO

26 July 2016

I explained that I was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It is for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

I explained that I had been recording interviews because others were. The CEO did not consent to the interview being recorded. He was not recording it himself.

I explained that I would take notes and then write up a non verbatim transcript which I would send to him in draft for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents. I explained that I would not usually put these in the public domain but in the circumstances it was likely they would be made public. I said he needed to tell me if there was anything that should not be in the public domain.

The CEO had no questions for me prior to the interview

The CEO had worked at SRBC since December 1990. He had been CEO for the last 6 years and was also the s151 officer. He had been on SMT and the Chief Finance Officer for the best part of 20 years.

He was involved at a corporate level with safeguarding through being on the management team. He takes the lead as the CEO and DJ and SN are the two responsible officers. For a district council he thinks they are pretty alert to safeguarding issues.

Safeguarding training is delivered through DJ and SN. He said there was a refresher course for councillors the previous week and a meeting with the LCSB chair. Members were regularly trained on a range of relevant issues. This was most intensive around elections. There is specialist training for planning and GLC. They have learning hours on specific topics which are either Q&A sessions or they get speakers. SN has overall responsibility for member development. They do a gap assessment of each member when they are elected to work out training needs. They also have member champions for training in each group.

Some issues related to the operation of the licensing committee were identified for improvement by SMT prior to the last election. MG had attended GLC and reported that officers just read reports out verbatim. SMT discussed this and thought this was not a good approach. In preparation for the May election they identified key committees where they needed to raise standards and GLC was one of these.

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In May there was a change in cabinet membership and Councillors Bennett, Moon and Green became new members. They started getting interested in a range of things and CM and WB in particular started throwing their weight about.

They were miffed that they were not allowed to attend deliberations during GLC. The CEO just thought they were behaving like new kids on the block and getting a bit stropky and things would eventually calm down. He had a conversation with MG and the MO about this. CM and WB were told that they couldn't sit in deliberations because GLC operated like a Magistrates Court.

CM and WB were openly a bit disrespectful and critical of senior cabinet colleagues. If the idea was to blend maturity and youth for the purposes of succession planning it was creating a bit of tension. On occasions they demonstrated a lack of understanding of the roles and boundaries of members versus officers. WB started to cut across cabinet portfolios in his role as deputy leader and cabinet member for finance and resources by approaching more junior officers directly. Over time this had the effect of starting to confuse officers as to the council's priorities and who was calling the shots – was it the relevant cabinet member or the deputy leader?

He agreed that the MO had alerted him to problems relating to licensing and Gateway in the summer of 2014 but he doesn't remember the specifics or that it was a big deal at the time. He said that as CEO you get issues mentioned to you from time to time which you don't need to get hold of as the CEO given there is a management structure in the council comprising directors, service managers, team leaders etc. He took the view that there was nothing of significance in what the MO told him that he needed to get hold of personally as CEO. He has no recollection of telling the MO to step away from licensing over this issue nor saying that the MO was adding more heat than light.

The CEO thinks that the meeting with MS and WB on 17<sup>th</sup> June was a catch up meeting which they had regularly (although he has no record of it in his diary). He has no particular recollection of WB raising concerns about GLC at that meeting. Nor does he recollect that he said that he had concerns too except that he had made comments before the May elections about his concerns about the way it was run and that they would need to tackle this after the election. He had certainly raised some concerns about the way GLC operated with the leader. He was intending to target the regulatory committees for some attention after the elections.

On 14/7 SMT received a report on taxi licensing and CSE. JM and the licensing team had engaged proactively with work going on from the Police and Crime Commissioner's Office and one of the licensing officers chairs the County Licensing Group so they were well versed in the post Rotherham issues. They brought a paper to SMT which highlighted the issues from Rotherham and the Casey report. They explained their plan which included more training and developing a taxi licensing policy.

As a result of this, an ex policeman provided training on CSE to members of GLC on 21/7 prior to the GLC meeting. Nearly all members of GLC attended. James Button



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had also run a session for the county which they had encouraged members to attend and some did.

On 22/7 he received an e mail from WB which was also sent to the leader. WB asked for events at the licensing committee to be investigated as a result of his concerns from the 21/7 meeting. To the CEO, investigating something means looking into it and seeing if there are problems and resolving them. It doesn't necessarily mean a formal full blown external investigation. He contacted MG who said he was already alerted to the issues and was dealing with it. The CEO encouraged MG to look at it. That is what he emailed WB on 22/7. The exchanges were all by email and if the concerns had been so serious he would certainly have expected WB to contact him for a follow-up discussion.

He had no recollection of meeting with the MO on 23/7.

On 3/8 there was a meeting called by MG to discuss licensing which the MO and other relevant staff attended. It wasn't just to discuss operational issues but also legal and democratic services issues.

The CEO had a general catch-up meeting with CM on 4/8. At the end she said she was concerned about events at the licensing committee on 21/7. She said she knew she should report her concerns to the MO but was reluctant to do so. He told her that WB had been in contact with him about licensing concerns from the committee meeting on 21/7 and that MG was dealing with them. He didn't pass on her concerns as he didn't want to break what he had felt were her confidences.

Sometime soon after the meeting with CM on 4/8 the MO came to see him about what he described as the 'CSE case' and asked if it was ok for him to look at CSE issues in licensing. The CEO therefore took the view that he didn't need to raise CM's concerns specifically, and break her confidence, as the MO and MG were both now dealing with licensing issues.

There was a management team away day on 19/8. At that meeting the CEO said he was becoming fed up with hearing about LALPAC, Gateway and so on and said that the MO and MG must sort it out.

The MO, who is also the lead director for corporate wide business transformation, was asked to step away slightly from the process of business transformation in the summer of 2014 in order to get more buy in from the relevant managers and give them space to own the corporate change programme, rather than imposing change. The developed culture of the council has been one of empowering employees and this approach pre-dates the CEO taking up his position in 2010. This work was led by a coach/external facilitator. It led to the service managers identifying significant efficiencies in the run up to budget setting in March 2015 and a new model for delivering BT in summer 2015. The MO did not like having to stand back and this was difficult to handle. The CEO suspects that this is the reality of the MO being asked to 'step away' from licensing which I had referred to earlier.

He didn't accept that the MO had reported everything to him as he went along and he didn't know the details of cases or names until the end of December, when he

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and the chairman of the GLC were asked to sign a standing order 38 decision, so he couldn't have expressed 'being gobsmacked' as suggested by the MO.

He has no recollection of WB's description of the meeting with the leader and WB on 2/9 where WB says that he tried to trigger a response on licensing by writing it in big letters on his papers. He said he didn't remember anything so theatrical. WB was getting very exercised about attending GLC deliberations. The CEO had previously told the MO and MG to re-inforce the fact that WB couldn't attend so any remark about not being allowed to ask about licensing may have come in that context. He certainly never told WB not to ask any questions about licensing more generally. He was just trying to re-inforce the deliberations point.

He didn't take any action under the council's safeguarding procedures. He had no reason to doubt that the MO wouldn't follow due process as he had taken responsibility for looking into CSE issues and was seen and put himself out there as someone who investigated matters thoroughly.

He was on leave from 14/9 to 28/9 and the MO was on leave from 21/9 to 2/10 so there was a bit of a gap. If the MO instructed an immediate investigation following the re-instatement of the Case A driver he wouldn't have known as he was on leave. He had understood the MO was on leave then too but he has a habit of booking leave and not taking it either in whole or in part.

The CEO had a regular catch up with GB from internal audit before he went on leave. The CEO asked him about the draft licensing report and told him to talk to MG if he was having problems with the audit. He understands that they had contact while he was off. GB's comments suggested that audit hadn't had co-operation. Also audit were only case sampling so the cases they chose might not have been totally representative. There was however clearly a problem with record keeping.

On 13/10 the CEO, MO and MG met about the IA report and so at that point, the MO became aware of the IA review of licensing. The CEO understands that the MO had been in touch with Paul Hoey in September/early October for MO advice but he doesn't know what this was about. The IA process was concerned with record keeping and the MO was concerned with CSE as far as the CEO knew.

In a 1:1 with MG on 15/10 he asked MG where they were up to with the licensing audit. He asked MG if he had put resources in to sort out the filing. He told MG to just get people in do it. The CEO mentioned to SN that day that he had asked MG to put resources in just in case it raised any staffing issues. He also mentioned the action being taken at the general leader/deputy leader update meeting held later that day

Following the meeting on 13/10, on being approached by the MO, the CEO asked the MO what he was doing investigating a case involving a minor and told him he ought to contact the police. The CEO recognises that the MO is not very well networked in local government or with partners so the CEO called the Chief Superintendent. This was purely about making connections for the MO and that was

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what the meeting on 22/10 was about. It was a very brief meeting and did not go into specific case details. He was trying to help the MO.

Out of the blue, CM sent the CEO e mails about licensing referencing their conversation in August. The CEO said he tried to speak to her but she refused his offer to speak with him and only wanted to communicate in writing. It was being investigated by the MO so this meant he could say less. In general terms, he said he had always had a different relationship with cabinet members and councillors and couldn't understand why they couldn't talk rather than e mail.

The draft licensing policy went to GLC on 2/11 and legal had been involved in getting this produced.

He didn't get the finalised copy of the IA report until 7 January after he had specifically requested it from GB. Governance Committee have been concerned to ensure that audit don't report to the relevant cabinet member in order to maintain some objectivity and distance and to maintain IA's primary accountability to them. There had been a few attempts by WB to change the audit plan, agreed by the Governance Committee, by contacting GB direct to initiate specific audit reviews. The process has always been that Governance Committee has received summary information from the audits undertaken. Governance Committee have always been able to request more detailed information from the audits completed and committee meetings are usually in public, which means that summaries are published. Governance Committee check progress on implementing the recommendations.

All audit reports now go to Cabinet members. There is no filtering at all. If members get everything his view is that there is a risk that staff will become scared about audit instead of seeing it as a support to management and service improvement. The primary route ought to be through Governance Committee.

In amongst all this, the CEO gets the sense that the MO has been speaking to Cabinet members without his knowledge. He has told the CEO he is aware of his responsibilities as an MO. He talked to the CEO in early October about taking a report to Council, adjourning the meeting to meet in private. Then he told the CEO he had decided not to. The CEO was concerned about this but does not want to be seen to be stopping good governance. He said he wouldn't stop the auditor or the MO if they felt they needed to report matters causing concern. When the MO was talking about taking a report to council the CEO was trying to get him to see the wider implications of such a course of action.

The CEO only saw the MO's report on 9/11 after he had already distributed it. The CEO wouldn't have changed it.

Cabinet meetings are published on the Forward Plan. Cabinet workshops with SMT have minuted agendas and a timetable of meetings. When the workshop meets, there is usually a break at the end when lunch is provided for councillors. On 10/11 the cabinet members reconvened after lunch. CH was not there. CM asked what the CEO was doing there. CM was making noises as if he shouldn't be in the room. The CEO insisted he needed to stay to hear what the MO had to say. The MO talked

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through the paper and received plaudits from cabinet. They asked who asked the MO to investigate and he said the CEO had. The MO gave the impression he would carry on looking at licensing. CM and WB (in particular) kicked back and said they wanted an external investigation. The CEO asked why and WB kicked back and emphasised the point. PS was making noises about how it wasn't for them to interfere. MiG made a comment about issues being serious and gross misconduct. WB made a proposition of some sort that MS, PS and the CEO should step aside. MS was due to go on holiday for several weeks. There was no reason to think the MO couldn't do the investigation as some sort of service review which was what the CEO understood it to be. MS wasn't objecting to standing aside so if the CEO had objected it would have been him against the cabinet. He explicitly recollects saying that they needed to think about who commissions the review and what its scope was to be. At that point it sounded as if members were going to commission and scope the review. He said that wasn't right.

There was no discussion about it not being a decision making meeting. As far as he was aware there were no notes made. At the end of the meeting the CEO had the impression that the cabinet members were going off with the MO to take it forward. He expected that this would include taking formal decisions. He had no reason to distrust the MO on this issue and there was no agenda involved in letting him do it.

As time went on the CEO slowly became aware that staff had been told by the MO not to talk to him about licensing. He was not formally told himself about this action by the MO.

He understands that PF was able to read the MO report but that it was then taken off him.

The day after the 10/11 meeting the MO came to see the CEO and said that he had not been expecting that outcome. The CEO was happy to have a chat about it generally at any time with the MO as he recognised it was an unusual situation and the MO may need some form of general sounding board as matters progressed. This offer was never taken up by the MO. This was a service review, not a disciplinary. He explained that local government is a very small world and heavily networked. The MO needed to ensure the external review was done properly and impartially. The MO needed to be careful who he chose to undertake the review. If he went locally there were likely to be problems about individuals knowing each other. The backdrop to that view was the cabinet wanting to have an independent review. The CEO thought some form of peer review of licensing by an experienced practitioner would be commissioned rather than as transpired a firm of solicitors.

The CEO understood that this was a service review and the MO would report back so although it was a bit odd, the CEO wasn't overly concerned. He thought there would be checkpoints to get back into it. When he heard about the MO e mailing others telling them not to speak to the CEO about licensing he felt undermined and became more concerned.

He was also concerned when he heard that the MO was using his own office for staff to be interviewed by the firm of solicitors. He didn't think this was very dignified and

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also it meant that staff were starting to talk. The MO should have been much more discreet. He was told anecdotally that the police had tried to make contact coincidentally with one of the licensing team and someone on the Environmental Health team had commented openly that the sh\*t was going down.

The delegated decision (when he eventually saw it) makes no mention of the budget and whether there was provision. The CEO had a meeting last week with the Deputy Leader and Chairmen of Scrutiny and Governance around issues to do with the budget for the licensing review. He has also mentioned it to external audit and is likely to formalise the budget approval in the next few weeks. He is concerned that otherwise, external audit and others will raise concerns.

The Head of Democratic Services has shown him the file on delegated decisions. All delegated decisions should be published as it allows an opportunity for challenge and potential Call in. If a decision is exempt from publication it has limited circulation and must state the reason for exemption. Every year when the cabinet agrees the budget report there is a delegation to the CEO to carry out minor restructures throughout the year but otherwise, there were no other delegated decisions in the file, except the one relating to the licensing review. It is extremely extremely unusual. The CEO doesn't understand what there was in the delegated decision which was so confidential that it couldn't have been published.

He would have expected some concern about cost. He understands that legal have a procurement relationship with a number of firms which were likely to have delivered the investigation at a lower cost.

He has also become aware of a delegated decision to acquire an upgrade to LALPAC in November. This was signed off on 6 November but only officially published some weeks later on 27 November. This software was what the licensing team had been asking for throughout the business transformation process, The CEO wondered why the decision was taken at this point and why the publication had been delayed for some three weeks.

He first became aware of the CSO waiver in April this year. No-one mentioned it to him as part of the budget process or in terms of allocating resources. For SRBC £30k is a material amount. The spend has never been highlighted to him or members in the budget process. He is not sure that it ought to have been dealt with as a virement and thinks it was probably a supplementary estimate. That would have meant it would have come into the member domain differently.

There is also a waiver for the disciplinary investigation which he only became aware of in the last week. The interim report was delivered on the 22/12 and the cabinet met on 23/12 which is the same date as the waiver was signed for the disciplinary investigation to be done by WC. At this stage there was no decision to suspend. WC had recommended considering disciplinary action or disciplinary process. There needed to be a stage where SRBC assessed the situation and made a decision about disciplinaries.

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Both CSOs were signed off by the MO and WB effectively commissioning both pieces off work.

He had not heard about a cabinet meeting on 24/11.

In the week beginning 4/12, the MO came to see the CEO to ask about cover for licensing if they suspended staff. This was the first contact the CEO had with the MO to discuss the licensing review since the day after the meeting on 10/11. The CEO asked why they were anticipating suspending. He had seen nothing. He asked if there was a report. The CEO said that if he contacted other councils for help they would all know and it would get back to SRBC staff. He said he had thought it was a service review, not a disciplinary. He also asked why they were using external investigators for the disciplinary. He thought that HR could have done it. The MO said that since they had top guns from Grimsby, why would they use their own HR. The CEO asked why they were not seeking advice from the NW Employers if not their own HR. The CEO said he would have to explain at some point why they were not using their own staff and agreed processes. The CEO also reminded the MO of the general responsibilities of statutory officers, the important role they have to play and how their actions can be open to close scrutiny by external audit and others. He advised the MO he would speak with WB about this matter at their meeting the following week. The MO had no concerns about the CEO discussing issues with WB.

The CEO met with WB on 9/12 for a regular catch up meeting. The leader was on holiday and he was the deputy. The CEO asked him if WB had the report. He hadn't but said he was pushing to get it and hoped it would arrive before the end of the week. The CEO also asked him why they weren't using HR, NWEO and their normal processes. It wasn't clear.

There was a group meeting on Saturday 12/12. He understands that the cabinet members dealing with licensing met after that and that the MO attended. When the CEO met WB on 9/12 WB had said that he would raise the issue about using HR and NW Employers with the cabinet on 12/12 and get back to him. On 15/12 he received an e mail from WB instructing him to commence disciplinary proceedings. The CEO rang WB in response. He said that the CEO would have to justify using HR and would need to e mail the Cabinet about it. The CEO told WB he disagreed with him on this point as the default should be using the SRBC HR team unless there was a very good reason. The CEO established that WB hadn't yet got the report and therefore the cabinet members hadn't seen it on 12/12 so the CEO decided not to do anything until he had seen the report.

He knew the leader was back in the New Year so he thought that he would wait for the outcome of the service review and then make a decision on disciplinaries along with SN.

During November/December, as part of the interim report exercise, the CEO subsequently found out in April/May that Brian Thompson had been sent to SN by the MO to gather information including appraisal information on licensing staff and the director. He understood that BT was instructed that if he wasn't given the

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information he was to record that fact. SN refused to give the information. The CEO didn't understand why it wasn't the MO asking for information from a SMT colleague.

The CEO received the interim report by e mail on 23/12. This was obviously immediately before Christmas. Then over Christmas there had been flooding and so he was in work over that period. Christmas was massively disrupted and he didn't read the report during that time. SN didn't see the report until 4/1.

The CEO was back in the office on 4/1 when he had a conversation with the MO. The CEO said to the MO that they needed to meet with SN. The MO said he was being pummelled by WB. The CEO told the MO either to send WB to see him or tell him to stop. The CEO also said he wanted to know from the MO what he had been doing as MO before Christmas.

The CEO, SN and the MO met in the CEO's office on 7/1. The MO was saying that there were taxi drivers who had been licensed with no documents submitted and that's why they had to suspend. SN went to talk to the MO and WC and, on the back of that, he decided to suspend as a neutral act. The CEO told the leader that was why they were suspending staff.

At a late SMT Christmas lunch on 26/2 SN told the CEO that he had a conversation with WC before the disciplinary interviews started, checking that they were confident that they had information that was substantial enough to take action. He was told by WC that the staff were 'bang to rights' essentially. The CEO told the MO to stay away from the disciplinaries because he was concerned not to muddy the waters between the two investigations.

*[paragraph redacted to avoid prejudicing other procedures]*

The CEO suggested to SN that he get the externals in to assist SN. He was trying to make the best of a bad job given that the MO and WB had already signed-off a decision to use them. SN would have had service capacity issues if he and his HR team had conducted the investigations

The CEO said he shared his concerns with the leader and left her to get political control. They were getting short shrift from the three councillors. As an example he said that SN was called down to talk to the three. When the leader walked in, she was waved out in a very dismissive way by WB. The CEO got the impression that she had lost control of the group politically. This left the CEO in a difficult position in telling WB where to stop.

At one point during the early stages of the disciplinary process the MO was talking about summary dismissal.

SN was trying to do it all properly but had his hands tied and was coming under increased pressure from the three cabinet members.

The CEO didn't understand what the modified vehicles issue had to do with the suspension. The modified vehicles issue was not helpful. They had three lots of legal advice from James Button on it. In summary, the first said that the Council could address matters whilst vehicles remained on the road, the second lot of advice led to

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them taking vehicles off the road and the third piece of advice said the vehicles could remain on the road whilst a programme of testing was initiated. The CEO has no idea how they commissioned that advice or how thorough it was as the MO led on this with his legal services team. Actions necessary following the second piece of advice led to adverse publicity for the council and LCC. With the benefit of hindsight, it would appear that this could have been avoided if the third piece of legal advice had been available sooner.

The MO had agreed to take on sorting out what was described as the licensing mess and MG was focussing on ongoing service delivery.

There didn't seem to be any sort of assessment of what constituted a crisis or how to make judgments. The CEO said people have been walked up and down hills and they had not been protected.

The CEO said that when the MO wrote to him on 14/4 about offering compensation to the mother of the 5 year old child he really began to question the MO's judgment.

After the suspensions happened, SN was getting on with sorting out the disciplinary process and provided updates for the CEO and the leader. He was heavily criticised for this by WB and was then effectively pushed into providing weekly briefings for WB and the other cabinet members involved. The HR process was going on and the CEO wouldn't expect to be involved.

The CEO wanted to mention a meeting that took place on 30/3 that he had become aware of. SN told him in advance that he had been asked to go to the meeting with WC, the MO and WB. The meeting doesn't appear in the MO's timeline. Nor is it in his electronic diary. The MO has never advised him of this meeting or what happened at it. The MO went sick after he came back from the meeting and missed that evening's council meeting, returning to work the following day. After SN described what had happened, the CEO spoke with JG from WC sometime following the meeting on 12/4 and asked what had happened. JG said that he had called the meeting because the CEO and the leader were not involved in the review and he had wanted to pull everything together. The CEO's concern was that WC brought to the meeting people who were involved in both the service review and disciplinary investigations, including the WC employee conducting the disciplinary investigations. The CEO was concerned that the 2 processes were being pulled together. He was also concerned as he understood that WB had been left with the solicitors while the officers left the room. WB had allegedly said to SN and the MO that they should close their ears. The MO said in that case they had better leave the room and WB was therefore alone with the solicitors for 20 minutes. The CEO said he hasn't pushed that but it seems problematic to him.

On 12/4 a reporter linked to Trinity News rang and said she had a copy of the interim report. Other councillors seemed to know and PF rang the CEO to ask what was going on. This was just as the meeting between WC, the leader, WB, MO and the CEO was about to start. The meeting was to give him and the leader oral feedback about the report. Prior to that meeting, he and the leader had been given no papers; the MO had not prepped either of them and neither had any prior involvement. This



Final interview notes: Mike Nuttall

was the first time the CEO and the leader had any knowledge or direct contact with anyone from WC. He and the leader were asked to comment on the report's findings without anything written being tabled. He thought this was extraordinary as well as the fact that the MO didn't make any attempt to discuss it with the CEO or the leader beforehand.

On 15/4 PF submitted to the CEO the Labour Group's formal request to call an extraordinary council meeting to debate the licensing issues and the A&E closure at the local hospital.

On 18/4 there was an article in New Day so the story had broken. There was a scramble to recover the position and reputation of the council. The CEO said at that point he was back on the case with the leader. He referred the leak to the police immediately on 19/4 because the interim report had confidential information about CPS decisions and cases.

The CEO did not tell the police who to interview. The referral has never been a secret but it wasn't advertised. The MO was aware the Police had been asked to investigate the leak of the interim report.

The leak and all the things that followed caused chaos.

The CEO said it is normal practice in local authorities for a CEO to meet with group leaders, either individually or collectively, in advance of council meetings to ensure the smooth running of the council's business.

The CEO said he wasn't prepared to comment on the allegation made by WB of a deal before the council meeting on 27/4 because he knows this is now subject to a complaint by MiG against the leader. The CEO said at this stage it would be inappropriate for him to comment.

#### Additional comments post interview

The CEO explained that after some 13 years of working with the MO he had found him to be generally an intelligent individual that enjoyed changing business processes. That said he had a tendency to be a bit of a showman, could be quite headstrong, tended to over-dramatise situations and struggled in delivering change in collaboration with other colleagues, i.e. where he didn't have direct managerial responsibility for delivering the service. The latter being the reason why the BT programme stalled in summer 2014.

On the afternoon of the 25/4 the CEO attended an informal gathering of Cabinet in support of the Leader. It was one of two such meetings held in preparation for the extraordinary council meeting on 27/4, the second meeting being held the following afternoon on 26/4. At the meeting on 25/4 the CEO shared the general feedback he had received about the leaked interim report from appropriately qualified and experienced third parties that had been engaged in supporting the council over the previous few days. He said it had been described as a very poor and unbalanced report. The CEO also said that this was a highly unusual situation as he had been

Final interview notes: Mike Nuttall

prevented from using the collective knowledge, experience and skills of SMT to resolve the issues in taxi licensing whilst the service review had been carried out over the last few months. He failed to understand why SMT had been prevented from working on this issue as a team in the normal way. Equally he didn't understand why SMT and Cabinet had not been working collectively on the issues, again as would have been normal. CM commented that she thought everyone understood why this was the case. The CEO said if others did he certainly didn't. Although there was clearly an opportunity to do so, no further explanation or comment on this particular point was made in the meeting by CM or others present.

Alison Lowton

3<sup>rd</sup> August 2016

Amended 28<sup>th</sup> August

Signed as an accurate record by Mike Nuttall .....

Dated...31 August 2016.

Final notes of interview – Councillor Peter Mullineaux

Final Interview Notes - Councillor Peter Mullineaux

Telephone interview 3rd August 2016

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It was for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

I gave PM a brief overview of my experience.

I explained that I would take notes and then write up a non verbatim transcript which I would send to him for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents. If there were things he wanted to keep confidential he needed to let me know either during the interview or when he approves the notes.

PM had no questions prior to the interview starting.

PM had been a councillor for SRBC since 2003. He had also been a county and parish councillor. He was deputy leader for 4 years until last year and has just been elected as leader. He has a lot of experience on the campaigning side for elections.

He has sat on a lot of committees including planning and scrutiny. He has also been the portfolio holder for a range of portfolios.

He had plenty of training over the years especially at SRBC. Training for planning was mandatory but there was a range of other training as well. Wherever possible, the council will provide what's wanted and also offers one hour sessions on particular subjects. They also encourage members to go on external training. He thinks that SRBC is good from the training point of view. He has had safeguarding training recently and in the past. He said it was everyone's duty to be aware of things happening.

He has never been a member of GLC committee but has experience of licensing.

He said that he had no concerns about licensing until the MO highlighted the potential problems. He recalls a report from the MO coming to a meeting which highlighted the potential problems. He agreed that this was likely to have been 10/11. The leader was about to go on holiday at the time. There was a concern about the position of the leader if there was going to be an investigation. Most of those at the meeting thought an external investigation was better. If it was internal there might have been concerns about a lack of independence. An external investigation was more open and transparent.

Final notes of interview – Councillor Peter Mullineaux

They agreed that the leader, the portfolio holder and the CEO should be excluded. The leader did not particularly like it because she wanted to head up the investigation. PM said that as far as he was concerned it was a case of protecting them as well as being open and transparent. If they were to be implicated in any way it was better that they weren't part of it.

He agreed there was no record of the decision but confirmed that they were excluded from anything to do with the investigation.

PM said that he thought it was a report from the MO rather than a formal MO report. The MO was highlighting a problem and they took his advice.

He can't recollect the CEO saying anything but he very much doubts that he was happy about being excluded. PM said to be fair, none of those excluded were happy but the rest of the cabinet thought it was in everyone's interest.

PM said he was not at the meeting the next day with PF.

PM did not go to the meeting with WC on 18/11. He said what tended to happen with him and CH was that they had quite a lot of other things to do and couldn't get to many of the meetings so they left it up to the other three. He was not really involved in briefing WC or in information giving to them. He was quite happy with the direction though. It was a case of finding someone experienced in the field and to get things moving. Once they had started going down that line he was happy it was being dealt with.

The interim report highlighted a number of things that needed to be addressed and they were taken on board and actioned.

He said the leak caused all kinds of problems. The interim report was never intended for public consumption. It mentioned possible disciplinaries and two licensing offices were subsequently suspended. He can't recall a discussion around disciplinaries on 12/12. The report had highlighted potential problems so it made them more keen to take action. He does recall WB saying that he had instructed the CEO to take disciplinary action but he doesn't remember seeing an e mail.

He received a copy of the interim report on 22/12 and there was a meeting on 23/12. He appreciates that there is nothing formal or anything written down. With hindsight, this should have been done but they were being told that there were possible serious consequences about making it public.

About mid January the two licensing officers were suspended due to the findings in the interim report and remembers the MO saying that record keeping was not good and that they had brought people in to sort out the files.

He recollects getting weekly updates from SN but they were not that informative – just basic information about where they had got to. He didn't have a meeting on 10/2 in his diary (which was a meeting with SN after which it was agreed that he would send weekly updates) although there was a formal cabinet meeting that day.

Final notes of interview – Councillor Peter Mullineaux

For most of the time once the external investigation had started, WB led on that and tasked to identify the funding required to cover the cost.

PM has no idea why he wasn't interviewed by WC. He had no contact with WC at all. If there had been a problem he would have expected it to be highlighted. As it wasn't he assumed it was all going smoothly.

In terms of the leak, he thinks the situation was blown up out of all proportion. The papers made a lot of it. Certain councillors also made a lot of it and were not helping SRBC. The report was never meant to be sent out. The leak was the start of scrutiny all the time. He felt that if you took a breath it would be reported.

He has no idea why the report was leaked or why it was leaked when it was. It was obviously done deliberately to kick up a storm and it did. He said it was beyond him why someone would want to do that.

He thought the press handling by the Council was ok. They have good press officers and if they thought the council ought to take a particular route, then he would go along with it. He didn't think they did a bad job.

The PF attack at the council meeting on 27/4 came out of the blue. It just surprised everyone. The 3 cabinet members who were attacked felt that the leader should have supported them. As it happened she didn't. PM believes she had been advised not to react, though he doesn't know who by. She felt it was better not to react and address the issues in a different way. But the three cabinet members felt they had been hung out to dry by not being supported. She was saying the advice was not to jump in but under the circumstances must have found it difficult not to.

His view of the final report is that the same people produced it as produced the interim report so for him, the final report is final. Whatever was said at the interim stage about the report should be taken into account in the final version and it's the final report that matters.

That made clear that they were certainly not a Rotherham. That had been their original concern. And if they had been they would certainly have needed to jump on it. The final report highlights that there had been problems but they had been addressed. The problems weren't major and they had been sorted out.

The Chair of the LCSB (Jane Booth) came to a training session on CSE and she said that she had looked into it from a South Ribble point of view. There might have been problems but there was nothing like the Rotherham situation. That gave him confidence. There's always a risk but it was a relief to hear her say that.

Final notes of interview – Councillor Peter Mullineaux

It was fortunate that there were no major problems and so he was happy to hear that but the publicity has been terrible and it's been a nightmare for everyone concern.

Alison Lowton

3<sup>rd</sup> August 2016

Signed as an accurate record by Councillor Mullineaux.....

Dated.....12 August 2016 .....

## NOTE OF EXPLANATION – MONITORING OFFICER’S INTERVIEW

Attached to this are two documents. The MO declined to comment or correct the notes of his interview and instead, provided a submission. It seemed appropriate to present both documents to the Task Group, given that all other witnesses were able to agree and sign their notes of interview.

Every person interviewed was told that I would take notes and produce a non verbatim version of the interview. In addition, several of those interviewed, including the MO, wanted to record their interview. I agreed to this and, contrary to my usual practice, I recorded those interviews as well. After the interview I sent draft notes to each individual and asked them for comments and corrections. This was to ensure factual accuracy and also to ensure that the notes correctly reflected the interview. Everyone interviewed corrected the notes to some degree and in each case, except for the MO, I was able to agree a final version.

In his submission the MO suggests that he was unfit to be interviewed. I ought to make it clear that at no point before, during or after the interview did the MO suggest that this was the case. After the interview the MO said by e mail that he had mistakenly deleted the recording he had made but did not say that he thought he had been unfit at the time.

In his submission the MO says the following:

*[the transcript] paints a misleading picture as it appears only to quote partially from the interview, with quotes designed to portray me in a negative light, I had not been given advance notice of questions so could not refer to relevant documentation or recall specific dates, and my state of health was such and continues to be such that I do not believe I was properly capable of giving a full interview which covered all relevant issues.*

I have to the best of my ability provided an accurate version of the interview. There would be no good reason for me, professionally, to do otherwise. No other witness had advance notice of the questions but the ambit of the terms of reference were clear and the MO had three weeks’ notice of his interview to ascertain documents and dates. Furthermore, I said, as I said to everyone, that if he thought of anything else after the interview he should let me know.

Alison Lowton

7<sup>th</sup> September 2016

Interview Notes – Ian Parker. Unapproved

Interview notes - Ian Parker, Director of Corporate Governance & Business Transformation (Monitoring Officer)

21 July 2016

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It is for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

The MO wanted to record the interview which I agreed to and explained that I would be recording it as well if he agreed, which he did.

I gave the MO some brief background on my experience.

I explained that, as well as recording it, I would take notes and then write up a non verbatim transcript which I would send to him in draft for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents. I explained that I would not usually put these in the public domain but in the circumstances it was likely they would be made public. I said he needed to tell me if there was anything that should not be in the public domain.

The MO had no questions for me prior to the interview. He said he had got the distinct impression that he might have done the right thing but in the wrong way.

I first asked the MO for some background about his experience and roles.

He had been a senior manager in the Civil Service and in the policy arena. He had worked to the Parliamentary Accounts Committee and had been trained in policy by Tony Benn.

He had worked for SRBC for 15 years. He had initially turned down being the MO when it was offered to him but when he was told it was this or nothing he had no choice. He has no legal background but does have a background in investigations. His background is project management in the main.

He said that his concerns about licensing all started a long time ago. As a senior manager he might not have the technical knowledge of a service but he could tell when he walked onto a section whether a team was working well or not. He said that the licensing service just didn't seem right to him. He couldn't put his finger on it. This was in the summer of 2014. At around that time the CEO had asked him to step away from licensing as he was adding more heat than light. He said he was probably a pain in the neck questioning things. At the time, the MO did not think there was anything like as serious as they subsequently found.

The MO said he had kept his portfolio holder up to date with his concerns.



The MO said the licensing service was 'belligerent'. He explained that the officers were not co-operative. If you asked them a question, they would take it out of all proportion. He had no responsibility for the service; he was just being nosey. But he explained that his involvement with licensing came because part of his directorate includes Gateway and his Gateway officers were complaining about licensing all the time. The Gateway officers were trying to separate out the application process from the adjudication process. This was something they were trying to do across a range of services.

The MO said that no service liked moving to Gateway but licensing were the worst. He said that part of what they had to do was for the IT service to write scripts for call answering. When they had an IT refresh, Licensing officers would not co-operate and said they wouldn't use Gateway. The MO said he didn't understand why people wouldn't embrace something which delivered savings with no job loss.

Such was the level of belligerence and he had been told to stay away by the CEO. He told the MO to let the IT and licensing officer sort it out as they had the expertise.

The MO said the problems carried on for months.

This drifted into 2015. At an SMT away day, he introduced the concept of having all applications on line so that customers could either self serve or get assisted by the Gateway service. He said this was going nowhere. If you looked at the IT change requests there are pages and pages of utter intransigence.

He said that at the time he couldn't understand what this was about but looking back he realises that this wasn't a request to move from LALPAC to A.N.Other system; they simply weren't using LALPAC and that was part of the big problem.

The MO said that he had been receiving complaints from Gateway officers for some time about, for example, that there were no DBS certificates in place. He found this hard to believe. It was happening more and more and was only opened up because of the Gateway process.

He said he had reported to the CEO that he had concerns that some drivers were being approved without appropriate documentation. He said he had not made a specific reference to DBS checks. He said he reported these concerns in early to mid 2015. He didn't know the scale of the problem. It was all wrapped up in the fog of how they were going to move the licensing service forward.

The MO said he had seen the council's safeguarding policy. In terms of his understanding of safeguarding issues, the MO said that he recently went on safeguarding training – a few weeks ago. He said he did not recall having safeguarding training some time ago. He said at the time he did not see it as a safeguarding issue. He said he had told SN about problems in licensing but not as safeguarding concerns. He agreed that it was likely that no-one told the safeguarding lead throughout this process.

The MO said that eventually he and the CEO met in June/July 2015 (probably 23<sup>rd</sup> July) in a scheduled 1:1 meeting when the MO said he told the CEO he had

concerns about missing documents. The CEO raised a concern about the GLC more generally but said he did not have concerns about the licensing officers. The MO said he got the impression from the CEO that things were being played down. The CEO stressed that he was not concerned about the officers.

The MO said that the CEO asked him to look into licensing though he wasn't specific and said that MG would be in touch.

He couldn't recall SMT discussing licensing and CSE on 14/7. He didn't remember asking for an update. He would have got the papers.

He found out later about the CSE training for GLC on 21<sup>st</sup> July. He didn't find out about the concerns about GLC members at that meeting until the meeting on 3<sup>rd</sup> August. He didn't recall the e mail from WB (which forwarded his email exchange with the CEO after the GLC meeting).

The MO said that the meeting with MG on 3/8 was the meeting that first spooked him. It was him, MG, Dave Whelan and Jennifer Mullen (JM). The MO said that they were discussing throw away comments made by GLC members. He said that at one point JM said that the members came out with daft decisions at times such as over age taxis. He asked whether that was it and she said 'except for the CSE case'. The MO said that no-one re-acted. He said he was the only one that was spooked by that. He could not believe that the borough would be involved in that kind of thing. He said he waited while the discussion continued for another 30 minutes. He said that he then asked what JM's comment was about and it was explained to him that a taxi driver had had an inappropriate sexualised conversation with a vulnerable sixteen year old girl. The GLC had made inappropriate comments and re-instated the license. The MO said he was naively gob smacked by it. He said he was thinking they could change the decision. He told the meeting that he would look into it and MG said 'I think you will be asked to look into it'.

The MO said that is what he did. It was fact finding. He contacted Brian Thompson (BT) who was the benefit fraud investigator and asked him to look at the papers and files. BT discovered that no investigation had been done; there was a lack of notes; a lack of anything in licensing IT notes and a lack of investigatory notes. They uncovered that the council had let the 16 year old girl down.

The girl had reported it to the school teacher who had contacted the county council (LCC). LCC had called the driver in and had taken him off the list of approved drivers. He said that there had been no disclosure to SRBC and no-one had been interviewed and or done anything to safeguard children. He said he was worried about what would happen if, for example, they ought to have interviewed anyone. He said he now understood this was inappropriate. The MO said he recognised at this point he was out of his depth. He could not explain why, if he felt like this he had not asked anyone for advice. He said if he had missed anything out he would hold his hand up, that omission wasn't malicious. He was just spooked by what he had been told.

He said he had reported everything to the CEO who was similarly gob smacked. He didn't think there was a fag paper between them.

In September another taxi driver who had allegations against him in relation to a 5 year old child (which were unrelated to cabbing) had his license re-instated. On 24<sup>th</sup> September he instructed BT to immediately look into this one as well. The GLC seemed to have taken the bizarre decision to take away the Hackney license but not the private hire license. There weren't any protocols. The driver was subject to bail conditions to have no contact with 16 year olds and under. These were separate investigations. If he shouldn't have asked BT to do this, he had done it for the right reasons.

The MO said he was horrified and spooked and took this to the CEO. The CEO and the leader were both horrified. The leader said something like 'this won't be the first time'.

Following this, the CEO (or the CEO and the leader) arranged for a senior police officer to come and see them. At that meeting, the CEO referred a third historical case relating to down loading child porn. The MO said at this point he got proper twitchy for himself in respect of his role as MO. He wondered at what point does someone ask what the MO is doing about it.

He said he did not know that internal audit were also looking at the service. He might have been part of agreeing the audit plan but didn't know at that time.

He said he couldn't believe how things had slipped through the net. He had lots of conversations with the leader and the CEO about it. The level of belligerence still existed around the licensing service. He still had no confidence in the licenses they had issued because there weren't documents in place. Whatever they were doing about serious cases they were not doing a good job notwithstanding the comments of GLC members.

The MO said that he told the CEO and the leader that he was doing a report. He said in part he was back covering. He said that in early October he had asked the leader what she wanted him to do with the report. He wasn't pressing for it to be done straight away. She had suggested taking it to the meeting of the cabinet on 10<sup>th</sup> November. The report was a plea really from the MO. He was more than a bit spooked. He said he couldn't stick his nose into the licensing service and look at it properly. He said it was not so easy despite being the MO. He said that, for example, when he asked BT to take a look at the 5 year old case, the staff had said he couldn't and if he did they would take out a grievance against the MO.

He said he had not called his report a s5 report because at that point he had not even heard of s5. He became MO two years ago. He said he had not looked at the responsibilities of the MO after he was appointed. He said he was battered from day 1. He had received the whole of one person's directorate and half of another directorate. He had made his concerns clear from day1 about needing extra resources because he could not manage. He had 9-10 direct reports at service level, not head of service level, so 54 weeks a year someone would be off and he had to

cover. He said he had been on one MO course off his own bat to try and get up to speed. He did not have a development plan. He had no training plan. He had asked his head of legal for advice on the role of the MO and he had been told it was to deal with complaints about councillors and there weren't many of those.

The MO explained that the reference to s5 was introduced when they met with WC. References to the MO responsibilities in the report had been researched through Google etc.

The MO explained that both MG and JM had seen the report. He thinks they were ok with it. JM had underlined on a number of occasions that she was the whistleblower. The MO said he wanted to cover his back.

The MO agreed that he had gone to great lengths to ensure hand delivery. He could no longer recollect whether he had intended it to be confidential. He just wanted the cabinet to understand. At the meeting on 10/11, the other members of SMT had left. He thought the leader had asked them to go though he thought he might be wrong. He recognised that this meant the responsible chief officer and the safeguarding lead left.

He agreed it was an informal meeting. Now he has been made aware that it should have been done differently. He understands that he has responsibility for the constitution. He said he was a round peg in a square hole. It did not occur to him to get advice.

The meeting agreed the recommendations. It was WB who suggested an external investigation in order to do it as transparently as possible. The MO had no prior knowledge of this. WB had also suggested excluding the leader, portfolio holder and CEO. The MO said he was ambushed by this.

The CEO was asked to leave. He said he wouldn't and the MO said he saw no reason why he should. He said it was like a whirlwind. He had not been expecting an external investigation.

Councillor P Smith (PS) had thanked him for the report. WB seemed to be leading the discussion but others were chipping in. The MO said he could not recall WB speaking to him about licensing before the meeting. He said he did not query the appointment of external investigators. The leader and portfolio holder said they were happy to stand aside as did the CEO. He said he could understand excluding the leader and portfolio holder but not the CEO. He said he didn't query these decisions. The exclusions were voluntary.

The MO said there was no note of the meeting or a record of the decision. He referred to the delegated decision which had been drawn up on his behalf. He accepted that decision was about spend.

I said I was puzzled about him not taking advice and the informality about what happened. He said he was trying to get cover and that if he was poking his nose in he wouldn't get a grievance against him. He wanted to get it on the record and tell more people.

He had heard nothing about CSE in the borough. He said at the time he couldn't give a definition. He said it was abuse of some kind. He was, at the time, unaware that there was a statutory definition.

He said the report was a cry for help.

He said there was a clamour for an ultra fast and urgent investigation. He did not know who to approach. The only person he had ever heard of was Paul Hoey so the MO rang him and asked if he could help. Time was not on his side. The CEO had said that he did not want anyone from Lancashire appointed even though he was excluded from the process. The CEO approached the MO and said he did not want this getting out in Lancashire. . Paul Hoey recommended WC who were based in Grimsby. He told the CEO.

He said he was not clear what standing aside meant in relation to the CEO and the leader. He said he could understand if they wanted to exclude the portfolio holder from influencing the investigation, although he agreed that it was then inconsistent not to exclude the chief officer. He said he kept the CEO fully briefed and informed throughout.

On the 18<sup>th</sup> November he had met WC with WB, CM and MiG. He had made it clear he did not know these people. They claimed good credentials and had undertaken previous investigations in respect of high profile people. They seemed credible. He didn't look for anyone else. It would have been difficult to go through a procurement thing because of the CEO's restriction.

He agreed that the delegated spend decision was made on 25/11 but the costings were not sent until 27/11. The MO said that at the meeting with WC, they had said that the cost would be in the range of 20k-25k. In the meeting WB was trying to negotiate figures and there was a point where he was asked to leave the room and the MO expressed concerns about this. The MO didn't negotiate costs.

He said that delegated decisions are normally made public. He didn't know why this one wasn't made public. He accepted that there were no access to information grounds, just a confidential watermark. He said he did not profess to be the perfect MO. If he had done things counter to the constitution he was concentrating on a very serious issue. He did know about access to information.

He said that WB as portfolio holder for finance had suggested the MO speak to the Head of Shared Finance to check the budget situation and he said that she had made budgetary provision. It was a whirlwind. The meeting on 10/11 was a shocker.

He said he might have drawn up the terms of reference, he couldn't remember. He thought the cabinet was involved. He said that WC had identified the list of people to be interviewed. They would have known because he had already had conversations with them. He said he might have added people.

He had no recollection of the informal cabinet meeting on 24/11. He thought it must have been for an update.

WB had asked to see the IA report and on the basis of advice from GB the MO had told him he couldn't before Governance Committee saw it.

WC raised the issue of missing DBS checks on 3<sup>rd</sup> December. The MO said that had it not gone externally that would have been an area he looked at. They had concluded that some were missing.

He said there was a lot of shenanigans at the time. He presumed that as a result of the IA report, there were a lot of people on the licensing floor looking at papers. He said that the CEO remarked that he saw Trudy Quinn (who works at Moss side depot on street scene services) shaking her head in disbelief. People were dragged in to help from all over the place. He thought it looked terrible.

On the 7<sup>th</sup> December, WC gave them a verbal update. He had no note of the meeting, although the WC report says they have a minute. They had copies of the interim report on green paper which they were given to read. They were interim type findings. He said the findings were not dissimilar to those in his report.

The appointment of external investigators couldn't wait for the two weeks it might take to get other quotes because of the urgency so that was why CSOs were waived. The MO made no comment about the fact that the CSOs say that waivers can't be back dated.

The MO said he could not specifically remember the informal cabinet meeting on 12/12. He had no recall of it. He did not think he had any discussions about the disciplinary process. He did not recall being there even though he and WB had signed the CSO waiver on the same day (which was a Saturday). He said he didn't know what information they had in front of them to make any decisions.

He said he did not know about WB's e mail to the CEO on 15/12 instructing the CEO to take disciplinary action. If he had known, it wouldn't have surprised him. It was a little bit rude and it was bang out of order. He said WB could not instruct the CEO about anything. He made no reference to the Officer Employment Rules.

The MO said he had a meeting with the CEO who said that they needed to discuss what was emerging. That was around the time of the receipt of the report. The MO said it was either about the things they were uncovering or around the report. The discussion was about whether there was a prima facie case for disciplinaries. SN was involved. All the decisions about disciplinaries were taken by HR. He did go to group rooms about the time staff were suspended to ask them to keep their counsel but otherwise he kept away.

He received the report on 22/12. He issued it to Cabinet members in hard copy form in envelopes. He e mailed it to the CEO and later to SN.

The cabinet met informally on 23/12 with the MO to go through the report. He was expecting it to be a page turner but they were a bit rushed and couldn't wait to leave. They agreed all the recommendations in the report. But by the time the report came in, they had acted on the recommendations as they went along. He was trying to fix things that he thought were broken.

He had e mailed the CEO to say the report had been delivered. He was happy to go through it with him even though he had been stood aside. They had a brief conversation while they were in over Christmas because of the flooding. The MO said he went through the report with the CEO later on in January. There was nothing in it that was a surprise. The CEO was as horrified as he was. The MO was quite pleased with the way they were working.

The leader asked him if she was still stood aside when she returned from leave in the New Year. He had told her as far as he was concerned she was not and she should take that up with her group. The only person he didn't keep informed was PS.

WB has a forthright manner and he could see no reason why the leader could not be kept informed. It was another pressure he could do without.

He had prepared comms with WB in January on the basis if anything broke they would be ready. He thought this was good practice. He had received comms advice from Dave Holland. He has recently left.

He said he thought the IA report came up with different but similar things.

He e mailed WB on the disciplinary process on 7/2 and referred to needing to discuss Plan C. Plan A was that the CEO had been asked to get in resources if disciplinary action happened. That didn't materialise. So he ended up taking two resources out of Gateway and putting them into the licensing service. There were no agency staff. The CEO seemed very reluctant to use Lancashire. He got an interim licensing officer (Charles Goodwill). That was Plan B. That at best was only an interim solution. So Plan C was what next.

The CEO's mantra in January was for the MO to fix the mess, for SN to do the disciplinaries and for MG to run the service. But he was trying to fix the mess and provide resources for the operational side. He felt this was a double whammy.

He could not remember anything about the informal cabinet meeting on 23/3. The e mail heading, Tanner was the code name he gave for this project. Historically he always named projects.

On 30/3 there was a meeting with WB, WC and SN in Burnley. That was kind of getting to a meeting of minds. He was desperate by that time to get the final report out. By the end of January/February most of the mess had been sorted out. They had good assistance from taxi drivers. On the records he was concerned that there was a gap between the expiry of one DBS and the start of another but the records showed no gap. There was no note to explain so you couldn't be certain that the license during that period was correct. They had been fixing that. He was under a lot of pressure to get the report out.

They had kept the information confidential because of the impending appeal in respect of the 5 year old so as not to compromise the court case. Once the appeal was withdrawn he was less concerned about publication compromising the appeal. He also had to be certain that the report would not compromise the disciplinaries.

So WC had called the 30/3 meeting for a meeting of minds. He remembered asking whether they could issue a report without reference to any disciplinary. The report that came out made no mention of disciplinaries ironically.

He said that he has a hard copy of the bullet points WC went through with him, the leader and the CEO with WB on 12/4. He was sat with them when the e mail came through about the leak. The issues were quite comprehensive. WC were going through the bullet points when the news came through and he just felt sick.

On 8/4 the MO had sent an e mail saying the service was working well. WB said there were structural failings on 12/4 after the meeting with WC. This was not contradictory but was describing different things. What stuck in the MO's mind was that MG was put into an impossible position. He hadn't been trained. He hadn't been provided with a training plan, key work objectives or support. The MO said that was how he felt about his own position. Omissions in this process were not done out of malice or laziness.

He thought there was a change in tone in the WC report. In the 12/4 meeting, WC said 'your corporate plan talks more about dog poo than about safeguarding'. It is easier to see this in hindsight. It felt like there were cases coming out of the woodwork talking about public protection. The number of cases that didn't have the right documentation had not got out in the public domain. The records were appalling and the Council 'got lucky that the wheels didn't come off'. The tone before that was far more like his own report and the interim report that talked about service failings. By this meeting WC were talking about structural failings.

He remembers saying to the CEO that a service can go wrong but sometimes you have to understand why it has happened because what has gone wrong is so serious. He felt the tone of the final report had changed from what they were told in the 12/4 meeting. He said he couldn't comment on why that same tone had not come out of the final report. He said he was surprised at the final report which he thought was beige. The big issues were not highlighted and he does not think that the report reflects the scale of what they had found.

As soon as he knew there was a leak, he thought he would be called in and asked to pack his bags. He said he did not sleep for four weeks after the leak happened. At the time of the leak he was having conversations with the mother of the five year old. He felt sick about it. They had advance warning of the leak. It was out there but hadn't been published. He was told by the CEO. The organisation seemed to take the view 'lets hope it goes away'.

His view was that they had fixed the problems and should say so. His original comms plan was not used because he was booted out soon after the leak.

He has no ideas about the leak. He had provided information at the time about information which might help catch the culprit. Every time he came across any information he passed it on to the CEO.

He did not know why the report was leaked when it was. He told the police he did not know when it was leaked. When the court case fell, suddenly it got leaked.



When he referred to the page turning exercise on the report on 23/12, CH couldn't wait to get out of the room on a prior engagement or something. He doesn't think PM or CH were excluded but WB, CM and MiG were more active. CM has a very clear view about what is and isn't acceptable and that safeguarding is paramount. WB wanted to do things right. He wanted the leader and portfolio holder to step aside partly to protect them.

The MO didn't know SN was sending updates until he saw the FOIs. He was excluded from the disciplinaries.

He said that it might be true that he hadn't done everything correctly. He wanted to do the right thing for those people that had been let down. He accepts that he has done things wrong. The WDTK e mails make him feel sick. As soon as that person leaked that report he knew it was going to be a horrible situation. He does not believe that the leak was for some moral reason. He thought they had caused a problem for him which he did not really deserve.

He listened to Councillor Titherington at full council who eulogised about getting to the truth. This review is a bit processy. He had hoped someone who wanted to find out what had gone wrong in terms of scale and so on. He thought scrutiny would want to uncover everything and part of this would be how big were the issues that were uncovered. He doesn't think the WC report does that. He thinks what they uncovered was significant.

He thinks the leak was repugnant. He had been talking to the mother of the five year old and he had vowed to the best he could to sort it out. He had told her not to go to the press or put stuff on Facebook.

He said there were proper failings in that service. They were fixing it.

There were scores of licenses that people couldn't be confident in. He would have thought that despite breaking the rules it was because of the scale of the issue. Its accepted that people can break the rules if its urgent.

Licensing were not following the rules and were putting the public at risk. Any rules that he broke were trying to protect the public. Licensing had an approach which compromised public safety. Whatever rules he broke were trying to achieve public safety. He would hope that people will see his actions in that context.

He sent a draft timeline to WB which started in November with a covering e mail that said it started in August. He was not clear why the timeline started when it did. The very first time he had concerns about licensing was when he shadowed a licensing officer one evening. The licensing officer was quite show offy about what she would do in the event of a breach. They rocked up at the first pub. It was a dive. She showed her badge. She was told the licensee had left ages ago and the person in front of them said the license was with the brewery. But she didn't do anything. Pretty much the same thing happened at the next place. At one place the landlady raised issues with the gents loos which she wanted raised with the brewery. He offered to go and have a look. The smell was horrible. Someone else in there who said they were a plumber said the urinal was cracked. The landlady said the

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licensing officer needed to get on to the brewery. She said she couldn't smell much. The final place was a visit because of a complaint about odours. She did not do a proper inspection.

So when he started looking at the licensing service, he recognised the laissez faire attitude.

One of the things that came out was that licenses were issued without prejudice. He didn't know without prejudice to what. He said he could understand that, if it related to a change of address but even so it would be for a fixed period and would be reviewed. There was nothing about this on the notes.

There was nothing else he wanted to say or anything he thought I'd ask about that I hadn't.

Signed as a correct record by Ian Parker .....

Dated.....

## **SUBMISSION TO SOUTH RIBBLE SCRUTINY PANEL**

I was interviewed as part of the Council's scrutiny enquiry on 21 July. I made clear at the time that I was on medication due to stress. Although I have not heard the full transcript of the interview I believe that the record produced of the interview for the Scrutiny Panel paints a misleading picture as it appears only to quote partially from the interview, with quotes designed to portray me in a negative light, I had not been given advance notice of questions so could not refer to relevant documentation or recall specific dates, and my state of health was such and continues to be such that I do not believe I was properly capable of giving a full interview which covered all relevant issues.

I offered evidence by way of a letter from my doctor advising I was unfit to be interviewed and explained that I had inadvertently taken double dosage of my medication. The medication I was on was not suitable and has since been changed.

Having taken legal advice, I have therefore decided that, rather than seeking to amend the interview note produced, I would send a further submission to the Panel in order to help their enquiries which would set out a clear timeline and reasoning which led to the decision being taken by South Ribble to commission an independent review into its taxi licensing function.

## **THE ROLE OF THE MONITORING OFFICER**

I should start by stating that I am the Monitoring Officer for South Ribble Borough Council. This is a statutory position and means that, under the Local Government Housing Act 1989 I have a statutory responsibility to ensure that the Council, its Officers, and its Elected Councillors, maintain the highest standards of conduct in all they do. The main duties of the Monitoring Officer are set out below. The Monitoring Officer's legal basis is found in Section 5 of the Local Government and Housing Act 1989 and subsequent legislation.

A Monitoring Officer has three main roles:

1. To report on matters he/she believes are, or are likely to be, illegal or amount to maladministration.
2. To be responsible for Matters relating to the conduct of Councillors and Officers.
3. To be responsible for the operation of the Council's Constitution.

It is important to understand this when considering any actions I took leading up to the independent review of licensing. In particular I wish to focus on my role to report on matters which are, or likely to be, illegal or amount to maladministration.

The Monitoring Officer has a **duty** to write a report if he/she considers any proposal, decision, or omission made by the Council, or on behalf of the Council, is illegal or would be illegal. This is not a duty to write a report every time an allegation of illegality is made, but only if in his/her personal opinion that it did, or will occur. The duty is a personal duty, and the Monitoring Officer cannot delegate it to someone else unless he/she is ill or away, in which case the Deputy Monitoring Officer can take over the role. The Deputy Monitoring Officer will also act when the issue

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involves the Monitoring Officer him/herself, or regards some advice he/she has previously given.

This is a serious duty and it is common practice among Monitoring Officers, if they believe, the Council may be acting unlawfully, to work with the Council to try to understand the reasons why and to rectify this situation. It is usually only where the Monitoring Officer is clear that the necessary steps are not being taken that the formal reporting duty will be activated.

In order to allow the Monitoring Officer to fulfil their statutory duties the Council is required by Section 5(1)(b) of the 1989 Act to provide the Monitoring Officer with “such staff, accommodation and other resources as are, in his opinion, sufficient to allow those duties [under Sections 5 and 5A] to be performed”.

**Para 13.05 et al of the Council’s constitution reiterates these statutory requirements and transfers them into the Council’s constitution.**

## **TAXI LICENSING CONCERNS - BACKGROUND**

The principle reason why taxi drivers are required to be licensed is to ensure that the public are protected. There are a number of hobbies, pursuits, sports and jobs that if left unchecked could and would pose a risk to public safety. To that end the Taxi Licensing service must undertake a number of checks to ensure the driver is and remains a fit and proper person to be trusted with public safety. This position was summed up by the leading taxi licensing solicitor James Button who advised me on aspects of the review when he asked me whether I would be happy to have my daughter travel in a taxi alone with that person driving. It is for that reason that background checks are undertaken.

Towards the end of 2014 there were a number of murmurings about the performance of the Taxi Licensing service within the Council, both among members and officers; these were brought to my attention in my capacity as Director with responsibility for both the IT service and Gateway. I informed the CEO as well as the portfolio holder at the time, ex-councillor Phil Hamman about the concerns I had heard. The murmurings were non-specific and general and are perhaps best illustrated by way of a specific example. When the new desk top computers were being deployed, the staff within the Licensing service simply refused to have the Firmstep product installed on their PC despite this being Council policy. This was brought to my attention by the IT Manager and I reported it to the CEO.

The CEO said that the problem should be resolved between the IT Manager and the Manager of Licensing – this proved to be both protracted and frustrating to such an extent that both Mark Gaffney and I were regularly called upon to get involved.

Around the time of the last full council election, more serious issues were brought to my attention by both Gateway staff and IT – both these services were working closely with the Licensing team to develop on-line applications and supported applications (in Gateway). However I was being made aware of situations where a taxi licence was issued but records were not showing that all the necessary

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background checks (such as DBS) were completed. This was often identified by Gateway staff at the renewal stage; they would see that a licence has been held or awarded when there had clearly been a break between the expiry date of a required document and the start date of the next one. Fortunately, drivers cooperated fully and brought in the missing document – but many weeks and months might have passed by. It was fortuitous that those cases where gaps between dates existed, the new DBS etc did not expose something serious which would have invalidated the licence. These situations were resolved retrospectively.

The risk to the Council and to the public however is obvious; the driver's status might have changed and if the council was unaware of such changes and simply went ahead and renewed licenses we could have exposed the public to unknown risks. We have a legal duty to fully undertake all necessary checks prior to the issuing of a licence and were therefore not complying with our statutory duty.

I brought these concerns to the CEO at the start of the summer of 2015 and provided print outs from the LALPAC system.

In July I met formally with the CEO and reported my concerns about the issuing of licenses without the necessary background checks being done or recorded. I also raised a second concern which was specifically about the recording of information and data. The LALPAC system appeared to be haphazard and recording of information seriously lacking.

I recall that meeting in particular because the CEO asked me to investigate the GLC. I was at the time surprised as no concerns about the GLC had been previously raised and my concerns had been purely operational. I therefore asked what it was he wanted me to investigate. The CEO told me a number of concerns he had regarding the GLC and that they sometimes made poor decisions. I asked him to be more specific but he wasn't. I made a note of the meeting at the time. I asked whether I was investigating the GLC, other councillors and/or officers – the CEO stressed that I was not to investigate officers. He stressed that point. Despite asking for more detail from him he declined. I found this very odd so I made an electronic file note (date and time stamped) of the conversation and have a clear recollection.

In early August I met with Mark Gaffney, Jennifer Mullin, Dave Whelan and Martin O'Loughlin to discuss the GLC. I recall this meeting very clearly, for reasons that will become obvious. I asked about the performance of the GLC and responses included 'they can make poor decisions' 'they can say inappropriate things' 'they don't always have a proper briefing' 'papers are read out, which looks unprofessional' and we had a general discussion on these matters. Poor decisions were attributed to allowing an older car to continue as a taxi. Inappropriate language included comments about Benny Hill when discussing serious matters. The point was made by DW that the GLC can only reach a decision on the information that is put in front of them so any poor decision-making may be a result of poor papers from officers.

I asked whether the GLC had got anything badly wrong. Although the group didn't appear to have anything that was springing to mind, JM then said 'there was that CSE case'. I did not know what this referred to but the meeting continued as normal.

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I waited a good while to see if anyone wanted to add any detail to the comment JM had made, but nobody did. I was sufficiently concerned that I then asked about this CSE case and it appeared everyone else at the meeting knew about it.

It was explained to me that a driver had had an inappropriate and sexualised conversation with a vulnerable 16 year old female and a complaint had been made. Such was the inappropriateness of the conversation LCC had withdrawn his contract to transport children to and from school. The case had been referred to the GLC to see whether or not to revoke his taxi licence. The licence was not revoked. I asked whether this was a bad decision by the GLC but there was some discussion. DW repeated his assertion that the GLC can only deliberate on matters in front of them and that his understanding was that the supporting evidence was not as good as it could have been. Added to this was the fact that a Licensing Officer read out what appeared to be a reference on behalf of the driver.

I advised the meeting that I would take a look into this case (thinking here of lessons learned) and MG said that he had expected that I would which I found an odd remark. Again an electronic contemporaneous note was made of this meeting (date and time stamped).

I should say at this point that I am a qualified and experienced investigator and in the last few years retook exams to ensure my qualification is kept up to date. The council has previously made use of these skills. For example, prior to this situation the TU had asked for me to be the hearing officer on complex cases. In that case I reinstated a suspended officer who had been suspended for around a year; CMT were not best pleased with me, but the evidence did not stack up. I met with the CEO and SN more recently when two staff had been suspended due to a message being left on an answer machine; I requested they reconsider because the information I had received suggested this was a disproportionate response.

It was when I started looking into these matters that I began to have serious concerns that the Council may be acting unlawfully and that therefore as Monitoring Officer I was under a duty to investigate further and, where appropriate, report matters to the Council. In line with my statutory powers I therefore seconded Brian Thompson to support an investigation into the matters raised. His background is as an ex-police officer although he is currently employed as a qualified Benefit Fraud investigator so I believed that he would have the appropriate skills and knowledge to see whether my concerns were justified.

What he uncovered appalled me. There were no notes held on the LALPAC system and the clerical files were a mess. BT provided a full account which I shared with both the CEO and the Leader. The most disturbing element in this case was that the evidence that was available to us was not shared with the GLC; I do not know why, but evidential papers were not in the files; sometime later JM and MG brought them to my office it was obvious they felt the same way I did. There was a hand written note from the victim in the above case that said that she was afraid and added very disturbing details which I won't include here. The full details of the case are electronically recorded (date and time stamped) and available from BT should the Panel wish to see them.

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So in summary, in **July** I had met with the CEO who advised me that he thought the GLC needed looking into – but stressed my investigation should look at the role of members but not officers. He failed, however, to advise me about this specific case although I later discovered that two councillors had reported this case to him separately, in advance of my meeting with him so he must have been aware of it.

In **August** as part of that investigation I uncovered the details of the ‘CSE case’ as it was put to me, which led to enhanced concerns on my part that the Council was issuing licences inappropriately.

There were also still the two issues about licenses being issued without all background checks being done and recorded and records not being correctly maintained in LALPAC which had been my initial concerns.

Throughout BT’s investigation, I kept the Leader and CEO fully informed. Both appeared shocked with what we were finding, with the Leader adding on one occasion to me something along the lines, ‘this is how it all starts’ or words to that effect.

In **September** a run of the mill referral from Gateway to BT referred to a suspicion of benefit fraud. BT alerted me to this case as it involved a taxi driver. I asked him to take a closer look at it. There was no benefit fraud issue, but there was an outstanding case regarding a serious matter pertaining to an allegation of sexual touching of a 5 year old female by the driver. The police were investigating and he was on bail with restrictions placed to prevent him being alone with persons under 16 years. However the driver was still driving a taxi and it appeared that we had not undertaken an investigation to assess whether or not the person remained a fit and proper person to drive.

In line with my Monitoring Officer duties **I obtained specialist legal advice from James Button** on the case (who is widely seen, and Denise Johnson confirmed, was considered the leading legal authority on taxi licensing law). His advice was forthright. For whatever reason, the Licencing Officer had arranged for the withdrawal of the driver’s Hackney Carriage licence on the grounds that his bail conditions prevented him picking up a minor if they flagged him down. However, the Council had still permitted him to hold a Private Hire licence – this action was heavily criticised by James Button. Despite best endeavours, how could we be fully satisfied that being restricted to Private Hire (even with the support of the taxi firm) would prevent a situation where the driver was not left alone with a minor? An adult could hire the taxi, be accompanied by a child say of 13 and allow the child to continue the journey alone should the adult get out of the taxi part way. Plenty of observations were made about this case and the legal advice runs into pages. I recall a police officer that met with the CEO and I was also critical about this.

**I also obtained legal advice regarding the 16 year old female;** but alas and all too frustrating it transpired that because we had the evidence available to us at the time (but not included in the submission to the GLC) we could not simply go back and ask for it to be reconsidered. We could only go back to the GLC if fresh evidence came to light which would change the circumstances. That driver continues to drive. The

apparent failure to undertake an investigation to ascertain whether the driver remained a fit and proper person when the Council was first made aware of the issue resulted in an inferior report going to the GLC and an incorrect decision being reached which posed a risk to the public.

However, in the second case, things appeared even worse. Part of the justification to allow the driver to continue with Private Hire was to allow him to earn a living and to prevent the council being liable for any loss of earnings. It should be noted that if a licence is withdrawn, the driver has a right of appeal to the Magistrates Court. This is usually just a matter of weeks, maybe a few months. The financial assessment was flawed in the opinion of James Button. The decision to allow the Private Hire licence was flawed, again in the opinion of James Button.

The driver continued as a taxi driver throughout his bail; this lasted nearly a year. The fit and proper person test had not been correctly considered by the Council. The suggestion which has been made that the alleged offence occurred within a domestic situation is irrelevant. We don't, nor should we, limit ourselves in other circumstances to considering offences that are only committed whilst operating as a taxi driver – the vast majority of offences are committed outside of the employment as a taxi driver, but it is those offences, and alleged offences that Licensing Officers must take into account when assessing the fit and proper person test. It would appear that permitting continuation of a private hire licence might have allowed him to continue undertaking school runs and this posed a significant risk.

James Button also highlighted an assumption made by the Licensing Officer that the allegation was malicious following a domestic dispute with the mother. However there were no records to substantiate this assumption, either at the council or with the Police.

CPS decided not to prosecute the case. However, it is worth remembering that the CPS can drop cases for a myriad of reasons, such as concerns for vulnerability of witnesses, and that a criminal case must be prosecuted to a standard beyond reasonable doubt. The licencing or otherwise and the removal of a licence following the fit and proper person test is 51% - that is on the balance of probability. That is what the Council should have been considering.

Without an investigation completed, the driver was allowed to drive throughout his bail term. When the police dropped the charges, the Licensing Officer moved quickly to renew his licence (from memory I think this was the Hackney Licence) – MG was visibly livid as this case had been under some scrutiny for some time and MG told me that he couldn't believe this was done without him being consulted.

BT undertook a thorough investigation with legal support, which included disclosure with the police and statements from interested parties. This thorough approach allowed for a proper assessment of whether the driver fulfilled the fit and proper person test. On balance it was decided he failed and the licence was eventually withdrawn in December. This would not have happened if I had not had concerns about the initial decision and decided that the matter needed further investigation.



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The driver went on to appeal this decision which was scheduled to be heard towards the end of March. As the appeal date got closer, the appeal was withdrawn.

Throughout all of the above I kept the Leader and CEO fully informed. I continued to express concern regarding background checks and poor record keeping. The latter was further exposed when BT looked into the files of both the above cases. My serious concerns had not gone unnoticed and it was suggested that perhaps the Police might be able to help us out. This was fine for the investigatory side of things but would not address concerns regarding operational failures of background checks not being completed and recorded correctly. Nevertheless the CEO and I met with a senior ranking police officer. I was invited to summarise the two cases which I did. It was obvious that the police officer was appalled; he wanted the names and asked if they were in 'the police system' already. I did not know about the first case but he agreed to make sure the victim was safeguarded. I received an email from the police either that same day or within a couple days confirming she had been safeguarded.

The police officer was concerned that both drivers were still driving. He recognised that holding a Private Hire licence was hardly an assurance of public safety.

The CEO then surprised me by talking about a third case. At first I thought he had got the cases muddled up, but he continued. I said that I didn't know about the third case. He said he had no details about it. It turned out later to be a case of alleged downloading of child pornography. Regarding the first case that we uncovered, the police officer said that this is how things can often start with individuals. It starts at the lower end of the scale (referring to the inappropriate sexualised conversation) but things can escalate.

So to summarise events leading to this point, in **July** I had met the CEO to express my concerns and was told to investigate members but that there were no issues about officers. In **August** I was alerted to a serious case regarding inappropriate and sexualised conversations with a vulnerable female. In that case there had been no investigation, no assessment of the fit and proper person test and evidence that was available to us had not been shared with the GLC. I therefore formed a clear view at that stage that the issues went further than the GLC and that there were fundamental problems within the service which was posing a risk both to the Council and to the public. In **September** I was then alerted to a serious case of alleged touching of a 5 year old female; and again, no investigation and no assessment of the fit and proper person test had been carried out. I had already been concerned about poor record keeping and my concerns were proving justified judging by these cases. And then in **October** the CEO had informed me about a third case.

There had still been no attempt made by the Council to address the issues of poor record keeping and poor validation of background checks. By this stage I was showing the CEO more and more printouts where licences had been issued but necessary documents appeared to be missing. They remain available as evidence.

A red rated audit separately identified problems within the Licensing Service and the recommendations were used to justify officers from Moss Side depot (including apprentices) coming over to the Civic Centre to tidy up the files. I suggested to the

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CEO that this approach didn't look good, and he shared with me that he had seen TQ shaking her head in disbelief at the state of the files. I had not personally witnessed that, but made an electronic note (date and time stamped) of what I was told.

I again discussed with the Leader and CEO my concerns in my role as Monitoring Officer and an informal **discussion** with members was suggested; I wrote to the CEO to record that agreement but in the end it was decided that I write a short pragmatic report to be considered by the relevant Portfolio Holder in light of safeguarding concerns. This was **not** a formal s5 Monitoring Officer report but I viewed it as a preliminary step in raising my concerns that the Council may be acting unlawfully and seeking the views of relevant senior members on what steps we should be authorised to take to rectify the situation.

I was asked by the Leader to bring this to an informal cabinet meeting of the 4<sup>th</sup> November, which was in fact cancelled and rescheduled to the 10<sup>th</sup>. **By now months and months** had gone by and whilst people were a little fixated with the serious, higher profile cases, it was the routine, run of the mill operational issues that appeared more numerous and systemic.

At the end of the informal cabinet meeting my report was considered. I was thanked by everyone for bringing it – Cllr P Smith was the first to speak and welcome the report saying he had had concerns about the service for years. It was suggested and agreed that I should be afforded external support to undertake a thorough review of the service as the matters were of sufficient concern that the council needed to be satisfied by independent experts how the concerns could be addressed and how council decision-making could be made to comply with legal requirements. This was unexpected; I had not asked for or enquired about external support, but there was clearly an appetite to utilise external support and the following reasons were offered up. That it would bring a greater transparency, openness and integrity. The Leader was due to leave on holiday and the cabinet agreed that Cllr Bennett would be the cabinet lead on this matter.

I was surprised that the Leader and the CEO were asked by the cabinet to stand aside from the investigation together with the Licensing Portfolio holder. Reasons were given citing that the Leader is the spouse of the portfolio holder. I later understood that the reasons for the CEO being asked to stand aside included protection for me in fulfilling my statutory duties. I have since been told that there is an allegation against the CEO in that he tried to dispose of the Monitoring Officer in May / June 2015 – I understand formal complaints have been submitted, but I was unaware of that at the time and have no idea where the complaint(s)/investigation is up to.

Throughout the prevailing months, I had taken soundings and advice from many quarters. **I had discussed both formally and informally my concerns with the council's solicitor, the Independent Person, Democratic Services Manager and I had also spoken to Paul Hoey of Hoey Ainscough Associates Ltd** (a company specialising in standards and governance run by ex-employees of standards for England who run tailored courses for Monitoring Officers – I had met with them on a

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couple of courses I attended with DW and Tasneem Safdar) **On specific and technical licensing matters I had also consulted with James Button.**

Earlier and ongoing discussions had proved useful when I moved to bring in external investigators. Given the seriousness of the concerns, cabinet requested me to start the formal investigation as soon as possible and DW was in a position to prepare a waiver on my behalf and MO'L was able to prepare the delegated decision. I have subsequently asked both of them to revisit their paperwork to check it complies with our constitution and standing orders. Both have responded in writing that they are satisfied they do.

MO'L added that the reason the delegated decision was not published, as would be usual practice, is because it had potential staffing implications. Delegated decisions of that nature do not get published by the council.

I have also taken the opportunity to recheck with them as to whether at any stage in discussions leading up to the monitoring officer's report to the informal cabinet meeting, they considered it to be a statutory section 5 report; both confirmed it was not.

Concerns have been expressed about meetings that have been held but minutes not taken. I have checked with MO'L who again confirms that as this was a delegated decision there is no need to have meetings and no need to draft formal minutes. It would be appropriate to have ongoing and continued dialogue with the portfolio holder (Cllr Bennett) and at his request he could ask for a wider update to colleagues. This happened; I simply provided an update as and when asked to do so. However from around the end of January/early February the licensing service had been overhauled and the updates were infrequent, in writing and brief. The reason for not going public on the matters under investigation was that we still had the Appeal by the driver in one of the cases above that was due at the end of March and a disciplinary investigation against certain officers had been instigated – this investigation was outside of my control and led by Steve Nugent.

The external appointment was made shortly after the informal cabinet meeting. Prior to settling upon Wilkin Chapman llp to carry out the investigation I had **first contacted the LGA** to see if they were able to assist the Council. I phoned on a number of occasions but the persons I spoke with said they were unable to help with this type of investigation. The Siemens telephone exchange will have the details of the calls I made and when I made them. I also contacted Hoey Ainscough Associates but they too were not in a position to help but suggested that I contact Wilkin Chapman.

Finding who to appoint was not straightforward. The CEO had told me not to recruit from within Lancashire because of sensitivities so the normal procurement rules were not being observed both in terms of tendering and having an open field. However, I have checked this point (and did so at the time) and the nature and urgency was such that the council's solicitor was satisfied with the approach and duly drafted the waiver for me.

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WC undertook their investigation using ex-police officers of significant rank. I met with them and spoke with them frequently. At times I was joined in meetings by Cllr Bennett, which given the situation was not unusual. I have had councillors present with meetings with various providers over the years.

The Interim Report exposed a number of apparent failings. I have to say that it identified similar issues I already had concerns about. It is worth bearing in mind my concerns were raised many months previously and the organisation had done little to address them. There were some additional surprises however; for example, the report said that management checks were pretty much non-existent and the manager was not even registered on LALPAC.

In December the CEO was asked to prepare plan B (as it was referred to) in case staff went absent from work. Plan B was to arrange for additional resources to be available in the event of staff being absent for whatever reason.

In January staff had been suspended in the light of the interim report, but the CEO had not done anything to support plan B. The CEO had instructed me to see what I could do to find temporary staff. I asked why we couldn't simply ask Chorley or Preston to lend us some staff but, it seemed he was reluctant to do this (I got the impression he did not want colleagues in Lancashire to know of the issues).

Again, in my role as Monitoring Officer with concern to ensure the Council was meeting its statutory obligations, it fell to me to organise plan B. I seconded two staff from Gateway. These officers did not go through any formal recruitment process; like the procurement of external resources (WC) the matter was considered urgent. The CEO was pleased with the recruitment and then (by luck more than by judgement) I was also put onto a retired licencing officer who agreed to work for the council.

Despite the CEO having been stood aside, I kept him fully informed throughout. I even offered him a meeting with WC but this was not taken up – electronic record made (date and time stamped). The CEO needed to be informed because he is also the S151 officer and there were therefore wider issues he needed to be aware of. For example, if the council issued a licence without all the necessary background checks being in place, then it might invalidate any insurance. If the police checked a taxi licence following an accident, they would most likely accept it as being bona fide; however, in the event of a serious life changing accident that might incur costs that can run into hundreds of thousands or even millions of pounds, and insurance investigators would be far more thorough. This could expose the council to serious financial liabilities. This is also a data issue and the CEO who is also the SIRO would have a direct interest in data being recorded accurately by the council.

## **THE LEAKED REPORT**

Unusually we were informed about the leak prior to it being published. It was the CEO who alerted me to the leak, but also one of the families had informed me about a journalist looking to run a story. This information was shared right away with the CEO by email. I was in regular, almost daily contact with this family as I thought the council owed them a duty of care and reported any relevant events as and when they occurred to reassure them that the council was taking their concerns seriously.

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The issue regarding the appeal against withdrawal of the taxi licence was no longer relevant at this point because the appeal had been withdrawn. I had liaised with our legal team to ensure the withdrawal was correctly registered with the courts and put in writing to ourselves. On that basis we decided we would not go for costs.

So with the appeal no longer a live issue, we were in a position to share what had been uncovered by the investigation. This was that, since the informal cabinet meeting on 10<sup>th</sup> November, the council had moved quickly to investigate the service in order to assess whether or not there were problems and if so to gauge the scale of the issues. The interim report had raised concerns and a meeting had taken place between the CEO, SN and me. As a result HR had duly moved to suspend the staff and the Monitoring Officer was tasked by the CEO with 'dealing with the mess'. In line with statutory powers I had seconded staff, recruited external staff and commandeered accommodation (within the audit department) in order to help me fulfil my Monitoring Officer role. Para 13:05 applied – Section 5(1)(b) of the 1989 Act ... such staff (recruited externally and seconded internally) accommodation (commandeered quarters within the Audit Room) and other resources (WC).

From early January the seconded and newly recruited external staff had concentrated on sorting out cases identified as having issues that needed reviewing. Other cases arose as their work progressed. All cases were reviewed and corrective action taken as necessary (full chronicles of what was found and what actions taken to rectify it were recorded and are available as evidence). By the end of January/ early February the service was transformed. Essentially the service had moved to day to day normal activity. Additional support was provided by the CEO, with two officers working part time (I think it was one day per week). I understand one of those officers identified additional financial issues but by this time my role was largely over, except for the ongoing appeal.

I have an electronic record (date and time stamped) that shows SN's opinion of what was being uncovered. SN had spoken with everyone (Charles Goodwill, Steph Fairbrother, Chris Ward and Dave Lowe from Preston) all of whom expressed the view that the service was a mess. I had a conversation with CG and asked him a general question; having taken everything into account, without being fancy or technical, how would you assess the service when you first arrived..? His response was a single word beginning with 's'.

So in light of this, in advance of the leak, we could have moved to share the findings of the investigation and shown how those issues had been reviewed and corrected – the message could have been that we had identified a number of issues (I don't think anyone is continuing to suggest this was simply a blip any longer??) but that the whole service had been investigated, problems addressed and additional measures put in place to ensure public safety and public confidence going forward. This approach would have killed the impact that the drip, drip, drip effect of information sharing had. Failure to do this by the council meant the media had a field-day.

Usually an external investigation is only commissioned following a disastrous or catastrophic event. The proactive approach taken by the council to commission an investigation when first presented with concerns avoided such an event taking place.

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The service issues licenses for a reason – to ensure public safety. That public safety is compromised if the proper checks are not done correctly. The knock-on effects are extremely serious. If word gets out that the council doesn't complete all its background checks correctly (and even the final – revised – reports states this) then unscrupulous people might attempt to exploit this.

With advance notice of the leak, we could have shared the full facts – they would eventually come out anyway. I don't expect any service to be 100% perfect, but would we be happy, or more importantly, would the public be content with a ratio of 1:50 licenses being issued incorrectly? 1:30 or 1:20 – what would be acceptable or unacceptable? I have been informed what the ratio is and I'm told it is worse than the figures above.

Any leak is damaging and I wish we had moved to check all the security issues to identify the culprit. However, the message could have been hugely different from what was portrayed by the media. We could have been specific in all aspects. We could have told the complete truth. We could have been on the front, rather than the back-foot.

I recall the 'narrative' at the time. People saying they didn't know what had been going on. People suggesting they were not kept informed. There is a specialist IT (fraud) system that is used to note issues as they arise; this date and time stamped so that it can't be manipulated after the event. BT uses these systems for fraud investigations – the same stamp and date approach had been used and contained lots of details. I regularly sent BT emails for security so that they too were 'date and time stamped into our IT network'.

The narrative changed as emails were released under FOI. Why did people change positions?

The original narrative, like in many events where 'management of the communication' becomes more important than the facts, started to creak and the definitive message got watered down here and there. The CEO said he had not been in the loop yet the date and time stamped recordings of meetings in November, December and January seem to tell a quite different story.

I kept the CEO fully informed and recall challenging him after the leak emerged when he kept saying that he had not been involved in, nor even kept informed about, the investigation. This is simply inaccurate and when I put this to him he simply shrugged his shoulders. I note he has since changed his position from what he was originally saying.

I recall for example meetings between the CEO, SN and me to discuss the disciplinary process. I recall a meeting called at the CEO's request that included the CEO, MG and me. The CEO had a mantra that said MG deals with the day to day, SN deals with the disciplinary and you (IP) clear the mess up. The CEO was fully aware of the depth and scale of the problems that were unearthed. I even met with the CEO on the 11<sup>th</sup> of November (the very next day after issuing the report) and he asked me to go outside of Lancashire for procurement – he didn't want dirty linen washed in public. All electronically recorded (date and time stamped).

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At the time when the leak occurred I was informed by the CEO that matters were in-hand to identify the culprit. There are a number of security measures that would help identify a person who leaked a report to the press. I shared information and some avenues to explore but I am not convinced those measures were properly looked into. My reason for saying this is that I was interviewed by the police but they didn't seem to be aware of anything regarding leads to follow. I am certain the security measures within our own IT were not investigated. In the last few weeks the CEO has been written to by the local MP on behalf of an interested resident asking about steps taking to identify the source. The Information Commissioner has also been contacted. This letter was forwarded to me for me to respond.

I asked that the Chair of Scrutiny to allow me to contact WC directly because at the time of the leak crucial evidence had been obtained by them which could reveal the source and I asked that it was 'bagged and tagged' and that other measures were taken (that would have included CCTV images) but I was refused permission to do so and told to go via the CEO who was leading the leak enquiry – it was the CEO who forwarded the MP's letter to me. I wrote to the CEO asking what measures had been taken to help formulate a response, but I have received no response. That evidence would have been crucial at the time; it is probably spent now. So far as I know, the MP/ICO enquiry remains outstanding.

### **SMT**

Much has been said about SMT not discussing this issue. In short, MG, SN the CEO and I did. Denise Johnson was excluded as it was anticipated that she would be a hearing officer if one was needed. However I'm not sure that is a good idea now because in February, following an SMT lunch DJ and I went into Preston for a few drinks. DJ kept asking me about the investigation but told me that she speaks with Mark Hodges and then went on to tell me things that she should not have known. She knew about downloading of child pornography, she told me about one of the licensing officers – I made a contemporaneous note of this as soon as I got home, again electronically date and time stamped.

### **FINDINGS**

The external investigation considered the licensing service and the Interim Report highlighted where improvement measures were required. There was a great deal of work to do in January and early February to put the service right and to provide the necessary confidence.

Other cases came to light but I had stood aside from the day to day operation and BT acted as the designated liaison between WC and the council.

The serious cases include the two cases I've outlined already, but there were two other cases highlighted both pertaining to downloading of child pornography – one of the drivers has simply gone off the books and the other remains a driver, there being little we can do because too much time has elapsed. A fifth case was also uncovered where a series a failings took place. An autistic child had been illegally restrained whilst traveling in a taxi to and from school.

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The driver was eventually arrested and charged and then subsequently convicted. The policies in place at the time should have prevented the driver getting a renewal licence. However it appeared that it was the council that had initiated/invited the renewal. The case was referred to the GLC who allowed the licence. In this particular case just about everything that could go wrong, did. Even when the GLC allowed the approval of the licence, I understand it was reissued without a current DBS being in place.

None of the five serious cases had had any meaningful investigation undertaken to allow for a reasoned assessment as to whether the driver remained a fit and proper person.

The investigation also showed that there were scores of licences issued with background checks not being fully undertaken, completed or recorded properly. This comes to the very heart of what was my motivation in my role as the Monitoring Officer. For months and months I felt that the council had been making improper decisions and not following due process which were posing a risk to the council and to the public and my concerns were not being seriously acted upon; I had brought specific cases to the attention of the Leader and of the CEO but the council could not know what the scale of the problem might be without a thorough investigation; and under those circumstances I felt it my duty to draw the matters to the leadership of the council so that they could put steps in place to ensure the council was complying with its statutory duties.

As the investigation exposed further problems I was able to deploy my resources quickly to address them.

Every single case that was wrong in some way has been fully documented. I provided the CEO with these details in advance of the final report. Cllr Bennett, the Leader, the CEO and I met with Jonathan Goolden of WC in April. The purpose of the meeting was to alert them to what would be included in the final report and how it would be set out. JG took us through a number of bullet points describing at each stage how the report would read. I have retained a hard copy of those bullet points and was astonished that the final report was so unrecognisable. I know that requests have been made for a copy of that particular final draft report (which I have not seen) but I have kept the bullet points and would be happy to share those with the Panel.

It is the final report where my greatest concerns focus. It is so radically different from that discussed at the meeting between CEO, Leader, JG, Cllr WB and me – where JG took us through bullet points about what the report would say and how it would be structured. Cllr Ogilvie had clearly and attentively read the FOIs. There was a draft version available before the emergency council but this was not shared. Cllr Hamilton had requested **full** version control and this seemed to have been agreed, but it later transpires that it won't be full version control, but rather version control from a given date. I thought Cllr Hamilton had been extremely wise to ask for version control at the time, but her point seems to have been lost. The detailed bullet points paint a picture quite different from that which had been shared previously. I do not know whether the terms of reference were changed and if so by whom. I provided detailed evidence when considering the draft version, but no of the points I made



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seemed to be included. In the fullness of time, I am convinced that those details will emerge.

## **CONCLUSION**

I was clearly unfit to be interviewed on 21<sup>st</sup> July. The information I recorded prior to and throughout the summer, the legal advice I sought, the local advice, including from the Independent Person, the council's solicitor and the manager for Democratic Services were not recalled by me at the time. I had attended a number of courses to better understand this new role.

As outlined above the Monitoring Officer is a statutory position with specific duties to ensure the council acts lawfully. I have been told that in carrying out my duties and commissioning the investigation I did not follow the constitution, but as I have stated above I do not see any evidence to support this assertion. Senior officers for both Democratic Services and Legal Services have both reviewed their actions taken on my behalf and are satisfied that my actions do comply with the constitution and have both put this on the record.

However, when the leak occurred mixed and inaccurate messages were in my opinion deliberately put out. Those entrenched messages started to change as FOI requests were published. For example, I provided a comprehensive response for the Leader to supplementary questions asked by Cllr M Tomlinson, but only the briefest reply was in the end provided.

The truth is that we had a service that was issuing licences (the final report uses the term routinely) without the necessary background checks in place, documented and correctly recorded. This meant that one could have no confidence in the service and public safety was being compromised.

It was put to me that part of a defence as to why this was happening might be that licences are issued 'without prejudice' – this does on rare occasions happen elsewhere but where it does the full reason is documented (ie perhaps a renewal licence is due when the driver has just changed address and his driver's licence is with DVLA – after some local checks one might consider issuing without prejudice for those reasons and for a time limited period, say two weeks). It should certainly not be the norm and I never came across recordings within LALPAC to this effect.

**I have protected LALPAC so that it can be interrogated** as required, but this protection is for a rolling 12 month period, so it can be interrogated for the previous 12 months. However, as corrective actions were taking place earlier than that date, data will be lost. Crucially, data from November through to January/February 2015 is available to verify my account and get to the truth.

At first I thought staff resistance to Firmstep was simply because the service preferred LALPAC; my opinion, based upon what I saw is that LALPAC was hardly used at all. The service was attempting to run a hybrid system part clerical and part IT. Since the seconded officers have been running the service (and two of those officers had only limited experience) the service has gone from strength to strength.

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In specific cases, investigations were poor if undertaken at all – this resulted in very little information to determine the fit and proper person test. It left the GLC exposed as they would consider cases on the material that was presented to them which was incomplete. When evidence that is available at the time is not submitted to the GLC then it is hardly a surprise when inappropriate decisions are reached.

I personally am proud to have recognised potential serious and fundamental problems and been part of the solution. It has been suggested I did not take advice – I did. Prior, during and after I was obtaining both internal legal advice and external. I included the Independent Person in discussions with me and DW.

In light of concerns which have been raised I have had my Monitoring Officer actions reviewed by a number of independent people who all have experience of the Monitoring Officer roles and responsibilities and they have all agreed that I have undertaken my statutory duties correctly.

The Monitoring Officer has a personal duty to ensure that the council is acting lawfully. Where concerns are raised that there are serious issues with regard to compliance with legal requirements there are two options; do nothing or do something – but in reality for any Monitoring Officer there is only one choice if they are to fulfil that personal duty.

Even at the very earliest point at which limited examination was being undertaken I faced a barrage of hostility. Threats about raising a grievance against me were made (and noted in BT's system), there were denials and total resistance – the same experience was repeated during the Audit review as I understand it– and I will freely offer up any open, transparent forensic review of my email account – I do not believe you will find anything whatsoever to indicate my motivation was anything but to get to the truth, to follow the evidence and where necessary have the service corrected for the benefit of the public in line with the requirements placed on me by statute.

I suspect when, in my opinion, we mismanaged the media, people panicked. I was speaking freely with the PR team at the time and understood those with more experience, wanted to take a more pro-active approach but were telling me that they were not being listened to. Dave Pollard left (and since seems to have been trashed also – not sure why) but the remaining PR staff wanted to take a different approach from that taken by the council. I got the impression they could see how this might unfold.

The noise from the media was met largely with silence from the council. When a communications vacuum is created it will always be filled with wild speculation. I met with DW and MO'L and under access to information, we agreed councillors could have access to the (now leaked) interim report. I had been asked for redacted copies of the report and met with DW and we agreed, a redacted copy could be published. This has not been allowed however for reasons which are not clear to me. The families most directly affected have also asked for redacted copies and because we haven't complied the local MP has written to the CEO, and the Information Commissioner has become involved; I believe the ICO will make the council publish

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it if it refuses to do so and will criticise us for dithering and frustrating its publication. The Panel may therefore wish to consider having the draft report published to preempt this.



Final notes of interview – Councillor John Rainsbury

Interview Notes - Councillor John Rainsbury, Chair of GLC

Telephone interview 25<sup>th</sup> July 2016

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It was for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

I gave JR some brief background on my experience.

I explained that I would take notes and then write up a non verbatim transcript which I would send to him for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents.

JR had no questions prior to the interview starting.

Jr had been a councillor for 9 years. He had sat on Planning Committee and had been chairman of GLC for 5 years.

He had spent 30 years in the police part of which he worked as a licensing sergeant. 10 years with Greater Manchester Police, 5 years as a civilian investigator in internal affairs and 5 years investigating unexplained deaths for the Coroner. He had a Masters in Law and had taught A level law. He used to run the plain clothes course for Lancashire Police, which covered all aspects of Licensing.

He had spent several years as a juvenile liaison officer and some time doing civil disclosures on child abuse cases in court. He therefore had a good understanding of safeguarding issues.

Councillors receive regular training. They had recently had more training but were getting training prior to this issue emerging. No members can sit on GLC unless they have attended the mandatory courses. He said he had always attended. If a member did not come they would get a mop up briefing on a 1:1 or 1:2 basis.

He said that the quality of the courses varied. He said the external ones were excellent. The internally provided ones are adequate. The latest courses have been excellent. They did some case studies and mock sessions.

His view of the licensing service has changed. He said it now appears that they haven't been given all the information available to make decisions. They can only make decisions on the information in front of them and given in answers to questions.

Final notes of interview – Councillor John Rainsbury

He said that the way he conducted GLC meetings was that he would lead the questioning and then open the questioning to members. He said that sometimes the questioning was inappropriate but he can only challenge what was said by a member after it had been said, but would do so immediately after the comment was made.

They only see the report in front of them and hear the responses from the people in front of them. The deliberations take place in-camera with legal advice.

He said that members of GLC have different views of life and in some ways this is why they were there. He sometimes cringes at some of the comments. At the beginning of each meeting he always emphasises that they are not there to give drivers jobs and the personal circumstances of each driver is not their concern. He always stresses the importance of public safety. The decision doesn't take into account the mindset of members.

He only knows MG through licensing. He has always found him very professional. He has regular meetings – more so now as a debrief for the previous meeting.

He has regular meetings with the portfolio holder who also comes to GLC regularly.

He knew that SMT were looking at a draft taxi licensing policy on 14/7 and this came to committee in November. GLC had been calling for some set in stone policy. In the past they have used previous cases as examples and guidelines. A policy would be a clearer way of proceeding although 80% of councils don't have one.

He first became aware of the concerns after a meeting that WB came to. WB had never been on GLC and had no background in licensing. All he had done was read the reports. He had wanted to sit in on deliberations but JR couldn't agree to that.

WB rang him up that evening. He had said that there were 5 cases and 3 of them had been wrongly decided. JR had told him that WB didn't know what the GLC gets, what advice they had or the information they received. JR said he does accept now that it appears that they haven't seen all the evidence but it still seems that WB was jumping to conclusions.

WB was upset because JR gave him a dressing down in a group meeting. JR said that if someone comes out with an inappropriate comment, or comment that should be for deliberations he would pull them up at the time, but he couldn't pre-empt what a member was going to say or ask. He might also say that some views were for deliberations and were not relevant for the meeting.

He said GLC members have been told and have been trained about what they can and can't say but they don't always stick to it.

Where they have a policy they can't fetter their discretion and have to take account of individual circumstances. On aged vehicles for example (which were two of the decisions WB complained about) they have guidelines. If there are exceptional circumstances they can take those into account. For example if it was a specialist vehicle such as a stretch limo and where the vehicle is a year over the limit they might grant a license. WB didn't understand this. He thinks that GLC can't do it. WB

Final notes of interview – Councillor John Rainsbury

just disagreed with the decisions. There was nothing specific. He said he was ringing as a courtesy as he was going to complain anyway.

JR said that WB is the only person who has ever criticised his chairing.

CM didn't say anything to him about the meeting per se. She was more concerned about the families in particular cases. She wants everyone in the world to apologise to these families.

On the autistic boy case, JR said that the taxi driver had been fined £25 so you have to ask what kind of assault was it. Assault can just be touching someone's arm. In the past the boy had had a carer sat with him but the new carer would not sit in the back with him. The taxi driver was in his own way safeguarding the boy. JR said he can understand that the father is upset but it's got out of proportion. The assault was at the lower end of the scale. The driver is not doing the contract work anymore. He is just a taxi driver. The decision of the committee was not a threat to anyone. JR didn't think they had anything to apologise for.

The Council has a really good record. This issue could have been dealt with in house instead of running away as they have done and caused diabolical press coverage. WB and the others were expecting things to come out of it. The only damning things in the report are the things WB put there. There's nothing there.

One of the only side benefits of this whole thing is that the safeguarding training they are putting on now is excellent. It's much better training than in the past.

JR said he had no idea of anything on the officer side. He got a phone call from MG telling him that two officers had been suspended. This was in early January. That was the first he knew. He didn't know about the external investigation. He only knew about the James Button investigation into the 5 year old child case. The advice from the officers was to suspend the Hackney license. The private hire company had said that they would monitor the driver's customers to ensure he complied with the bail conditions. That was the basis on which the private hire license was granted. When the decision was made by CPS not to charge, the police made a full disclosure and his private hire license was immediately removed. Button said there was nothing wrong with what they had done but that it would have been better to suspend both licenses. Their decision was not unreasonable.

JR didn't know that WC had been appointed to do the investigation. They had used Button before and he doesn't know why they decided to use WC. They didn't interview him and no-one ever spoke to him about it.

He wasn't aware of the exclusion of the leader, portfolio holder and CEO. He wasn't told about it. He said he plays golf with PS but he was kept in the dark about what was going on.

He knew that following his phone call, WB had complained but he didn't know where it had gone. WB is a salesman - he just goes off on one.

After the suspensions it was business as usual but with a temporary officer. There were some differences, largely over presentational things. Originally he would

Final notes of interview – Councillor John Rainsbury

introduce each item and the officer would read the report out. The officers then tried to change this but JR had insisted that they read them all out. When the new temporary officer came, he was just giving a summary off the top of his head and giving his opinion. JR told him he didn't want to hear his opinion. JR said that was the only impact of the change of officers that he had seen.

Looking back, during the time the investigation was going on, a lot more attention was being paid to GLC. WB was always at the back.

The IA process and report didn't impinge on GLC. GLC knew a taxi licensing policy was being sorted out because they had received the draft in November.

The first he knew about anything really was when the interim report was leaked. He was disgusted about what was released and leaked. Members of GLC were very upset particularly about some of the comments made in the press and by certain county councillors which made links to Rotherham and CSE and how local people should be scared to get into taxis in SRBC. The reporting of it and the inflammatory statements were disgraceful. The name of the council and of taxi drivers has been besmirched. Taxi drivers were very upset.

On the DBS issue, he knew that all the ones coming to GLC had been checked. He obviously didn't know about ones that hadn't although as it turned out that they had been checked.

It didn't make GLC business more difficult as it was difficult any way but it certainly didn't help. Most of the committee members became more wary and careful of what they said. They are more conscious of the need for taxi drivers to prove that they are a fit and proper person rather than GLC disproving that.

As chair he doesn't usually vote though he uses his casting vote if necessary. He has intervened occasionally when he disagrees with the decision. Only on one occasion, when the vote was described as unanimous he said it wasn't as he disagreed with it.

He hasn't seen the interim report. He only knows what he has read in the press about it. He doesn't think that anyone should see it now. He investigates unexplained deaths for the coroner. You collect as much information as you can get and put it all down. When you have done that you go back through it again. The interim report was at the point before they went through it all again. All that would happen now if it was sent out is that it would stir everything up again. It would serve no purpose.

He thought the final report was pretty fair. The committee came out unscathed but they didn't come to committee as far as he is aware or come and see him. In all committees people say things they shouldn't. JR talked about the 'Benny Hill' question. He said the member concerned came and talked to him about it afterwards to explain what he had been trying to do. He had been trying to point out a generation gap. The driver was quite a humorous character anyway so probably understood..



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He said he thought there were two points which concerned him. He had long discussions with CM about individual cases but not about anything else. WB was just on a mission. It could all have been sorted out internally very quickly without all this publicity; without putting taxi drivers, staff, members of GLC and him through all this. It was unnecessary. JR said he was more annoyed with WB than anything.

I told him that all decisions had been taken informally. He did not know and said it was a strange and sad affair. They were looking for a smoking gun. There wasn't one.

Alison Lowton

2<sup>nd</sup> August 2016

Post Interview note: After the interview I asked JR by e mail why CM was asked to leave a GLC meeting last November which he apparently subsequently apologised for. JR said that CM was asked to leave the meeting as it was an exempt item and on the advice of legal he asked CM to leave. The solicitor told JR that if he had not asked her to leave, she would have done. He also said that he had not apologised to CM and does not see any reason to do so.

Amended 11/08/2016

Signed as an accurate record by Councillor John Rainsbury: John Rainsbury.....

Dated 14<sup>th</sup> August 2016....



Final notes of interview – Councillor Margaret Smith

Interview Notes - Councillor Margaret Smith, former Leader

5<sup>th</sup> August 2016

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It was for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

I gave the MS some brief background on my experience.

I explained that I would take notes and then write up a non verbatim transcript which I would send to her for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask her to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents. If there was anything which she thought should be confidential, she needed to let me know.

MS had no questions prior to the interview starting.

MS had been a councillor for 33 years and has undertaken most roles during that time. The only committee she has not sat on is Planning. She has only represented two wards during the whole of that period. She became group leader whilst the conservatives were in opposition about 12 or 13 years ago. She became leader of the council 9 years ago.

SRBC has only been an authority since 1974 so she has been involved with the council for most of its life. She knows most of the staff.

The Council was Conservative from 1974-1992. It was then held by Labour for 4 years, then a 3 way Labour, Liberal Democrat and Conservative administration and then a Labour LibDem one. When the conservatives were not in control she served for long periods on GLC. She was also a magistrate for 20 years and has been a tax commissioner for the same length of time. She therefore has a fair understanding of the process.

She said she was thoroughly trained though she was not as up to speed on safeguarding as she perhaps should have been. She knew what had been going on in Rotherham and Rochdale. It had not surfaced in South Ribble to any degree.

About 9 years ago, they initiated mandatory training for Planning and GLC members and if members don't attend the training, they cannot sit. She also initiated individual training for members. They have extensive induction training and also run learning hours which happen about once a month. The learning hours cover a whole range of things although planning issues feature quite heavily. They have also covered issues relating to City Deal. SRBC are paying a lot of money into this – 47m overall – and

its important to get all members to understand it and the financing of it. They have also done quite a lot on child protection. More recently the independent chair of the LCSB has spoken to members and training has been provided by Mr Threlfall and the LGA.

Obviously you don't get everyone to every learning hours session. Not everyone will be interested in every session but it is important that it's on offer.

She thought the original restructure (when for example licensing moved into MG's directorate) was a difficult one, but not just about licensing. When you are in a difficult environment like local government is currently you have to look at ways to make the council as efficient as possible and that's not always easy.

She understands the process of decision making around planning and GLC. She goes to most Planning Committee meetings and she says you can disagree with decisions but it's a quasi judicial process, as is GLC so if the decision they reach is reasonable, then the fact she disagrees is irrelevant. They have very good reasons why they reach the decisions they do. They often err on the side of caution using the judgment 'would I like my daughter to be in the back of that taxi'.

She said two members went to GLC and took exception to some of the decisions. She said you can always disagree and take issue but members retire to discuss and decide and unless you are in there you don't have a clear understanding for the basis of their decisions. Their decisions are not always unanimous and they do have professional legal advice to guide and advise them. Those two members also thought they should be able to go into deliberations.

WB and CM were new cabinet members and were taking an interest in everything. That's why they went to GLC and she is not at all criticising them for going but she thinks that when you are learning you should take into account that you don't immediately know everything.

In the normal way of things they held regular leader, deputy leader and CEO meetings. MS has no recollection of WB raising licensing issues at the meeting on 17/6. She doesn't think he can have done. She doesn't think he raised it until the meeting on 2/9. The issue of the young girl happened at the July meeting, He did raise licensing and said he had sent an e mail to the CEO who had told him he was dealing with it.

She said that the comment she is alleged to have made to WB 'don't ask about licensing' was not made on 2/9 but came out of another incident entirely. On 15/10 she has a meeting with the MO in her diary. He came to see her and said that he had been made aware of the young girl case. He wanted to make further inquiries about whether the GLC had all the paperwork. The Leader agreed. The MO then said that while he was doing it, he didn't want anyone to know in case of leaks and prejudicing the investigation. Subsequently WB was annoyed about that and asked what was going on. The leader told him she couldn't tell him because she had been asked not to do so. She said that if someone tells her something in confidence it

stays confidential. That's why she told WB she couldn't speak to him and not to ask questions about licensing.

The meeting on 10/11 was an informal cabinet meeting. The MO brought the paperwork to them. She did not get it in advance. The MO presented his report after lunch at the end of a cabinet workshop. He said he wanted to present a paper and said that he thought it was necessary to have an investigation. MS said she was asked to step aside because she had prior knowledge of what it was about. PS was asked to stand aside because he was her husband. It was also said that JR should not be in the loop because he was a friend of theirs and PS played golf with him. The CEO was also asked to stand aside.

CM said that standing aside would be in MS's best interests as she wouldn't get the flak if the portfolio holder got the flak. When she looks back she thinks she was being naïve. She was going on holiday on 20/11 until Christmas. She thought it was going to be a quick investigation and would be over and sorted by the time they got back. . She said she didn't think she thought too much about the CEO exclusion at the time. WB had previously told her that she was far too close to the CEO but you have to work closely together. Whether that was part of their thinking she doesn't know.

She said it all came out of the blue and she wasn't going to be around anyway. She does recall saying that they kept being told that informal cabinet meetings were not decision making meetings so they needed to think about that. She was told that its not an informal cabinet meeting any more.

She thinks a lot of what was decided that day was pre-decided. She was ambushed by the three. She doesn't know who pushed it. WB was clearly saying he wanted it done and done now but that is part of his style. She doesn't know where the thought process came from about CSE in the wider sense though it was probably CM. She has no recollection of any discussion about it being an external investigation.

She didn't know about the meeting on 11/11 because she was excluded. On 10/11 they certainly talked about an investigation but not about it being external. PS had said something like having confidence in their own people to get to the bottom of it.

She was then away from 20/11 until 25/12 and knew nothing about what happened during that period.

On 9/1 they had a group meeting. It was a Saturday. She had been given the interim report by then and at the end of the group meeting she asked members of the cabinet to stay behind. She said that it seemed from the interim report that the original remit was widening and going in different directions. One of the comments made at that meeting was that once the final report was done, they would need to move on other areas and that the council was toxic. She said she needed to wrestle control back. She was told quite clearly that everything was under control and they were in charge. CM said that MS had to be safeguarded and it was not good for her.

MS said she told them to be very very careful because the officers to be suspended were union representatives. They should keep away from HR matters as it was none of their business. They said that they had thought it all through and if the unions

Final notes of interview – Councillor Margaret Smith

came after them 'bring it on'. She really didn't like the sound of what was happening. She was devastated.

A few days later, she rang the MO and asked why she shouldn't be in the loop. He said there was no reason. But she wasn't in the loop. She didn't know about meetings with WC and members. She did get involved with the modified vehicles issue towards the end of March/beginning of April.

On 10/2 she was due to hold a pre meet for the cabinet budget meeting. She went into the meeting room early and found CM, WB, MiG and SN. She thought CH might have been there but isn't certain. SN had been sent for and it was clear he was being absolutely castigated and was having the riot act read to him. It was after that that he began to send HR updates.

She was always coming across the three of them huddled in corners whispering. It didn't make for a good atmosphere in cabinet. There was a permanent split and they had never had anything like it before. She thought maybe she had never had the ruthless streak.

On modified vehicles MG rang her and said that there were about 100 vehicles without the requisite certificate. Most of these were under contract to the county. The majority were part of a company called Wallbank. Over the next 10 days they had conflicting information about whether they should or shouldn't take them off the road. In the end they did and then it turned out that they didn't need to. They didn't need to see the certificates anyway so the vehicles went back on the road after a fortnight. Fortunately it was the school holidays otherwise the disruption would have been even worse than it actually was. The county were not best pleased.

On 12/4 JG from WC came to see them. A couple of weeks before she had an e mail from the MO trying to arrange a meeting with the CEO, MO, WB her and JG to appraise them of what was in the report. She was given absolutely nothing in advance. JG then spoke for 2 hours. His opening gambit was firstly that there were no policies at all and so the service was a complete shambles. It just wasn't true. They do have policies just not a unified one. But that was in hand. Secondly he said that officers were making it up as they went along which annoyed her intensely and thirdly as a council they were more interested in dog poo than safeguarding. Even if that was true (which it isn't) they are a district council which does not run any safeguarding services.

Modified vehicles came up as an issue and she said that they were dealing with it. Everything was in hand and it had been dealt with. JG said that they needed to look into it anyway just in case there was anything else there about bad practice because if they were going it put it to officers in the disciplinary they had to look into it.

At the end of the meeting JG turned to her and asked her what she thought. She said she had no comment. She had had no papers beforehand. She had sat and listened to him for 2 hours and she would respond when she had time to give it due consideration. The CEO said something similar. WB said words to the effect that they were sitting there like dummies and asked why they weren't getting involved.

Final notes of interview – Councillor Margaret Smith

On 15/4 the CEO sent an e mail saying that there were many things he was concerned about, one of which was that there had been no input from people who knew the most. It seemed strange to her that the three who knew the least were the ones who were interviewed. They all got far too close to it. She told CM that she shouldn't have got so close. It was clearly upsetting her.

On 15/4 they had an informal cabinet meeting. Some time before that MG had been to scrutiny and was asked if they should discuss CSE etc. He had said no because of the investigation and the leak. At the meeting WB said it was perfectly legitimate for scrutiny to ask and MG should have dealt with it. MS said that MG was right and then 6 times WB leaned forward into her face and said 'should he have done it?' really aggressively. CH said that WB was bullying her. WB was beyond angry.

She said that once the leak happened everything has become a blur in her memory.

She was aware that WB had been to the LGA and told them that she had stopped people going on courses and how disgraceful it was that they hadn't had a peer review. He had asked whether they had got the LGA involved when the CEO was appointed. They hadn't but they had involved NW Employers. They did subsequently have a peer review and Glen Sanderson who was involved in that became a sounding board for her. When the leak happened, the LGA sent up a PR man who had had dealings with Rotherham and Rochdale so knew his stuff. His contention was that you play it straight. You say as little as you can because you don't know what's coming next. WB has been very vociferous about badly the PR side was handled. He said that they should be saying that the council had done a good job and that would nail it. The PR advice she got was that there was no way she could know that for certain. And two days later she was told about another 2 possible cases which they had known about but hadn't bothered to tell her. There was also the autistic child case which they also knew about and didn't tell her. So if she had stood up and said that everything was fine and they had sorted out the problems, that wouldn't have been true and she would have looked like an idiot.

The same advice held for the council meeting on 27/4. They decided beforehand not to prolong the agony. They would let PF say his piece. She had no idea what he was going to say. But they wouldn't respond. This was the same advice from the LGA that they had received on PR

She said it was an awful period after the leak. The media were all over her and her phone never stopped ringing. In the end PS wouldn't let her answer.

The first meeting she had with PF about the issue was on 11/4. That was about modified vehicles. He asked her what was going on and she said that he knew as much as she did.

The CEO suggested there should be a meeting between him, PF and MS as the leader about how to manage the council meeting. That was a perfectly proper and sensible thing to do. The opposition had also put the closure of Chorley A&E on the agenda so the meeting was likely to be difficult. PF had told her that he didn't want those three anywhere near the cabinet.

Final notes of interview – Councillor Margaret Smith

WB had already given her his resignation. This was on 4/4. She didn't tell anyone, not even PS. PF wanted CM and MiG out. She asked PF why he was linking CM so closely with WB. She knew that PF had taken a real dislike to WB. PF said they were in it together and he wanted them out. MS said she didn't agree. PF said he would be watching when the cabinet appointments came out. His argument was that if she wanted his co-operation then she would have to exclude them

The three have decided that she had made a deal but she hadn't. She had no idea what PF was going to say.

At the group AGM she was elected unopposed as group leader. She then had to put a cabinet together knowing that WB was not going to be there so CC was made deputy leader of the group on the assumption that he would then be made deputy leader of the council. There were discussions between her, PS, CC, PM and CH about trying to bridge the gap and as a result, MS rang CM and asked her if she would be interested in being in the cabinet. She asked who would be on with her and MS said she wasn't telling her. CM said it was either the three of them or none of them. MS then told her that WB had decided he didn't want to be in the cabinet but CM repeated that it was either all three of them or none of them. MS also rang MiG. After half an hour of being harangued, he also said it was three or none.

The cabinet didn't want to be brow beaten. She thinks that PF was so cross because he had probably told his group already that he had reached agreement with MS to keep the three out.

WB had in fact told her in January that he didn't want to be her deputy. But then he changed his mind and told the group that he was standing because his solicitor had advised him if he was going for defamation he needed to be back in the cabinet.

MiG has now complained to the DMO that she was colluding with PF.

Alison Lowton

7<sup>th</sup> August 2016

Amended 9/8/2016

Signed as an accurate record by Councillor Margaret Smith.....

Date.....9 August 2016.....



Notes of interview – Councillor Phil Smith – Final

Interview Notes - Councillor Phil Smith, Portfolio holder

5<sup>th</sup> August 2016

I introduced myself as the person who was conducting fact finding interviews to assist the task group. My focus was to understand the sequence of events and who did what when. It was for the task group to reach conclusions about this and those interviewed may have an opportunity to answer questions by the task group at a later date.

I gave PS some brief background on my experience.

I explained that I would take notes and then write up a non verbatim transcript which I would send to him for comment. I would be happy to look at amendments especially if I got facts wrong. Other changes might need discussion and could, for example, be included as a post interview note. I would then ask him to agree notes and they will be appended to the report I write for the task group. They may well therefore be public documents.

PS had no questions prior to the interview starting.

PS had been a councillor since 2007 when he retired from his motor trade business. For the first two years he was Chairman of GLC and then became a Cabinet member, initially for Parks and so on but then for economic regeneration, which included environmental health and licensing. He said he thought he had more experience of taxi licensing than any other member of the council. He had been involved with licensing for 9 years.

He took a particular interest in licensing although he had no prior experience of taxi licensing when he took over as GLC Chairman. He had extensive experience of chairing meetings though.

He had previously worked in his own motor trade company ending up with three dealerships and 90 employees. He took early retirement and sold the business in 2007.

He was keen to set up licensing in the right way and wanted to promote a professional environment. He was looking to replicate how the Magistrates Courts had done the work. He did a lot of research into how licensing worked.

The Licensing Act 2003 and later updates were very prescriptive.

Since becoming a cabinet member he still attends GLC and has probably been to 90% of GLC meetings as an observer. He obviously leaves for deliberations.

SRBC provides a lot of training for members. There was a significant induction programme after local elections and there is annual mandatory training for GLC members. If you don't attend the training you cannot sit as a member of GLC.

PS showed me a lot of training material to evidence the amount of training provided to GLC members and to counter the view in the WC report that little or training was given. He said for example, on 4/6/2015 members of GLC had a 2.5 hour training session which covered every aspect of taxi licensing. That training emphasises that GLC's primary concern is to protect the public and public safety. The training covers what is relevant information and what is irrelevant. It covered the grounds for mitigation in relation to convictions, Rotherham and CSE, evidence thresholds and so on. The Councillors Handbook on taxis produced by the LGA was also handed out.

There was also CSE training on 21/7. PS said this was an excellent piece of training which left members in no doubt as to what they needed to be considering.

He also stressed that there were policies relating to taxi licensing, again contrary to the view expressed in the WC report. They had an aged vehicle policy and a drivers policy for example. What they didn't have was one integrated policy. Unlike other areas of licensing (e.g. gambling) there was no requirement to have an integrated policy.

MG came to every GLC meeting once licensing transferred to his directorate. Consequently for most meetings, they were both present. They would often have discussions during deliberations (which sometimes were lengthy, sometimes lasting an hour) about licensing. There was also a regular debrief after each meeting between PS, JR and MG. He thought that MG had picked licensing up quickly and showed an interest. He was experienced in taking over new services.

He said that WB and CM both came to the GLC meeting on 9/6. They also both came on 21/7.

The meeting on 21/7 was a long meeting with very long deliberations. Prior to that meeting GLC members had training (as mentioned earlier). That training can have left members in no doubt about how applications should be considered. He said there were a lot of questions in the meeting and one very unfortunate question relating to Benny Hill. He said he was surprised by this as the member concerned was usually a very good GLC member and it was out of character for that member. PS said he didn't understand where it came from. As the LGA briefing says, taxi drivers are not social workers and he thinks that was the line of questioning members were pursuing and that maybe LCC had some responsibility. There was no doubt the driver had made inappropriate comments and he accepted that he had. WB caused a fuss about having to leave the room for deliberations and there was a point where PS thought the chairman might have to adjourn the meeting in order to make sure WB did leave but in the event, this wasn't necessary.

PS had no idea why CM and WB started to attend GLC. He can't remember other councillors attending.

PS said he knew nothing at this point about any concerns the MO might have. He also did not know about IA's involvement. He said he remembers JR telling him at

some point that WB had told him that 4 out of 5 decisions made by GLC were wrong, even though he had no experience and showed little understanding of licensing.

The report by the MO came to meeting after a cabinet workshop with SMT. He was alarmed when he read it. His recollection is that the report was distributed at the meeting. He said he was the first person to speak. He thanked the MO for bringing matters to their attention and said that the cabinet needed to know about it. He saw the report as an information report.

He said that he and the leader were asked to stand aside as well as the CEO. He said it was clear to him that some members had been having that discussion before the meeting. It was a total shock. He really didn't understand why they were asked to stand aside, especially the CEO. But several days after that he and the leader were going away for an extended holiday until Christmas. They wouldn't be back in the Council building until after New Year. His understanding was the report would be ready by the end of December so they weren't going to be there anyway.

He said that his recollection was that there was no agreement on having an external investigation at that meeting, just an investigation. They agreed that it was serious but he is not sure they actually agreed to have someone external. He said he certainly mentioned that IA could do it and that the MO could conduct an official investigation. If they had known that the investigation would take the direction and time it did that would definitely have put a different perspective on it and on his agreement. He thought it would be a thorough investigation into the licensing service following concerns raised by the MO. He thought that was reasonable.

He referred to the final report and said that paragraph 6.11 certainly suggests that the decision to have external investigators was taken at the meeting on 11/11 which he wasn't at. This also suggested by paragraph 6.12.

There is no record of the meeting that he knows of and no minutes. It was a meeting after a cabinet workshop. If it was a proper meeting of cabinet other officers should have been there not just the MO and CEO. In hindsight the process was flawed. There was definitely no need to exclude the CEO.

They got back to the UK on Christmas Day. On 4/1/2016 he had a planned meeting with WB about something else. At that point he didn't know there was an interim report and that's when WB gave him two copies.

On 9/1/2016 there was a group meeting. It was a Saturday. At the end of the meeting the leader asked for members of the cabinet to stay behind. She referred to the interim report and said they now needed to be back in the loop. WB said 'this isn't the Smith roadshow any more. We are in charge'. He made it clear she was not going to be back in the loop. During the discussion, WB said that the council was 'toxic' and they would move on to look at other services once the licensing report was completed. There was some discussion about HR issues which shouldn't have been discussed at all. The leader tried to advise the cabinet members that they should keep away from HR as the unions were very much involved and she didn't

want to cause conflict. CM said something like 'I look forward to the battle. Bring it on'.

It was a huge shock to discover the depth it had got to while they were away. It was not a good weekend.

PS said he knows there were several private meetings but he purposely kept himself away. He can't remember speaking to anyone about licensing for some time. He attended GLC though. He kept away because he had been told to by the rest of the cabinet and he thought that being in the position he was, it was best to keep away. He also didn't at that point know if he was going to be interviewed by WC. In the event, he wasn't which he thought was a huge mistake.

The only involvement he had after 9/1 was to go to a meeting called by the CEO, MG and JR to look at a way of bringing things back on track. That was in May/June.

He also said that it was wrong to think there had been no discussions about taxi licensing and safeguarding as the final report suggested. There had been discussions before April 2015. NB was chair of the Lancashire Licensing Group who were pulling together a policy document for the whole of Lancashire.

PS said that with the leak of the interim report, all hell let loose. He never knew who received copies of the interim report. He did ask the CEO but never got a response. He knows it went to all cabinet members and he thinks 3 or 4 officers but he doesn't really know. The LGA got involved in giving advice about how to handle PR.

Before the council meeting on 27/4 there was a meeting of cabinet members to discuss PR and how to handle the Council meeting. They had a PR expert from the LGA practically living in the council and so advice was taken from the LGA. All official statements were done jointly by the LGA and the in house team. The LGA advice for both PR and the council meeting was that they should try and close it down as quickly as they could. They should not get into debate or argument. WB was unhappy about this but if you enlist advice you should take it.

He thought the 27/4 council meeting was a normal political meeting. PF was trying to take political advantage of the situation. PS wouldn't have expected him to do otherwise.

Eventually the final report came out. PS said it seemed to cover everything. The interim report was never designed to be public so it's not surprising they were different. You have to be more circumspect in a final report. It included the recommendations that had been in the interim report and the recommendations and comments made by IA. PS is still surprised not to have been interviewed.

The internal audit report had given him a lot of concern. He was at Governance Committee on 27/1/2016 when it was received but he had talked to MG about it beforehand as the portfolio holder. He had been given it by MG in early January. He went through the committee report line by line with MG. All the recommendations had been acted on. The only one outstanding was the integrated licensing policy which was at that stage in draft.

He said it would have been useful to have the IA report prior to the 10/11 meeting. It became obvious there was an investigation going on with IA which he didn't know about. If that report or initial findings had gone to 10/11 or been part of the MO report events would have taken a different route entirely. Why would there have been a need to go to outside investigators when IA found very similar things. WC didn't find anything much extra than IA and the MO had found.

He said that most councils don't have an integrated taxi licensing policy. In fact he had asked the LGA about it who had told him that up to 80% don't have an integrated policy.

He said the other issue that had been around licensing was the paperless office. He said that on 21/10/2013 there had been a report to GLC about it. GLC had been unhappy with the proposals and had deferred to a future committee so that more information could be provided, including costings and so that ICT could attend and demonstrate how it could work. The issue went to further meetings and on 9/9/2014 ICT came to GLC and convinced the committee that this was the best way forward. PS said the licensing software packages (Firmstep and Lalpac) were beyond most members' understanding.

PS said that the issue over missing documents was very vaguely stated. It may have been the case but he said it was more likely that they were in a filing system that no-one else understood.

He said he wanted to make it clear that as the cabinet member with licensing in their portfolio he has no input into individual cases. The reports are the officer reports. He is very keen that officers should not make recommendations. He has no input into them and has to accept the report for what it is. He does have a lot to do with policy type reports and always reads everything, including all the appendices. At committee on individual matters he is not allowed to speak otherwise he could be seen to be trying to influence the outcome. Members who are not GLC members should not be allowed to speak. Some members' view of cabinet members role in respect of licensing exceeds what he can properly do. He can't instruct officers or the committee on cases. There seem to be some people commenting on things which they don't know anything about.

Alison Lowton

6/8/2016

Amended 31/08/2016

Signed as an accurate record by Councillor P Smith.....

Dated.....9 September 2016.....



Timeline – Post interview amendments v6

**South Ribble Borough Council taxi licensing – Timeline**

Created from documents and interviews.

Index to initials at end

Date	Event	Source of information	Lines of inquiry/comment
15/10/2013	O’S Hackney carriage license renewed	Autistic child case.	
21/10/2013	GLC defers item on ‘paperless office’ for licensing	PS interview	This is what is also referred to as business transformation
April 2014	Restructure where MG takes responsibility for licensing	MG interview	
‘summer 2014’	MO alerts CEO to problems with Gateway and Licensing	CEO and MO interviews	CEO does not believe these were serious enough to concern him.
9/9/2014	GLC agrees to proceed with ‘paperless office’	PS interview	
9/12/2014	Police contact licensing Case A (sexual touching of a child). Released on bail til 25/2/2015. Hackney licence suspended for duration of bail condition. PHD licence continues.	Details in papers attached to SO 38 decision. Report dated 21/12/2015.	Not clear which SMT officer signed. Not signed by portfolio holder/chairman. Was this reported to next meeting of GLC as required? Specific cases not pursued by AL
January 2015	Licensing identified for audit assessment in course of risk assessment work.	WC report	
15/4/2015	Annual audit programme agreed by Governance Ctee, to include licensing.		
22/5/2015	MiG and CEO meet to discuss his portfolio and other matters	MiG interview	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
June 2015	Internal audit of taxi licensing starts.		
4 June 2015	GLC members receive safeguarding and other training	DJ interview PS interview	
9 June 2015	Licensing notified re Case B by LCC.  WB attends GLC  PS thought CM came as well	Report to GLC  WB interview  PS interview	
17 June 2015	Regular meeting between MS, CEO and WB. WB says he raised concerns re licensing and CEO agrees there are problems. CEO has no recollection. MS has no recollection of WB raising concerns re licensing at this meeting.	Interviews with CEO, MS and WB	
14/7/2015	SMT discussion re CSE and licensing arising from Rotherham. Agreement to training and drafting taxi policy.	E mails etc via WB CEO interview MG interview	
21 July 2015	CSE training for GLC with police trainer. LGA handbook on taxi licensing given to GLC members GLC considered Case B Inappropriate language used Very long meeting  WB and CM attend  WB telephones JR	DJ interview PS interview  License renewed. MG, WB, CM, JR interviews PS interviews  WB and CM interviews JR interview (WB says 22/7)	Part of SRBC response to Rotherham
22 July 2015	E mail WB to CEO raising concerns about behaviour at licensing	WDTK (MG)(CEO)(MO)	



Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	(refers to concerns last week about licensing). CEO says MG already acting. WB forwards e mail to MO. MO has no recollection of seeing that e mail Conversation re GLC between WB and Cllr Bell	Interviews with CEO, WB  MO interview	
23 July 2015	MO records discussion with CEO over fact finding investigation re taxi licensing. MO says CEO was more interested in GLC issues, not licensing officers. CEO has no recollection.	WC report. MO interview  CEO interview	
3/8/2015	MO attends meeting called by MG to discuss range of issues re licensing including Case B. CEO says was to discuss legal and democratic issues not only operational. attended by JM, DW, MG, MO. First time MO hears about 21/7 meeting and reference to 'CSE case'. MO agrees to investigate Case B	From external report.  MG interview  MO interview CEO interview	MO says he was shocked at 'casual' reference to 'the CSE case' but Case B was one of the triggers for the meeting.
4/8/2015	CEO has a meeting with CM re her concerns re licensing	CEO interview CM interview (though date not specified)	
12/08/2015	MS, CEO and WB meeting. No mention of licensing	WB interview	
18/08/2015	MO's records indicate he informed CEO that he was looking into whether council officers had completed	WC report	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	investigation of allegations made of CSE against taxi driver. MO also briefed MS		
19/08/2015	SMT meeting: CEO told MO and MG to sort out licensing business transformation.	CEO interview	
2/9/2015	Meeting between MS, CEO and WB where WB says he raised issue of licensing again and was told not to ask questions about licensing. CEO says WB was told he couldn't attend deliberations. MS says her comment wasn't made at this meeting and was for different reasons (see 15/10)	WB interview CEO interview MS interview	
13/09/2015	Case A released from bail. NFA	From report attached to s38 decision.	
21/9/2015	WB asks GB for update on licensing audit. Reply indicates 3 areas red control  WB asks CM what he should be asking re DBS checks and seeking clarification. CH didn't know about DBS	WDTK (WB)  CM interview	
22/9/2015	E mails between WB and GB about what software used and how DBS checks recorded	WDTK (MO)	
24/09/ 2015	Case A Hackney license re- instated	From MO timeline and report attached to s38 decision. MG interview  From MO timeline.	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	MO instructs immediate investigation	MO interview	
October	Police intervened to make sure young person in case B was safeguarded	MO timeline	How? No evidence that it was referred to council's own safeguarding lead. No other source found for this information.
Early October	MO asks MS what to do with report he was writing. She says take to Cabinet on 10 November	MO interview	This is probably meeting at 15/10 below.
13/10/2015	Meeting of CEO, MO and MG re internal audit report. CEO had concerns that MO was investigating case concerning a minor and he should talk to police.	CEO Interview	MO must have known about IA work by this date at the latest. Why wasn't it referred to in MO report. Why didn't he speak to IA? PS interview says it would have made all the difference to 10/11 decision.
15/10/2015	<p>CEO 1:1 with MG where CEO says MG should put resources into licensing to sort filing out.</p> <p>MO arranged meeting with MS to tell her he was undertaking inquiries into licensing and that she was not to tell anyone in case it compromised the investigation</p>	<p>CEO interview</p> <p>MS interview</p>	It looks as if the work to sort out documentation in licensing flowed from IA report and NOT WC work. Is this the case?

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
22/10/2015	Meeting between CEO, MO and Chief Superintendent to discuss two cases. CEO raised 3 <sup>rd</sup> case re historic case of downloading child porn. CEO says this was making connections for the MO  WC report describes this as to discuss info sharing.	From MO draft response to councillor Tomlinson and MO timeline.  WC report CEO interview MO interview	
23/10/2015	E mail CM to CEO asking why no feedback on licensing issues she raised.	WDTK (CM) CEO interview CM interview	
26/10/2015	CM e mails CEO after attempt by CEO to speak by phone. Says she wants information in writing. CEO says little he can share as subject to investigation.	WDTK (CM) CEO and CM interviews)	
2/11/2015	CM asks CEO for info about investigation. He wouldn't give it to her in writing Draft taxi licensing report to GLC	WDTK (CM)(CEO) CM interview (she says it was in October)  CEO interview MG interview	
3/11/2015	Internal audit report on licensing  Draft taxi licensing policy to SMT	IA report. MG interview  Critical of standard of record keeping.  Docs via WB	
6/11/2015	Delegated decision re LALPAC	CEO interview	
9/11/2015	MO e mails cabinet to say is arranging hand	WDTK (MO) MO interview	Was it the case that only some cabinet

## Appendix 2 - Timeline

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>delivery of MO report so they can discuss tomorrow. WB concerns re method of delivery. Also wants date investigation started. MiG says delivery of report was first he knew of licensing concerns</p> <p>CEO also receives report</p> <p>MS and PS say they did not receive report until she was at meeting</p>	<p>MiG interview</p> <p>CEO interview</p> <p>MS and PS interviews</p>	<p>members received the report in advance? Or have PS and MS misremembered?</p>
10/11/2015	<p>MO report to Cabinet workshop re CSE concerns and taxis. All recommendations in his report agreed. WB proposes external investigation and standing aside of CEO, MS and PS. WB agreed as lead. MS says that JR was also excluded.</p> <p>MG on leave CH absent</p> <p>Neither MS or PS remember discussion of external investigation and say that they only agreed to an investigation. PS says WC final report confirms this. The actual report is only dated November</p>	<p>Interviews: CEO, MO, WB, CM, MiG, CH, PM, MS, MG, PS</p>	<p>MO timeline describes this as a 'formal report'. WC report says it was not a formal report. MO says not s5 report. On balance, probably not a s5 report although MO describes it as a s5 report in e mail to SN on 6/1/2016. This was an informal meeting of cabinet members with MO and CEO. CH was absent. There is no record of decision or discussion. Exact decision especially re exclusion of CEO, MS and PS (and possibly JR) is not clear. No mention of confidentiality on face of report Why did MO write a report that</p>

Date	Event	Source of information	Lines of inquiry/comment
			<p>repeated much of IA work and not mention IA?                      Appears to be conflation of CSE and safeguarding and promoting welfare of children. This report and decisions flowing from it happened outside any constitutional framework. Why? Why were the three asked to step aside? A range of reasons given by those interviewed. Why did they? MS and PS say that decision to appoint external investigators was not taken at this meeting.</p>
<p>11/11/2015</p>	<p>Further meeting between MO and some Cabinet members and PF who read report but was not able to retain.</p> <p>CM says that they discussed delegated decision re spend with PF and stressed that they needed to have closed conversations. She says PF gave his unconditional support.</p> <p>MO meets with CEO who advises him to take care about who he instructs because of</p>	<p>WC report                      Interviews: WB, CM, MiG, MO</p> <p>CEO interview</p>	<p>Who were they?                      What was the purpose of the meeting?</p>

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>local networks. MO says CEO said he was not to instruct anyone in Lancashire.</p>	<p>MO interview</p>	
<p>12/11/2015</p>	<p>MO e mailed another officer indicating that Cabinet had agreed that CEO, MS and portfolio holder were to have no communication with officers re licensing issues to allow investigation to take place in as transparent a way as possible.</p> <p>E mail exchanges between MO and Paul Hoey re undertaking investigation. Meeting arranged for 18/11/2016. MO asks Cabinet member to attend with him.</p> <p>MO e mails MiG, WB and CM explaining how urgent revocation of taxi license works. Also informs re involvement of Paul Hoey. Says PH impressed with work so far</p>	<p>WC report</p> <p>WDTK (CM)</p>	<p>E mail not surfaced. There is an e mail to SN dated 20/11 – see below</p>
<p>15/11/2015</p>	<p>WB asks for meeting ‘tomorrow’ to include Dave Pollard. MO response describes exclusion of MS etc as neutral and for reasons of transparency.</p> <p>E mails between WB and CM re managing</p>	<p>WDTK (MO)</p> <p>WDTK (WB)</p>	

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>situation re exclusion of CEO/MS etc and decision making</p> <p>CH returns from holiday</p>	<p>CH interview</p>	
<p>16/11/2015</p>	<p>Formal re- investigation by licensing of Case B after MO intervention. Police not made full disclosure.</p> <p>E mail from legal officer to WB explaining legal position re attendance at licensing deliberations following request to MG. WB responds</p> <p>CM says terms of reference were initially done by MO. CM raises concerns re terms of reference of investigation. Thinks it should include role of elected members</p> <p>Meeting of informal cabinet with MO.</p>	<p>WDTK (MiG)</p> <p>CM interview WDTK (CM)</p> <p>WDTK.</p> <p>CH interview</p>	<p>Who did this? Where is outcome? (though individual cases not pursued by AL)</p> <p>At this stage CH had not seen the MO report.</p>
<p>17/11/2016</p>	<p>MO responds to CM’s concern re role of elected members suggesting indirect inclusion. MiG e mails saying would prefer to add explicitly.</p>	<p>WDTK (CM)(MO)</p>	
<p>18/11/2015</p>	<p>MO, MiG, WB and CM meet with WC in Manchester who were ‘subsequently’ instructed.</p>	<p>WB interview WC report PM and CH interviews CM interview MO interview</p>	<p>MO chose solicitors and made initial approach. MO invited all 5 cabinet members Procurement</p>



## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>There was a discussion about costs at this meeting. Neither PM nor CH were available</p>		<p>happened later (see below). The meeting was called to assess if WC could be instructed. What was said in that meeting? What assessment was made? Were costs discussed substantively?</p>
19/11/2015	<p>MO e mails WB, CM and MiG with link to press coverage</p>	WDTK (MO)	
20/11/2015	<p>WB e mails MO saying 5 days notice for council meetings needs to be changed</p> <p>MO e mails SN saying that MS, PS and CEO ‘must have no communication with officers regarding licensing issues....should either of those cited above make contact – you must let me know’.</p> <p>MS and PS go away</p>	<p>WDTK (MO)</p> <p>E mail provided by SN SN interview</p> <p>MS and PS interviews</p>	<p>This is a very wide exclusion. Others in interview claimed exclusion was only for the investigation or decisions relating to the investigation. How wide was the exclusion?</p>

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
24/11/2015	<p>Informal Cabinet meeting including PF. GLC agrees draft taxi licensing policy for adoption by full council.</p> <p>MO e mails CM, WB and MiG re arranging fact finding interview. All three can attend together</p>	<p>MO timeline MO interview</p> <p>WC report</p> <p>WDTK (CM) CH and PM interviews MO interview</p>	<p>MO timeline says 'due to possible judicial action (pertaining to ongoing CSE investigations) the strictest confidence was maintained'. What possible judicial actions? No recollection of this meeting by CEO, WB, CM, MiG, CH, PM in interview. MO says perhaps it was for an update. CM says maybe for agreeing ToR.</p> <p>Why were CH and PM not included?</p>
25/11/2015	<p>Specialist legal advice procured</p> <p>Record of decision taken by senior officer to</p>	<p>MO timeline</p> <p>Delegated decision re spend</p>	<p>How was it procured? No documentation found other than subsequent CSO waiver and delegated decision to spend. Meeting with them has already taken place. Where is formal letter of instruction and their client care letter? What documents were WC given?</p> <p>Nothing re confidentiality on face of delegated</p>

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	authorise approx. £25k spend.		decision record. Watermark only. No access to information reason given.
26/11/2015	WC interview members and officers	WC report	No-one in interview says they were involved in compiling witness list. Who agreed list of witnesses? Why were CEO, PF and JR not interviewed?
27/11/2015	<p>WB e mails MO with possible dates for council meeting in December. MO responds that council meeting may not be helpful.</p> <p>WB e mails CM and MiG with update. Confirming interviews undertaken. Report likely by 7/12. Attaches brief and costings by Hoey Ainscough</p> <p>WB e mails MiG and CM re possible need for urgent GLC meeting re 'third case'. Says advice not to call council meeting as might prejudice disciplinaries</p> <p>MiG responds to WB indicating issues that will need resolving</p>	<p>WDTK (MO)</p> <p>WDTK (MiG)(WB)</p>	<p>Costings post date work being started. How were fees agreed? Any negotiation? (None mentioned in any interview). Was this value for money?</p> <p>WC investigation recently started yet discussion about</p>

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	including officers who may leave the council  LALPAC decision published		officers leaving council.  CEO interview
28/11/2015	WB e mails MG asking why no legal comments/implications on draft licensing policy report.  MO e mails WB setting out relevant cabinet and non exec functions and other matters	WDTK (MG)  WDTK (MO)	
29/11/2015	WB asks GB for copy of licensing audit	WDTK (MO)	
30/11/2015	GB replies to WB to explain that report belongs to relevant senior manager and Governance Ctee. Subsequently confirms that fact that WB acting as leader makes no difference. WB asks GB for last full audit report on licensing (2012) MG responds to WB re licensing policy report. WB asks for copy of IA report. MG replies saying MO says not until Governance Ctee received it. MG e mails WB list of GLC members 'as requested' Subsequent e mail sends WB the report	WDTK (MG)(MO) WB interview	
2/12/2015	WB asks MO to let WC know he has been	WDTK (MO) WB interview	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	refused copy of IA report		
3/12/2015	<p>WC identified urgent need to review records to ensure DBS records current for all drivers. Informed MO orally. MO undertook review of all drivers to ensure current DBS in place and any risks identified.</p> <p>WB asks that as yet unpublished IA report be sent to investigators.</p>	<p>From MO timeline. And WC report. WB interview MO interview MG interview</p>	
Wk beginning 4/12	MO met with CEO to ask about cover if staff suspended. 1 <sup>st</sup> contact CEO had about licensing with MO since 10/11.	CEO interview	This was in advance of the interim report and before any disciplinary investigation
4/12/2015	Review of DBS records.40 additional checks required.	MO timeline.	Timeline says no DBS docs or med certificates.
7/12/2015	Interim report first discussed with MO and WB. Verbal update. Minutes kept.	<p>From MO timeline and WC report. WB interview MO interview</p>	Request made of WC for minutes
8/12/2016	WB e mails MiG and CM with update from meeting. Confirms contents of report are 'damning'. Says are running out of senior officers to conduct disciplinaries. MiG thanks WB for update	<p>WDTK (MiG) WB interview</p>	Why were PM and CH not included?
9/12/2015	CEO meets WB for regular update meeting. CEO asks WB why not using own HR and whether there was a report. CEO asks WB to raise using NW	CEO interview	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	Employers with rest of cabinet.		
11/12/2015	MO e mails WB with brief status report	WDTK (MO) Status report in WB2 WDTK	
12/12/2015	<p>Waiver to CSO. Signed MO and WB. Reason for waiver: extreme urgency. WB says no recollection of detail.</p> <p>Conservative group meeting.</p>	<p>Waiver MO interview WB interview</p> <p>CEO interview</p> <p>WB, MO, CM, MiG interviews</p>	<p>Refers to three cases subject to MO investigation. MO original report to cabinet only referenced two. CSO waiver post-dated decision to procure by a month. Why? Waiver based on CPR 44.3 allowing waiver when 'contract is for works, supplies or services that are required in circumstances of extreme urgency which could not reasonably have been foreseen.' Incorrectly stated – should be 44.1. CPR 44.5 says waivers may not be made retrospectively. MO report delivered a month previously.</p> <p>No mention of expenditure in budget setting process</p> <p>Another informal cabinet meeting. MO signed waiver on that date so was</p>

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>Informal meeting of cabinet members followed.</p> <p>MiG and CM have no recollection of specifics of the meeting</p> <p>MO has no recollection of meeting</p>		<p>probably present (Saturday) No record of meeting. WB says meeting agreed to start disciplinarys. No papers in front of members. How did they know enough to take this decision? How did they know that WB was correctly representing WC?</p>
14/12/2015	<p>WB asks CM to forward requests she made to CEO etc.</p> <p>WB asks MO to forward exchange with GB re IA report to WC. Asks for ToR of Cabinet</p>	<p>WDTK (WB)</p> <p>WDTK (MO)</p>	
15/12/2015	<p>E mail WB to CEO instructing disciplinary proceedings and external reporting. CEO asks if fact finding report concluded. WB says it has and report due any time. Suggests CEO liaises with MO. CM says need to understand tone of WB e mails. MO says he had no knowledge of e mail.</p>	<p>WDTK (MiG)(CEO)(WB). WB, MiG, CM, MO, CEO interviews</p>	<p>Legislation precludes councillors from involvement in staffing matters below chief officer level. Council's Officer Employment Procedure Rule 6 on Disciplinary action says that councillor shall not be involved in disciplinary action against any officer unless such involvement is necessary for any investigation or inquiry. WB says</p>

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>CEO rings WB and is told he would need to justify using in house HR. CEO established WB hasn't got report so defers doing anything until he sees report.</p> <p>CEO says he will need sight of information to advise and act appropriately</p>	CEO interview	not involved in disciplinary proceedings. Unaware of Officer Employment Rules.
16/12/2015	<p>Interim report again discussed with MO</p> <p>CEO tries to contact WB re giving licensing update</p>	<p>How? Was it given to MO? Did he go to solicitors?</p> <p>WDTK (WB)</p>	
21 December 2015	<p>Recommendation for revocation of both licenses for Case A .</p> <p>Full license revoked (case A) Appeal expected</p>	<p>From report to CEO and JR accompanying s38 decision. SO38 report unsigned and undated</p> <p>From MO timeline</p>	
22/12/2015	<p>Interim report delivered to MO. License revoked on CSE (allegation) appeal expected</p> <p>CM says report was hand delivered to her</p> <p>MiG says all cabinet received a hard copy including MS and PS (who were still away)</p> <p>PM received report. MO says he e mailed it to CEO and (later) SN/</p>	<p>MO timeline</p> <p>CM interview</p> <p>MiG</p> <p>PM interview</p> <p>MO interview</p>	MiG's view that all the cabinet received the report then is contradicted by MS and PS who were away and say they didn't receive it until 4/1/2016.



## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
23/12/2016	<p>CEO tells WB of contingency staffing arrangements. WB e mails CEO.</p> <p>Report presented to informal meeting of cabinet. All recommendations agreed. WB says CEO can get report from MO. MO says meeting was rushed</p> <p>CH says he wasn't there because of other commitments.</p> <p>MO informs CEO of report delivery. E mailed to CEO.</p> <p>CSO waiver re disciplinary investigation to be done by WC. Signed by MO, WB and DW</p>	<p>WDTK (CEO)</p> <p>WB interview</p> <p>MO interview</p> <p>CH interview</p>	<p>Read through by MO. CH not present. No record of meeting or decision. Informal meeting</p> <p>WB says WC were not conducting the disciplinarys and SN was the lead. He signed waiver to appoint WC to conduct disciplinary investigation. NO consultation with SN</p>
24/12/2016	<p>SN receives e mail from MO about interim report. Doesn't see it until 4/1/2016</p> <p>MG receives report 'at Christmas'. This was first he knew that staff in his directorate might be suspended</p>	<p>SN interview</p> <p>MG interview</p>	
25/12/2015	PS and MS return to the UK	PS and MS interviews.	
January	Appeal received	MO timeline	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>All driver licence applications reviewed and corrective action(unspecified) taken</p> <p>CH says from New Year he was no longer involved</p> <p>CM says she met CEO between Christmas and New Year and he hadn't read the report.</p>	<p>MO timeline</p> <p>CH interview</p> <p>CM interview CEO interview</p>	
4/1/2016	<p>CEO has conversation with MO. MO says he went through the report with CEO who was horrified</p> <p>PS meets with WB who gives him two copies of interim report</p>	<p>CEO interview</p> <p>MO interview</p> <p>PS interview</p>	
5/1/2016	<p>MO gives SN hard copy of the interim report. SN discovers who they are thinking of disciplining</p>	<p>SN interview</p>	
6/1/2016	<p>E mail WB to MG asking if audit report shared with P S. MG confirmed would be sharing with him that day. At some point MG goes through report with PS.</p> <p>E mail from MO to SN advising him of extreme urgency with which cabinet viewed disciplinary process. Refers to his report as s5 report</p>	<p>WDTK (MG) PS interview</p> <p>SN interview E mail</p>	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
7/1/2016	Meeting of CEO, MO and SN where MO said licensing officers had issued licenses without documentation, including DBS checks.  SN decides to lead investigation himself.	CEO interview SN interview	
8/1/2016	SN has conference call with WC and MO. Decides to suspend licensing officers	SN interview	
9/1/2016	Meeting of cabinet members following Conservative group meeting where WB and others made it clear to PS and MS that they were not going to be back in the loop on licensing.	PS and MS interviews	
11/1/2016	MO e mails MS with update on licensing and suspensions  WB e mails MO re no involvement of MS or PS	WDTK (MO)(WB)	
12/1/2016	MO e mails WB re suspension and media strategy.  Licensing officers suspended and manager moved from licensing service	WDTK (MO) MO interview  MO timeline SN interview	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
13/1/2016	<p>WB asks Brian Thompson to amend report for GLC on 19/1 to include financial implications. Legal officer e mails WB to say no need as it's an update on s38 informing the committee. WB disagrees.</p> <p>WC instructed on disciplinary issues.</p>	<p>WDTK (WB) WC report WB interview SN interview</p> <p>WC report</p>	<p>WB said he had no involvement in instructions. He says he did not know they were to be instructed. He signed the waiver.</p>
18/1/2016	<p>MO e mails WB with draft comms key messages re leak</p>	<p>WDTK (MO) Actual draft in WB2 WDTK</p>	
20/1/2016	<p>MO e mails WB and PF re leak and asks to speak to group prior to council meeting.</p> <p>MO e mails WB re leak to press. Suggests he calls cabinet meeting and include MS of opposition</p> <p>Council meeting MO goes to group meetings pre council to explain that licensing staff suspended and members were not to discuss it.</p>	<p>WDTK (MO)</p> <p>MiG interview MO interview</p>	
22/1/2016	<p>MO e mails confidential update to CM and</p>	<p>WDTK (CM)(MO)</p>	

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	others, including CEO and MS	Actual update in WB2 WDTK	
27/1/2016	Governance ctee meeting. receives licensing audit	WDTK (MO) PS interview	
28/1/2016	WB asks head of shared assurance service (GB) for copy of licensing audit	WDTK (MO)	
29/1/2016	GB refers WB to MO	WDTK (MO)	
31/1/2016	WB complains to GB re delay. Says meeting was clear that report can be released  MO e mails WB to explain why licensing audit report is restricted	WDTK (MO)	
February	A number of issues surface and corrected	MO timeline	Unspecified. What were they?
1/2/2016	GB replies to WB that wasn't his understanding (that report could be released)	WDTK(WB)	
7/2/2016	MO updates WB on disciplinary process. Wants to discuss 'plan C' in case of dismissals  WB e mails SN asking for update.	WDTK (MO) WB interview MO interview	Not clear what was meant by 'Plan C'. possibly what to do in the event that all licensing officer sacked.
8/2/2016	SN provides update to WB. WB e mails series of questions to SN WB requires response by 5pm to question about non involvement of CEO and MS. Has to be in writing so he can circulate other members.	WDTK (SN)(WB) SN interview	

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### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>WB asks MO to confirm date of instruction to SN re no contact with CEO and MS</p> <p>MO sends e mail with update on licensing to MS, CEO, WB, MiG, CM, PR and CH</p>	<p>WDTK (MO)</p> <p>Actual update in WB2 WDTK</p>	
10/2/2016	<p>Meeting of WB, MiG, CM and others with Head of HR (SN). SN said he was 'pummelled' by questions</p> <p>MiG says he had different meetings with SN on this date about other issues but licensing was also discussed.</p> <p>MS says she walked in on meeting and SN was being castigated.</p> <p>PM says there was a formal cabinet meeting that day. No recollection of meeting with SN</p>	<p>WDTK (MiG)</p> <p>WB interview</p> <p>CM interview</p> <p>WDTK (SN)</p> <p>MiG interview</p> <p>SN interview</p> <p>MS interview</p> <p>PM interview</p>	<p>What is the rationale for contact with HR re disciplinaries given legal position? WB says for an update. Referred to as meeting on 8/2 in SN email of 11/2</p> <p>CM says rationale for meeting was that WC couldn't get the final report back to them until the disciplinaries were concluded (although in the event they did). CM said they wanted re-assurance that SN wasn't causing delay, which they received.</p>
11/2/2016	<p>SN e mails answers to questions by WB. States his view that CEO and MS need to be kept informed generally.</p>	<p>WDTK (SN)</p>	
12/2/2016	<p>SN called to another meeting with WB, MiG and CM.</p>	<p>WDTK (MiG)</p> <p>SN interview</p>	
14/2/2016	<p>SN telephones WB and agrees to send weekly updates to WB, MiG and</p>	<p>MO interview</p> <p>SN interview</p>	

## Appendix 2 - Timeline

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Date	Event	Source of information	Lines of inquiry/comment
	CM following meetings/e mails. SN includes CEO and MS in updates. MO says he never saw the updates until the FOI release.		
15/2/2016	CM thanks SN for agreeing to updates	WDTK (CM)	
18/2/2016	Weekly update from SN on disciplinaries  CM asks WB why CEO and MS were copied into SN e mail 'losing the will to continue with these muppets'	WDTK (MiG)(CM)  CM interview SN interview	
26/2/2016	Weekly update from SN on disciplinaries	WDTK (MiG)(CM)	
3/3/2016	Interviews of suspended officers	SN interview	
4/3/2016	Weekly update from SN on disciplinaries. Also explains likely scenarios depending on outcome of investigation  MiG responds asking why the process is taking so long. Supported by CM and WB	WDTK (MiG)(CM)(SN) WB interview MiG interview.	
11/3/2016	Weekly update from SN on disciplinaries	WDTK (MiG)(CM)	
18/3/2016	Weekly update from SN on disciplinaries	WDTK (MiG)(CM)	
21/3/2016	WB e mails to arrange update  WB queries SN weekly report	WDTK (CM)	
22/3/2016	SN responds explaining situation.	WDTK (CM)	

## Appendix 2 - Timeline

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Date	Event	Source of information	Lines of inquiry/comment
	WB e mails SN saying length of time it is taking is a concern and asking him only to report to WB, MiG, CM, PM and CH. SN queries non involvement of CEO and MS. WB confirms no involvement.	WDTK (CM)(WB)  WDTK (SN)	
23/3/2016	Meeting MO and 5 cabinet members. MO has no recollection	WDTK (MO)  WB interview CM interview MO interview	May have been about modified vehicles issue
24/3/2016	Weekly update from SN on disciplinaries  WB e mails MO and SN asking them to attend meeting with WC on 30/3. SN queries purpose of meeting. WB says at WC request. SN confirms can attend	WDTK (MiG)(CM)  WDTK (SN)	No other information re meeting. Not in MO timeline
29/3/2016	Appeal withdrawn  MO e mails WB and CM re appeal settlement. WB and CM agree	MO timeline  WDTK (CM)(MO)	
30/3/2016	Meeting MO, WB, SN and WC in Burnley (both investigations)  CEO telephones JG at some point to ask what had happened as he was concerned that the two processes were being pulled together	WDTK (MO) CEO, SN, MO, WB interviews	See 24/3/2016  Meeting variously described as 'bringing SN and MO together'; 'sorting out a disconnect between MO and SN'. SN thought the meeting was completely



## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
			inappropriate. At one stage WB asked MO and SN to cover their ears. They left. What was discussed?
1/4/2016	Weekly update from SN on disciplinaries	WDTK (MiG)(CM)	
4/4/2016	Letter advising operator of enforcement within 48 hours  WB e mails CM and MiG re reasons for briefing with WC. Says he won't be involved after the briefing  WB tells MS that he was resigning from Cabinet.  WB rings CH and tells him he had resigned from Cabinet.  MO e mails WB, MS and JR re modified taxis issue	From MO timeline..  WDTK (CM)  MS interview  CH interview  WDTK (MO)	Modified vehicles issue
5/4/2016	E mail from WB to MiG and CM arranging meeting with WC on 26/4	WDTK (CM)	
6/4/2016	E mail MO to MS and CEO advising investigation drawing to a close and inviting to a verbal meet with WC	WDTK (CEO)	Why were they involved at this stage? What had changed?
7/4/2016	E mail Cllr M Tomlinson to CEO raising issues re licensing esp. 40 missing documentation (modified vehicles issue)	E mails via WB	

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>E mail Cllr Tomlinson to PF re type approval docs and withdrawal of service from LCC</p> <p>E mail PF to CEO and MO asking for urgent meeting re the above and asking why not told.</p>		
8/4/2016	<p>Weekly update from SN on disciplinarys</p> <p>Integrated Services Manager LCC replies to Qs from Cllr M Tomlinson re type approval issue</p> <p>Meeting Cllrs Tomlinson and Foster with MO re above issue and lack of notification to them.</p> <p>MO e mails confirming salient point from meeting. Lengthy explanation of modified vehicles issue. Confirms service working well. Says little re licensing. Confirms changes have been made.</p>	<p>WDTK (MiG)(CM)</p> <p>E mails from WB</p> <p>WDTK (MiG)</p>	
11/4/2016	<p>CM e mails MS re taxi conversion issues</p> <p>MiG e mails MS asking for cabinet meeting</p> <p>PF e mails MS re concerns about licensing, attaches notifications from LCC. Complains that he and all members kept in the</p>	<p>WDTK (CM)</p> <p>WDTK (MiG)</p>	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>dark. Independent report taking too long.</p> <p>MS met PF about modified vehicles. First meeting she had with PF re licensing</p>	MS interview	
12/4/2016	<p>Meeting with WC. MO requested MS and CEO attend meeting with WC and WB. MO says there was a change in tone from WC. MS and CEO refuse to comment.</p> <p>Reporter from Trinity News says they have interim report. PF rings CEO</p> <p>SN e mails all councillors re possible article in Daily Mirror re licensing</p> <p>MS e mails members to say meeting with PF 'today'. MiG responds asking for urgent cabinet meeting</p> <p>MS e mails PF re meeting 'yesterday'</p>	<p>WDTK (MO) CEO interview MO interview MS interview</p> <p>WDTK (SN)</p> <p>WDTK (MiG)</p>	Why were CEO and MS not given anything either on paper or by way of oral briefing prior to meeting?
12/4/2016	<p>CM e mails WB and MiG re concern at MS communicating with PF and not with cabinet. MiG agrees. WB says external report will reveal structural failures.</p>	WDTK (MiG)	

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>CM e mails WB and MiG complaining about failure of MS to bring issue in press leak to cabinet</p>		
<p>13/4/2016</p>	<p>E mail WB to 4 others updating re meeting on previous day. Sets out concerns in detail. Refers to whether Cabinet can continue to support members/officers 'in the mix'</p> <p>E mail WB to SN asking why member of staff is still working given change of tone from WC re safeguarding concerns. SN responds that WC not reported change in concerns to him but will check. SN speaks to JG at WC who confirms no change in tone. WB says he has concerns re Environmental Health.</p> <p>E mail CM in response (having been copied in) also asking same question and demanding response</p> <p>WB e mails CM and MiG re structural failings and will lodge vote of no confidence in CEO if he doesn't resign. CM in full agreement</p>	<p>WDTK (MiG)(WB) WB interview MiG interview</p> <p>WDTK (CM)(SN) MiG interview</p> <p>WDTK (MiG)</p> <p>Refers to 'yesterdays' meeting'. CM interview</p>	<p>WB says WC's tone had changed and become harsher. SN says he spoke to JG at WC who says the tone hadn't changed. Did WB give an accurate picture of meeting to CM and MiG This seems pretty close to the line in terms of member involvement in disciplinarys. Why was this thought to be ok?</p>

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
14/4/2016	<p>E mail CM and MiG to MS requesting group meeting</p> <p>MO sends draft timeline to WB. Explains contents. Explains MO report. Says issue first came to light in August but timeline starts in November. MO says he doesn't know why it started in November</p>	<p>WDTK (MiG)</p> <p>WDTK (MO)(WB)</p> <p>MO interview</p>	
15/4/2016	<p>E mail CEO to WC referring to previous day's meeting</p> <p>Weekly update from SN re disciplinary</p> <p>Conservative group meeting re licensing (modified taxis?) MS says this was an informal cabinet meeting and describes WB behaviour.</p> <p>MO e mails CEO suggesting paying compensation to Case B family</p> <p>PS didn't attend</p> <p>PF submits formal request for extraordinary council meeting to discuss licensing and closure of Chorley A7E</p>	<p>WDTK (MiG)(CM)(CEO) MS interview</p> <p>WB interview</p> <p>MS interview</p> <p>CEO interview</p> <p>CM interview</p> <p>CEO interview</p>	
16/4/2016	E mails between CEO, MS and PF arranging		

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	meeting on 18/4. Then postponed by MS.		
17/4/2016	MO e mails CEO suggesting offer apology and compensation to family (of 5 year old?)	WDTK (WB)	
18/4/2016	Article in New Day breaks the story. WB complains to SN about poor quality of media handling  WB asks MO to speak to Seema Kennedy MP re Daily Mirror.	CEO interview  WDTK (SN). WB and SN interview  WDTK (MO)	
19/4/2016	SN responds to WB  E mail MiG to WB and CM and some others to meet on 22/4  E mail MiG to MG asking to meet  E mails arranging meeting between MiG and MO  CEO refers leak to the police	WDTK (SN)  WDTK (MiG)  MiG interview  CEO interview	MiG thinks this was unconnected to licensing issue.
20/4/2016	WB asks for 11/11/2015 meeting to be added to timeline. MO thanks WB for comments on timeline and sends final version to him.  WB forwards timeline to CM, MiG, PS and MS  CM says that MS was asked to involve cabinet. She said she wouldn't	WDTK (MiG)(MO)  WDTK (WB)  CM interview	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
21/4/2016	<p>E mails WB to Regional Conservatives.</p> <p>E mail WB to MiG stating no role for deputy leader</p>	<p>WDTK (MiG)(WB)</p> <p>E mail referred to a timeline prepared by MO.</p>	
22/4/2016	<p>E mails between WB to CM and MiG re unhappiness at CEO involvement and that he and MO are fingered for leak</p> <p>E mails between CM and MS re strategy on report</p> <p>E mails between WB, CM and MiG re unhappiness at position (particularly MS running comms) and what to do</p>	<p>WDTK(MiG)</p>	
24/4/2016	<p>CM texts JG asking for support re group meeting</p>	<p>WDTK (MiG)</p>	
25/4/2016	<p>JG reply to CM pointing out they work for Council.</p> <p>E mails between WB, CM and MiG in re his reply</p> <p>E mail MiG to CM, WB and others re MS position and lack of strategy</p> <p>E mail MiG to MC and WB regretting attack on WB and MO. Agrees need to go on the attack</p>	<p>WDTK (MiG)(CM)</p>	

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>E mail WB to CM and MiG complaining that CEO had not carried out his instructions re disciplinary action. Response from CM</p> <p>E mail WB to SN reminding re PR approach and timelines</p>	<p>WDTK (WB)</p> <p>WDTK (SN)</p>	
25/4/2016	<p>WB e mails SN asking for weekly updates as agreed. Asks for advice on whether there could have been different approach to disciplinaries</p> <p>Emails between CM and WB commenting negatively on e mails from MS</p> <p>CEO attends informal meeting of cabinet called to prepare for council meeting on 27/4. Asks for explanation of why usual processes had not been followed</p>	<p>WDTK (SN)</p> <p>WDTK (WB)</p> <p>CEO interview</p>	
26/4/2016	<p>CEO circulates draft press statement for comment to WB,CM, MiG, CH and PM</p> <p>E mail from PF to CEO warning of their opposition to any attempt to hold</p>	WDTK (MiG)(WB)	



Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>extraordinary council meeting in private E mails between CEO and PF to agree motion for next day's council meeting</p> <p>Second informal meeting of cabinet also attended by CEO</p>	<p>PF (WDTK via WB)</p> <p>CEO interview</p>	
27/4/2016	<p>WB says there was a meeting between MS, CEO and PF, which referred to stitch up by CEO/MS and did a deal.</p> <p>MS describes it as meeting to discuss how to handle the meeting</p> <p>Senior managers meeting with CEO. DJ learns of safeguarding concerns for first time</p> <p>Pre meet of cabinet members to discuss PR issues and how to handle the council meeting</p>	<p>WDTK WB interview CM interview MiG interview</p> <p>MS interview</p> <p>DJ interview</p> <p>PS interview MS interview</p>	
27/4/2016	<p>Council meeting Agreed that Chair of Scrutiny should lead arrangements for receiving report and reviewing commissioning process</p> <p>Press statement issued</p>	<p>MS, CM, WB, PM, CH interviews</p>	
28/4/2016	<p>Cllr Tomlinson e mails all councillors repeating 4 questions raised at</p>	<p>WDTK (MiG)(MO)</p>	

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>Council meeting and asking for answers</p> <p>MS asks CEO/SN if there's a response that can be given. CEO asks MO.</p> <p>MiG e mails MO complaining re comments made at previous night's meeting.</p> <p>MiG and WB ask when reply will be given to Cllr Tomlinson and by whom</p> <p>MO says he has been asked by CEO to draft reply. Sets out difficulties.</p> <p>E mails exchange re WB and MiG commenting on MS</p> <p>MS e mails Conservative Councillors thanking them for help and support. E mail from MiG to CM and WB complaining about lack of support.</p> <p>Further e mails between WB, CM and MiG complaining about MS</p>	<p>E mails via WB</p> <p>WDTK (WB)</p>	
29/4/2016	<p>E mails between WB and J G re finalising report</p> <p>Licensing transcript sent to WB. Response from CM</p>	WDTK (MiG)(MO)(WB)	

## Appendix 2 - Timeline

### Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
3/5/2016	MiG forwards video clip of Cllr Tomlinson to MO  MiG writes to MO complaining re behaviour of some members in full council 'last night'.	WDTK (MiG)  WDTK (WB)	
4/5/2016	E mails MiG and MO re when and by whom answers will be given  MiG forwards blog by Cllr Tomlinson to MO	WDTK (MiG)(MO)	
7/5/2016	E mail exchange WB, CM and MiG re scrutiny ctee.	WDTK (MiG)	
8/5/2016	WC instructed by Chair of Scrutiny to have sole contact with CEO. CEO writes to WC CEO confirms the above in e mail to lead members	WC report  WDTK (CEO)  WDTK (MiG)(WB)	
9/5/2016	Email WB to CM and MiG re e mail of day before		
11/5/2016	Email exchange between MiG and CM re radio interview of PF  Annual Council meeting	WDTK (MiG)	
12/5/2016	E mail Cllr Bell to MS re visit from taxi driver. MS response	WB e mails	
13/05/2016	E mail MiG to CEO asking for date of final report receipt  E mail MiG to JG at WC referring to leaked report asking for date of final report and that it will be sent to all	WDTK (MiG)	

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>councillors. Asked to refer to CEO</p> <p>Identical e mail from MiG to JG</p>		
18/5/2016	<p>Chasing e mail MiG</p> <p>E mail CEO to MiG responding to earlier request re no report yet</p> <p>Council meeting where PF said he wanted to talk to the 3 councillors</p>	<p>WDTK (MiG)(CEO)</p> <p>Interview MiG</p>	
18/5/2016	<p>Letter from Independent Chair of Safeguarding.</p>		
19/5/2016	<p>Phone call between MS and WB (referred to in e mail of 26/5).</p>	WDTK	
23/05/2016	<p>WB forwards lengthy e mail chain to CM and MiG re alleged cover up by MS of licensing failures</p>	WDTK (MiG)	
24/05/2016	<p>E mail Head of Shared Financial services to WB attaching delegated decision and contract waiver</p>	WDTK (MiG)	
26/05/2016	<p>E mail legal services manager to MS explaining investigation underway in autistic child case</p> <p>WB e mail to PF. Refers to phone call on 19/5 and alleges PF described 'stitch up'.</p>	WDTK (MiG)(CM)	
27/05/2016	<p>E mail MiG to CEO asking when final report available</p>	WDTK (MiG)	

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
	<p>E mail from MS to all councillors re autistic child case</p> <p>E mail from MS to all councillors explaining why the safeguarding self assessment audit was not completed (in MiG e mail)</p>		
29/5/2016	<p>WB e mails MS and CEO to ask if they can confirm meeting with PF on 27/4 prior to council meeting. MS says no meeting in her diary</p>	WDTK (MiG)	
30/5/2016	<p>E mail Cllr Prynne (LCC) to MS</p>		
31/5/2016	<p>WB e mails Cllr Titherington with questions and concerns re scrutiny review process.</p>	WDTK (WB)	
1/6/2016	<p>WB asks legal services manager to counter allegations made by PF at council meeting. He confirms appropriate delegated decision and contract waiver was made, prior to WC appointment, in accordance with constitution.</p> <p>WB thanks him for confirming not acted illegally. E mails CM</p> <p>E mails between WB and Darren Cranshaw re scrutiny review.</p>	WDTK (MiG)(WB)	
3/6/2016	<p>E mail Cllr Prynne (LCC) to MS and response</p>	WB e mails	

Timeline – Post interview amendments v6

Date	Event	Source of information	Lines of inquiry/comment
6/6/2016	<p>CM e mails WB that if she were MS she wouldn't have allowed a person whose area was subject to ongoing investigation into safeguarding failure to remain in post</p> <p>Cllr Titherington asks WB to explain concerns re terms of reference of review. WB says would be inappropriate.</p>	WDTK (WB)	

Initials:

WDTK – what do they know website. initials in brackets indicates who released it.

WC/WC report – Wilkin Chapman

JG – partner lead at Wilkin Chapman

CEO – Mike Nuttall

MO – Monitoring Officer, Ian Parker

SN – Steve Nugent

MG – Mark Gaffney

GB – Garry Barclay

DJ – Denise Johnson – safeguarding lead for SRBC

MS- Councillor Margaret Smith, then leader of the council

PS – Councillor Phil Smith, Portfolio holder

WB – Councillor Warren Bennett

CM – Councillor Caroline Moon

MiG – Councillor Michael Green

PF – Councillor Paul Foster, Leader of the Opposition

CH – Councillor Cliff Hughes

PM – Councillor Peter Mullineaux



Working in **Synergy** on shared services

# FINAL INTERNAL AUDIT REPORT SRBC 01/15-16

## Review of Licensing

Karen Matthewman  
Auditor  
03/11/15



Certificate Number 1415

<b>1</b>	<b>REASONS FOR AUDIT</b>
1.1	The Licensing function is an important statutory activity. It is vital that sound procedures are in place to ensure that application and enforcement activity is undertaken in accordance with the appropriate regulatory requirements.
1.2	The Licensing Service has recently reviewed their processes. This has resulted in the receipting of fees and the collection of licensing information required for taxi licence applications and renewals being carried out by Gateway. It is the intention that the receipting and collection of all licensing applications will be carried out by Gateway later in the year. The verification of licensing applications and enforcement and licence conditions compliance continues to be carried out by the Licensing Service.
1.3	This was a planned review undertaken in accordance with the 2015/16 Internal Audit Plan.

<b>2</b>	<b>SCOPE, OBJECTIVES &amp; APPROACH</b>
2.1	<p>The aim of the review was to seek assurance that the key systems for the administration and processing of licence applications and enforcement activity are adequate and operating effectively. Taxi and premises licences (including personal alcohol) were reviewed as these are the largest volume of licences issued by the Council and generate the majority of licensing income. This involved:</p> <ul style="list-style-type: none"> <li>• Documenting and reviewing the systems and procedures that constitute the corporate arrangements to ensure compliance with statutory requirements;</li> <li>• Reviewing the process for the payment of licensing fees and establishing that there is an adequate separation of duties and reconciliation between income collection and banking;</li> <li>• Determine how enforcement and licence conditions compliance is being carried out by Licensing Officers.</li> </ul>
2.2	High-level testing of key procedures was undertaken in order to confirm that the arrangements are operating satisfactorily.

<b>3</b>	<b>CONTROLS ASSURANCE RATING</b>
3.1	<p>The Head of Shared Assurance Services is required to provide the Governance Committee with an annual audit opinion on the effectiveness of the overall control environment operating within the Council and to facilitate this each individual audit is awarded a controls assurance rating.</p> <p>Although the Licensing Service has been going through a transitional period due to a restructure in 2014, when experienced Licensing Officers left the Council and due to new processes being carried out in Gateway, our review has highlighted a number of weaknesses including;</p> <ul style="list-style-type: none"> <li>• We are unable to provide assurance that all relevant documentation has been received for all taxi licence applications / renewals;</li> <li>• Annual invoices have failed to be set up for Premises Licence applications;</li> <li>• Pro-active enforcement activity is sporadic and unstructured.</li> </ul> <p>Due to the internal control issues above, a <b>Red (7)</b> rating has been awarded for this review.</p> <p>Please refer to the Controls Assurance Rating Key at the end of the report.</p>



4	KEY FINDINGS
	<p data-bbox="220 248 927 282"><b>Licensing Legislation and Statutory Requirements</b></p> <p data-bbox="129 315 1522 483">4.1 Authority to administer the licensing system is delegated to Officers in line with legislative requirements and recorded within the Council's Constitution. The General Licensing Committee (GLC), Licensing Act Committee and Licensing Panel hold regular meetings to dispense the various licencing requirements. Licensing training has recently been carried out for new and existing members of the GLC and there is ongoing training to keep them abreast of developments.</p> <p data-bbox="129 517 1506 719">4.2 The Statement of Licensing Policy, which covers premises, personal licences and temporary event notices, has been produced in accordance with the statutory duty imposed by the Licensing Act 2003. Whilst it is not a legislative requirement for a Taxi Licensing Policy, it is good practice to have one in place. <b>The Council does not currently have a Taxi Licensing Policy although it is understood that this is in the process of being developed and it is envisaged that this will be completed by January 2016.</b></p> <p data-bbox="129 752 1437 887">4.3 It is mandatory under the Licensing Act 2003 for the Licensing Service to produce Licence Registers. Information from the Lalpac and Firmstep systems informs the Licence Registers produced on the SRBC website. Although, the Licencing Registers were not available to view online for some weeks during the audit, this has now been resolved by ICT.</p> <p data-bbox="129 920 1522 1155">4.4 It is a statutory requirement that Licensing information is extracted biennially for the National Fraud Initiative (NFI) data matching exercise and it was confirmed that data can be extracted from Firmstep. <b>However, the Taxi Licence application forms do not include the Fair Processing Notice and the renewal forms do not include the National Insurance Number, as recommended by the Cabinet Office. The Personal Licence application form does not include the correct link to the SRBC website for further information on NFI although this was advised by us at the time of the last NFI exercise.</b></p> <p data-bbox="129 1189 1522 1357">4.5 The Licensing function is guided by legislation, however, written procedures are not in place which identify individual roles and responsibilities. Gateway Officers have some procedures in place for the verification of documentation and are guided by the Firmstep script. <b>To ensure responsibilities are clearly assigned and understood, and to maintain business continuity, detailed written procedures should contain definitive roles and responsibilities for all aspects of the service.</b></p> <p data-bbox="220 1391 437 1424"><b>Licensing Fees</b></p> <p data-bbox="129 1458 1485 1592">4.6 A detailed review of the current level of fees has recently been undertaken following a number of changes to the way in which the Council delivers its licensing service. The 2015-16 fees were affirmed by members at the GLC meeting on the 14<sup>th</sup> April 2015. Testing confirmed that licensing fees have been correctly applied and income is recorded accurately.</p> <p data-bbox="129 1626 1522 1827">4.7 There is an adequate separation of duties between income collection and banking. Regular reconciliations of licensing income are being carried out in Finance to ensure that the correct financial codes have been allocated. The Management Accountant reported that there had been an improvement in the allocation of income to the correct financial codes since the introduction of Firmstep to record Taxi Licence fees. <b>However, there are minor issues with the detail of information recorded when payments are transferred via ICON to the General Ledger.</b></p> <p data-bbox="220 1861 820 1895"><b>Taxi Licensing Applications and Renewals</b></p> <p data-bbox="129 1928 1522 2029">4.8 For all new applications and renewals, documents are checked and uploaded onto Firmstep by Gateway Officers and the administration checks and issuing of the licence is carried out by the Licensing Service.</p>

4.9	<p>To confirm that the current system is operating as expected, a random sample of 18 (5%) new and renewed Taxi Driver, Operator and Vehicle Licences issued from December 2014 to April 2015 was tested. This was when the new Gateway / Firmstep system was introduced. This testing revealed that:</p> <ul style="list-style-type: none"> <li>• All applications within that timescale were completed in full on Firmstep;</li> <li>• The relevant payment was received and receipted on Firmstep;</li> <li>• 9 files contained all relevant documentation to support the application;</li> <li>• Under Data Protection legislation, Disclosure Barring Service (DBS) results cannot be retained, therefore there was no evidence in the file of the DBS results received, therefore we are unable to provide any assurance on this process.</li> </ul> <p>However,</p> <ul style="list-style-type: none"> <li>• 17 out of 18 applications / renewal files did not contain the signed application and declaration;</li> <li>• 4 files contained no documentation required to support the application;</li> <li>• 5 files did not contain all the relevant documentation to support the application / renewal.</li> </ul>
4.10	<p><b>There is a significant backlog of filing in the Licensing Service and some of the relevant documentation may have been received by the Council, however we are unable to provide assurance that the relevant documentation was received to support the applications / renewals in all cases.</b></p> <p><b>Premises and Personal Licences</b></p>
4.11	<p>Our work confirmed that Personal and Premises licence applications are completed in full and with the correct fee paid. Relevant documentation is obtained and retained on file.</p>
4.12	<p><b>However, the process for setting up annual invoices for Premises Licences is weak and testing revealed that 6 out of 27 (22%) licences were not set up as periodic debtors on the financial system. Two debtors had not been invoiced since 2008, with a total lost value of £3535 (based on current charges).</b></p>
4.13	<p><b>The other four debtors were due to be invoiced in the current financial year and the total value of lost income could potentially have been a further £1455. As our testing only incorporated testing of 27 licences, a full review will need to be undertaken to establish if there are any other Premises Licence holders who have not been set up as periodic debtors. A decision will need to be made to determine if outstanding charges are to be backdated.</b></p> <p><b>Enforcement</b></p>
4.14	<p>Underpinning the Licensing Act 2003 the four Licensing objectives are:</p> <ul style="list-style-type: none"> <li>• the prevention of crime and disorder;</li> <li>• the prevention of public nuisance;</li> <li>• public safety;</li> <li>• the protection of children from harm.</li> </ul>
4.15	<p>The Licensing Service has a Licensing Enforcement Policy and a Joint Enforcement Protocol is in place. Reactive work is carried out in response to complaints and intelligence received. Licensing Officers are experienced and work with other agencies to identify and carry out enforcement activity. <b>However, written procedures in place for enforcement duties should include Licensing Officer roles and responsibilities.</b></p>

4.16	<p><b>There is no formal schedule of pro-active enforcement in place and spot checks are only carried out when time permits. A monitoring record of pro-active enforcement activity carried out by officers is not maintained.</b> It is envisaged that the proposed move of licensing activity to Firmstep will streamline the Licensing process when this has been introduced later in the year. This will enable Licensing Officers to carry out more proactive enforcement duties.</p>
<p><b>Performance Management</b></p>	
4.17	<p>Performance management monitoring is undertaken and reported on an exception basis. The number of applications and income received is also monitored. <b>The number of licensing applications received is recorded and reported to the GLC on an annual basis. The Public Health Manager is already considering further performance measures including an update on the work of the team, the number of licenses issued and any enforcement action taken, possibly bi-annually.</b></p>

**5. MANAGEMENT ACTION PLAN**

NO.	FINDING / RISK	RECOMMENDATION	AGREED ACTION	OFFICER & DATE
1	<b>The Council does not currently have a Taxi Licensing Policy although it is understood that this is in the process of being developed and it is envisaged that this will be completed by January 2016.</b>	A Taxi Licensing Policy should be introduced as soon as possible to ensure clear objectives and guidance is recorded and communicated to all users.	Agreed.	The Public Health Manager  Feb 2016
2	<b>However, the Taxi Licence application forms do not include the Fair Processing Notice nor the National Insurance Number as recommended by the Cabinet Office. The Personal Licence application form does not include the correct link to the SRBC website for further information on NFI although this was advised by us at the time of the last NFI exercise.</b>	The Taxi Licence application form should be amended to include the Fair Processing Notice and the National Insurance Number. The Personal Licence application form should also include the correct link to the SRBC website	Agreed.	The Public Health Manager  Nov 2015
3	<b>To ensure responsibilities are clearly assigned and understood, and to maintain business continuity, detailed written procedures should be in place for Licensing Officers incorporating all aspects of the service.</b>	Written procedures detailing roles and responsibilities should be in place for Licensing Officers.	Agreed.	The Public Health Manager  December 2015
4	<b>However, there are minor issues with the detail of information recorded when payments are transferred via ICON to the General Ledger.</b>	Shared Financial Services should liaise with ICT to ensure the identification of Licensing payments is improved so that there is a clear audit trail of income received. including a reference / name / date when payments are made by credit/debit card on Firmstep and then transferred to ICON / the General Ledger and VAT being recorded separately.	Agreed	Head of Shared Financial Services  April 2016

### Appendix 3

F6 Report Dec 2014

5	<p><b>There is a significant backlog of filing in the Licensing Service and some of the relevant documentation may have been received by the Council, however we are unable to provide assurance that the relevant documentation was received to support the applications / renewals in all cases.</b></p>	<p>Arrangements should be made to clear the backlog of filing and ensure that signed declaration and applications and supporting documentation has been received for all applications / renewals granted.</p>	<p>Agreed.</p>	<p>The Public Health Manager  December 2015</p>
6		<p>The Public Health Manager should ensure that for all future applications / renewals, the files contain all relevant documentation at the time that the licence is granted / renewed.</p>	<p>Agreed. Documents are to be scanned in future and evidence retained electronically. The Public Health manager is to ensure that Licensing Officers are retaining supporting documentation on file. Manual files will only contain the signed original application and declaration documents.</p>	<p>December 2015</p>
7		<p>The Public Health Manager should periodically carry out checks to ensure that that all relevant documentation has been received and that applications / renewals are being processed in accordance with the regulations.</p> <p>Evidence of checks should be retained</p>	<p>Agreed.</p>	<p>The Public Health Manager  September 2015</p>
8	<p><b>The process for setting up annual invoices for Premises Licences is weak and testing revealed that 6 out of 27 (22%) licences were not set up as periodic debtors on the financial system. Two debtors had not been invoiced since 2008, with a total lost value of £3535 (based on current charges).</b></p>	<p>The Licensing Enforcement Officer (LEO) should review the Premises Licence Register and ensure that all licence holders have been set up on the finance system as a periodic debtor.</p>	<p>Agreed, already completed.</p>	<p>The Public Health Manager  September 2015</p>

	<b>The other four debtors were due to be invoiced in the current financial year and the total value of lost income could potentially have been a further £1455.</b>	A decision should be made to determine if outstanding charges are to be backdated.		
9	<b>As our testing only incorporated testing of 27 licences, a full review will need to be undertaken to establish if there are any other Premises Licence holders who have not been set up as periodic debtors. A decision will need to be made to determine if outstanding charges are to be backdated.</b>	Going forward, controls should be strengthened by the LEO requesting confirmation from Exchequer to confirm that debtors have been set up on the financial system with the debtor number and PIM reference. The Invoice Generation Report should also be reconciled against the register of licence holders to ensure all invoices have been raised.	Agreed, already completed.	The Public Health Manager  September 2015
10	<b>However, written procedures in place for enforcement duties should include Licensing Officer roles and responsibilities.</b>	Written enforcement procedures should include Licensing Officer roles and responsibilities for officer guidance.	Agreed.	The Public Health Manager  December 2015
11	<b>There is no formal schedule of pro-active enforcement in place and spot checks are only carried out when time permits. A monitoring record of pro-active enforcement activity carried out by officers is not maintained.</b>	A formalised schedule of pro-active enforcement activity should be developed so that it is undertaken in a structured and organised manner covering all aspects of licensing enforcement.	Agreed.	The Public Health Manager  February 2016
12		Formal recording of all proactive enforcement activity should be developed and maintained for monitoring and reporting purposes.	Agreed.	The Public Health Manager  February 2016

13	<b>The number of licensing applications received is recorded and reported to the GLC on an annual basis. The Public Health Manager is already considering further performance measures including an update on the work of the team, the number of licenses issued and any enforcement action taken, possibly bi-annually.</b>	An update on the work of the team, including number of Licenses issued and enforcement action taken should be reported to the GLC on a bi-annual basis.	Agreed.	The Public Health Manager  October 2015
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**A lack of timely implementation of the agreed actions may be reported to Governance Committee.**

**CONTROLS ASSURANCE RATING KEY**

<b>Control Rating</b>	Limited	4	7	9
	Adequate	2	5	8
	Substantial	1	3	6
		Minor	Major	Critical
<b>Risk Rating</b>				

**Risk Rating**

The relative risk of each system (**Minor, Major or Critical**) reflects the impact that it would have on the Council in financial and/or reputational terms if it was to fail. The risk rating for each audit has been agreed following a detailed risk assessment by Internal Audit and approval by Senior Management

**Control Rating**

**Limited** - the Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist. **Adequate** - the Authority can place only partial reliance on the controls. Some control issues need to be resolved. **Substantial** - the Authority can place sufficient reliance on the controls. Only minor control weaknesses exist





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**To:** Cabinet**From:** Monitoring Officer**Date:** November 2015

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**Subject:** Licensing Service  
Enforcement, Data Collection (Sharing & Storage)**Action:** To consider the issues raised in this report  
To identify and agree corrective actions to ensure compliance**Timing:** URGENT

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## 0 Introduction

0.1 This report has been written for the Executive and has been prepared by the Monitoring Officer. The role of the Monitoring Officer is to ensure the statutory body, that is the Council, is operating both ethically and legally. At times statutory roles (S151, MO and HoPS) might need to report information that others might find unpalatable, consequently these roles are protected under statutory powers. There are two overriding principles the Monitoring Officer must uphold, *speaking the truth to power* and conduct their business *without fear or favour*. This report has been written with those principles in mind.

## 1 Purpose of the Report

1.1 The main purpose of the Report is to alert the Executive to a number of issues pertaining to the Licensing Service. The Report is not a critique of performance, be that individual, team or corporate performance; it is not a disciplinary investigation. The Report is to highlight deficiencies, flaws or gaps in service provision, specifically data gathering and storage and investigation standards within the Licensing Service.

1.2 The Report also recommends actions to be taken in order to address any areas where it is felt standards have fallen short of reasonable expectations and to ensure that the Council operates ethically and legally. Where it is felt that weaknesses have been exposed, corrective measures to address such weaknesses are the focus of this Report.

## 2 Areas of Review

2.1 There are three areas that have been subject to a fact finding investigation, namely investigations for enforcement, specifically to Taxi Licence cases where considerations regarding Child Sexual Exploitation (CSE) form part of the investigation. Data sharing and recording notably between the Council and external bodies such as the Police, specifically in cases where CSE is alleged, and recording of data onto the Council's Licensing system.

## 3 Monitoring Officer Investigation

3.1 The approach adopted for this investigation was one of simple fact-finding. The MO has been fully supported by the Director of Neighbourhoods, Environmental Health & Assets, Legal Services and the Manager of the Licensing Service. The Council's Fraud Investigator (ex-police) has assisted the investigation throughout.

3.2 The MO was alerted to a case involving CSE that was presented to the Licensing Committee. This case initiated the investigation. The case (**Case A**) was prompted by Lancashire County Council (LCC) withdrawing a contract from a taxi driver following allegations of sexualised conversations with a vulnerable 16 year old female. LCC undertook their own investigation into the allegation that led to the contract to drive children to and from schools being withdrawn. Disclosure and Barring Service (DBS) were duly informed. In turn the Council's Licensing Service was notified and a report was prepared for the Licensing Committee to consider, in light of the allegations, whether the driver's taxi licence should be revoked.

- 3.3 It is worth reminding ourselves that the Licensing Committee exists as a quasi-judicial committee functioning as if it were the Magistrate Court (where licensing matters were previously considered). The committee is required to deliberate using papers presented and taking into account statements that are made on the night. The committee is required to reach a decision based on the balance of probability – it is not a criminal burden of proof.
- 3.4 In **Case A** it would be reasonable for a local investigation to include the following:
- Witness Statement (from the victim)
    - Given the age and vulnerability of the victim, it might be appropriate to call upon the services of a Senior Responsible Adult.
  - Interview Under Caution (IUC)
    - Of the driver – to secure a signed statement
  - Liaison (intelligence sharing) with Police
    - Records of any Police involvement (or otherwise)
  - LCC records of their investigation (shared under disclosure)

Consideration should be given to inviting both parties to the hearing at the Licensing Committee, to ensure fairness and transparency – and should anything be offered up to the committee on the night, the other party would have a reasonable and open opportunity to respond.

- 3.5 In **Case A** the local investigation fell short of the expected standards. There was no IUC, there was no witness statement (either here or from LCC) and no significant intelligence sharing with the Police. On the night additional evidence was put to the committee; this was essentially a reference on behalf of the driver. There is an issue with perception, the reference was read out by the officer and not the driver.
- 3.6 The committee functions as a quasi-judicial entity but the witness (or persons supporting the witness) was not invited. Closer examination of the working file showed that there was a handwritten note from the witness that had been passed across from LCC, albeit redacted, but it was not included in the report for the committee. Additionally, there was a brief email from the Police saying they are not taking any further action; this was not included in the report to the committee.
- 3.7 The MO investigation is compelling; in **Case A** the witness was let down as the local investigation was not as thorough as it could have been. Consequently the committee were let down in the sense that they were expected to deliberate with incomplete information. Without a robust investigation in place the Executive cannot be assured that the committee reached the correct decision – although the committee can always adjourn and seek further information/advice. This is not to say that the decision is known to be wrong, it is simply to acknowledge that the investigation was incomplete and thus the Committee deliberated with limited evidence.
- 3.8 A second case **Case B** identified a driver who had been arrested and bailed with conditions (not to be left alone with children under 16 years) and was facing extremely serious allegations pertaining to sexual activity with a 6 year old female. The Hackney taxi licence was withdrawn, but the Private Hire licence remained. This might have been both reasonable and proportionate, but the local investigation was incomplete so the level of confidence that the right decision was reached is lacking.
- 3.9 Whilst advice and liaison takes place between Officers, and the Police, it appears that Officers take their lead from the Police which we know has a different burden of proof. Inevitably this can lead to the local investigation being weakened and the committee not being provided with right documentation with regard to the right burden of proof standards. These are complex cases and although liaison between the Licensing Service and Legal Services takes place, the absence of a thorough local and documented investigation ultimately compromises the integrity of the Committee. In these CSE cases it is clear that victims have been let down which in turn undermines public confidence in the system.

#### 4 Police Support

- 4.1 The CEO and the MO met with Chief Superintendent James Lee of Lancashire Constabulary to discuss issues relating to investigations relating to CSE cases within the Licensing environment. The Police were extremely supportive and suggested we develop an enhanced intelligence and data sharing protocol (similar to that which they say they provide to Preston and Skelmersdale).
- 4.2 Direct discussions were prompted by CS James Lee with his colleague Richard McCutcheon. The Police wanted to ensure that the female from **Case A** was being protected and supported. The female, even at that stage was unknown to us; the Police however wanted her contact details in order to provide safeguarding.
- 4.3 The Council's Fraud Investigator, using powers under 'disclosure' approached LCC for details (using GCSX secure data transfer) and was provided with full details by return. These have been forwarded to the Police.
- 4.4 **Case B** however, is different. The Police have confirmed that they submitted files to Crown Prosecution Service (CPS) but they did not pursue believing there was not a realistic expectation of prosecution. Whilst the Police might be critical of the position taken by CPS, lawyers for the defendant might reasonably take the opposite view.
- 4.5 Nevertheless, the burden of proof for criminal prosecution is beyond reasonable doubt, the burden of proof for licensing is on the balance of probability. In **Case B**, bail conditions were lifted in September and the Hackney licence has been reinstated. However, any local investigation has fallen short of the standards expected (see para 3.4) and reinstatement was not referred back to the committee. This might prove to be a reasonable act, but without a comprehensive and documented investigation, the Executive might not have the fullest of confidence.
- 4.6 **Case B** highlights an issue regarding data/intelligence sharing. CPS may not pursue a criminal case, but the Police may still be able to disclose additional information that we could use in a local investigation if we have the right data sharing protocols in place. The Police have agreed to share any allowable information pertaining to this case pending the return to work of the lead investigating officer.

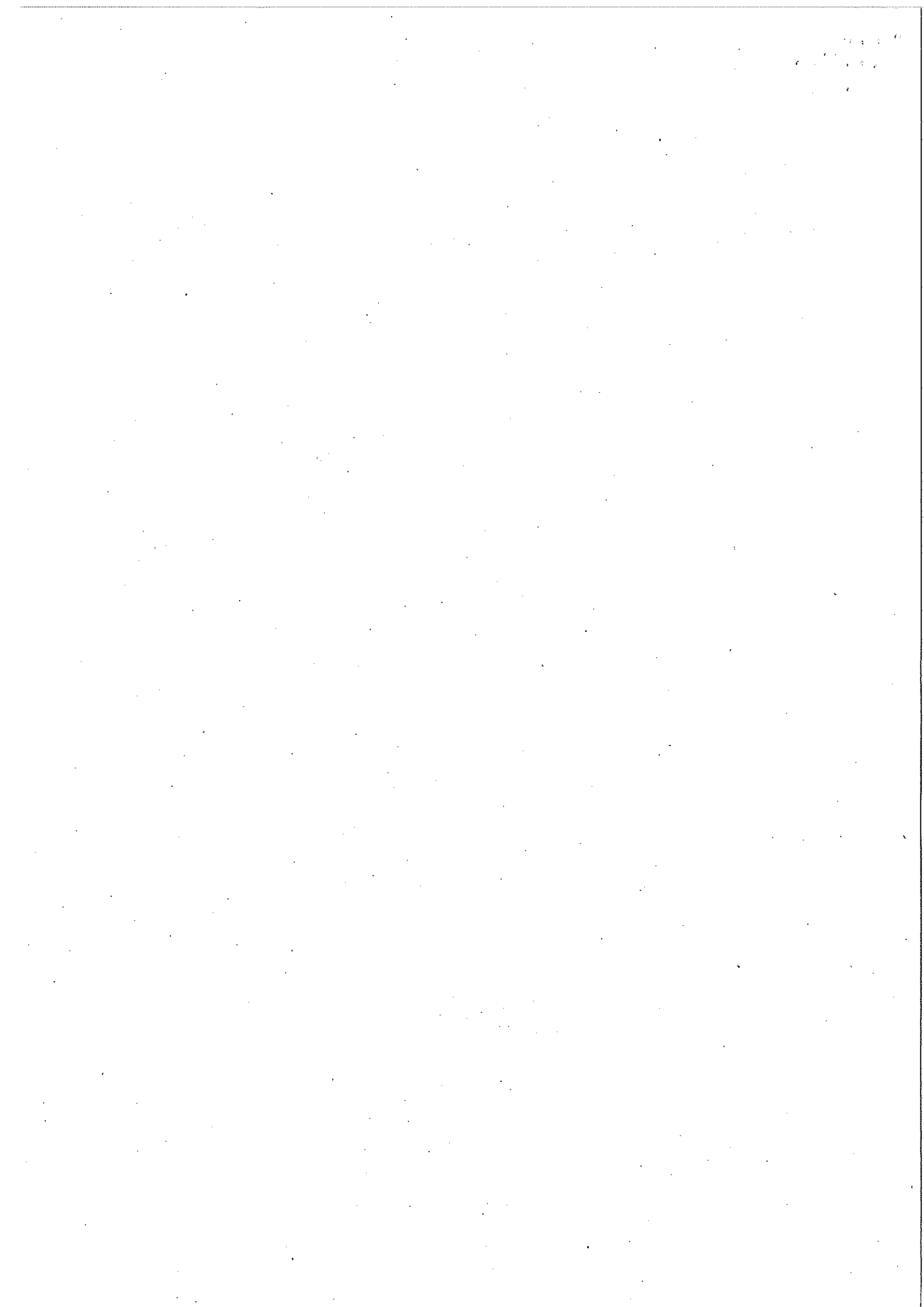
#### 5 Data Recording

- 5.1 During the fact finding investigation, it came to light that a number of taxi licences have been issued where the Licensing IT System (LALPAC) does not hold certain pieces of data. For example, a Taxi Licence might be awarded but the IT system does not hold evidence of a live medical report, or a live DBS check. This is not to say that one doesn't exist, but it is not on the system.
- 5.2 A brief examination of cases transacted over an 8 week period exposed 10 cases where the system was not holding the correct evidence required for a license to be issued. It might prove to be that the information exists but has not been uploaded to the system. Nevertheless, this data omission is a cause of concern.

#### 6 Recommendations

- (1) That a review of all cases involving CSE allegations is undertaken to include a robust investigation.
  - Should any new material evidence come to light the case is referred back to Committee
- (2) That LALPAC is interrogated to ensure all necessary evidence is recorded on the IT system
- (3) That an end-to-end operational review of licensing is undertaken:
  - including developing a robust and documented local investigation with protocols in place for data and intelligence sharing with the Police.
- (4) That the role of enforcement be separated from application processing and award
- (5) That the Council's Safeguarding Policy is reviewed and amended as necessary
- (6) That further CSE awareness sessions are held for front facing staff

END



**RECORD OF DECISION TAKEN UNDER SCHEME OF DELEGATION BY MEMBER OF SENIOR MANAGEMENT TEAM IN CONSULTATION WITH PORTFOLIO HOLDER/COMMITTEE CHAIRMAN**



SMT Member: Ian Parker Monitoring Officer  
 Service Group: Director of Corporate Governance & Business Transformation (Monitoring Officer)  
 Portfolio Holder/Chairman: Cllr Warren Bennett  
 Portfolio/Committee: Finance and Resources

Subject: External Investigation

Decision: To authorise the necessary expenditure (approx. £25,000) for an investigation by an external body into issues identified by the Monitoring Officer.

Details and Reasoning: The Monitoring Officer has brought to the attention of Cabinet issues which require investigation which Cabinet members believe should be undertaken externally.

Wider Implications (including Financial, Legal, Equality and Risk): Under S5 of the Local Government and Housing Act 1989 Designation and reports of monitoring officer. It is the duty of every relevant authority to provide the monitoring officer with such staff, accommodation and other resources as are, in his opinion, sufficient to allow his duties to be performed;

Report attached? No  
 Exempt from publication? Yes  
 If exempt, give reason(s):

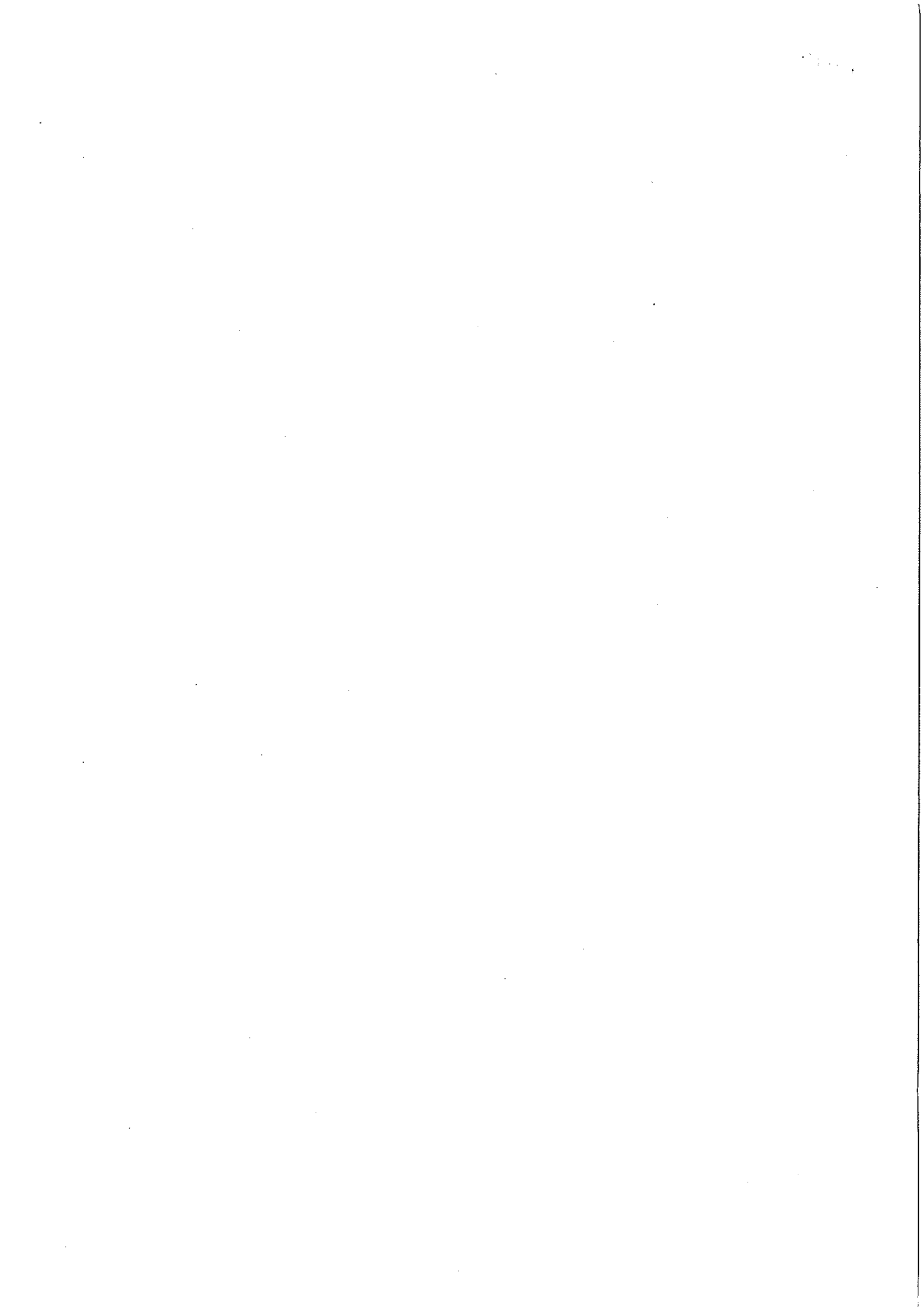
Signed: *S. J. Guinness*  
 Date: 25/11/15

Financial Management *[Signature]* Legal Services  
 Date: 25/11/15

*[Signature]* IAN PARKER  
 Date: 25/11/15

SMT Member *[Signature]* Portfolio Holder/Chairman  
 Date: 25-11-15

Publication Date (DST use): Not For Publication



## **Waiver to Contract Procedure Rules**

### **Procuring of External Investigator**

#### **Background**

Issues of serious concern emerged with regard to certain aspects of the Council's Licensing service.

This was with particular reference to three Taxi licensing cases which involved allegations of Child Sexual Exploitation.

The Monitoring Officer carried out an investigation and reported his concerns to Cabinet members.

Cabinet considered that an independent investigation into these matters was required on an urgent basis.

#### **Contract**

The Monitoring Officer – in conjunction with Cabinet Members – carried out enquiries as to which firm would be best suited to carry out an investigation. To reiterate this investigation was needed urgently.

It was decided to instruct Wilkin Chapman LLP (a solicitors firm) to do the required investigation. Wilkin Chapman are a large solicitors firm based in Yorkshire and Lincolnshire. The firm has both local authority and licensing experience.

The estimated costs for this work is £25,000.

The terms of reference for the investigation were wide ranging and included:

- A review of the Council's approach to Child Sexual Exploitation
- An end to end Licensing Service Review
- Review of Performance – individual and line manager
- Review the Investigation of the Monitoring Officer
- Recommend any remedial action

#### **Contract Procedure Rules**

Any procurement over £10,000 would normally be based on obtaining a minimum of three written quotations through the Chest. However, Contract Procedure Rule 44.3 allows for the appropriate Director, in consultation with the Legal Services Manager and appropriate Cabinet member, to waive the rules in exceptional circumstances when justifiable for intermediate value transactions.

In this particular instance the paragraph that is considered directly relevant is:

"that the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen."

The issues involved in this investigation are deeply serious.

It is imperative that the performance of the Licensing service is reviewed with particular reference to the Child Sexual Exploitation cases. If there are any failings in our working practices then they need to be rectified as soon as possible.

A failure to take prompt action may result not only in reputational damage for the Council but potentially also could lead to legal proceedings against it. In addition of course – and most important of all – the Council needs to be sure that it has done everything possible to protect the safety of the public particularly with regard to the most vulnerable.

The particular rules of the Contract Procedure Rules that need to be waived are paragraphs 10.1, 10.2 and 10.3

### Recommendation

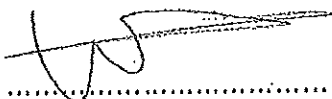
For the reasons outlined in this report it is recommended that all relevant Contract Procedure Rules are waived in this instance

### Approvals



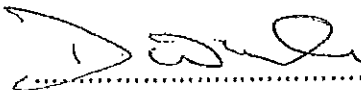
..... Director of Corporate Governance and  
Business Transformation/Monitoring Officer

IAN PARKER ..... Print Name. 12/12/15 ..... Date



..... Cabinet Member/Portfolio Holder for Finance  
and Resources

WARREN BENNETT ..... Print Name. 12/12/15 ..... Date



..... Legal Services

David Cohen ..... Print Name. 18/12/15 ..... Date



## **Procuring of External Investigator**

Cabinet is fully aware of the issues of serious concern that the Monitoring Officer raised with regard to certain aspects of the Council's Licensing service.

This was with particular reference to three Taxi licensing cases which involved allegations of Child Sexual Exploitation.

An external investigator (the law firm Wilkin Chapman) was instructed to carry out an investigation into this Service.

They have now reported back.

The next stage is to carry out further investigations into whether disciplinary action is required against any of the individuals responsible for the Licensing Service.

The proposal is that the same external investigator (Wilkin Chapman) should be used for the purposes of these disciplinary investigations.

The Council's Disciplinary procedure will be complied with at all times.

The estimated cost of these additional works is likely to be in the region of £10,000 circa.

### **Contract Procedure Rules**

Any procurement over £10,000 would normally be based on obtaining a minimum of three written quotations through the Chest. In this instance it may be that the costs of this additional work may not exceed this limit – however, as a precautionary measure it is proposed that we proceed on the basis of this proposed contract being one of intermediate value. Contract Procedure Rule 44.3 allows for the appropriate Director, in consultation with the Legal Services Manager and appropriate Cabinet member, to waive the rules in exceptional circumstances when justifiable for intermediate value transactions.

In this particular instance the paragraph that is considered directly relevant is:

“that the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen.”

The issues involved in this investigation are deeply serious. It is considered that any investigation carried out should be wholly independent. It is also considered that such investigations should be carried out as matter of urgency. The fundamental issue raised is one of safety of the public.

The Investigating Officer(s) will of course need to liaise closely with the Council's Human Resources Team throughout.

The particular rules of the Contract Procedure Rules that need to be waived are paragraphs 10.1, 10.2 and 10.3

**Recommendation**

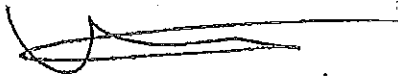
For the reasons outlined in this report it is recommended that all relevant Contract Procedure Rules are waived in this instance and that Wilkin Chapman are instructed to carry out the necessary investigations

**Approvals**



.....Director of Corporate Governance and  
Business Transformation/Monitoring Officer

*Ian Parlane*.....Print Name *23/12/15*.....Date



.....Cabinet Member/Portfolio Holder for  
Finance and Resources

*Warren Bennett*.....Print Name *23-12-15*.....Date



.....Legal Services

*Paul Wren*.....Print Name *4/1/16*.....Date