

## Appendix 3 Confidential details of the Portfolio Holder's links to organisations and involvement in discussions regarding funding

### Allocation of Future Jobs Fund contracts

Our interview with the consultant responsible for implementing the Future Jobs Fund taken with an email dated 10 September 2009 is convincing evidence that the Portfolio Holder was involved in discussing and agreeing the allocation of Future Jobs Fund contracts on 9 September 2009. At interview she stated:

**The email of 10 September 2009 sets out what umbrella organisations will be offered what. This was based on a discussion between NJ, CC and HA [Portfolio Holder]. Collectively made the decision, not led by any one person.**

This included the awarding of 50 jobs to FEBA an organisation in relation to which the Portfolio Holder had a registered personal interest and in my view, a prejudicial interest (see below). No formal record was made of when and how these particular allocation decisions were taken and whether the Portfolio Holder mentioned any interests in the discussions had.

The Portfolio Holder has denied that he was involved in any actual decision making. Other officers have, in interview, supported the Portfolio Holder's assertion generally that he was not involved in decision taking in relation to the Future Jobs Fund. Given, however the contemporary nature of the email dated 10 September 2009, the confirmation in interview by the consultant and the somewhat confusing references in officers' interviews to Portfolio Holder 'sign off', I am of the view that the Portfolio was actively involved in that decision.

His involvement has left open the question of apparent bias (that is, the appearance of bias as opposed to actual bias) on the part of officers. This taken with the lack of appropriate records has rendered the Council vulnerable to challenge. In my view, this may amount to a breach of paragraph 3(2)(d) of the Code of Conduct (conduct likely to compromise the impartiality of officers). The Council will want to consider whether its Standard Committee should consider further investigation/action.

### First Enterprises Business Agency (FEBA)

The Portfolio Holder has had a registered interest in FEBA since 30 May 2007. He has confirmed that his involvement has been as a voluntary board member and he has not received any payments during his tenure as a city councillor. Whilst the Portfolio Holder did not himself stand to make any

financial gain through this Fund, the organisation in relation to which he had registered a personal interest did, such that his personal interest was, in my view, also a prejudicial interest.

FEBA was referred to in the original bid as a partner organisation – at that stage however; no decision had been taken as to the actual allocations of jobs and therefore funds to be made available to FEBA. The organisation was subsequently awarded £500,000 Future Jobs Funding (50 jobs). The Portfolio Holder has stated that during discussions with officers he always reminded them that he was a director of FEBA and could not make any recommendations about them. As noted above, there are no records or any clear recollection of officers of his having done so.

### **KK sports & CLN**

The Portfolio Holder has no direct involvement in either KK Sports or CLN. However, his daughter submitted a bid on behalf of CLN for Community Programme funding (including KK sports as a partner organisation). In that bid she is identified as the co-ordinator at CLN. In other bids for funding she has previously been identified as the sports centre manager.

Through the notes of a Portfolio Holder meeting on 16 Nov 2009 I am aware that the Portfolio Holder discussed issues around the Community Programme contracts making specific reference to the role of CLN in the sports project. No reference is made in the notes as to the Portfolio Holder raising any concerns regarding a conflict because of his daughter's involvement in the organisation. The Portfolio Holder has stated that he had no knowledge of his daughter's involvement in the bid and only learned that she was providing voluntary support to KK Sports and Leisure Centre through our investigation.

It is my view however that through his previous and ongoing involvement in Nottingham Training & Enterprise (NTE) (for whom he had formally been Chief Executive and he continued to have links with via a close associate) he ought to have been aware of her involvement in both CLN and KK Sports. This is because:

- all three organisations are situated on the same site;
- his daughter sits on NTE management team;
- NTE management team meetings show discussion of issues relating to other organisations on the site including amongst others, KK Sports; and
- there was an external perception regarding links between the organisations as illustrated by the Council's Community Programme Co-ordinator reference in interviews to CLN, KK sports and even NTE interchangeably when discussing the capacity building support provided via the Portfolio Holder's daughter.

As a consequence, given his knowledge of his daughter's involvement at NTE he had a responsibility to ensure that he understood her involvement in any of the other organisations to ensure no conflicts arose.

Thus, albeit he was not directly involved in a decision making meeting in relation to this matter, again there is the risk that his involvement in discussions might have given rise to questions as to apparent bias on the part of officers and/or a breach of paragraph 3(2)(d) of the Code of Conduct.