

# Middlesbrough Council

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17 November 2006

Councillor Bob Brady  
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Councillor Mike Carr

c.c. Councillor Nicky Walker

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Chris Davies

Dear

## **OMBUDSMAN INVESTIGATION : GRESHAM REDEVELOPMENT**

You will recall that last year you were reported to the Standards Board for England. The basis of the complaint was that, as a Board member of Erimus Housing, you should have declared an interest in the matter of "Building Sustainable Communities in Inner Middlesbrough" when it was being discussed by the Executive. The outcome of the complaint was that the Standard Board found that you had "a personal interest" which ought to have been declared.

At the same time that the complaint was made to the Standards Board for England, complaints were also made by eight separate complainants to the Ombudsman about the Council's decision to redevelop the Gresham area of Middlesbrough.

The Ombudsman undertook the investigation late in 2005, and has recently written to the Council setting out her decision on the complaints. In her report, the Ombudsman summed up her (seven pages of) findings as follows:

"The key point is that there is no evidence that the decision-making process was infected by any fault or failure the absence of which would imply that the decision would have been different. In short, my overall view based on current evidence is that there is no basis to say that the Council's decision to redevelop Gresham has come about because of maladministration."

However, in dealing with those parts of the complaints that related to Councillors' interests, the Ombudsman does conclude that your failure not to declare a personal interest was maladministration: but in view of the fact that "no injustice flows from it",

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there will be no official finding against the Council. On this matter the Ombudsman found that because (the Standards Board had determined that) the interest was not a prejudicial interest, you were still entitled to remain and participate fully in the meeting. The Ombudsman concludes that this failure to declare an interest therefore made no real difference, in the end, to how matters were handled. However, the Ombudsman's report goes on to say "that is not to excuse or condone what happened and the Council does need to learn from these failures".

Given the findings both of the Standards Board for England and the Ombudsman in respect of this matter, I think it is clear that all Erimus Board members are going to have to be exceptionally diligent in future wherever matters such as this are discussed by the Executive or the Council. The implications of the latest findings by the Ombudsman are clear: failure to properly declare an interest is not only a personal matter in respect of the individual Councillor(s) breaching the code of conduct – it can also constitute maladministration on the part of the Authority.

I enclose a copy of the relevant page from the Ombudsman's letter to one of the complainants that deals with the Councillors' Interests. If you would like a copy of the full letter, please get in touch with me (or Bernie Carr) and I will send you a copy.

In view of the fact that Councillor Nicky Walker is now an Erimus Board member, I am copying her into this letter. Although it does not retrospectively affect her, it will clearly be important that Councillor Walker is aware of the issues so that she can also act accordingly in respect of her roles as Member of Middlesbrough Council and member of Erimus Management Board.

As ever, if you would like to discuss this with either myself or Richard Long in order to clarify those instances where you might have an interest that needs declaring, we will be more than willing to advise and assist.

Finally, I shall be preparing a short report to go to the next meeting of the Standards Committee to inform it of the link between Members' interests and maladministration that has been raised by the Ombudsman's letter.

Regards,

Yours sincerely,

Chris Davies  
Members' Office Manager