

Standards Committee - Determination Hearing Panel - Wednesday, 30th
March, 2011

TRANSCRIPT OF HEARING

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LONDON BOROUGH OF HARINGEY
UNRESTRICTED MINUTES OF A STANDARDS COMMITTEE – DETERMINATION
HEARING PANEL
WEDNESDAY 30 & 31 March 2011

Commenced 10:00am

1. In attendance

Panel Members: (AD) Councillor Ali Demirci
 (KR) Councillor Katherine Reece
 (AL) Ms Annabel Loyd – Independent Member (Chair)
 (RH) Ms Rachel Hatch - Independent Member
 (PS) Mr Philip Skinner – Independent Member

Subject Member: (CA) Councillor Charles Adje

LB Haringey Investigating Officer's representative : (TM) Mr Terence Mitchison – Legal Services
Advisors to the Panel: (JS) Mr John Suddaby ~ Legal Services
 (CH) Mr Clifford Hart – Committee Manager
 (HC) Ms Helen Chapman – Clerk (Recorder)

1. CH ...determination hearing, we're just reversing the two items on the agenda, that are 1 and 2, first we have election of Chair for the determination hearing panel for the duration of the proceedings. Can I have nominations for the Chair, please?
2. RH I nominate Annabel Loyd.
3. CH Thank you. Any other nominees? Then Annabel Loyd will Chair proceedings.
4. AL Thank you Clifford. So, I think I'll just invite everybody around the table to introduce themselves, so the Panel is made up of two Councillors and three independent members. My name's Annabel Loyd and I'm an independent member, and I'm chairing this panel.
5. PS My name is Phil Skinner, I'm an independent member.
6. RH I'm Rachel Hatch, also an independent member.
7. AD Cllr Demirci.
8. KR Cllr Reece.
9. JS I'm John Suddaby, I'm the Monitoring Officer and Legal Adviser to the Panel.
10. CA Sorry, I'm Cllr Adje.

11. TM I'm Terence Mitchison, legal services, I'm here as the representative for the investigating officer and also to present the case on the alleged breaches of the code of conduct that took place, as resolved by the Standards Committee at its meeting on the 7th October.
12. AL Thank you.
13. MW I'm Michelle Williams, legal services, I'm just here as an observer.
14. HC Helen Chapman, recording.
15. CH I'm Clifford Hart, Committee Manager, London Borough of Haringey.
16. AL Ok, so first on the agenda, are there any apologies for absence?
17. CH No, Chair.
18. AL Ok, going to item 3 which is just to note any declarations of interest. None.
19. Public May I raise a point of concern at that point?
20. AL I'm afraid not.
21. Public Can I make it anyway, please? Mr Clifford Hart as Committee Manager has been Committee Manager in Alexandra Palace committees throughout the period of this inquiry, and I suggest that's a declaration of interest.
22. AL Ok, thank you. If I could just make it clear we're only really hearing evidence now from witnesses and the parties.
23. Public My point remains.
24. AL Moving on to item 4.1, procedural matters – both the panel and the parties received the pre-hearing process summary which is setting out the procedure for today, I'm just going to ask the legal advisor Mr John Suddaby to briefly elaborate on the procedure for today, please.
25. JS Well the procedure will follow that adopted by the London Borough of Haringey Standards Committee. It's set out on page 12 of the agenda and, as that isn't actually disclosed at the moment, I'll just go through it. There will be three main stages to the procedure, the panel will make findings of fact about the matters of dispute between the parties, Cllr Adjé and the investigating officer's representative, then the panel has to determine on the basis of those facts found whether Cllr Adjé did or did not fail to comply with the code in any respect. In the event of a finding of non-compliance, the panel must consider further representations from the parties and then decide on the appropriate penalty. That's the procedure in broad outline.

26. JS In the course of hearing this complaint, Terence Mitchison will introduce the case and will call any witnesses and there will be opportunities for the both the panel and Cllr Adje to question Terence Mitchison and the witnesses, and then Cllr Adje will be invited to present his case, calling any witnesses, and there will be similar questions allowed to him. Then at the end of that, there will be any closing summaries that either party wish to put forward and the panel will then retire and consider the questions of facts, and whether any issues of fact found constitute a breach of the code, and then return to the public session and give their ruling on this and then, further from there consider, any other relevant evidence as a result of that. That's, in brief outline, the procedure.
27. AL Thank you. Cllr Adje, as you're not legally represented, we are concerned that you do understand the process and the procedure so please obviously interrupt the process if you'd like anything explained and we'll do our best to help you. So, 4.2, the determination panel is recommended to exclude the public and press to consider the lifting of the exempt classified documents. I understand that the parties actually have no objection to these documents now going into the public domain, is that the correct understanding?
28. TM Chair, yes, for investigating officer, it has to be said that quite a substantial part of the documents in fact were produced at the Walklate investigation report to the Alexandra Park and Palace Board, so some of this material is in the public domain. I think the argument would be that guidance from the Standards Board for England strongly advises that all hearings should be in public unless there's a very strong argument to the contrary. In this particular case there are comments about the role of individuals, but all of this is to do with our role within the public domain and where there's a very strong public interest in hearing these matters publicly. So I would argue that all the information in the agenda pack is properly in the public domain.
29. AL Thank you. Cllr Adje, would you wish to address the panel on this matter?
30. CA I have no issue with it. I have communicated with the monitoring officer's office and so far apart from some, one or two documents that I have asked to be admitted, which I think should continue to be exempt, which is the master agreement – I don't know if you've talked about that.
31. TM Chair, yes, what happened yesterday, I think, was that Cllr Adje asked for a copy of the master agreement to be admitted which is his document. I did say at that stage that I needed to take advice about whether this document should or should not be exempt and contacted the solicitor to the Alexandra Palace Trust, Iain Harris. Iain Harris was of the view that any reasons for treating it as exempt were probably disappeared with the passage of time, that parts of the document that might at some stage have been commercially sensitive or possibly sensitive for legal reasons had ceased to be so with the fluxion of time and the amount of public comment, and therefore I would have no objection to the whole master agreement going into to the public domain. Iain Harris and the General Manager have no objection.
32. CA If I may comment on that? In view of the fact that Terence has taken legal advice, and it's plainly recorded that that is the case, then I would have no

objection to it being made public because I don't want to be held responsible for the fact that the master agreement had been made public.

33. AL Thank you. I think the panel will now retire to decide about the exclusion of documents.
34. JS When you say retire, that means everyone else has to go.
35. CH If we could ask the public and press to leave for a short period, thank you.
36. [press and public excluded – paragraphs 37 to 43 cover the exempt discussions with the parties on this point]
44. [press and public readmitted]
45. AL So the bundle is now in the public domain. Despite the fact it's on yellow paper marked exempt. The public and press are now re-included. Point 8 - the panel now seeks representations from the parties on other procedural points, first I'd like to invite the parties to tell us whether they wish to call any witnesses, perhaps Mr Mitchison first.
46. TM Chair, I wanted to call Mr Keith Holder. I have to say that there was a little bit of a difficulty about this in that Keith Holder was asked right at the beginning of the process to attend, unfortunately his reply to me seemed to go astray and it was only quite recently that it was agreed that he would attend. This was notified in the pre-hearing process summary and was also notified to Cllr Adje who was aware as well that Keith Holder has been asked to attend today. My understanding is that he is on his way from his home in Somerset, and will be with the hearing sometime this morning, around 11 or 11.30 and he would give evidence about substantially the second allegation, the question on compromising the impartiality of an officer. Clearly what he has to say is of the greatest relevance and I would ask the panel to hear what he has to say on that point. I don't believe that Cllr Adje has any specific objection to that.
47. CA No.
48. TM Chair, then there's another slightly more difficult and embarrassing point, which is that I also asked various members of the Alexandra Park and palace Board who were in attendance on the 27th April 2007 whether they would be prepared to give evidence. Certain of them replied declining to give evidence and there's no power to compel their attendance. I sent a letter To Cllr Robert Hare who it appears, for whatever reason, didn't actually come across it or open it until quite recently, and then materialised this morning asking if he could give evidence, which clearly in my view would be very, very relevant, as to the point of whether the views of the Trustees would have been affected, had they been aware of the briefing note that Cllr Adje received from Keith Holder on 17th April. It has to be said in all fairness that I was not aware of Cllr Hare's willingness to attend until this morning, nor was Cllr Adje. There is obviously some potential procedural unfairness to Cllr Adje but I would say that it is a short point and a fairly obvious one and Cllr Adje will be entitled to ask questions. In view of the relevance, I would ask the panel to consider very

seriously my application to call Cllr Hare as a witness.

49. AL: Thank you. Cllr Adje, would you like to address the Panel on this?
50. CA Yes, I took, when Terence introduced it to me earlier on I felt from an openness and transparency point of view that it is to an extent unfair for Cllr Hare to just turn up and be coming to make comments, given that everyone else would have been given the opportunity to comment and if you are to be a witness you obviously state the areas and we have the opportunity... but to just turn up I think is, although the investigating officer's representative is saying it's relevant, I was of the view that I would object to it, but I do accept the fact that it's up to the panel to make the decision. I would object to Cllr Hare's just turning up without notice to give evidence.
51. AL Do the panel have any questions to the parties on this point?
52. [whispered discussions]
53. AL Mr Mitchison, are you able to elaborate at all as to why this has come out so late in the day?
54. TM I'm afraid my only information is simply that I sent a letter, I think, on the 18th January to various members of the Alexandra Park and Palace Board, those shown in the minute as having been present. Certain of them responded immediately saying that they didn't wish to take part in the process. It appears for whatever reason that the letter sent to Cllr Hare wasn't opened by him until very recently and I had no knowledge, as it were, that he wished to attend until this morning. I'm afraid that's all I can say about it. Cllr Hare may be able to expand on that himself, if you wanted to question him.
55. [whispered discussions]
56. Cllr Hare Excuse me, Chair, may I explain?
57. AL Yes, sorry, I was actually just going to suggest if we could, with Mr Mitchison's agreement, if we could hear from you now just on that point so we can consider whether to allow this late evidence.
58. Cllr Hare The reason that I didn't respond to Mr Mitchison is simply I came across the letter when I was in Cambridge last week. I visited – I had to be in Cambridge because I am the principle carer for my very elderly aunt and she's been in hospital. I popped back to London on Wednesday evening, I was looking for some correspondence that I was going to take back with me and I came across two or three letters which I had simply not opened, I had lost it in the correspondence, just lost in a whole pile of old papers. I took it back with me and it came back with me to London when I returned to London at the weekend, and I actually read it at 5.30 yesterday evening. Up to that point I had no idea what it said, otherwise I would have simply telephoned Terence and said that, on the two questions which he put to me in that letter, I don't know if you have a copy of that letter here, but Terence asked me two questions in it. On the second point I don't think I have anything to contribute, I

have the letter with me. On the first point, I do have - in short, it asks me whether my decision would have been different and my answer is very simply, given what I read...

59. AL I think you can give us that answer – because we haven't agreed. I just really wanted you to address us on the lateness. It's just simply that you didn't read the letter.
60. Cllr Hare I just didn't read it and I've written, on my own copy, I read this at 5.30 yesterday evening and I'm very sorry to have caused this mayhem in your proceedings.
61. AL Ok, I think if any of the panel members have any questions...
62. AD Sorry Chair, can I just ask Terence was this letter also sent out in email form?
63. TM No, it was sent out as a letter, as it were, to 3 members of the Alexandra Park and Palace Board in the normal members post, by courier. Two other members received it and responded in a matter of days, so since their response had been, shall we say, negative, I didn't feel it appropriate to press any member to respond. I assumed, as it were, that since two members had received it, that everyone would have received it and that no response indicated a lack of willingness to appear.
64. AD And this was sent out on the 18th January.
65. TM It was 18th January in the members' post, so it should have been delivered within one or two days certainly.
66. AL Thank you.
67. Cllr Hare On that point, I quite understand why Terence didn't send an email or something as simple as that to remind members, although, given that the others had responded, it would have been helpful.
68. AL I think the panel need to retire now to consider this procedural point. So we have to, I'm afraid, exclude the public and the press for a short time.
69. TM Chair, would you like the parties to withdraw as well?
70. AL I don't think we'd mind, if you'd like to stay.
71. JS It might be helpful, I think actually, probably if we just consider as a panel and you retire.
72. AL You think the parties should retire?
73. JS Yes, that's right.
74. [all parties withdraw for deliberation on this point – paragraphs 75 to 152 cover

the panel's deliberations and exempt discussion with the parties]

153. [parties and press and public re-admitted]

154. AL So, Mr Mitchison, the panel understand that you do not consider this witness evidence crucial to the case, and I think, with that in mind and the incredibly late submission, we consider that to allow it would cause substantial unfairness to Cllr Adje. So despite Cllr Adje reluctantly agreeing to allow it to avoid an adjournment, the panel note that you are not legally represented and we do think you have been denied the chance to bring your own evidence on this point. So we will decline to allow this evidence at such a late stage. I think the only other procedural point is, Cllr Adje, that you introduced a new document for the parties. If you could tell us what that is.

155. CA Following the receipt of the pack, I have noted that comments that I made - the investigators representative had commented on my comments. I did a little bit of research regarding the Charity Commission, so I felt that it would be of relevance when it comes to the particular bit in the pre-hearing briefing and the bit about the trust being operated on an insolvent basis, and there's also the master agreement document you saw previously that deals with the issue of disclosure.

156. AL Have you got copies of that? Of the master document?

157. TM Chair, could I just briefly comment? I have no problem whatsoever with the essential trustee document going in. It might be quite helpful – I don't quite understand Cllr Adje's reason for wanting the master agreement to go in. I have no objection to it going in, it would just be helpful to have some idea of just what point Cllr Adje is seeking to make from it.

158. CA In view of the recommendation that I had breached the members' code at part 5, I was going to bring to the Panel's attention the condition of the agreement 4.1 up to 5. I think the crucial one is 5.1.3 where it talked about neither of the events [inaudible] has taken place by 1st August 2007, I think that's where the contract between the Council and Firoka would have lapsed and that was very well known to all members.

159. TM I'm very happy to have those documents go in, and I understand the point that Cllr Adje wishes to make.

160. AL We now move to the determination of the complaint. The determination panel first hear the presenting officer's case, he also provides the findings of the investigating officer's report.

161. TM Chair, there are two allegations made against the subject Member, who I'll refer to as Cllr Adje. The first is the finding of Martin Walklate in his investigation report and the relevant point is at page 125 in the bundle, paragraph 148. The finding there, 'it is my formal conclusion and finding that Cllr Adje has failed to comply with the code under paragraph 5 in that his failure to disclose Mr Holder's briefing note'. Sorry, I'm referring to page 125

that's the pagination in the top at the centre, that's the first appendix in the bundle, it's the investigation report from Martin Walklate. So when I'm now referring to pagination in the report, I'll try as far as possible to refer to the page number at the top in the centre, where on some documents there's also pagination over on the left hand side, but I'll try and ignore that. So this is page 125, that's paragraph 148, and this is Martin Walklate's formal conclusion and finding that Cllr Adje has failed to comply with the code under paragraph 5 in that his failure to disclose Mr Holder's briefing note to his fellow board trustees before their decision on the license to Firoka brought into disrepute both Haringey Council and his office as Chair of the Alexandra Palace and Park Board. That's the finding made by the investigating officer. This was reported to the Standards Committee on 7th October, the Standards Committee was under a duty to refer that to a formal hearing and that's why it is here today.

162. TM At the meeting on the 7th October, the Standards Committee also considered the various issues raised by the complaint and considered by the investigating officer and in relation to one specific point which is referred to in the following paragraph on page 149, with reluctance, Martin Walklate found that the element of the complaint relating to the compromise of the impartiality of an officer is not proven. In all other respects it is not substantiated, but in that first sentence, the finding that the element of the complaint relating to the compromise of the impartiality was not proven, the Standards Committee, as it were, reconsidered that, as they were fully entitled to do under the regulations, and decided that they would overturn the investigating officer on that specific point alone and therefore the allegation of compromising the impartiality of an officer, Keith Holder, should be referred to a formal hearing. So that matter comes not through the investigating officer, but as a result of the Committee's own decision on 7th October, and I believe there's a version of the minute here to just explain that this was a decision that related to Cllr Adje requiring Keith Holder to write a report to the Alexandra Park and Palace Board at its meeting on 24th April 2007, expressing a contrary view to that expressed by Mr Holder in his briefing note for the Chair, which was dated 16th April. The allegation is compromising Keith Holder's impartiality by requiring him to write a tabled report that was contrary to a previously produced briefing note.
163. I'll be taking the panel in due course to both the briefing note and to the tabled report and drawing attention to the differences. That, in substance, is basically two different paragraphs of the code; the allegation relating to disreputable conduct is paragraph 5, the allegation relating to compromising the impartiality of the officer is paragraph 3.2.d. They do turn very much on the same facts, which are the existence of the briefing note, its non-disclosure to the trustees at a subsequent meeting on 24th April and the question of whether or not Cllr Adje compromised Keith Holder's impartiality and professional integrity by requiring him to suppress the briefing note and to produce quite a different tabled report.
164. TM That, in substance, is the factual matrix. What follows from that, of course, is a decision by the Board to engage a phased transfer of the charity's business and entering into a licence with Firoka, which in due course resulted in substantial losses to the charity. The sum estimated is at least £1.5m. So

those are the facts in a nutshell. I'll be going through them in considerably greater detail in due course. I'd just like to assist the panel by just describing what is in the agenda pack, and its significance.

165. At the beginning of the agenda pack there's a very short report from the monitoring officer that serves as a cover. What follows between pages 3 and 16 is the pre-hearing process summary. That simply sets out the facts of the complaint, describes the investigation process on page 5, 6 and 7, itemises on page 8 the paragraphs of the members code of conduct that I've just outlined and then from paragraph 5.1 to 5.8 it attempts to summarise the matters agreed between the parties, that is, the matters of fact that are not in dispute between myself and Cllr Adje. These are basically that Cllr Adje was the Chair of the Board between April 2006 and April 2007, that the Council as trustee entered into a binding master agreement with Firoka, which is the master agreement that Cllr Adje wants to refer to, that the Charity Commission were obliged to consult on a draft order before they could make that draft order – this consultation took considerably longer than expected and so, in April 2007 after substantial delay, they were still awaiting a final decision by the Charity Commission. The Charity Commission had to basically consider the results of the consultation before it could make its official order, and that order would permit the Council as trustee to enter into the draft lease with Firoka, so there was an essential prerequisite to that process along the way that was taking far longer than expected. Because of the delay, Firoka were concerned about possible rising costs and the disadvantage to them, there was a meeting on 11th April which involved Cllr Adje, Keith Holder and the principal of Firoka, Firoz Kassam and it seems that out of that meeting there was some discussion about ways that might move the matter forward.
166. TM The Chair asked Keith Holder to produce a briefing note of some advice, that's the briefing note that is the subject of the allegation, and shortly afterwards there was a meeting between Cllr Adje and the Leader of the Council, Cllr Meehan, at which there was some discussion of the overall picture. Following that, on the 24th April, Keith Holder tabled a short report that was very different from the briefing note. Whereas the briefing note essentially had said there was no need for any action, our lawyers advise that the matter should simply be allowed to rest, wait for the Charity Commission to make their order, allow matters to take their natural course, the tabled report said in effect that you should engage in an immediate phased transfer of the whole business, staff and contracts to Firoka, and it appears that the briefing note was not disclosed to the other Councillors who met on the 24th April and made a decision in accordance with the tabled report to transfer the business to Firoka. So it's the failure to disclose the briefing note that I say is significant, but I think it's agreed in substance that that is the sequence of events and we can ask Cllr Adje some more detailed questions about that, because obviously there are differences in terms of interpretation and emphasis. Clearly it's important for the panel to hear those.
167. TM The matters in dispute, then, are summarised on page nine, between paragraphs 6.1 to 6.8. Essentially Cllr Adje is saying that it's customary - this is at par 6.3 - it's customary that confidential briefings are deemed to be such,

especially where there is no need to discuss such. And he says he doesn't accept that he deliberately withheld information from his colleagues. He'd asked for the briefing, not all briefings are made public to other members or to the public, especially where there's no requirement, and he didn't believe that the briefing would have had an effect on the decision of members at the meeting of the 24th April. So in effect, you will be hearing from Cllr Adje why he thinks that it was not appropriate to disclose the briefing note and why he doesn't believe he was under a duty to do so. I have some detailed observations based on guidance documents that I'll refer to in due course. That is, extracts from the Council's constitution, the handbook for Members and the Charity Commission's own guidance, which I think shows the matter in a different light. That's a dispute that obviously has to be decided, as to whether it was appropriate and necessary to disclose the briefing note and the advice it contained when the Trustees met to make their decision on 24th April.

168. TM The other essential point is that there is clearly a dispute over the whole question of compromising Keith Holder's impartiality. In the course of an interview given to Martin Walklate, Cllr Adje made it fairly clear that he believed Keith Holder was effectively and substantially leading on the whole process and that Keith Holder produced a briefing note which contained certain advice, it was essentially Keith Holder's own decision to then table a report was different to that. Cllr Adje said he wondered why Keith Holder had changed his mind but essentially it was Keith Holder's own change of mind. That is something that Martin Walklate, I think, had difficulty with and the Committee clearly had difficulty with and I think I'd be putting the case that this was not a credible thing to have happened, that it was not credible that Keith Holder simply changed his mind from the views put in the briefing note to the radically different version in the tabled report. He didn't do that of his own volition, but it was the result of pressure from Cllr Adje as Chair of the Alexandra Park and Palace Board. I very much hope that Keith Holder will be here and that you will hear from him evidence on that particular point, which is clearly critical to the question of compromising his professional integrity.
169. TM I should just mention at this point that it may be helpful also to look at the guidance produced by the Standards Board...
170. AL Terence, Keith Holder has arrived, actually, you probably didn't see.
171. TM That's very helpful, Chair, thank you very much indeed. So, sorry, I was just running through the pre-hearing process summary, so, that in summary is the nature of the dispute. The remaining documents – there's a helpful contents list of agenda papers at page 13 through to 16 which actually itemises all the different documents and it may be helpful for the Panel to refer to those on occasion. And then after that there is what is called part 1, the procedural documents, which are all matters which have always been in the public domain. The first one of these is the members' code of conduct, and obviously you'll be referred particularly to paragraph 3.2.d which is on page 22 and to paragraph 5 on page 23. 3.2.d being you must not do anything which compromises or is likely to compromise the impartiality of those who work for or on behalf of the authority and paragraph 5 you must not conduct yourself in

a manner that could reasonably be regarded as bringing your office or the authority into disrepute. I'll say more on those matters in due course. Appendix B is the procedural rules which govern this hearing. Appendix C is the lengthy guidance from the Standards Board itself, I would suggest that if there are issues that arise, you may be referred to that by the Monitoring Officer but I don't need to refer to it now. There are also the regulations at Appendix E, page 73, these are largely technical matters and I think if the Monitoring Officer needs to refer to those, these are the regulations that govern the process and the hearing. Then Appendix F at page 87, this is the Standards Board own guidance and commentary on the members' code of conduct and I will be referring to the commentary on paragraphs 3.2.d and paragraph 5 in due course.

172. TM I think it's simply worth mentioning at this point that where paragraph 3.2.d refers to compromising the impartiality of the officer, this is on page 88, compromising impartiality is not just a matter of political impartiality, it could also be a matter of prejudicing the professional integrity of an officer. That's page 88 and it's in the second paragraph, after paragraph 3.2.d. It's just to make the point that where I refer to professional integrity, compromising professional integrity, that clearly is relevant in the sense that compromising impartiality can also mean compromising the professional integrity of an officer. So what the Standards Board says about this is clearly members must not put political pressure on an officer in such a way as to affect their professional judgement by making them take a political stance and that also extends to any pressure that would prejudice their professional integrity, that is making them adopt a stance that is contrary to their own professional views.
173. TM Chair, just to continue with the bundle, what we have in part 2, which comprises the majority of the bundle, is the investigation report from Martin Walklate and all the appendices to it. I will be referring in particular to the briefing note and the tabled report and I will bring you back to those in due course. There's also, right towards the end of the bundle, the part 3 which is the responses from Cllr Adje himself during the pre-hearing process. Sorry, this is pages 431 through to 444.
174. TM So what the Committee will have, at Form A there's a typewritten response that was produced by Cllr Adje, I think In January or early February, in response to the allegations made in the investigation report and in response to the finding of the Standards Committee about compromising the impartiality of the officer. What Cllr Adje has to say about that in summary is on pages 431, 432. I don't propose to comment on that immediately, Cllr Adje will probably take you to that. And the remaining forms are of no particular significance, they are simply to do with the fact that he will attend the hearing and doesn't have any witnesses that he intends to call. So the only other documents that are significant in my view, Chair, are the part 4 documents, that's the extract from the members' handbook, two parts of the Constitution, the Charity Commission guidance that I'll take you through in a few minutes. I also thought it would be helpful to outline what it is that is in the agenda pack and why it is there before I went into more detail in my presentation.

175. TM So Chair, I think what would be helpful perhaps is there are two parts to the process, I understand, the findings of fact and then the question of whether, on the facts as found, the panel finds that there's a breach of the code. Would it be helpful for the panel if I addressed the findings of fact element first of both allegations, and then moved on to the question of whether this constitutes a breach? I'm quite happy to do it differently so that each allegation is considered first as facts and then breach, if that would be more convenient, but I think you're saying that you would prefer to hear from me on the facts first, and then to move through. Perhaps to treat those two matters as separate but to deal with them one after the other, so that you're hearing the whole thing now in one piece, if that's convenient.
176. AL I think that would be our decision. Yes, thank you.
177. TM Thank you for that indication, Chair. So, first of all, the first allegation, which is the paragraph 5, the allegation of disreputable conduct. The facts relevant to this will be that Keith Holder prepared a briefing note after the meeting on 11th April. This briefing note was prepared at the Chair's request, or in response to a request from the Chair, and the briefing note is at appendix 8 of the bundle, which is at page 267. Chair, if I could take the panel through the salient points of the briefing note – that's page 267 at the top of the page. If everyone has the page. Then the briefing note is compiled following a discussion between the Chair and the General Manager, that's Keith Holder and Firoz Kassam, the principal of Firoka. So, the Chair is obviously Cllr Adje. So those three individuals met on Wednesday 11th April and the briefing note follows that. This is Keith Holder's written advice. I'll just take you to paragraph 2.1 where he says although Kassam appears to be considerably less enthusiastic about the project and has stated that he wishes to get out, our advisors are adamant that the way the contracts are drawn there's no easy escape from the conditions contained in the lease project and master agreement.
178. TM So it appears that Kassam is getting cold feet about the whole project, but cannot back out from the master agreement. Over the page, I would take you now to page 268, I'll take you to paragraph 3.1, where Keith Holder under the heading 'Current Progress on the Order' says "a draft order was sent to us yesterday, this fact combined with previous statements from the Charity Commission do not give substance to an argument that an order will not be granted". In a roundabout way, he's saying that he's expecting the order to be granted soon. Then, going to the next page, this is page 269, I'll just take you through what he says in this particular section. Bear with me. Paragraph 6.1 he says "the start point was his", Kassam's, "request to get out last Wednesday. I cannot identify any methodology which would allow that to happen. And then Kassam's option B is at odds with his starting position. If he is forced to engage then he claims he wants to accelerate the process and take the commercial risks associated with this approach, including the outcome of any judicial review". At 6.3 he says that "if Kassam were to accelerate the process, he claims this would save the Trust some £250k over 3 months and he has requested we use the funding to support him and reflect the additional risks he would assume over that period". 6.4 KH says "I am struggling with the concept. Our advisors are clear in their view of the current situation and have repeatedly

stated that Kassam has no grounds for terminating the arrangement. Against this background there could be no basis for considering any inducement at this point in time. In addition, consideration needs to be given to the argument that the whole 'I want out' scenario may simply be a mechanism by which to launch the inducement argument", sorry, this is over the page, 270, "a scenario to launch the inducement argument and gain the benefit while it's available. Caution should be exercised at this stage and there do not appear to be any grounds to rush a decision".

179. TM And Keith Holder continues, "any public decision to financially assist Kassam would undoubtedly generate fierce public opposition. It's unlikely that such a stance could be politically justified" and at the end he said "support of this nature is fraught with danger". Then just to continue to the summary at the end, at 7.1 Keith Holder says "the foregoing sets out the principal's position as is currently known, I think he's referring there to Kassam, the advice reflected here gives little room for changing stance or making judgement on what may be necessary further in the process". He says he doesn't know what happened in a weekend telephone conversation, but he concludes at 7.3 "whilst there may have been irritating delays and frustrating questions to be dealt with throughout, the process is on track to deliver, albeit not in the timeframe of our choosing, nevertheless it does not appear that we have to take any action at this point other than to keep a watchful eye on progress".
180. TM I would say that's the critical point, really, the summary of the entire briefing note, that Keith Holder was saying that as a result of the legal advice he's received and the apparent inability of Firoka or Kassam to walk away from the master agreement, that the whole question of the sort of threat and demand for an inducement is essentially a hollow threat and that all that needs to happen is that the Chair and the Board wait for the Charity Commission to grant their order and to wait for the process to, as it were, to go through and that no other action at this time is necessary. Indeed he goes further than that and says that support of this nature is fraught with danger and any decision to support Kassam would be a problem. So that, in essence, is the briefing note, effectively it's: no action is necessary and any action of the kind Firoka is suggesting would be dangerous.
181. TM The other critical question of fact is whether Cllr Adje received this and was aware of the contents. I would simply mention that page 271 contains a copy of an email from Keith Holder on 17th April. The briefing note is dated on the 16th, but on the 17th at 14:21 Keith Holder appears to send this to Cllr Adje's Charles Adje email address. The briefing note requested is attached and the page over appears to be an email identification that this has been received. I don't think there's any dispute that Cllr Adje did receive this note for consideration, but you will hear from Cllr Adje on that. The other essential question of fact is that Cllr Adje took no steps to bring this to the knowledge of his fellow board members when the Alexandra Park and Palace Board met on 24th April 2007, which would be only a week after the briefing note was delivered by email.

182. TM Now, the report that was tabled at that meeting is on page 379. That's appendix 22 in the bundle, page 379 at the top. If everybody has that page, then I'll just draw attention to the key features, This is, as you can see, a single page of A4, a very short report, submitted in writing but effectively it was, as I think you'll hear from Keith Holder, it was tabled which means that it wasn't part of a written agenda pack, it was simply something that was produced at the meeting. Keith Holder effectively placed it on the table and introduced it, as I understand. What it said, I'll just paraphrase, the second paragraph: it is now some 12 months from the date that Firoka stated in 2005 when they hoped the transfer would be completed – i.e. this is taking a year longer than Firoka expected. The delay will continue to have a detrimental effect on the continuing business and at the end he says staff morale has suffered, caused by the uncertainty in the intervening period and then the third paragraph it says in these circumstances it would appear that a measured and phased approach would be necessary to the transfer of the business and the staff while maintaining the terms of the lease project agreement, employment and pensions agreement and the umbrella master agreement.
183. TM The Board's agreement to begin the phased transfer process once the order, i.e. the Charity Commission's order, has been confirmed on the 27th April is sought, so he's asking the Board's agreement to begin the phased transfer process of the business to Firoka. This would involve a number of measures that could be implemented in advance of legal completion, that is of the lease, which would smooth the path for other sequential actions to take place. The contracts for events under signature which are not yet delivered for the next month can be novated in Firoka's favour, Firoka can assume the terms of the APTL licence – I should explain here that APTL is the trading company of the Alexandra Palace and Park Trust. The Trust is effectively a committee of the Full Council, the trading company is wholly owned by the Council as Trustee and effectively it carries out most of the commercial activity inside the Palace. This is something that quite frequently happens with charities; anything that is not part of their core charitable activities is contracted to a trading company, the profits of which are then covenant into the charity itself, in this way corporation tax is avoided and the receipts of the charity are increased. It's a perfectly legitimate and respectable activity but it is the case for this reason you have a trust which is effectively in charge of the Palace and Park but it actually licensed the Palace itself to a trading company with a slightly different board of directors, and that trading company has a licence to occupy the Palace, make profits which are then covenant to the Trust. So, Firoka could assume the terms of the APTL licence, APTL at that stage and currently has a licence for the occupation of the Palace and make payments to the Trust, so the suggestion is that effectively this licence be moved from APTL to Firoka. In addition a management arrangement for the operation of the ice rink be included, this is something that wasn't, in fact, with APTL at the time, it was being effectively offered to Firoka. The staff can be seconded for the interim period, during which, effect can be given to formal arrangements to ensure continuity of employment and length of service.
184. TM None of these actions will be irrevocable, but will assist in a smoother transfer. At the end, the resolution is that the General Manager, Keith Holder, after

taking appropriate legal advice, be authorised to begin the process of a phased transfer of the charity business, the staff and contracts to the Firoka group following the grant of the order, to advise the directors of APTL that the premises will not be available for their use and that similar action on their part will be necessary. Then on the following two pages, 380 and 381, a brief summary of that discussion and the resolution over the page effectively mirrors what you've seen in the report. So that effectively was the minute showing the decision that the Board made on the 24th April to transfer the business to Firoka and to tell APTL that they would effectively be out of business very shortly.

185. TM The point that has been made by the investigating officer was that there was a radical difference between the briefing note produced by Keith Holder on the 16th April and communicated on the 17th which was effectively that no action is necessary and that any action to assist Firoka would be dangerous, and then you have this report a week later which effectively says, because of the detrimental effect of the delay on the business and the detrimental effect on staff morale, that it's necessary to transfer what appears to be the whole of the business, the contracts and indeed the staff to Firoka and that this should be taking place in a phased way but apparently to take place immediately after the Charity Commission order, so it does appear to contemplate something happening very soon after the Charity Commission order. Then indeed, it's not disputed as a matter of fact that a couple of weeks after the decision on the 24th April, I think it was on the 9th May, that a licence was granted to Firoka by the Trust Board which effectively gave full control of the greater part of the Palace to Firoka and allowed them to have the services of the staff employed by the Trust and the trading company at no cost and to occupy the palace on a basis that was virtually cost-free as far as Firoka was concerned.
186. TM So on any basis, as Martin Walklate finds in his previous reports, this was a transfer of the business on very favourable terms to Firoka with very little in the way of costs except any costs that were particular to the events. They had the premises and the staff free and they keep the profit. I think I mentioned that in the previous Walklate report at page 247, if you have page 247 there's basically a calculation that's been made by Martin Walklate in the course of his previous first report and at the bottom on paragraph 109 he says "depending on the method employed and the accuracy of the allocation this would suggest that the loss to the trust is between £1.487m and £2.023m". This is the figure that needs to be considered as arising from the decision of the Trustees on the 24th April 2007. I think it's also relevant for the panel to consider pages 209 to 210, which are an earlier part of the previous Walklate report and that's simply making a comparison between the previous APTL licence and the licence that was granted to Firoka. It's probably most useful perhaps to look at page 210. Page 210 there's a paragraph 110 which is Martin Walklate's observations. This summarises the differences between the two licences. The ice rink is now included so Firoka have the use of the ice rink which APTL didn't previously, further he says the building comes rent free, then the building comes with a complement of staff for whom no charge is made, then it says Firoka must suffer losses from trading, assuming that there are losses, but the above terms require them to make very little contribution towards any infrastructure costs

and operational costs. So in summary, what we have is a very advantageous arrangement for Firoka that follows the granting of the licence on the 9th May and the authority for the granting of that licence was the decision of the Board on 24th April. That's the sequence of events.

187. TM

I have to say that, as a matter of fairness, it is not suggested by Martin Walklate that Cllr Adje bears responsibility personally for all the losses that ensued, clearly he was only Chair of the Alexandra Park and Palace Board until, I think, it was 20th April 2007 - the greater part of the losses occurred late in 2007. I think what is being said is that the decision of the Board of the 24th April and the licence effectively opened the door to an arrangement whereby Firoka were in occupation of the Palace, initially for a three month period when the licence agreement could have been revoked. In all the events that happened the licence was not revoked, it simply continued through the summer and through the period of the autumn when the judicial review that challenged the Charity Commission's decisions in the courts, there was decision on that of the 5th October 2007. Throughout that period, the licence remained in force. It wasn't terminated until towards the end of the year and effectively Firoka had the profits arising from the profitable events around Christmas, including I think the world darts competition which was held, and, in consequence, the Council as trustee of the Alexandra Palace Trust lost a sum of roughly £1.5m. But it's not been said that that loss was all of it attributable to any misconduct of Cllr Adje. The reason for this is simply that the decision that gave rise to a licence, the licence was revocable, no decision was taken to revoke the licence, so effectively what has been said is that the door was opened, the situation was allowed to continue, it was other people at the time who were in charge both politically and managerially of the Trust. Clearly the panel has to bear in mind that to some extent the start of that whole process began with the decision of the Board on the 24th April and Cllr Adje must bear some responsibility for the way that decision was reached and the breaches of the code that Martin Walklate said were relevant and which the Committee says have to be considered. So I think I've put it as fairly as I can that it's opening the door, it's not all £1.5m that is the personal responsibility of Cllr Adje.

188. TM

So, where we are in terms of the facts of the paragraph 5 and disreputable conduct, I think there's little dispute that the briefing was asked for and not disclosed. I think Cllr Adje accepts that it wasn't disclosed to his fellow trustees. He wrote a letter on the 27th August, this is on page 409, so if members have page 409, this is appendix 26 to Martin Walklate's report. What this is, is a letter that Cllr Adje wrote in response to the draft investigation report and this draft investigation report basically set out what Martin Walklate was likely to find and invited final comments both from Keith Holder and Cllr Adje, and at the bottom Cllr Adje says "I asked for the briefing and, as a former local authority officer, you know that not all briefings are available to other members or made public, especially where there is no requirement for this. I do not believe the briefing would have had any effect on the decision of members as the organisation APTL was trading at a loss and therefore insolvent and was liquidated". I think, subject to anything that Cllr Adje has to say, that it's accepted the briefing note, the subsequent report, and that the

briefing note was not disclosed to other trustees on the Alexandra Park and Palace Board.

189. TM Before I continue with this particular allegation, that's the disreputable conduct, I think I'll make points as to why these amounted to a breach of the code, but I think you would probably wish to hear from me on the facts relating to the second allegation, compromising impartiality. Or would it be convenient for me in fact to do that, or would you prefer me to go straight ahead and deal with the reasons why, on those facts, I think there's a breach of the code?
190. AL I think breach of the code on those facts.
191. TM Shall I cover breach of the code on those facts? Chair, if I could ask members to turn back to page 89. This is the Standards Board guidance on the code. So I'm taking you to paragraph on disrepute, see paragraph 5, that's half way down the first column on page 89. It says "you must not bring your office or authority into disrepute while acting in your official capacity or by any type of criminal activity that leads to criminal conviction". It makes the distinction between public and private life, but I think it's obvious here that we're talking purely about public life. It goes on to say "dishonest and deceitful behaviour in your role as a member may bring your authority into disrepute as may conduct in your private life which results in a criminal conviction, such as dishonest, threatening or violent behaviour". I have to say that the guidance is quite short and only of limited use. Clearly I think that dishonest and deceitful behaviour are simply examples rather than an exhaustive list of the matters that could result in a finding of disreputable conduct. I would argue that the test is whether the conduct in all circumstances falls so far below accepted standards for conduct of local government as to be disreputable. And that the key question is whether the failure or decision not to disclose the briefing note to fellow trustees was an act or omission that was actually disreputable in all the circumstances.
192. TM In order to assist the panel, I have produced 4 documents. 3 of these are only relevant to the disreputable conduct question. If I could take the panel to page 447, first of all, that's right at the end of the agenda pack on the white pages, this is an extract from the Haringey Members' handbook, this is a document that is produced for all new Members of the Council but is available throughout their working lives on the Council and it sets out what could be described as the officially accepted account of the way that the Council operates and obviously has some bearing on expectations and standards. It doesn't attempt, obviously, to compete with the Member code of conduct but it does give some indication of what is expected of Members, particularly those Members who have particularly key roles within the Council, such as Chairs of committees.
193. TM At the bottom of that page, it says that decision making in Haringey is open and accountable. Decisions will always be made on the best advice, both legal and financial, and say clearly what they are intended to achieve. All options that were considered and rejected will be published, along with the reasons. So that on page 447 is, if you like, an encapsulation of the principles of decision making that are expected. The next page, 448, there's some greater

detail about the role of Chairs of meetings and that's clearly intended to cover chairing any form of official body, an area assembly, a scrutiny review panel or, of course, a senior full committee of the Council like the Alexandra Park and Palace Board. It sets out as the Chair of the meeting, your role is to... and then there are a series of things the Chair is expected to do, ensure that meetings are conducted in a fair and orderly fashion, etc. The significant one for my purposes is at the bottom, the final bullet point on page 448, which is to ensure that the appropriate advice and information are available and that decisions are taken in accordance with the principles of decision-making. So appropriate advice and information are available, which means, obviously, advice from relevant officers, including, obviously, the chief officer who will be responsible for producing the report. A decision is taken in accordance with the principles of decision-making, that obviously takes you to the previous page which sets out that decision making is open and accountable, taken on the best advice, all options considered will be published along with reasons. So that is setting out the basic standard, and I think that what I would say about that is that there's a clear responsibility placed personally on the Chair of a committee to ensure that all relevant advice from officers is given to a meeting and clearly that this is not simply necessarily the advice that the Chair personally and politically thinks should go forward.

194. TM

It is necessary also to give full consideration to all the options that were considered, and for full professional advice on those options to be set out, so that decision making can be informed, so that all the Trustees who were there and involved as decision-makers, whose votes would have equal weight to the Chair, know effectively what the Chair knows, what the arguments are, what the chief officer is saying, what the financial implications are, what are the various options for taking the matter forward, so that they are fully in the picture in terms of what are essential legal, financial and managerial advice and that they know everything the Chair knows before they actually reach a decision on a matter of great importance. So that seems to be covered in the Members' handbook and to be a fairly clear statement, shall we say, of what is expected and clearly what happened was actually that a key briefing note with key professional advice didn't go to the trustees, only the Chair knew about it, and therefore the decision of the trustees was flawed in that information that would have been critical to that decision, and they were effectively making a decision relatively blind whereas the Chair alone had effectively seen all the cards and the facts that were relevant.

195. TM

If I could take you over the page, 450 and 451, this is Part 5 Section B of the Council's constitution, protocol for Member officer relations. This is part of the Council's constitution, sorry, I think this is probably actually most relevant to the second matter... sorry, if I could just drop that for the moment and ask you to move to page 452, the protocol for decision making. This is part of the Council's constitution and what is said in the first paragraph is that it is incorporated into the terms and conditions of employment for officers and that breach of the protocol shall be a breach of the local code of conduct. I have to say that this particular protocol was never incorporated into the Haringey m Members' code of conduct, whether that's an oversight or not, it hardly matters, the reality is that there was never a formal addition as there might

have been to the Members' code of conduct, so it's not technically true to say that the protocol shall be a breach of the code of conduct. But even if that intention was never put into reality, I think it's indicative of the significance of this protocol that at some stage officers and Members clearly considered it so important that they would consider putting it as part of the code of conduct . It's clearly setting out a set of rules that were very important when it came to decision making.

196. TM

The key point about this protocol is that a Cabinet and a non-executive committee or sub committee, that's to say none of the decision-makers of the committee, can take any decision until the following requirements have been complied with. Just as a technical point, what we're talking about here in terms of the Alexandra Park and Palace Board is what is technically known as a non-executive Committee of the Council, that's in distinction to the Cabinet, the Cabinet effectively is the executive, anything that is not the Cabinet is known as non-executive committees, so the Alexandra Park and Palace Board and various other committees like Planning and Licensing are non-executive. All of these committees, all the official bodies of the Council are obliged to comply with a set of rules of which the key is, obviously, this is paragraph 1.2, no decision shall be taken except upon a written report in accordance with the protocol. If I can take you briefly to the most significant bits. The next page, the protocol says that the written report must contain the Head of Legal Services comments on any legal implications or legislative requirements, that's at paragraph f, so there have to be legal implications. In this case, in fact, the Head of Legal Services rarely advises the Alexandra Park and Palace Board direct, though the Trust does have its own solicitor, who would normally provide legal comment or at least be present to comment on reports. Further down at sub-paragraph i) the report must include the options available to the decision making body, so the options available to the Alexandra Park and Palace Board should have been in the report. At k) the Chief Finance Officer's comments on the financial comments and at n) the comments of any other professional officer or service director.

197. TM

Now, I think the key point is that obviously there were legal implications and indeed financial implications of the briefing note that were produced, and that the investigating officer says that that represented his true professional views and that the tabled report notably lacked any legal or financial comment and the views set out there were, I think we will say, not the true professional views of the officer. We will be hearing they were views he was pressured to produce and didn't represent his genuine professional advice. Of course the protocol is not complied with in these significant respects, that's a very significant falling below accepted standards and clearly I think would be tempted to suggest was a breach of the code of conduct in respect of disreputable conduct had taken place.

198. TM

And finally, Chair and Members, if I could take you to page 455. This is an extract from the document called the essential trustee, it's produced by the Charity Commission and you may ask why a Charity Commission document, and the answer is that Alexandra Park and Palace Board is discharging a charity function of the Council. Most of the Council functions are what you

would call ordinary local authority functions. The Council also has this particular role as a statutory charitable trustee under local legislation and so the Alexandra Park and Palace Board is, if you like, an amphibious creature, it is in effect a non-executive committee of the Council, it is part of the local authority but at the same time, because it discharges charity functions, it is also under the jurisdiction of the Charity Commission, it is in effect a group of charity trustees and it has to comply with the Charity Commission rules and guidance and legislation applicable to charities and at the same time comply with all the regulations on local government. So it's relevant to consider what the Charity Commission have to say about charity decision making. What they say is how do trustees make decisions – the short answer is all decisions by trustees concerning a charity are taken by all the trustees acting collectively and as a team. Decisions do not need to be unanimous, a majority decision is sufficient and then the next paragraph says subject to any power or delegation there is a general rule that trustees must take personal responsibility for their decisions and all decisions concerning the charity must taken by the trustees acting together. In other words, you can have a majority vote but each trustee present at a meeting has to take personal responsibility for the decision and make it on the basis of the information they have available. All the trustees in that sense are equal, they are all equal decision makers, each has their own vote and they must each have full information about the matters that are critical to the charity's wellbeing.

199. TM

What is said about this particular case, clearly, is that only the Chair knew what was in the briefing note, and the deliberate failure to provide the other trustees with that information was clearly contrary to Charity Commission guidance and to that extent disreputable. Those are the essential documents, Chair, I think the key points to put over are that, basically, because this was a charitable trust, there was a particular duty to have a collective decision, which couldn't be the case if only the Chair had access to very significant professional advice. It was particularly important that a briefing note which dealt with this issue that was just to come to a decision should have been disclosed. This is because it was not a briefing note that was just to do with what you might call a speculative or blue-sky thinking set of possibilities, it wasn't looking generally speaking at a number of things the Council might have done or the Trust might have done, it was absolutely key to a very major decision that the trust was just about to be asked to take. So what actually happened is the Chair received the briefing note, decided to completely contradict that advice, there basically had to be a report that resulted not in no action but an actual transfer of the business. This was a decision obviously of the most major financial kind, although it was a licence that was going to be revocable, what the trustees were actually asked to do was to give the green light to the transfer of the whole business, staff and contracts. Because of the obvious importance of that decision, it was for that reason that it was of the greatest importance that the trustees had the fullest information.

200. TM

There was a particular responsibility of the Chair here, because only the Chair had that information and his duty should have been not to pursue his own inclination, which may have been taken from what were subjectively good reasons, but essentially political reasons, and he may have reached some

understanding with Firoka he shouldn't have done, that he should have, in these circumstances, ensured that professional advice was available. Even if he wished to put his own case, perhaps, for a licence with Firoka, he should have allowed Keith Holder's professional opinion to have come out and to have been available to the trustees, even if he was also making his own points. For all those reasons, I would say this amounts to disreputable conduct.

201. TM Just to pick up also on an issue that I imagine Cllr Adje may be raising; if the argument is that the trading company, APTL, was insolvent, it didn't necessarily follow that there had to be an immediate transfer of the entire business to Firoka, there were possible other options that could be considered; either further financial support from the local authority or the possibility perhaps that the Trust itself would continue to run operations even if APTL had to be wound up. But I think that it would be pertinent perhaps to ask Keith Holder whether in fact there was any need for APTL to be wound up at this particular stage.
202. TM So, Chair, those are the outline submissions really on the disreputable conduct point, if you're happy for me to proceed now on the second allegation. This is the allegation of compromising the impartiality of Keith Holder. The basic facts are very much the same, but I think the key issue is how did the supposed change of mind of Keith Holder take place, what accounts for the difference between the briefing note and the tabled report? I think you will be hearing, as I understand, from Keith himself, and it's probably going to be helpful to you to just look at the relevant written evidence that was provided to Martin Walklate.
203. TM If I could take you to page 303-4 in the bundle. I think it's relevant to consider what Cllr Adje said in his interview with Martin Walklate, this was a year ago on 12 March 2010. The words in headed type, in bold, are Martin Walklate's. "In the circumstances it was a strange...", sorry, the relevant point is nearer the top of the page. "Did you often request such notes from Keith Holder? Was it commonplace for him to produce such notes...?", and Cllr Adje says, "yes, often, usually Keith Holder told Cllr Adje information on the phone. Cllr Adje was surprised by the briefing note but didn't say anything. Cllr Adje didn't get back to him". Then, "Why not?" "Good question, when he changed his mind Cllr Adje didn't think anything of it. Cllr Adje should have questioned it. Why was there not a further briefing note from Keith Holder as professional officer explaining this change of mind?" So, in effect, Cllr Adje was saying this was a simple change of mind on behalf of the officer. The next page, page 304 at the top, paragraph 1.6, Martin Walklate said "you had the contents of the briefing note and then the report that was the complete opposite". Cllr Adje said "with hindsight Keith Holder should have explained the change, Cllr Adje knows what is alleged - Cllr Adje never put Keith Holder or any other officers under pressure. Keith Holder is an astute man, if Cllr Adje had put pressure on him he would have called the Monitoring Officer or some other person to say 'I am under pressure'. Maybe Cllr Adje was off guard, Cllr Adje kept thinking about how he let himself get into this situation where Keith Holder did not provide reasons for his u-turn".

204. So that, in effect, is Cllr Adje's version as retold to Martin Walklate, I think it's relevant now to look and see what Keith Holder said about it at page 261-2. This is a letter dated 22 October 2008 from Keith Holder to Martin Walklate when he was conducting the second Walklate report and towards the bottom of the page this is paragraph 4, towards the bottom, he says "The briefing note sets out the position as it was then known, together with my assessment. It is clear from that note that I do not consider it necessary to take any action at that time, nor do I recommend any action. Then a few days after reading and considering that briefing note the Chair came back making it clear that arrangements with Firoka were not to be jeopardised. Further he'd had discussions with other senior politicians agreeing that Firoka should operate the business on the same basis as if the lease had been completed and the staff seconded". And then over the page on page 262, paragraph 4, Keith Holder says "I now return to the specific matter of the licence. To recap, my briefing note sets out the position that I did not consider any action necessary. The Chair had an opposite view that was cleared with other senior politicians and it was clear that that set the framework for moving forward. The Chair said they were of the robust view that the 18 years of hard work to get the Trust to this stage was not to be sacrificed on his", that is Cllr Adje's "or George's watch". I think George there refers to Cllr Meehan, then the Leader of the Council. "I was to produce a short paper for the Board on the following Tuesday, which would have been tabled and which as Chair he would agree to accept. That this happened and was accepted by the Board is common knowledge".
205. TM So that is Keith Holder's written comment on it. I think it's also worth looking at page 340 in the bundle, 3rd paragraph, in response to questions from..., this is an interview, this is the same interview in October relating to Walklate 2, "in response to questions from Martin Walklate, Keith said that throughout his career as General Manager the Chair of the Board had always been a source of political direction, there would have been no point in resisting the will of a Chair backed by a majority of Board members as was evidently the case, unless Keith had been willing to resign". So he's saying effectively that he was, if you like, facing the will of the Chair, backed by a majority. It's also worth looking I think at page 372, which was the letter written by Keith Holder to Martin Walklate in the course of this current code of conduct investigation, a letter of 2 March 2010. Bullet point 2 near the bottom of page 372 where Keith Holder says "I did not withdraw the advice given in the briefing note" and then over the page on page 373, Keith Holder says "it was made clear in the telephone call referred to that the political priority was to keep Firoka engaged until such time as the 125 year lease could be formally executed and significant revenue and capital risks arising from the Palace were transferred. I had provided unequivocal advice that cut across that political direction. The Chair was adamant that Firoka should be in a position that mirrored the proposed lease arrangement and the report I had to prepare for the Board was the vehicle for achieving that aim". So in effect that's Keith Holder's written summary of the process. Obviously I will ask Keith to provide further explanation of those comments and the panel will have the opportunity to question him directly.

206. TM Chair and Members, I think the key issue that arises from this is whether the subject Member, or one key issue is, whether the subject Member did understand or should reasonably have understood in the circumstances that he was overriding the professional views of his chief officer. I would say that is one issue that is really very relevant for the panel to consider, whether, when you've heard evidence from Cllr Adje and from Keith Holder, you are of the view that Cllr Adje should have appreciated that, in fact, he was telling Keith Holder to do something that did override his professional views. Because clearly in circumstances like these, two individuals who are accustomed to work together, where there's a Chair of a committee representing a political direction and there's a chief officer with managerial responsibility, there will be a great deal of interaction between the two. It will vary very much according to the circumstances, but I think the code of conduct is only talking about a situation, not where there's a disagreement of a sort between a Chair and a chief officer, but where it's very clear that serious professional advice has been put and that the chief officer is saying this is my professional advice upon the matter and the Chair is saying, actually for political reasons I'm overriding this, I'm ignoring your professional advice, I have to suppress it. It isn't every disagreement that amounts to a breach of the code, it's clearly circumstances where the member concerned is aware of the serious nature and significance of the advice, that it forms the considered professional advice of the officer and, in that knowledge, decides to override it. I would say in those circumstances you have, if you like, the breach of compromising the professional integrity of the officer.
207. TM So on the basis of the factual position as it appears from the documents, I think it's helpful to look again at what the Standards Board have to say on page 89. Sorry, that's actually page 88. And if you'll forgive me I think I'll read all of this, because all of it is significant. So under paragraph 3.2.d "you must not compromise or attempt to compromise the impartiality of anyone who works for or on behalf of the authority". The words compromise, or attempt to compromise, I think mean that obviously any action that would appear to be putting pressure or could reasonably be seen as putting pressure that overrode the impartiality of an officer would be a breach of the code. The guidance goes on to say "you should not approach or pressure anyone who works for or on behalf of the authority to carry out their duties in a biased or partisan way. They must be neutral, essentially politically neutral, and should not be coerced or persuaded to act in a way that would undermine their neutrality. For example you should not get your officers to help you prepare party political material or help with matters relating to your private business by offering any incentive or reward for acting in a particular way. Although you can robustly question officers in order to understand, for example, their reasons for proposing to act in a particular way, or on the content of a report they have written, you must not try to force them to act differently, change their advice or alter the content of that report if doing so would prejudice their professional integrity".
208. TM What I'd say about that is, although the briefing note was not in a sense a formal report, it was clearly advice that was of the greatest significance and could, under appropriate circumstances, have formed the basis of advice to

the Alexandra Park and Palace Board as to what it was appropriate for them to do, given the delays and given Firoka's dissatisfaction. The appropriate course of action clearly would have been for the Chair, if he was concerned, to have asked for a report, to ask the chief officer to have given his views and perhaps as Chair put his own views, but not to have actually tried to force the chief officer to take a different stance, changing the content of advice in such a way as to achieve a political end.

209. TM

I think, just on the point about impartiality and political neutrality, I think it has to be understood, and I think it's well accepted that this was to some extent a political decision. There had been a decision by the majority of the Board to pursue a policy of holistic development, that is to say, finding a developer for the Palace who would take the entire Palace and redevelop it in a major way. That was a decision that was politically controversial; obviously achieving that objective was politically controversial. I'm not suggesting in any way that Keith Holder had difficulties about the desirability of entering into a licence or giving any inducement to Firoka, but that was personally and politically motivated as far as he was concerned and I'm sure he'll tell you that he was fully on board for the political direction. It has to be borne in mind that the whole issue was quite political and has remained political – people have different views about whether it was appropriate to engage with Firoka at all and whether it was appropriate for this particular licence to have been entered into. So, in a sense, there's an element of, shall we say, sort of, there's a political edge to the entire question. Under those circumstances it becomes particularly important, obviously, that officers professionally are able to express their genuine opinion at the same time as, perhaps, Members express a political view.

210. TM

I think this question is also usefully dealt with in the document on page 450, the protocol on Member-officer relations. What this protocol is, is basically a guide to Members and officers and their relations with one another. Again, it doesn't seek in any way to replace the Members' code of conduct, but it does set out a series of accepted standards and one of the useful parts of it is at paragraphs 7.02. It starts at the top 'principle of impartiality' "officers employed by the council serve the council as a whole and are not responsible directly to Members". It continues at 7.02 "reports to Committees should be written by the chief officer or another officer authorised by him or her. The report is the officer's and may not be amended unilaterally by the Chair or Cabinet Member or committee Member, however in writing reports, officers must aim to promote Council policies and priorities and must be sensitive to the proper concerns of individual members. The Committee Officer is not to present a report, sorry, the Committee Chair or individual member cannot instruct an officer not to present a report to a committee if the officer has sound professional and management reasons for doing so. If the chief officer's report is not regarded as appropriate by the Chair, the remedy is for the Committee to reject its recommendations and refer it back. Exceptionally the Chair may write his or her own report in addition to the report submitted by the chief officer. In this instance the Chair should under no circumstances pressure the chief officer to withdraw the original report".

211. TM As I've said, if the report you read here, the original advice of the briefing note, I think it's quite clear that what the protocol on Member officer relations is suggesting is that, where there is advice that could form part of the report, the appropriate course would be for the chief officer to be allowed to set that out and for the Chair if necessary to add his or her own views to it so that all the options are set out. I think it has to be accepted that it's not every instruction from a Member that would necessarily be improper. You would need to look and see is this a situation where the chief officer can show sound professional or managerial reasons for wishing to recommend a course of action that might be inconsistent with members' views. Here, arguably, Keith Holder was trying to promote the best interests of the Council and Alexandra Palace Trust in his dealings with Firoka so as to try to ensure the best outcome managerially, legally and in terms of public perception. As I've said, for there to be a breach the Member must understand or should have understood the circumstances considered objectively, that the officer's professional view has been overridden, but arguably this must have been so in this particular case, given the unequivocally clear advice given in the briefing note and the fact that, as Keith Holder said, there appears to be little room for changing stance and Keith's written evidence that the Chair was adamant that a different course should be taken through the tabled report.
212. TM Chair, I think that really concludes the introduction on the facts, and on the code of conduct on the breach and the appropriate course would probably be for me to call Keith Holder at this point.
213. AL I think we'll take a 5-minute break at this point.
214. [adjourned for a break]
215. TM Chair, if you wouldn't mind if I provided some water for the witness? Chair, I am calling Keith Holder and it's fair to say that he was the General Manager or chief officer at the Alexandra Park and Palace Trust, and it's right that he held that office, I think from 2000 to the end of April 2007.
216. KH I was in position from 1997. I had the post from 1997 to April 2007.
217. TM It would be correct to say that you were the chief officer who really, far more than any other individual, understood the practical operation and management of the Palace and were consequently involved in the negotiation that led to this competitive tendering bids and negotiations with Firoka and the Charity Commission. You were the key officer and Cllr Adje as the Chair of the Board was the key political lead.
218. KH That's right, yes.
219. TM After the end of April 2007 you were working, sorry, you weren't working for them as an employee, but you did continue as a consultant under a specific contract that simply had to do with easing the transition towards the Firoka lease.

220. KH That's correct. At the point of the transfer most of my duties and responsibilities as an employee would go, but my understanding is that there was a desire by the panel and by the wider Council that my knowledge and understanding be retained and I agreed to stay on a new consultancy contract with a very limited but important role.
221. TN And after that, David Loudfoot, who was the deputy before became the General Manager.
222. KH That's correct.
223. TM And it's right, isn't it, that you attended a meeting with Cllr Adje and with Firoz Kassam, the principal of Firoka, on 11th April?
224. KH Yes.
225. TM And is it right that Cllr Adje asked you for advice after that meeting?
226. KH Yes.
227. TM And can you just identify for the panel the briefing note, which you produced, which is at appendix 8, that's 267 of the bundle?
228. KH Yes, that is the briefing note that I prepared.
229. TM If you could just look at that, could you just outline what was Firoka's position, broadly speaking, at the meeting? What was it they were after?
230. KH The principal, Firoz Kassam was immensely irritated by the continuing delays that were coming about as a result of what he saw, his words not mine, prevarication by the Charity Commission, the delays in getting the order through. And was looking for, was looking for something that maintained his interest. He had spent considerable amount of money on professional fees, getting into the position that we were at that stage. He wanted to see some movement. Ironically he gave an opposing – he gave an alternate view which said I would prefer to be in there now doing my own thing and that's where the germ started, the germination of the idea started.
231. TM Sorry, so when you say alternate – there was one proposition which said, is that right, from the briefing note that Firoka were actually saying they were losing interest in the whole project...
232. KH They were losing interest, yes, and the alternate was him saying he would like to move this forward quickly. So he gave those two opposing views to me at the same meeting. But the reality, however you weigh that up, the briefing note was about what we do in those circumstances and my unequivocal answer based on my own view, what I understood, and the advice that had been provided by the professional team that we'd appointed, was do nothing – we're not under any obligation to do anything, we're not under any pressure to do anything and that was the clear advice that I gave in that briefing note.

233. TM At the risk of just being pedantic, can you confirm that essentially what was happening was Firoka was saying give us something or we walk, in rough terms?
234. KH Yes.
235. TM And your note was about whether it was necessary to give Firoka anything?
236. KH That's right.
237. TM Now the advice that you were referring to, could you just explain whose advice that was?
238. KH In essence I took advice from Berwin Leighton Paisner, who were the legal advisers to the project as opposed to the legal advisers to the trust – we took a very conscious decision at the time that these people should be independent in relation to the palace, so Berwin Leighton Paisner were appointed as the solicitors to the project. It was one of their senior employees who had been the architect of the lease, so, the context of the lease provision, how it came about, what we were able to do under the lease. I went back to him specifically and asked about the options available to Firoka in terms of pulling out.
239. TM So, just one point, I think you're referring to the lease. Would it be fair to say that you're probably thinking of the whole package, the master agreement?
240. KH Sorry, yes.
241. TM Yes. So there's a master agreement which Cllr Adje has asked to be circulated, so all the panel have that. And we can see that basically the master agreement binds the Council and Firoka essentially to move towards the process of granting the lease without going into the technicalities, essentially the parties are bound, there has to be the Charity Commission's order, there's a provision for what happens if there's any challenge by way of judicial review, the possibility that Firoka could take the risk and bring the thing forward, and there is as it were a legal agreement that deals with all this so that it isn't possible for Firoka simply to turn round and say we're not interested.
242. KH That's correct. I apologise, but it's nearly 5 years now since I worked on that. That was my misuse of the language, I apologise.
243. TM So in the light of that, it's fair to say that in summary you were saying, page 272 at the end, paragraph 6.5, caution should be exercised at this stage, no grounds for a rush decision, any public decision to financially assist Kassam would generate fierce public opposition and at the end something of this nature is fraught with danger. That's your advice?
244. KH That was the summary of the position as I saw it, the public position as I saw it, yes.

245. TM And then in the summary, starting at paragraph 7.1 you said, the foregoing sets out the principal position, presumably Firoz Kassam's position, and the advice here gives little room for changing stance or making judgements. So presumably you would say you're making quite clear your view that this is your professional advice, that nothing needs to be done.
246. KH That's correct, yes.
247. TM And can I then ask what happened? You communicated this obviously to the Chair, this is the email record. When did Cllr Adje respond to you on the briefing note?
248. KH It was within a couple of days. I can't be specific, but it was within a couple of days. If you look at the timescales, this was done on the 17th April, this was sent on the 17th April, we had the Board meeting on the 24th, that's 7 days including a weekend. It was within a couple of days, I can't be specific, I'm sorry.
249. TM And in what form did he get back to you?
250. KH Initially on the telephone.
251. TM And what did he actually tell you to do about the briefing note?
252. KH The conversation was along the lines of having read my briefing note he had a discussion at a senior political level and I believe there was some involvement with possibly the Chief Exec. And that essentially, as I said in the documents in the bundle, it wasn't to fall on his or the then Leader's watch. That, whilst recognising that what I was saying may be the factual position, the reality is they wanted to do something to keep Firoka on board.
253. TM If I could just take you to one of your previous responses, page 262. If you could just look at the 4th paragraph in the middle of the page, where you say, "I now return to the specific matter of the licence. To recap my briefing note that was my position I didn't consider any action necessary". And you then set out that "the Chair had the opposite view cleared with other senior politicians and clear the framework, what the framework was for moving forward. After 18 years of hard work this was not to be sacrificed on his watch. I was to produce a short paper for the following Tuesday". So, basically you're saying that encapsulates your description of what actually happened?
254. KH Yes.
255. TM So that sounds like effectively, would it be fair to say, an instruction from the Chair to produce that?
256. KH That's the way I interpreted it, yes.

257. TM Did you in fact protest or object at that point?
258. KH I made the point that it was inconsistent with the advice that I had previously given, but nevertheless the response was that's what has to be. That's the way we have to deal with it. You've got political and officer support, and that was the way that it should be dealt with and the briefing note that I produced then became the vehicle for the subsequent Board decision.
259. TM If I could just take you to page 340 in the bundle. This is part of the interview with Martin Walklate in October 2008. Sorry, 340, the pagination is right at the top. Sorry, it's confusing, in some places there's a separate...
260. KH Sorry, I'm just checking the date, the 23 October. Thank you.
261. TM So this in fact is the interview of the 22 October 2008, as part of Walklate 2 as it was called. The third paragraph down reads "in response to questions", that's questions from Martin Walklate, "Keith said throughout his career as General Manager the Chair if the Board had always been a source of political direction, there would have been no point resisting the will of a Chair backed by a political majority of the Board members as was evidently the case unless Keith was prepared to resign". That's what you said to Martin Walklate, is that, do you stand by that view?
262. KH Yes, I stand by that. As far as I'm concerned I was working on the basis of the political direction given through the Chair and that there was senior officer support for that action.
263. TM And it would be fair to say that this ran entirely contrary to the professional view that you expressed?
264. KH Yes.
265. TM The view that you had expressed, retelling in effect the advice of the lawyers who had been appointed to assist the project. There was a clear, an absolute head-on conflict in this situation.
266. KH Yes. I made a comment somewhere in the responses that I have given, that for me to write such a detailed briefing note, covering 4 pages setting out clearly mine and my professional advisors views on what we needed to do on the 17th April and then write something less than a week later when there had been no change in circumstances, it's preposterous to suggest that somehow I was doing this on my own initiative or any other way. This was a clear understanding, a clear instruction which came through from the political machinery.
267. TM Thank you. Could you turn to the report itself, this was the report that you had been instructed to write – sorry, that's page 379. First of all, an obvious point, how far would you view this tabled report as being consistent or inconsistent with your previous briefing note?

268. KH Totally inconsistent.
269. TM And were any of the matters referred to, as it were, was there some basis of fact or truth in any of the points? For example was it true that staff morale had suffered as a result?
270. KH Yes. I had people resigning left, right and centre. I ended up with a total staff at the trading company of about 18 at that time.
271. TM So in essence the report did reflect some factual reality, what you're saying is totally inconsistent, I take it, is the recommendation that the actual action proposed. What you're recommending here, I mean what appears to be recommended in this report is the transfer of the whole business and the staff, its contracts to Firoka.
272. KH That reflects the post-lease arrangement, that Firoka had to placed in a position as close to the post-lease arrangement as possible.
273. TM I understand that you're saying that recommendation, as it were, is directly contrary to your advice previously.
274. KH Yes.
275. TM I think the point has been raised or is likely to be raised that the position of APTL at this time – perhaps you could just explain a little bit for the panel the relationship between the Alexandra Park and Palace Trust as the Committee which discharges the charity function, but APTL was the trading company, is that correct?
276. KH APTL was the Charity's trading company. Since Haringey became trustee in 1980, there has been a series of legal opinions as to the position of the activities that are taken up by the charity. So the reality was the undertaking was exhibitions and events and dance events, all of which weren't charitable. They were profit generating. To avoid... the only way in English law that a charity can avoid tax on those activities is to route them through a separately constituted traded company. That's how it came about. The Inland Revenue were looking closely at the position in the late 1990s, had done so before, and it was becoming difficult to argue at that time that all the profits were absorbed by the overheads. Sorry this is a bit complicated, but the point is we were trying to avoid – it was tax avoidance mechanism. It's the only one that's available to charities. So any activity that doesn't have primary purpose as a charitable activity is routed through the trading company. The trading company makes a profit, but then covenants that profit back to the charity by way of gift aid, and no tax is paid. So it's a tax avoidance measure. Now in 2007, partly as officers we suspected it was about the publicity that was around the Palace, but there were limited sources of income from those activities and events between April and about July 2007. To put that in context, we were looking at income of around about £247k in total during that period. Contrast that with the same period to around July in 2006, the potential income was £1.245m. So that was the significant difference of what it was like that time. That, I have no

doubt, was also feeding into the decision-making process that was being made at a similar... otherwise what would have had to have happened was there wasn't an option B per se, but it would have meant that with all the activity that was going on, all the publicity surrounding the palace and Firoka at that time, it would have meant the Council then going back into its reserves, putting more money into the Charity that was going to support the trading company. There was no other way of doing it. You couldn't look at things like reducing costs, because the majority of them are fixed. You couldn't look at things like generating further revenue, because in that sort of business, if you haven't got the revenue in at least 3-4 months in advance, then you're not going to get that revenue. So there were some clear decisions there but the fundamental one as far as the trading company was concerned was that at that point in time insolvency was in question.

277. TM Can I ask your view, whether you thought, on the basis of your briefing note, that there was an urgent need to actually remove APTL from the picture - was it urgent as it were, to make that move to take APTL out of the picture? Was there any other alternative that could have been employed?
278. KH The only other alternative in those circumstances would have been the Council to put in more money. I cannot see any other way of dealing with that. I've thought about it over the years, whether that was appropriate, but I can't come up with something that would have solved that particular problem - I mean, there were a host of other issues - but would have solved that particular problem.
279. TM So what you're trying to say is that, on the basis of what you've just told the panel, the licence to Firoka, the arrangement that was contemplated effectively was, if you like, creating a somewhat difficult financial position in respect of all the costs were still being maintained, you were still having to pay for the APTL staff and the upkeep of the palace, while Firoka were in effect taking the profit?
280. KH That's correct. The only advantage that I could see, the significant advantage I could see arising from that, is that those costs would have been known, in the sense that we were seconding staff, it was the staff that existed and that was a known cost. So there weren't any other, for want of a better phrase, 'nasties' in the background waiting to bite. So the advantage of that would have been there would have been no costs, yes.
281. TM But in light of everything that you've just said, there's no pressing managerial reason to transfer everything to Firoka, that was not actually solving the problem?
282. KH There was no pressing need, no.
283. TM No. And it was not what you were recommending.
284. KH It certainly was not what I was recommending.

285. TM So there would have been alternatives that might have been difficult but could have been implemented.
286. KH Yes.
287. TM In the light of what you told us, how far do you feel that your professional integrity was actually compromised by the instruction that you received from the Chair?
288. KH I think I took the view at the time that there were issues that I wasn't particularly happy with, but lived with them. Were they compromised? Yes. Were there circumstances which justified it? I think that's something that I have been thinking about for a long time. But the difference between the two briefing notes is stark. And I was placed in a position where I ended up putting something to the Board which 1) I wasn't happy with, 2) if it was the truth or not, I didn't really believe was the right advice that they should have been getting.
289. TM And you said in writing, as it were, that it was made apparent to you that the advice in the briefing note was not to be communicated to the other trustees – it would not be helpful.
290. KH It wouldn't... yes, it would not be helpful to have that briefing note at the Board, given that what was required was a short note which was effectively pointing the trustees in the other direction.
291. TM Did you at any stage consider raising the question of the political pressure you were under with either the Chief Executive or the Monitoring Officer?
292. KH My understanding was that they were both involved, at least that's the information that came to me. Somewhere in one of the letters I made the point that I understood that the Chief Executive acquiesced, I think that's the phraseology I used.
293. TM This was essentially hearsay, what you were told by others? You didn't attend a meeting...
294. KH I certainly didn't attend the meetings, no.
295. TM And could you now just tell the panel briefly what flowed from the decision of the 24th April, as it were the consequence of the meeting, that the licence was entered into with Firoka.
296. KH The licence was entered into with Firoka, again, something I took advice on. I was advised that we could actually achieve by an exchange of letters, something I wasn't particularly happy with. And felt we needed something a little more robust, but given the timescales we didn't have time to sit down and work through the detail of the lease, for instance. This was taking APTL's licence and amending it where necessary. APTL's licence was suitable in the circumstances but it provided guidance on what should be in the licence itself.

297. TNM The result of the signature of licence, which I think was around the 9th May that year, was effectively that Firoka then occupied the Palace, free of any direct cost to them, they had the staff of APTL seconded to them and the profits from events then went to Firoka.
298. KH Yes, they took all the risk, losses, they would have to suffer the losses; they also took the profits.
299. TM At this stage you had actually moved from the role of General Manager to consultant dealing with the expected lease to Firoka?
300. KH That's right, I was dealing with the transfer at that stage, my direct employment ended on 30th April.
301. TM Yes, and just to recap as well it's correct, isn't it, that there was then a great deal of concern about the judicial review brought by Mr Jacob O'Callahan, challenging the Charity Commission's order. A great deal of work went into that, ultimately the Charity Commission's order was struck down, and it was only after that, that consideration was given to terminating the licence. That was not a matter in which you were directly involved?
302. KH No, the judicial review was held, we had a special Board meeting after the judicial review. I was enjoying myself in Canada.
303. TM Keith, thank you very much for that. Those are my questions. I mentioned Cllr Adje probably has questions, the panel may have questions.
304. AL Yes, thank you Mr Holder. I think we are going to break. I think until quarter to 2, but I'd be grateful if you could come back then.
305. KH Certainly.
306. AL Thank you very much.
307. [Break for lunch, Day 1]
308. AL ...reconvene. Cllr Adje, would you like to ask some questions?
309. CA Mr Holder, thank you for coming to be a witness at this standards hearing panel today. Can you just remind the panel your length of experience in the local authority before you were seconded to the palace, I know you said you started in '97 and then left in 2007. If you could just outline how long you worked for the local authority before you were seconded?
310. KH I came into Haringey in January 1989 as a consultant working for the PA consulting group. I worked on a turnaround project for the then Direct Labour organisation, which was suffering heavy losses. I subsequently joined Haringey as an employee on the 7th January 1990. It was in September 1995

that I was seconded from that substantive role into one of seeking a development partner for Alexandra Palace and remained in that role until December 1996. At that time the then General Manager decided that he wasn't able to work on the basis the palace would somehow be redeveloped on a 125 year lease and left. I went through an interview process in 1997 and was appointed General Manager in January or February, my memory is a little dull on that. That gives you the background to my employment with Haringey prior to going to Alexandra Palace.

311. CA When you retired, when you worked at the Palace, how many years roughly did you spend at the Palace before you retired?
312. KH I left the Palace at the end of April 2007.
313. CA 2007, but prior to then though, you had, there were some issues about your contract and documents when you... because you played a dual role, you had a part time job as managing director but you also had a managing director role as the Chief Executive of APTL. If you can just please outline the difference in terms of those two roles.
314. KH When the trading company was created, the board of directors went out to appoint a managing director. That appointment I believe took place in the year 2000. That individual was in post for 4 years but then the board of directors took the view that his presence wasn't required and his contract was terminated in 2004. As a result of that termination, I was asked to fulfil the role of managing director until such time as the handover of the 125 year lease was signed. At 2000, when the managing director was appointed, I worked 3 days a week, in 2004 when his employment contract was terminated, I had two separate contracts of employment, one 3 days a week with the charity 2 days a week with the trading company. That remained until formally until the end of April 2007. Is that the clarity that you were seeking?
315. CA Yes, and so you were appointed the managing director of APTL, working 2 days a week from 2004.
316. KH Yes.
317. CA Your role of the director of the Board of trustees...
318. KH General Manager of the charity.
319. CA Was that full time?
320. KH No, as I explained, I was appointed to take the role of General Manager three days a week, the other role was 2 days a week, so both posts became effectively full time, but with 2 different employers. At the time that that arrangement was made, there wasn't too much concern about whether I spent three days with one and two days with the other, two and a half days with both. Whether in light of the workloads the three and two days would change, but essentially the formal position was two contracts of employment, one two days

a week as managing director of Alexandra Palace Trading Ltd, one three days a week with Alexandra Palace Charitable Trust.

321. CA Thank you for that. When you were finally retired, because there were some issue with the contract, part of the Councils procurement rules requires that you have an indemnity. Do you recall that?
322. KH Yes
323. CA What was the value of that indemnity?
324. KH That indemnity, I'd need to look at the contract but it was either £1m or £2m. That indemnity was in respect of my role as a consultant, with effect from 1st May.
325. CA Indeed. I mean, obviously there were issues with that, because you couldn't really meet that.
326. KH Sorry, I did meet it. I had an indemnity, for, I can't remember the value, it was either £1m or £2m, somewhere in the documents I have seen confirmation that I produced the policy documents and they were satisfactory. So there was no argument that I didn't have the indemnity insurance. But it's not valid in respect of this issue, because it only came in after the 30th April, it would have been some time in May or June 2007.
327. CA Ok, thank you for that. It's been alleged, or rather in terms of the questions you had put to you that I had applied political pressure on you to prepare a report which was contrary to the briefing that you had provided earlier, Can you explain the type of pressure that I put on you?
328. KH The pressure stemmed from the alleged conversations with the senior politicians and officers and you made it quite clear in that conversation that the senior politicians wanted Firoka on board after the hard work that commenced before I even got anywhere near Alexandra Palace to find a strategic solution wasn't to be jeopardised. You certainly wouldn't want it falling on the phrase you use was yours or George's watch. I was to prepare an alternative report going to the board, as Chair you would accept that report, which simply became a vehicle for moving forward the discussion about how we carry out the transfer and that took place some time between, as I said earlier, the 17th and 24th. I can't be specific in terms of the date.
329. CA Given your length of experience in the local authority and the Palace, why didn't you take an action when I allegedly said to you that you had to prepare an alternative report?
330. KH I didn't take any action specifically, other than to be sure that my interpretation of what you were saying was correct, because you'd made it clear that this was a political priority and that there'd been some discussion with, I'm going to use the phrase senior officers – I believe subsequently, I believe that the Chief Executive was involved as well. But that's not, as far as I'm concerned, the

issue at that time, I'm taking my instructions from the Chair of the Board of Trustees for the Palace and that is what happened at that time.

331. CA I can confirm discussions did take place at the top level, and you were present at one of those meetings in the Leader's office, with the Trust solicitors in terms of the progress of the project. There was another meeting, I think that was held, which I wasn't able to be present at – if you look at the notes you will recall that those second discussions did take place in this office, not specifically about the licence. Do you recall that?
332. KH The meetings I recall being party to were November and October 2007, which post-dates the licence or any discussions about it by such 6 months. I was not party to any discussion between the 17th and 24th April with anyone other than yourself.
333. CA I just find it worrying that an experienced officer of your calibre, that you had prepared a report which you now claim stands and you were told politically or otherwise, which was contrary to what you had said and you prepared a report without reference to either the Chief Executive, the Monitoring Officer, or even using the Council's whistleblowing policy, that pressure, that undue pressure has been exerted on you. I wonder if you can comment on that.
334. KH I'd like to thank you for your comment about an officer of my calibre. I had no reason at that stage to, having checked back with you after the conversation ended, I had no reason to believe anything other than the position as you relayed it. I haven't survived this long by running around behind Members' backs to other officers saying can I trust this guy, can I believe what he says? That's not my style. If the relationship between the Chair of the Board and the General Manager is to survive, then there needs to be mutual trust and respect. I trusted what you said, I respected you as the Chair. It's only subsequently that the fact that this thing did not happen in the way that I had been told and been given to believe, that, you know, we're in this position, But at the time, in April 2007, I had no reason to doubt your word or your judgement.
335. CA I would say the same, that I had no reason to doubt your word or judgement until... not necessarily of recent, when the complaint went in, because you seem to be obviously changing the tune in terms of what I am alleged to have said that you should do. Do you recall telling me that when you submit or put the report, we shouldn't really put it into the open, because once those reports get to certain Members, Board Members, there are leaks in the press. Do you recall saying that to me?
336. KH I recall saying to you that we need to be careful how we phrase reports because 1) they can be leaked and 2) with the best intentions in the world, reporters won't always understand fully what the issues are. At the end of the day I suspect that this is a complex issue that's testing the memories of mine and a number of people.

337. CA Given that in terms of reports, the report that you wrote to the Board on 24th April. Why didn't you seek the Section 151, that's the Director of Corporate Resources or the Director of Finance's comments, given your level of experience, and also why didn't you liaise with the Borough solicitor about it. Having sought, obviously, as you say, this separate or independent legal advice, knowing fully the relationship between the Council and the palace?
338. KH Sorry, I don't understand the second part of that question. In terms of the first part, the understanding I had from our conversation was that those people had already been involved. A short report was going to be put to the Board which you would to accept as Chair. The matter would be discussed and it would take the decision, you would take the report from there on in. Section 151 Officer, perhaps should have had, the timescales prevented it, and in light of the decision to put that report to the Board at that time the report went without the Section 151 Officer's response because as far as I was aware you'd already had that conversation. At the end of the day, that report was accepted for the discretion of the Board. If that became a serious issue, then it could have stopped there and then.
339. CA I have to be careful with my choice of words, Mr Holder. You wrote that report, you presented it to the Board, Members asked questions on the report and the Trust Solicitor was present at that meeting and now you say that, oh well, hang on, I pressurised you into doing that. You didn't seek Section 151 Officer's comments on the report because of short of time, knowing fully well the, for want of a better word, the effect or impact that it could have had. You advised and we all followed your advice, given the length of time that you have spent there. Bearing in mind also that the previous Director of Finance had, for whatever reason, I don't know why, you didn't get on with him. When I assumed the position of Chair, I went there for a quiet life because of what I had been doing here, I had kept the Council Labour, I was obviously, wasn't the Leader, so I went there for a quiet life. Do you recall thanking me for allowing you to run the show?
340. KH In the context of running APTL and getting on with it, yes.
341. CA Do you also recall when this investigation started, we met in Muswell Hill in the pub to discuss it? What were your comments to me at the time?
342. KH That there were serious issues that were going to have to be dealt with.
343. CA And that if they weren't dealt with?
344. KH Pardon?
345. CA And if they were not dealt with, I mean?
346. KH If they were not dealt with, then there were going to be serious repercussions coming back for both the charity and the Council.

347. CA You do not recall saying to me why is the investigation, who instigated it and if it wasn't dealt with there was going to be political embarrassment?
348. KH No. When the investigation started, I was no longer an employee, I had received notice of my contract, of my consultancy contract. The then General Manager concluded that it was pointless me being on site because I couldn't do anything, and this would have been probably around about August 2008. Now I'm not sure when Mr Walklate was actually appointed, but I'm pretty sure it wasn't in 2007.
349. CA Neither do I. We are where we are on this. I'm just trying to bring things to the fore. It's alleged in, well, you have said in one of your correspondence that you would have had to resign, or I threatened you with resignation...
350. KH No, I never said that you threatened me with resignation, I'm quite clear on that point. I did not say that.
351. CA Because I was going to refer the panel to Stuart Young's exchange in terms of appendix 16, which is on page 354, confirming that I or any of my colleagues really couldn't dismiss you and it was the practice that no Member of the Council can dismiss an officer. So it came to me as a surprise that you had said that, but obviously you've said that you didn't say that, which is fine.
352. KH I didn't say that you had threatened me with resignation, and I'm not sure that's what Martin Walklate's report set out.
353. CA The other thing that had been alleged by you is that I was in the driving seat, I was the one running the show. How can that be when clearly my role as a Member is as that, and you as the officer... in any local authority the officers deal with any operational matters.
354. KH The officers deal with the operational matters in the context of the political climate.
355. CA In the context of the political climate, you have...
356. KH What I'm saying is that you have your – there is a role that the politicians play and in the context of Alexandra Palace with its local authority hat and its charity hat, the thing is there are issues of conflict which need to be managed effectively, and I can't be seen to be taking a overtly political role. That role falls to the Chair.
357. CA I don't think anyone would expecting you to take a political role, but what I mean – obviously at the time you would be expected to provide professional experience. Why didn't you at the time share the report or advice that was given to you by the legal advisers in terms of, if I refer you to page 200... it says that "the situation on the potential for delay relating to the possibility of a Judicial Review is contradictory. Statements made by Iain Harris and Keith Holder suggest that the risk of this happening appears to be so low that the licence agreement takes place but according to the statement of Keith Holder, not so low as to prevent the early development of the full lease".

358. KH Any comment that I make on that is one interpretation of what Martin Walklate has written, but yes, we felt that the advice that we got from Counsel was that the potential for judicial review was low, the potential for successful judicial review was lower still. It came as something to a surprise that, just before I went on holiday in 2007, we had a change of Counsel presenting the charity's case or dealing with the charity in respect of the view which included the Charity Commission and find that it had been overturned. But that is the advice that was received.
359. CA Just to continue with the issue of who was in the driving seat, as it were, if I could refer you to page 234, in particular number 6, where it clearly states that, in italics, "this is clearly contrary to many of the points raised in his initial interview". It says clearly that "Keith Holder alleges that the response from Firoka to many of the difficulties in resolving disputes on the licence was that 'Cllr Adje agreed the detail and will confirm our view'". Clearly it's saying that this is clearly contrary to many of the points you raised in your initial interview.
360. KH I think that reflects the fact that, as time went on, I was less and less involved in the day to day issues, because in terms of my response that was addressed, my latest, my last letter, I attached to that an email which I was sent that demonstrates quite clearly the involvement in the detail that you had in this. If I refer you to page 423 of the bundle, where you're responding to questions raised by David Loudfoot, this is April 2008 – I'm not even there, well, I am there, but not the General Manager, and clearly the response there indicates the level of involvement. That's not something that I was involved in; I had no discussions with Firoka in respect of anything post-May 2007 in respect of the licence, that was all handled by David Loudfoot. When the issue came about in respect of the licence, the reference to Andy Briggs was this is the guy who was parachuted in by the local authority to deal with the issues as they arose at that time in relation to the trading company. David was the general manager of the palace. They were working on that, my comment there reflects what was happening here. What was happening here is quite clear from David's perspective that there was considerable knowledge about what was going on.
361. CA I put it to you that appendix c reflects a number of things that were discussed between you, me and Firoka. The difficulty I have is the fact that we went to meetings, one which included then the current, the MP for Hornsey and Wood green and one of her colleagues at Mr Kassam's base.
362. KH I have never been to any meeting with Mr Kassam with Lynne Featherstone.
363. CA Lynne Featherstone was present at a meeting regarding the political point of view in terms of seeking assurances from Mr Kassam. Be that as it may, let us put that aside.
364. KH The only conversation I had where Kassam and Lynne Featherstone met was at the fireworks display in 2007 and yes they met, yes they had a discussion, I

wasn't part of that discussion, but caught the tail end of it when Mr Kassam asked Lynne Featherstone what the alternative was, and the response that Lynne Featherstone gave at that time, which is ingrained in my memory, was 'we're in the opposition, we don't have to come up with a solution'. Kassam walked away shaking his head. That's the only time that I've been in the company of those two individuals at the same time.

365. CA I put it to you that that is a selective recollection.

366. KH No, it's not selective.

367. CA It is selective, Mr Holder, it is selective. The difficulty I have is because of the trust I had in you, contrary to the advice given to me by Mr Andrew Travers, the email he sent to the Chief Executive is there, the first thing he said is if you get there, get rid of Keith Holder. I wish I had, at the time, but I didn't. I worked with you. But we are where we are. My style, as most of the officers know in this Council, is the fact that when I have meetings with officers there is someone taking notes and those notes are produced. Unfortunately with you, although I know you didn't have the resources, we attended meetings, sometimes you would pick up the phone and call me, sometimes I would come to the Palace, you would take notes. Up to today, none of those notes have been produced. It is because of the level of the trust I had in you at that time. Now I wish I had insisted that those notes were taken, because that was why when Mr Walklate asked me about this change of, what we call a u-turn, you came back to me and said, Cllr Adje there is a way out of this in terms of you briefing, you said, because the trust, the trading company was becoming insolvent or was insolvent, the directors, the non-executive directors at the time had left, because the company was being wound up, and you asked what sort of report should you produce, a short one, a long one. I said it's entirely up to you. Then you produced that report which you took to the Committee. It's clear in the Member officer protocol that if there is a divergence of opinion that where there has been issues about the role of the Board as a trust and that of the Council, it had been a bone of contention which you have referred to on several occasions. It just concerns me that you are being very selective in what you are saying and have been saying in terms of the advice. I find it very worrying. I think it's actually deceitful that, contrary to what you had advised, your advice has been followed and that you are saying that pressure was put on you, politically or otherwise, when there are ways and means for you to have dealt with that, irrespective of the political climate. Bearing in mind that you were a consultant at the time as well, I really couldn't, I still can't fathom why you did not refer me, if you felt I was putting you under pressure, to take action against me at the time.

368. KH I struggle to understand where there's a question in that. Having said that, I think there is an element that needs specific explanation. The first briefing note was sent on the 17th but was written on the 16th, but was emailed to you on the 17th April 2007. On the 24th April 2007 I had to have a separate report ready for distribution to the Board which you had agreed to accept. Whatever my consultancy role is, was, however it's written, had no bearing on that because it didn't take effect until the beginning of May. In terms of what was written, I

have explained consistently and have been unwavering in the comments I have made. That is my belief, it is for the panel to decide how they are going to deal with it.

369. CA Mr Holder, I put it to you that you are being economical with the truth. Because in terms of the licence which is the issue here, we all knew, we discussed the fact that the staff were going to be seconded to Firoka, Alexandra Palace. What myself, the Leader, the Chief Executive, obviously and I think other officers of the Council did not discuss with you or anyone else for that matter is the detail of the licence, Now, I can't lay my hands on it here, but I was trying to look for it, David Loudfoot actually confirmed and I think you also confirmed in one of your comments here that you were the one that drafted the licence. David Loudfoot also confirmed, I think there were about 4 drafts. Now at no stage did you come to me – let me rephrase it, then, did you come to me with those drafts and say, look Charles, this is in terms of options, this is the way that it should be dealt with?
370. KH The 4 drafts didn't contain options. They contained the tightening up of conditions within the licence. The last draft that we'd done was shared with you, but the earlier ones wouldn't have been in the context, we were working through our understanding of what was required and we weren't going to come back to you and it would have been totally impractical to come back to you and say do we dot this I, do we cross this t? What we had to do was to come with a fairly well sculpted document which went through a couple of versions, yes, I don't dispute that and I would dispute whether any report that has ever been produced in this Council goes out in its first draft, there are changes that are made. But when it came to discussing that final version, you were aware of it.
371. CA The point being made, Mr Holder, is that you said that I was in the driving seat. It is quite clear that you, as the officer, were the one adjusting the licence. The only matter you discussed with me was the issue of a fee to be paid, but that is £1 or so on. Do you recall that?
372. KH I recall the conversation about the fee as part of a wider conversation and it was £1,000 a month, not £1 a month.
373. CA I am pleased you recall that one, at least. Well, I don't think, Chair, that I have any further comments, because I think it is quite clear that Mr Holder obviously is being economical with the truth in terms of the advice that he's given me. I don't just want to implicate or involve others in the way that.. I just wish anyway at the time that I had taken the advice given by the former Director of Finance before he left for the GLA, because I feel that Mr Holder obviously is not coming forward with... can I ask you, Mr Holder, have you got a conscience?
374. KH Have I got a conscience? I wouldn't have been struggling for 18 years to try and resolve this problem for the ratepayers of Haringey if I didn't.
375. CA I hope you sleep well at night in view of the issue being discussed now.

376. KH Believe me, Cllr Adjé. I have no problems sleeping.
377. AL Ok, thank you Cllr Adjé. So, Mr Holder, thank you very much. I think the panel may have some questions for you. Cllr Reece?
378. KR Actually I picked up the point as well about the legal advice that was involved in the drafting of the licence. There is a reference to Berwin Leighton being the legal advisors to the Trust. Is that correct?
379. KH No, Howard Kennedy were the legal advisors to the trust, Berwin Leighton Paisner were the legal advisers to the project team dealing with the development.
380. KR So Howard Kennedy for the Trust, the project.. so when you sought advice. The preparation of your report for the 16th April, the first legal advice, that was Berwin Leighton?
381. KH That's correct.
382. KR It is said in some of the documents that it's been discussed that you got involved in drafting the licence, there was some drafting of the licence – that was Berwin Leighton as well?
383. KH In part, it was also drawn from Howard Kennedy, but it wasn't as if we'd written a brief for them to comment on, if you see what I mean.
384. KR That's where I'm a bit confused too. The briefing note that was tabled to the Council on the 24th April is it?
385. KH 24th April, yes.
386. KR Refers to what needs to be done to enter into this next phase with Firoka, right? And it refers to what eventually become the terms of the licence, is that correct?
387. KH Yes.
388. KR I'm sorry, I can't find it...
389. RH 379.
390. KR I just wonder, just because it's not clear to me. In paragraph 1, 2, 3, 4,5 - "a number of measures can be implemented in advance of legal completion which will smooth the path... contracts for events under signature..." that content of that paragraph, that comes from your discussions with CA after the original briefing note? Where was the genesis, where did this come from? The licence, the content of the licence.
391. KH The content of the licence, the genesis of it was the APTL licence, suitably modified so that it placed Firoka in the same position, post-lease as they would

have been post lease if that lease had been completed. It put Firoka in that position, so what we had to do was to think in terms of what the APTL licence said, given it was a wholly owned subsidiary, wasn't a wholly owned subsidiary, that's incorrect – it was wholly owned by the charity, the charity was the only shareholder and the APTL licence had certain conditions in there that reflected that relationship. They were wholly inappropriate for an arrangement that involved a third party, so when that APTL licence was looked at in the context of being evolved for Firoka, it obviously had to be suitably amended. That's where the changes came from.

392. KR And the final shape of the commercial deal under the licence, where did that come from?
393. KH Under the licence? It essentially comes from putting Firoka in the position they would have been had the lease been completed. And then the discussion was around some of the detail with both Berwin Leighton and Howard Kennedy.
394. KR Just so that I'm clear, the position under the briefing not eof the 16th April was that it was not necessary to do anything.
395. KH That is correct.
396. KR But on the 24th April, for the reasons that have been explained and explored and we have to decide about, the position was different.
397. KH Yes.
398. KR Ok. And then you went to the lawyers and got things going based on that?
399. KH Sorry, that last bit...
400. KR And then ahead you went ahead and drafted, the licence emerged as a document, or a letter or something a few weeks later.
401. KH Yes. The second week in May, I think.
402. KR I think that's all I had for the moment. Thank you.
403. AD Thank you Chair. Mr Holder, on the report that was produced on the 24th April, did you feel when you went to the meeting of the Board, the Trustee Board, what was the feel from the trustees, the Board members?
404. KH It was one of the meetings, that I think was the smoothest that I've ever attended. There was none of the internal wrangling that there'd been in previous Board meetings. I remember opposition Councillors raising questions but as long as we were in a position and forgive me whilst I'm looking for the relevant phrase, that somewhere along the line it says that none of the arrangements are irrevocable, that seemed to take the sting out of the tail for a number of members. But yes, generally it was a very orderly meeting, there was none of the political cut and thrust, if I could put it that way, that appeared at other boards. I had no reason walking out of that meeting to believe that

anything other than the position as I previously described was actually obtained.

405. AD So at this meeting you could have mentioned the points that you put into your briefing notes when the opposition members were asking questions, you could have put that out into the.. sorry, I don't have the minutes of the meeting hence why I'm asking you, so you could have made your position a bit clearer, as you said, oh sorry. Yes, so you could have made your position known at this meeting with regards to the...
406. KH I made the point earlier on, I said quite clearly that I was advised that putting that other report or the contents of it, by implication, would not have been helpful.
407. AD By who?
408. KH By CA,.
409. AD Following your briefing note, did you have any email exchanges or conversations with regards to how the report that you produced on 24th April should be shaped? Did CA particularly tell you this is what I want to see in it.
410. KH What he wanted was a report that would act as the vehicle by which the discussion could take place. So it was something that provided the hook, if you like, for the discussion. He would accept that as the Chair.
411. AD Ok. As someone who was an employee of the local government for a very long time, were you aware of the members code of conduct with regards to the members dealing with the officers and the officers code of conduct in dealing with the members?
412. KH Yes, I am aware of the code of conduct.
413. AD So if you, in your words you said that, let me just find my notes, that you were pressurised into producing this report that you didn't agree with as the Chief Officer – did you at all at any point try to approach either Member Services, or the Chief Executive or the Monitoring Officer with regards to that?
414. KH No, I didn't. The context of that is that I checked twice with CA to ensure that my understanding was correct and I was satisfied as a result of that, having reviewed that and the response to questions from CA. The relationship is one of mutual trust and respect and he came back to me. I was aware in the background of the code of conduct as it affects officers also, but given that you had such an august body as was relayed to me with CA, the Chief exec, the leader, perhaps I should have pursued that through more fully, but I didn't, at that point in time I didn't see the need to.
415. AD Chair, just one last question. Did the Chair of the Board have any input in the draft of the licence to Firoka?

416. KH Only towards the end, when we made a number of points and drafting issues.
417. AD So the report was wholly produced by yourself and your officers and then the final report was passed onto the Chair for his comments?
418. KH When you say the...sorry, the question started off with the licence, then you changed to the report.
419. AD The draft licence, sorry. The draft licence.
420. KH The draft licence was put together on the basis of the advice that we received as these things evolved the advice goes into have we got this right, have we got that right, is this what you meant by those comments? That was why there were three or four versions of it – the last one CA was aware of.
421. AD When you say advice received, is that from the trust solicitors?
422. KH Yes.
423. AD Ok. Thank you very much Mr Holder, thank you Chair.
424. RH Hello there. Can I just ask you – you were asked by Mr Mitchison about what transferred with the licence and you said that as well as the profits, the risk transferred as well to Firoka.
425. KH That was correct.
426. RH What was the nature of that risk?
427. KH If I come back to an earlier comment, we were looking at losses in the first three months, May, June July – April, May, June into July of... sorry, we were looking at losses because income at £247k was considerably lower than it was for the previous year, sorry, for the similar period in the previous year. So the losses were going to arise in the trading company from the fact that they didn't have enough income to cover their fixed costs and deal with the delivery of contracts. As far as the trading company was concerned, those were the risks, and if they hadn't been resolved, then what we would have been doing in the context of shutting the company down would have been going into insolvency, and whilst the directors were still operating as directors of the company, which raised issues. So there were risks to directors, there were risks to the Charity in terms of it losing its covenant and there would have been risks further down the line, potentially with the Local Authority to try and bail us out. Those were the risks.
428. RH But what were the risks to Firoka? Because as far as I understand it, from what you said this morning, that risk was transferred to Firoka. Would those risks affect Firoka?
429. KH They would take the losses as well as profits, so if the contracts didn't make a profit, they would take the hit on that as well. It was a balance – it was Firoka

taking the losses as well as the profits. They have an entirely different operating style to either APTL or the Charity, or even the local authority.

430. RH So for example if they'd spent more putting on an exhibition or an event than they recouped in terms of the money brought on for it, is that what you're talking about?
431. KH Yes, they would have carried the losses that they made on any contract, together with the profits, yes.
432. RH The other question that I wanted to ask you is there seems to be something of a change, well you seem to have slightly changed your stance in respect of what you said that these issues and the response to this investigation, because certainly when Mr Walklate looked at this back in, well last year, he took the view from speaking to you and from reading what you had to say that you did not feel that you had been put under undue pressure by Cllr Adje.
433. KH I think there are sort of different periods when you have to look at that. The first was 17th to 24th April 2007. I was working to political instructions. I didn't feel as concerned with them at that point as I do now. Subsequently what happens, it became clear that there was no real discussion with the Leader of the Council. The Leader of the Council made the point that, yes, they had talked about the Palace. He didn't understand and wasn't advised about what the real issue was. So you can look at it two different times. You can look at it what happened in the context of April 2007, more importantly it became clear in October 2007 what the real issues were. I don't think that Martin Walklate addressed those two things separately or clearly. So there is some confusion about that and I do accept, however my mind is quite clear. In April 2007 exactly what happened was that there had been discussions with the Leader, discussions with the Chief Executive, this is the way forward. What became apparent in October 2007 was that those discussions weren't as robust or had the content that I was led to believe they had.
434. RH Is it in that way you say now that your professional integrity has been compromised? Is it in that way that you say that it has?
435. KH Yes.
436. RH When did you – you say you learnt in October 2007 that those conversations were not as robust as you... is that the date that you..?
437. KH Yes.
438. PS Just one point for clarification really. Just a point that was mentioned a moment ago. Am I right in understanding that if the licence with Firoka hadn't been signed at all, there was a likelihood that the trading company would have become insolvent and therefore the directors of the trading company would have been in some way liable for the losses?

439. KH That's correct.
440. PS That's correct, ok, thank you.
441. KH Just to be clear about that, in terms of having those discussions, I took advice from the insolvency experts at Price Waterhouse Cooper, who were, sorry, it wasn't Price Waterhouse Cooper... sorry, the Charity's auditors took advice from their insolvency partner and the exchange of emails is a matter of record.
442. PS Ok, and as a result of that, when the licence is signed, that liability and risk to those directors transfers to Firoka who have the licence and away from those directors.
443. KH Yes.
444. PS Ok, thank you.
445. AL Ok, I just have a couple of points. I just want to be absolutely clear. When you responded to Martin Walklate for the purpose of the most recent report, so on page 323 in the bundle, so he directly asked you, didn't he, if you believed your integrity or required impartiality as a council officer and officer of the Board was compromised, either by Charles Adje or by any other party and you wrote 'not at the time'.
446. KH Not in April 2007. It's the same point that I was making to your colleague. Not in 2007, because there, there was the comprehensive view that a body of senior officers and politicians were a part of this. In October 2007, it became clear that there wasn't the level of understanding that I believed there to be. So you need to look at it in the context of two different timescales. At the time I was working with Cllr Adje, I made the point about trust and respect, in October 2007 much of that dissipated.
447. AL Right, but you answered this question recently, didn't you? Or – I see what you mean, ok. But you didn't make it clear here that you have since changed your view, looking back. But at that point, you didn't feel, although you were being asked to table a report that was somewhat different, you didn't feel at that time...
448. KH Not at that point in time. Because I believed that that's where the direction was coming from. In October 2007, that changed because at that first meeting in October it became clear that the then Leader of the Council, whilst having the conversation, didn't have the depth, knowledge and understanding that I believed he had as a result of the discussions with him.
449. AL I just wanted to be clear, what the Board agreed on the 24th April 2007 was the phased transfer, in summary, and a management arrangement for the operation of the ice rink to be concluded. What obviously then went on and was agreed was somewhat more, including subsuming the ice rink into the licence and so on, I just wondered how did that all come about, that it was a real transfer on the lines, really of what Firoka would have got, had the lease

actually been entered into? What happened? Was that impetus them asking for all these things during that sort of, between the 24th April and the 9th May, how did the final agreement all come about?

450. KH The final agreement came about when we took the final version of the licence that had been developed internally, we had the discussions with Cllr Adje. At that point David Loudfoot took over the detail of the licence. He was the General Manager, I took a few days leave, now whether the few days leave coincides with the actual signing of the lease in the actual development of the licence, I can't recall. That said, there was discussions between the then General Manager off the back of what he understood from discussions we'd had with Firoka and he eventually signed that licence.
451. AL So you weren't involved?
452. KH From the 1st May onwards, the replacement General Manager took it upon himself, it was his responsibility. Now we had discussions, but I wasn't leading those discussions, I was only responding to issues that he was bringing to and was raising with me.
453. AL Ok. And following this 24th April, were you satisfied that you wouldn't need to go back to the Board, that that was sort of the resolution that they came to, the phased approach to transferring the business and staff – that was enough, really to go ahead.
454. KH I was comfortable at that stage to go ahead. I think the other thing that needs to be remembered in this is that was something which lasted three months and then was subject to review.
455. AL Right. Thank you. Terence, do you have any further questions for Mr Holder?
456. TM Chair, thank you. No, I don't think I do.
457. AL Thank you very much.
458. KH Thank you, does that mean my element is finished?
459. AL Yes.
460. KH I can go back to Somerset?
461. AL You can be released. Thank you for your time.
462. KH Thank you.
463. TM Chair, I'm assuming that the position is now effectively that I've put the case of the investigating officer and it's Cllr Adje's turn to make his submissions and to call evidence. I will then ask questions on his evidence that he puts.

464. AL Yes, unless the panel have any particular questions of Mr Mitchison at this stage? So, Cllr Adje, I think it's your chance really to out your case, to set out the facts you dispute on the case that you've heard and to put your case on both the facts and then how you feel it should be dealt with in terms of looking at the code of conduct.
465. CA In terms of the code of conduct issue, I contend that I followed Mr Holder's advice in terms of the preparation of reports and sharing the reports, which he confirmed in terms of the way he's phrased it. And I have been consistent in my submission to both investigations by Mr Walklate in terms of the Member officer protocol. Of course I do understand it, I've been Cabinet Member, Leader of the Council, so for me to say I really do not understand the protocol, then it would be remiss of me, it would be a dereliction of duty. When you have respect, mutual respect as he said, which I did for him and he advised me to restrain in terms of the information that goes to Members, I followed him, because when he produced stuff, once it goes out, it's in either the Ham and High or the Journal. So I followed his advice, so I was really taken aback when I started reading some of the stuff that he had been saying, and it is quite clear that, I mean from 234... where I referred to earlier that he seemed to be moving the goalposts whenever suits him, but it is quite clear if you take that point there, bullet number 6, the number of things clearly contrary to many of the points raised his initial interview in terms of Keith Holder. That raises a lot of concerns for me. I would have expected, I mean, if there is any issue when he phones me to say Charles, I have a problem with Mr Kassam, can you talk to him? Mr Kassam would phone me, I would speak to him then I would phone the leader of the Council and then I would say, well you two resolve it Mr Holder, and that's how it has been.
466. CA I have never been involved in the nitty gritty or internal, operational discussions. I have always been at strategic level, where you have a meeting and then you agree certain things and then officers go away and then have that discussion. If there is a problem, you come back to a member or to members and say there is an issue. That was never done in this case. If I refer you to, I think it's page 234 - 235, sorry, pages 33, 34 and 35 – 35 particularly where Cllr Meehan actually confirms that discussions had taken place with him, myself. Really the crux of the issue here is that when those decisions went, they were never in terms of the profit and loss aspect of the licence. They were never discussed with Members, they were never discussed with myself.
467. CA I took it that I was listening to my chief officer's advice at the time, but with hindsight, maybe I shouldn't have, I mean at no stage, I will take fault for that, because I should have asked him why don't you put your change of mind, as it were, in writing to me? But I took it on trust. A proper officer would normally provide you with a report if there is a change in stance. They would provide you with a report justifying why they've changed it, and I asked him about the Section 151 Officer's comment – he said because of shortage of time. I know that he has been having discussions with the Section 151 Officer where there are issues, but on this occasion obviously he didn't. There is one other... so I would say that I followed his advice in terms of the member officer protocol. If I

felt strongly that there were issues between him and I, I would raise it with the Chief Executive or the Leader of the Council, which was what I tended to do at the time. The issue of the meeting that he referred to, I spoke with the Leader about it, he spoke with the Chief Executive, the Chief Executive was to call Keith, I called him and said the Chief executive will give you a call. Whether the Chief Executive called him or not, I don't know. A proper officer would have taken appropriate action by sending an email or a letter to the Chief Executive or the leader of the Council or to the Monitoring Officer.

468. CA And to state that political pressure was put on him is just sheer nonsense because in the Chair of the Palace, I only went there for one year for a quiet life. Because of his experience, even David Loudfoot, the new Managing Director was advised by Keith, although he was a consultant, he was advised by Keith. We all followed Keith's advice, and that's why I took him back to his years with the Council, before he was seconded to the Palace and before he had the two contracts that he had, just to give you a bit of background about his experience. I mean, I wasn't there when the advert was put out in terms of procurement, I only went there for closure, If he had said to me that 'Charles...', or to my other colleagues, that there was an issue, at that meeting that was when he should have raised it. He did not raise the fact that there were issues. In terms of going back to members, he never came back to me or to any of my colleagues that, you know, we have a problem.
469. CA I would say that I followed officer advice in terms of section 5, paragraph 5 of the code, because of the advice he had given me in terms of leaks. I would also say that in terms of the other aspect, in terms of paragraph 3.2.d, the impartiality aspect of it, that I did also follow his advice on that. As you can see he seemed to be swinging one way or the other whenever he feels it suits him and I think he's being economical with the truth. When he said to me thank you, Charles, for letting me run the show, it just shows you that he was the man running the palace, it wasn't me. If he has any issues he calls me and I see what I can do about resolving it. He's always had issues with officers of this Council.
470. CA The former Chief Executive, David Warwick, they had issues, with Andrew Travers, who was Director of Finance, he was the one that wrote to me because initially Keith wanted to work for both Firoka and the Council, it's in the document so I sought advice and I went this is a clear conflict of interest, how can you work for someone that's coming in to run the place, whilst you're still employed by the Council? So Andrew advised against it, and Andrew said get rid of him within a month or so, three months. But as things progressed, the Board felt that given the level of his expertise, we shouldn't get rid of him we should reappoint him as a consultant and for him to groom David Loudfoot. Now a lever arch was supposed to have been produced by Mr Holder from a developmental point of view for Mr Loudfoot. Now I don't know if that was ever produced. When I became Cabinet Member for Resources, maybe I should have put this to him while he was here – he advised me to continue as Chair of the trading company and I said are you sure this is appropriate? He said of course it is appropriate. So I have followed his advice as chief officer, then I find myself in a situation whereby I'm being alleged to have breached parts of

the code.

471. CA When I have had issues, I have always gone to the leader or to the Chief Executive. It is surprising that he claims that he doesn't recall us having meetings with the Leader. We had meetings. The only thing, which Cllr Meehan confirms at paragraph 34 on 235 is the fact that the profit and loss aspect was never discussed, because if that had been discussed we would have said 'there's no way', ok yes, when there's loss they're taking the heat, when there's profit they take the profit. But who agreed that? So I would contend that I did follow the Member officer protocol. Given that I followed the officer's advice. In terms of the role of Members or trustees, as it were, when you are sitting at the Palace, you are a Trustee. I understand that role and it wasn't a situation whereby we are looking at the interest of the Council, and saying well because the Council pumps money into the palace, you know, it is the interest of the Trust, the building, that was foremost in our mind that we made that decision.
472. CA The reason why I asked for the master agreement to be tabled was we all knew that the cut off point was August 27th. If the order hadn't been produced by then, then the whole thing falls. So we had a meeting, I don't know if the Monitoring Officer was present for that meeting, in the Leader's office about the success or otherwise of the Judicial Review and we were told that 80% positive, I think it was on that basis and the company was insolvent the deputy, the non-executive directors of the trading arm had also, well, left because the company was being wound up. So it was on that basis he said to me we should be able to transfer on a phased basis initially for three months, and that was what happened. I didn't get back to him, he came back to me and I think I now wish that I had a reply for that briefing from him, which is what should have happened as a proper officer and I find myself in this position.
473. CA So I would, I think I am just repeating myself but I would also refer you to my letter to Martin Walklate which I've always been consistent in terms of what I've said to him and to the current Director of Corporate Services in terms of my role in this. If Keith had said what he said here, that I drafted the licence, I agreed in terms of the profit and loss aspect of it, there wouldn't have been any investigation. When we were in those meetings, he kept quiet, he didn't actually own up to the fact that he did all what he did advising the licence and David Loudfoot confirms that as well. So for him to say that I was running the show, I think, is not really the case and the evidence is there in the communication. So I would say that I have followed the Members' code and I've also followed, I didn't think that in any way, shape or form that I compromised his integrity or impartiality in any way. Whistleblowing - I introduced this in the Council when I first joined, it was employee policy - he had that, he could have used it to say undue pressure has been exerted on me to produce this, he didn't do it. It begs the question as to why he did the profit and loss without coming to either myself or to the other members, bearing in mind that he'd been from day one wanting to work for Firoka. I mean I can pontificate on that, but the clear advice I was given was that he shouldn't be working for both Firoka and the Council and that was the advice I followed through.

474. CA But the difficulty working with him at the time I felt, well, I'm only here for more or less one year because I was offered the, Cllr Meehan asked me to continue as Cabinet Member for Finance, I was Leader, he became Leader and said, 'Charles, continue as Cabinet Member for Finance', I said 'No'. I've fought the election, I've kept the borough Labour, why should I revert to Cabinet Member for Finance? It's politics. I want a quiet life, I went to the Palace, everything was more or less going on smoothly until this time. I won't necessarily say that Mr Kassam or Firoka, Alexandra Palace Ltd was, in terms of the phased transfer, was a sweetener, I think it's because of the way the licence was done or drafted, that's way it obviously became like that, because we don't know that the staff were going to be, not necessarily tupe'd over, because of the nature of the business and the agreement that was understood by all, as Cllr Meehan confirmed, was that the staff were going to move over and he also confirmed that the secondment in terms of salaries would continue until such a time that he finally takes the place forward. Had the judicial review not gone the other way. So, I would stop there, except are there any questions for me, Chair?
475. AL Would you like to address the panel on this particular point that's alleged, really, that you breached paragraph 5 by not putting before the trustees the briefing note? So irrespective of what Keith Holder did or didn't do, there's really an allegation that you've been given this briefing note which was advice of an officer, and that that should have been put before the Trustees on 24th April.
476. CA I asked for the advice, the briefing note and if Keith had said to me that, 'Charles, you need to produce this for the Members', then of course I would have, but he clearly advised me not to share the content in terms of confidentiality. That was why it didn't go out to the members.
477. AL I think it's now a chance for Mr Mitchison to put questions to you and then the panel.
478. TM Thank you Chair, Cllr Adje, can you confirm that you were formerly the Cabinet member for Finance and Property and then I think in 2005-2006 the Leader of the Council?
479. CA Yes.
480. TM Thank you. And would it be fair to say that other members regard you as having particular skill and experience in property and financial matters?
481. CA Yes.
482. TM So you'd expect to exercise your own judgement on such matters, rather than accepting what you're told by an officer, even an experienced officer?
483. CA It would depend. Again if you take the Member officer protocol where you are

advised to follow the advice of your officers, then I would have to obviously follow the advice of my officer, irrespective of whether I was acting as the Leader of the Council or a Cabinet Member.

484. TM The comment you made to Martin Walklate and to the panel now that, in effect, Keith was very much the man who had been involved for years, he was really leading on the process, is that entirely credible in the context of, firstly, a very, very major financial and political decision – we're talking about an arrangement agreed by that Ally Pally Board that had been council policy for a long time, which was to seek holistic redevelopment of the Palace, a major new redevelopment, it gets to a crisis point, and a situation where you appear to be concerned that there is a risk of Firoka walking. This surely is a moment of quite considerable political, managerial crisis. Under those circumstances it would be expected that you, as the lead politician, Chair of the Board, would exert some considerable influence, would take a view of the process and simply not leave it to the chief officer.
485. CA If I was provided with the figures then obviously I would have an input. What I was looking at was the investment aspect in terms of developing the site, then obviously I would have formed a judgement at the time to contrast, well, should we, if I had been informed, should we take the risk of saying, well, in terms of the losses that were sustained by virtue of not cancelling the phased transfer within the three months - because that's the bulk of the loss came as a result of the phased transfer not being cancelled. I had left the Palace at the time, I wasn't the Chair because if I was, obviously I would have done something about it. So in terms of your question, if I was provided with the facts and figures then I would have taken appropriate action.
486. TM I think this is talking about the position later on in 2007, after the licence has run on for more than 3 months and this is sort of towards the end of 2007, when he had ceased to be the Chair. What I was referring to really was the position in early April 2007; it appears that Firoz Kassam, Firoka, are making their concern known about delay, it's right isn't it that you were genuinely concerned, you were worried, and what I'm seeking to get at is that under those circumstances, there would be a big political anxiety and would it really be credible to say that you would leave the great majority of the detail and advice on this matter actually to Keith Holder, without taking a very keen personal interest yourself, as a very experienced former Cabinet Member, former Leader, you would surely have a strong view about what he was doing.
487. CA Not necessarily. I accept the role of – I don't want to re-write history, I don't want... this is being recorded, but when it was brought to my attention that a project that was supposed to have cost £9m in terms of IT and it went up to about £25m and I wasn't aware of it and when I was made aware of it I took appropriate action. The officer responsible at the time had to leave the organisation. That's what I would have done if I had been aware of the facts and the figures. I would have taken action. So I wasn't aware of it, I wasn't able to take action. In terms of my role as being a former Leader and the concerns that were raised at the time...

488. TM Just to be clear, I think you were referring to something quite different, and IT contract. You say you weren't aware of it, you were talking in the context of April 2007, Alexandra Palace. I think the position is that you were aware of Firoka's unhappiness about the delay.
489. CA I was aware of Firoka's unhappiness about the delay, I was aware that there was nothing we could do about the process because it wasn't being driven by us and in terms of the decision we were all waiting to see what was going to happen. So yes I was aware of those issues. You are saying that despite the fact I was aware and given my experience, I did nothing about it, is that what you are saying?
490. TM No, I'm simply questioning your account that Keith Holder was very much in the driving seat and that you were effectively, in a sense, almost passively following his advice, I think the question is, is it really credible that you as a very experienced political leader, would passively accept advice rather than expressing your views quite strongly.
491. CA Yes, because we all deferred to him and because it was on a professional matter. If it was a political issue, then obviously I would deal with it from a political point of view.
492. TM So if it was political, you would deal with it?
493. CA If it was political, then of course I would deal with it because I would have had to bring a report to full council or to my group to say, look, this is the situation we've got, then we take it from there. But in this case it was a professional issue, it was again based on the advice of Mr Holder at the time, to say, well, we need to wind down the company and the company was being wound up, so it is actually very difficult for, apart from what he has now confirmed, that we could have gone to the council for money, but that wasn't made known.
494. TM Just before we get to those points, can I take you through your understanding of the position in April 2007? Is it fair to say, for example, that you'd got to a position where Firoka were selected as the prospective developer after a competitive tendering process and that both parties were bound by a legally enforceable master agreement, which you have put in? So you accept, as it were, that both parties have this legal agreement which basically did not allow Firoka to back out of the agreement. You mention that if nothing had been achieved by 1st August 2007 then the agreement would have broken and Firoka, as it were, could have walked, but not before then.
495. CA Of course I understood that. That was why I ensured that the master agreement is made available and in terms of the arrangement that the Palace and the Trading Company and Haringey Council and Firoka Ltd had entered into, that was a stopgap, as it were, in terms of preparing for transferring the asset to Firoka, so that he could run the place and business was low, predominantly because the company was being wound up. I already said in my statement that that wasn't sufficient reason for the phased transfer, as it were, to take place.

496. TM I'll come to that point in just a minute. But perhaps if we could just move to the meeting on the 11th April 2007, so Firoka have made their concerns known, you have agreed to go to a meeting with Firoz Kassam, Keith Holder is also present, so there's the three of you, effectively.
497. CA It's always been the three of us at meetings. Keith will take notes which were never produced and I didn't query that and I am at fault for that. Sometimes Keith will phone me and say there's a problem and I will say what it is and Keith will say I have asked Kassam to phone you, and he will phone me and I will say to Keith that I will speak to the Leader and that is how it was dealt with.
498. TM Just talking about the question of notes, of course there was the briefing note which you admit you asked for, that's page 267 through to 270 of the bundle. You saw this on the 17th, the day after Keith produced it. Do you have any serious grounds for doubting the accuracy of this as a record of the discussion? Is there anything that's in here that's wrong in terms of the discussion you've had between yourself and Kassam and Keith? Does this represent the issues?
499. CA That isn't a note of the discussions that took place that is the briefing note which Mr Holder produced for me. Mr Holder never produced notes or minutes of meetings between myself, himself, number one and myself, himself and Mr Kassam. There were no such notes were produced. He scribed notes, but in terms of the way the Council operates, when a Cabinet Member or Chair meets with his or her chief officer and from other organisations, notes were prepared but that wasn't the case at the Palace.
500. TM I think I understand your point, there's no verbatim note. So the best available evidence, written evidence, we seem to have is Keith Holder's advice to you, which is I accept not a verbatim note of the meeting, but it is his advice arising out of that meeting, which presumably reflects the position of the parties. What he's saying is that Firoka were effectively saying we would like to walk, we're unhappy, we would hope to go, the only way you can square us is to actually accelerate the process and make sure we have occupation of the palace earlier. Is that your recollection, or a fair summary of what Firoka were saying?
501. CA Not necessarily. Although he had concerns, we knew and the master agreement confirms it that he can't walk, either the Order's been produced or if the Order hasn't been produced by 1st August 2007, then the whole thing falls. Now the reason why, from what Keith said to me, is that two things, that there were staffing issues, because a number of key operating officers were beginning to leave the organisation and Firoka was also including himself, Mr Holder, the fact that the organisation was running at a loss, felt that in view of the issues that Mr Kassam had raised, it was an opportunity to actually do the phased transfer. If that wasn't the case, if he hadn't mentioned phased transfer, then maybe the transfer wouldn't have taken place.
502. TM It has to be said that what's in the briefing note doesn't reflect those concerns.

Keith at this stage is not saying anything at all about the difficulties of APTL. He doesn't mention, as it were, any difficulty about the 1st August, all he's saying is that the advice he's had from lawyers, the advice that, in his oral evidence he made clear that he consulted Berwin Leighton Paisner, the advice was that advisors were robust in their view that Kassam could not just walk away. He then goes on to say that the whole 'I want out' scenario may just be a way of forcing an inducement argument, that Firoka wants to move in earlier. What I'm getting at is, basically, what is put in the briefing note presumably reflects the legal advice, reflects the position as the lawyers see it, and he's not at this stage advising that there's any particular difficulty or reason that would require an immediate transfer to Firoka or any form of move. He's saying that there's no need for action.

503. CA I accept those points, but the issue here, is the fact that the transfer took place based on his advice and he did not obviously rescind that briefing that he produced. I'm quite clear of that, and that's why I asked him if he had conscience and if he could sleep at night, because if he hadn't said it was possible to transfer, yes I read the email, I did not respond. He came back to me, he said 'Cllr Adje, actually it can be done on a phased basis'. If he had, as a proper officer, if he had produced another briefing to reflect his change of mind, the u-turn, I think that we wouldn't be here now. I think that's the point you're making, in that... so he's saying that he did it because of political pressure, which caused his to question the impartiality. That's not the case, it's a case of, yes, there is that advice, which he countered, but it's not in writing.
504. TM So you're saying that there's this written advice and you accept that this written advice was produced by him and reflected the legal team's view of the situation, and that there was then some quite separate advice which he gave about the difficulty with APTL and the possibility of a phased transfer?
505. CA That's exactly the case. It's unfortunate that he didn't put it in writing.
506. TM Can I put it to you that one of the reasons why it may not be in writing is that after receiving this particular note. What Keith Holder says it that you telephoned him, that there was then a discussion, you made it clear that this particular note with its no action recommendation was unhelpful, was not meeting the situation, and therefore he felt under an instruction to come up with something different.
507. CA That's nonsense. Keith is not the type of man, I don't know if you saw it, or observed, that he would be under pressure in such a way that he would not actually take action about it. Irrespective, Mr Holder had some serious discussions in the Leader's office with Chairs, other previous Chairs where he actually asserts himself in a robust manner and I've been at meetings where he does it. He says it's political, he's the type of man that, I mean, you know what Mr Warwick is like having worked for Mr Warwick – he challenges Mr Warwick, he challenges Andrew Travers. He is that type of person. Why didn't he actually report me, is the issue here? I do not accept that I put or applied pressure on Mr Holder in any way shape or form.

508. TM What Mr Holder said about that, as it were, is that he believed the Chief Executive and maybe even the Monitoring Officer were party to a previous different decision and that being the case it was neither appropriate or perhaps to his advantage to make a complaint.
509. CA Mr Mitchison, if I may say, I understand the point you are making. Keith Holder is the type of man that if you gave him an instruction contrary to what his beliefs are, he would put it in writing, irrespective of whether... I mean, if he was doubtful, as I say, why wouldn't he write to the Chief Executive to say 'I've just had a phonecall with Cllr Adje and he's instructed me to do this, do that and do that'. He didn't do it. That is the point. I really feel aggrieved about this, the fact that because of the trust I had in an officer, I am being placed in such a position or situation. That he produced that and it's sacrosanct. I mean if you look at his appendix 20, the letter he wrote to the Monitoring Officer, he made some points in terms of the legal aspect of it which we've been talking about in terms of locking in Kassam – he is locked in already anyway. The issue of a sweetener, this is why I really can't fathom when he talked about a sweetener, or people used the word sweeteners, you know, but the crux of the matter is I usually have people document stuff but for some reason I didn't on this occasion, but that is the advice he gave and I followed it.
510. TM Cllr Adje, I think that the difficulty in that position is rather this, that on the one hand you're saying Keith Holder is a man of strong character, very strong mind, knows what he wants to do, is clear, assertive, etc. And here you have him putting forward in the briefing note, appendix 8, quite clear advice about the legal position and about the political risks of any inducement or arrangement or support for Firoka and a very clear recommendation to do nothing, which he says gives little room for changing stance. Then a week later you have this complete change, a report which says you should be transferring the business because of the delay and because of current financial difficulty. That rather suggests that Keith Holder for some somewhat extraordinary reason simply did a complete volte-face changed his mind, something which, on your own account of the man, seems very much out of character.
511. CA It did. Perhaps you should have put that to him, which you did to an extent, and he said it was political pressure. Perhaps the question that should have been asked is why didn't he put his concerns in writing? I know you are emphasising the point, but the point remains that Mr Holder did not follow things through in terms of his later advice, albeit not in writing. So I don't think I can deal with that issue any more than I have said already, because I know you keep going back to it, but your man is the person, in terms of your witness, that should have been asked those points. The only thing he has said, the reason he didn't do it, is because of the Chief Executive, the Leader of the Council and possibly myself, that is not good enough, I'm afraid. An officer of his calibre should have done something about it – he didn't. He gave advice in writing and someone is saying, oh well, do something different, you should have done something different, in terms of the officer member protocol.

512. TM I think just a final point, one possible explanation for Keith Holder's reluctance to, as it were, blow the whistle might be his feelings of loyalty to you as Chair, the fact that even though he quite clearly strongly disagreed with the policy you were suggesting, that he felt he could come to accept the political direction, because he believed it carried the weight of the entire majority group.
513. CA I do not accept that.
514. TM Can I just take you to the meeting that took place between yourself and the Leader and I believe the Chief Executive, that was sometime I think probably 2 or 3 days after the 11th April meeting. I think there is an account of it in the interview you gave to Martin Walklate. I think the point I wish to make about this is simply that you went to see the Leader and the Chief Executive in order to raise concerns, sorry, do you want to look at the...? This is your interview with Keith Holder, sorry, what am I talking about, Martin Walklate on the 12th March last year.
515. AL Page 292.
516. TM Thank you very much. I think the most relevant point, in fact, is at the bottom of page 304 and page 305. At this point Martin Walklate is saying at what stage did you discuss the situation with Cllr Meehan, did the conversation with Cllr Meehan arise because of the briefing note or were you already due to discuss other matters? You said you had a duty to keep the Leader informed, you didn't recall the briefing note being discussed and that you didn't recall whether the briefing note was mentioned. The Chief Executive was there, and when you made complaints to Cllr Meehan he'd usually listen and then go and get the Chief Executive and then you talk about the Chief Executive being concerned. The point about all this is that this presumably followed your receipt of the briefing note, so you were aware that Keith Holder had given advice which gave you some concern, sufficient concern to actually go off and see the Leader of the Council. How would you explain, what was the reason for your actually going to see the Leader of the Council?
517. CA I always see the Leader of the Council. The reason why I put the question of the issue of licence, insurance indemnity, to Mr Holder was he was having difficulties with Council officers here, with engaging with them and I, every now and then when I come in to River Park House, his office is open, I pop in and I have chats, discussions with him. If I don't phone him to discuss matters, I will pop in and have a chat with him. We did discuss the secondment of staff and the licence but as he confirmed on 235, again I refer to page 235, paragraph 35, he confirmed that discussions took place, but the extent to which the licence was discussed, that didn't happen. So it's not because I was concerned, that was why I met with my Leader. The Chair that took over from me, Cllr Cooke, he meets with the Leader all the time, it's what you do. You go to your leader and you speak with your Leader. It's not because I had concerns about the transfer or not, that's why I went to him, it's just part of day to day, weekly reporting. So I would disagree with you on that.

518. TM Thank you, so it was a routine meeting with the Leader.
519. CA As I said, we never actually had a formal meeting. Cllr Meehan, when you see him, is always, 'hello, Charles, is everything all right?'. And we'd have a conversation, so we had that. We have had other meetings, not in April, to discuss the judicial review. That was a formal meeting which the Chief Executive was present at, there was one other meeting that was called, I wasn't able to attend and it was done via the usual IT stuff, I was at home and they had a meeting in his office and I was listening in. So there were meetings held, but if you're referring to specifically my concern about this, that I went to Cllr Meehan, no I did not go to Cllr Meehan and say Cllr Meehan, get Keith to transfer this stuff to Firoka – no, that didn't happen.
520. TM But would it be true to say that you mentioned in general terms your concern that there would be a difficulty with Firoka, that Firoka might be seeking to back out of the agreement or make difficulties that could ultimately result in Firoka failing to cooperate?
521. CA We've always had discussions about – we were all clear in terms of the deadline, which was the 1st of August, so in terms of Firoka walking, all Members knew that he can't go away. The reason for seconding the staff is because we were losing key people from the organisation, business wasn't around and it was in insolvency. So that's the basis on which the phase took place. It's not because we were sort of concerned that if this deal collapses... if it hadn't been for the judicial review's decision, Firoka had no choice but to proceed. Something that Keith obviously did not cover – there's a Mr Sean Ormerod as part of the deal that was struck before I got there, he was already working for Firoka at Alexandra Palace, so I really don't see that it is allegedly because Firoka was going to walk. Yes, he had concerns about the business because, given what he does in the hospitality business, nothing was coming to Alexandra Palace and he felt, well, maybe if I were to run the stuff with the staff that are there, things would be different. So I didn't have specific discussions in terms of the figures.
522. TM But there was nonetheless some discussion with the Leader about the general situation and the genuine problems that were arising?
523. CA Yes.
524. TM On your account, there were problems. Whichever was the biggest one was perhaps not completely clear, there was some problem with delay, there was some problem with APTL, some problem with staff.
525. CA Of course. I don't know what you expect me to do about that, but I am confirming that yes, there were discussions held with Mr Meehan about it. I'm not saying that there weren't, there were.
526. TM I think the point I have to put to you is that as a result of your discussion with Cllr Meehan, you felt, as it were, in a strong position to go back to Keith and say, look what you've said in the briefing note is no doubt relevant, but the

political imperative is actually to make sure that we have Firoka in the same position as they would be and that this is a potential solution to the difficulties we face with APTL and therefore I would like you to write this report, making it clear that you had Cllr Meehan's backing.

527. CA That's not the case.
528. TM So you have all these discussions, as it were, with the Leader, you are genuinely concerned but the initiative for the new arrangement is simply Keith's change of mind, a whole new set of ideas that he brings forward out of the blue, that go into a report which you agree to accept.
529. CA That indeed is the case. Now I think, as I said, with hindsight, one should have, he should have produced a report irrespective of whether I asked him to, and in this case I didn't ask him to, to counter his original advice. If I had, then I probably would have asked in writing to say, 'well, Keith, can you provide me with something different?', and it is a failure on both our parts that I didn't and he didn't. Whether he was reporting me, to whomever, or using whistleblowing or otherwise, to say 'Cllr Adje, actually I don't accept what you are asking me to do', but I never asked him to do it, and I said earlier that this is the crux of the issue, because he has been changing his mind. One minute I put him under pressure, the next minute, no I didn't, no, not at the time. I felt, when I mentioned it to him, you heard him, when he said that there was going to be a political repercussion if the investigation wasn't called off, and I'm thinking what are you talking about? So I totally disagree with your assertion.
530. AL Mr Mitchison, I think we'd quite like to take a short break, now, if that's... unless you're almost finished?
531. TM No, that would be very helpful. Thank you Chair.
532. AL We'll break now until 3.50.
533. [adjourned]
534. TM Cllr Adje, can I take you to the tabled report at page 379 in the agenda pack? Cllr Adje, the point about this is that you would have received the briefing note the week before, then apparently Keith comes to you and says there are these other issues and in effect he's changed his mind and he produces this report which is a single side of A4 and tables it at a meeting of the Alexandra Park and Palace Board. You're the Chair, and have some responsibility for the conduct of proceedings and he's putting this forward with a resolution, a recommendation at the bottom that is quite sweeping, it's a process of phased transfer of all the charity's business, staff and contracts and yet apparently this is not on the agenda, it seems that there's been only a very limited amount of discussion with yourself before this is tabled. Isn't it really quite surprising that you as Chair allow a report onto the agenda for the meeting on the 24th April on the basis of such limited information, such limited comment, without any question or challenge as to exactly what is going on? Bearing in mind that you know what he said in the briefing note, presumably he has had some sort of

further change of mind and now comes up with this report taking a wholly different line? Why is it that you accepted it?

535. CA I had no issue not to accept it, as the Chair. The objective, obviously, having gone through a procurement process, and based on the advice he gave me that he had taken advice, legal advice which he mentioned, the view that I took at the time, maybe with other Committee Members, was that the detailed discussions in terms of negotiations would be had at a later date by the officers. The Trust solicitor was there and a number of questions were put to him, so I was quite content with that. If he had said to me, well, you need a detailed report, then we would have gone down that route.
536. TM Were you aware whether the Trust solicitor, for example, had been involved in the discussions between yourself and Keith?
537. CA No I wasn't. When Keith tells me he has taken legal advice, I don't question him as to whom he has taken that legal advice from. The number of meetings that I have attended with him, there was one we attended with the Charity Commissioners and the Trust Solicitor was there from Howard Kennedy. When we first went to their Chambers and then moved on to the Charity Commissioners, so if the Trust Solicitor had any issue at the meeting that he was always present at, he would have raised it with us if he had such concern.
538. TM But you alone, of all the Trustees, had had the previous briefing note which Keith said had obtained the advice of the advisers, the legal advisers, the legal advice, essentially, and that advice was very much Firoka cannot walk, but it ends up, having discussed, as it were, the various problems with Firoka with a very clear recommendation that there is no need for a rush decision, no need to take any action, simply wait for the Charity Commission to make their order and allow the process to roll forward. Nothing whatsoever in the briefing note about an immediate or a rapid transfer or even a phased transfer of the whole business to Firoka.
539. CA I think we've already been through that, Mr Mitchison, in terms of the briefing note, and I've made myself clear on that. I know the point that you are making, the officer has presented a situation which he'd clearly... Keith told me that he'd taken advice and the Trust solicitor was present and questions were asked and we followed what he presented to us. That's the way I see it. As I said previously, maybe with hindsight I should have said to him, 'Keith, you've produced this, now you're producing this', but this is what he'd presented, given us, and that's that. Normally, as you know, when reports are produced at the Council there's Director of Finance comments, legal comments, equalities comments and all that. This hasn't gone through that route and Keith clearly has said, in terms of his letter to the Monitoring Officer, I think that's appendix 28, he made it quite clear in terms of the role of the Council and the role of the Trust and that has always been a bone of contention from time. When he gave me advice clearly based on the running of the Trust, I abided by it because I am not wearing my councillor hat at the time. If I had been provided with fuller legal advice in terms of the role of Members on outside bodies, which we now have issues about in terms of which hat do you wear when you are on an

outside body, that is an issue at which the Council is looking at in terms of Members' roles, so when you have an officer who has clearly changed his mind in advising the Chair or Members, then in terms of the hat I was wearing at the time, I felt that yes we were fulfilling the role of the Trust.

540. TM Just to take you up on a technical point, I take it when you're referring to outside bodies you don't mean that the Alexandra Park and Palace Board is an outside body?
541. CA No, it's just in general terms where we have an outside organisation that members are representative of on behalf of the Council, in this situation I accept and I know that it is entirely different, separate, because the Council is a Trustee from a corporate point of view of the Palace.
542. TM Yes, so it's a Council Committee, it's also a group of charity Trustees and there are a series of protocols and guidance that apply, which you are apparently well aware of. Cllr Adje, I'm going to have to put it in my submissions to the panel that what you're saying about your acceptance report is hard to believe, that in reality you had some advice which must have caused you concern and then something quite different comes back and the recommendation is absolutely at odds with Keith's previous advice and I would like to press you to say that it is a bit more convincing for you to say that you accepted that Keith had taken the appropriate consultations and that you were quite happy without any form of challenge to allow this to go forward. I think this would strike most people as being a slightly extraordinary position and it is more believable that the reason you allowed it to go forward is that you yourself had sanctioned a report of this kind and that you yourself were the policy behind this particular report, rather than Keith genuinely believing it. That's a more credible account than the acceptance of a complete u-turn by an officer, apparently with no sort of question or challenge by you yourself as Chair.
543. CA I would disagree with you, of course. There is no reason why I should do that in terms of saying do a report – on what basis? Why would I want to do that? Of benefit to me, to whom? I've always had the interests of, when I'm wearing my Council hat, the interests of the Council, when I'm wearing my trustees hat, the interests of the Trust. When you're presented with the situation that I have been presented with, I accepted it, now you can have your own interpretation. The situation here is that I followed the officer advice, the Trust solicitor was present, and I didn't query it, no member queried it at the time. I really can't accept your point that I engineered this report, because I really don't see how I could have done it, because as I said I only went there for a quiet life, briefly and if I hadn't come back, probably I would have continued to be the Chair of the Board. So I really don't understand why I should engineer such a report.
544. TM Could I suggest to you, that you've put in the master agreement, you've referred to the cut off date of 1st August 2007, whether the point that occurred to you exactly at the time, would it not have been, shall we say, realistic or reasonable for you to have had concerns about the possibility of Firoka walking and decided that contrary to advice you want to forestall that?

545. CA Not necessarily, I mean the cut off date was the cut off date and there was nothing anyone could do about it. It goes through the normal process. I've explained the situation to you, Keith has explained it, Mr Loudfoot had explained it in his comments, so why would anyone want to bring it forward, when there is a cut off date? Of benefit to whom? When it was put to me, which I accepted, because I mean, one thing that he didn't mention, but it's there on the record, that I had meetings with staff. We had [unclear] and as I say it's the first time we had any Members running the place, so I don't see why I would instruct anyone, I don't do it here, I don't do it in all the stuff that I have done. Normally, I would put things in writing, which I still do, but on this occasion, for some reason, I didn't ask for a counter when it came to me that actually it can be done this way and that way, and that's the way it is. I must emphasise that at all times, where we've had meetings, the Trust Solicitor has been present, the Trust Solicitor never said to me that, oh, Cllr Adje, the report that you've been presented with is not in common with normal practice.
546. TM Cllr Adje, I think we've explored this issue quite thoroughly. Perhaps if we could just move on to page 451. This is the protocol for Member officer relations, to which I think you referred. I'd like just to look at paragraph 7.02 on page 451. I think the position as Keith Holder would put it is that he put forward certain advice, you had a different view and on that assumption if you did have an officer who had professional advice with which the political lead Member disagreed, what is suggested in that paragraph 702 is that the chief officer's advice goes forward in some shape or form, but that, exceptionally, the Chair could write his or her own report, explaining their view. So if there was, in fact, a conflict or at least any divergence of view about the appropriate action, with Keith saying potentially no action and you thinking that something needed to be done to ensure that the process continued, would it not have been possible for a report to come forward, as it were, which actually contained Keith's genuine advice and if necessary with comments or arguments of your own?
547. CA I have no issue either way. If I had objected to Keith's advice, that would have happened, I would have said, well, this is what Keith is saying, this is what I want to happen. It's quite clear there, but there is no dispute between him and I, in terms of the first report, the briefing that he produced and the report that went to the Committee. So I note that I made comments there that there isn't an issue of us disagreeing with each other in terms of his first and second, his first report or briefing note.
548. TM You accept there is a difference between the two?
549. CA Well, I'm not saying that... what this clearly, 7.02 is saying, that if there is a difference of opinion, then two reports go forward. Yes?
550. TM Yes, or perhaps a single report reflecting both advice.
551. CA What I'm saying to you is that there isn't a difference. So therefore two reports couldn't have gone forward.

552. TM What you're saying in effect is that at the time Keith tabled the report no 24th April, you understood that that reflected his own genuine professional advice, that he was genuinely arguing for a transfer of the whole business with Firoka in order to deal with the problem of APTL?
553. CA Indeed, on a phased basis. And that's for the three months, initially. That's why I had no issue with it, because if I did, obviously I would have done something about it.
554. TM Obviously we differ on that. What I now want to explore, moving slightly away from the issue of the paragraph 3.2.d allegation, compromising Keith Holder, is the paragraph 5 allegation and the propriety of actually keeping the briefing note from the other Trustees. I think there's no dispute from what you say that you were aware of the note of the 16th April, that you considered it, that there was some discussion with Keith about it and that you did not want to disclose this to the other Trustees or at least you accepted that it would not be disclosed. Your account is that Keith suggested it should not be. Keith's account is that you told him that it shouldn't. Do you accept that, either way, as it were, it didn't go to the other Trustees?
555. CA I think that really is the bone of contention here in terms of all the issues. It forms part of the lack of governance that's been operating at the Palace, so if there was proper governance in place, then I think this wouldn't have happened. In terms of what Keith says or said that I say, so it's a question of trust. I will take you back to the fact that he thanked me for allowing him to run the business, so I find it difficult to accept the point that you're putting to me, that he was put under undue pressure.
556. TM I think we've moved slightly on from that point, I think we've said everything that can be said about that. The point I was really putting to you is I know there's a difference of view between you and Keith about who said don't put the briefing note into the public domain or show it to the other trustees, what I asked you to accept was that in any event, the briefing note of the 16th April did not go to the other trustees.
557. CA Yes, I accepted that, based on the advice given to me by the officer. That's the point I'm making, because he said clearly to me that every time he produces a report, the next day it comes out in the Ham and High or the Journal. That's what he said to me, and he did confirm that when I asked him a question about the way he writes reports and stuff like that. So he confirmed that when I asked him. Maybe he didn't quite go into detail. I have no reason not to share information, I am the type of member that actually allows members, especially scrutiny members to have information when they ask questions or when they have concerns.
558. TM And would you accept that this particular briefing note, which Keith Holder said contained advice from the project lawyers, Berwin Leighton Paisner, obviously was highly significant – it was talking about what Kassam's options were and

what the possibility of walking away from the agreement was and was not. That was, as it were, a highly significant matter in terms of anything that happened in future at the Trust.

559. CA If Keith felt that there was an issue about that, then he would have highlighted that at the meeting – he didn't. I accept in terms of, from the investment point of view that we were looking at, he tabled the report and we accepted the content and said, well, when you go into the discussions, the detailed discussions, that's where you resolve things like the things in the project and the master agreement. It's not the type of stuff that I, or any other Member, would be involved in, in terms of the overall package.
560. TM You're talking about the detail of any licence?
561. CA Both the detail of the licence, number 1, and in terms of the running of the organisation.
562. TM But what's in the briefing note is fairly fundamental, isn't it. There's no need, as it were, for any action at this particular point in time, either from any pressure from Firoka or indeed for any other reason. The idea that some form of licence with Firoka is potentially dangerous in the public perception.
563. CA I think we've dealt with that issue and in terms of what Mr Holder said about that. I did put it to him in terms of him being a proper officer, chief officer, why did he...
564. TM Sorry, Cllr Adje, to interrupt you, I'm not really on the question now of pressure or not, I think we've discussed that. I'm looking at really your responsibility as the Chair of the Ally Pally Board to make sure that other Trustees are aware of significant advice that you have received and which you alone are aware of. Was it really appropriate for you not to allude in any way to this briefing note, to make some effort to ensure the Trustees were aware in some shape or form of the kind of legal advice that Keith Holder was receiving?
565. CA Apart from what he wrote in his briefing, I have no specific information in terms of legal advice the he received from Berwin Leighton Paisner or from Howard Kennedy. If he had said to me, 'Charles, you need to put everything on the table', that's fine, but what he said to me was that there's no need for anything to be put on the table apart from the report that he had written. I was content with his advice and I followed it.
566. TM I think you said in your response to Martin Walklate, the final one, that you didn't see any need or requirement to put this particular briefing note around to other trustees.
567. CA Yes, based on the advice that he gave me. If I felt that there was a need, then obviously 7,02 would apply. You're saying, 'oh well, you shouldn't be disclosing or informing Members', then I think it should happen, I didn't have any issue with what he was advising at the time.

568. TM But it was necessary in that there was a legal implication there, there were implications that were relevant to financial matters, I mean there's a huge difference between doing nothing and actually transferring the assets. So there were a whole series of pieces of detailed advice in the briefing note, none of which appeared in the report, and that would appear, also, to run counter to the protocol on decision making which required, shall we say, full comment on such issues in reports.
569. CA I accept all the points you make, as outlined on 453, the issue is there's this difference of opinion in terms of the advice given by Keith. Unfortunately, I know you have introduced the Charity Commission's own bit, which is next door, but I would argue that I followed the process as Chair, having had a discussion with my chief officer. I have followed that process. I was content with the process.
570. TM But when we look at the Charity Commission advice on page 455, it says all decisions taken by the Charity Trustees are taken by all the Trustees, acting collectively as a team, and then as a general rule, Trustees must take a personal responsibility for their decisions, all decisions concerning the charity must be taken by the trustees acting together. The situation is that you were aware of Keith's views, which you agree he didn't withdraw in terms of need for any action; none of the other trustees had any idea that Keith ever put forward such advice. It was something that you alone knew and did not share with the other Trustees. Is that really consistent with the guidance?
571. CA Well I note what is written there, I followed the advice and I stuck to it, that there was no need for the Trustees, the others, to have sight of that, number one because of the confidentiality aspect of it, number two the fact that it was ok for the transfer to take place and he wrote a report to that effect. In terms of the collective decision, the report that he wrote, all members had it, it was discussed, questions were asked and a collective decision was made.
572. TM But based on a lot less advice than you'd received.
573. CA Well, I also note that point, but the issue is, as you know, the Cabinet Member and Chairs do receive privileged information which is not necessarily shared. In this case, if there was an issue about Keith saying, 'Cllr Adje, there is a problem here, I've said this and you are saying that', then obviously it would be shared. It is the officer that provided me with the briefing that has said to me 'confidentiality, don't do x', and produced another report, this is what should go. I abided by that. If there was an issue in terms of two conflicting versions, then by all means, but I would argue and I say that the decision to transfer, albeit on a phased basis, was a collective decision.
574. TM Yes, but at the risk of repetition this was a very major decision and therefore all the more important that all Trustees were able to buy into this with full knowledge not just of what Keith said, as it were, late in the day, according to you but also with the fullest advice, with all the advice he had given about all the legal risks and be considering all the options that might have been relevant but were rejected.

575. CA I won't say that I rejected his advice, I mean, we're going back to the same issue. I did not reject his advice. If his advice was initially not to, then fine. He said we could do it, ok, he didn't amplify, he didn't go into detail, it is the advice that was given and the report was written. If I felt that there were issues, then obviously I would have dealt with them. The crux really, in terms of the phased transfer is that the transfer obviously hadn't taken place completely and the detail of the transfer in terms of savings, or profit, or losses, all that, again that was a matter for the officers. So what I saw, the way I saw the report that was written is that all those issues that he had raised that he now said everything is ok in terms of moving forward, would be dealt with. It is unfortunate that he didn't deal with them in the report. I accepted the report as was written by him, and presented it to my colleagues.
576. TM Despite the complete lack of legal comment, the complete lack of any financial analysis, the complete lack of any explanation of the financial consequences for the Trust.
577. CA Because those matters were to be discussed with himself and Council officers afterwards. What the report was asking for was permission to proceed. It's not asking for permission in terms of all those issues you've raised, it's permission to, from my experience of procurement and all that is you get that and then you give the permission and then officers go and deal with the aspects of it, which is what he was doing in terms of tweaking of the licence and the profit and loss aspect of it.
578. TM But as a consequence of the decision made by the Board on that very inadequate report, the next step was actually the signing of the licence and Firoka are then at the Palace and the arrangement continues, as it were, with ultimately considerable loss being made. There was no further process for the Trustees to actually review what happened, or no opportunity for them to say hang on, exactly what is happening here in terms of the finances, what are we gaining, what are we losing?
579. CA I disagree with that. There was a process that, as we speak, the Trust is still functioning. I wasn't there as the Chair, when I left there was a new Chair appointed. If the governance system there was working ok, we all know now that it wasn't working properly, a process is that something that has been, permission has been granted by members for a phased development or phased transfer, for three months, the second month coming up to the third month, it should have been reviewed and a decision made as to whether to continue, whether the transfer should continue or not. That wasn't done, so you can't necessarily say that because there has been a phased transfer in order to keep the business running and to keep the staff and to stop it from becoming insolvent, that for failure on the part of whomever, the Board or the officers present at the time, to review it, that I should be held culpable for that. It was a collective decision that was made and it should have been, the officer should have reviewed it and said, well, this is coming up, where to we go from here? Should we proceed? The other thing that should have been done, which

again Keith and David Loudfoot should have followed through, irrespective of whether I was there or not, maybe if I was there I would have picked it up, is to then have a detailed discussion about the profit share and to deal with those legal issues.

580. TM But in your role as Chair, present at the meeting, you didn't think, as it were, to raise any of those particular points or to challenge the assumptions or the fact that the report was so lacking in any kind of financial analysis?
581. CA I felt that he obviously had found a way forward to deal with it, and I didn't think that I should challenge him or ask questions about it, because if I had, then obviously I would have. I accepted what was put to me and that was it.
582. TM Can I just ask you a question about confidentiality, because clearly there would be concerns about a report of this kind that might, or possibly should, have contained detailed legal advice, necessarily going into the public domain, then that might be an issue to explore. The key point being made here is obviously sharing with the other Trustees and you seem to be suggesting that you and Keith had some reluctance to share with the other Trustees based on the fact that it was assumed that other Trustees would leak information. Have I misunderstood that?
583. CA Well, you haven't, but I think that's the point maybe you should have put to Keith when he was here in terms of the advice he gave. I followed his advice, and that is that. I left him to running it, as the Chair I accept my responsibility as Chair, I followed my chief officer's advice.
584. TM I think the point I was making is did you take the view that other trustees were not to be trusted with sensitive information on the basis that they might leak it to the press?
585. CA On the basis of the advice given, yes, at the time.
586. TM Chair, I don't think I have any further questions.
587. AL Thank you. Cllr Adje, in terms of the rest of the evidence, the panel will put questions to you and then Mr Mitchison will have a chance to sum up his case and you will have the chance to sum up your case. The panel's heard quite a lot of evidence today and I think we'd like to take some time now to reflect on what we've heard, so I think we're going to adjourn the proceedings now until 10 o'clock tomorrow. Are we back in here?
588. CH Yes.
589. AL Back in this room?
590. CH We are back in this room, so if people want to leave their papers here, then that's fine.

591. [adjourned]
592. [Day 2]
593. AL ... to sum up. Before that, Mr Mitchison, the panel just – sorry?
594. TM Sorry, Chair, you were going to make a request to me and I was going to make a request to you in due course, but perhaps if you ask me your question.
595. AL Ok, my request relates to a letter at page 414 of the bundle, which refers to some appendices.
596. TM 414?
597. AL 414, the letter begins on page 414. So at paragraph 4.1 there's a reference to appendix B, which has not been included in the bundle.
598. TM Yes, I should have explored that with Keith Holder. The fact of the matter is this, that Keith Holder attached 5 appendices to the letter. One of those appendices was an appendix B, which was a briefing note and in fact in reality it was a briefing note that I had prepared, I think it had been slightly amended, for the former leader of the Council explaining various issues, many of which were to do with issues to do with the possibility of litigation with Firoka which had really, as far as I could see, no bearing on the matters relating to this case and rather than have an argument about whether it should be redacted or not, it seemed simpler to take it out in its entirety. I apologise for not explaining that to the Panel. You obviously spotted the discrepancy. I don't think any of the other parties here would have noticed its absence or would have anything to say about it. It simply seemed unwise, as it were, if all the documents were being put in the public domain to leave something that might have been a potential hostage to fortune as far as the Council was concerned. I was quite satisfied, and I think the Monitoring Officer was satisfied, that it had no relevance whatsoever to this case and it wasn't clear why it had been appended.
599. AL Would you like to say anything?
600. KR I just wondered, if it said anything about the licence, the genesis of the licence?
601. TM Nothing whatsoever, it had no bearing. It was a briefing note, if I could simply tell the panel, it was a briefing note that I wrote for the Leader of the Council following the successful judicial review, explaining the difficulties that had arisen, possible courses of action. At that stage, we were aware that Firoka's lawyers were making claims relating to the master agreement, so it was outlining possible ways we might go forward, continued involvement with Firoka or the risk that Firoka might actual sue the Council and what Counsel's advice, barrister's advice, had been about that. There was nothing whatsoever about the licence at that stage, there was no discussion, the briefing note was not on that subject at all.

602. KR So there was nothing in there about the licence?
603. TM There was nothing there. If the panel has any misgivings about it, I can find a copy of the document and give it to you, then you can look at it, but I'm quite satisfied that it is just a red herring.
604. KR No that's fine, just so long as you're sure.
605. AL Thank you.
606. TM Thank you. Chair, I did have one further question that, in the sort of mass of paperwork yesterday I omitted to put to Cllr Adje. I wonder if the panel would indulge me if I put just one single further question on a document?
607. AL No, that's fine.
608. TM If I could possibly just take Cllr Adje to, this is in fact appendix C in the letter we were just referring to and it's on page 423 of the bundle. Cllr Adje, if I could just draw your attention to this. What this is, as is fairly evident, is your response to David Loudfoot, just to recap David Loudfoot at that stage, this is 11 April 2008, is the General Manager of Alexandra Palace and he's having some discussion with Firoka and he's asked you for your recollection of events and your response to him on 11 April and this is at the top of page 423, reads: 'David, I refer to your email below and our subsequent telephone conversation. I confirm that, following confirmation of Cllr Meehan, as none of us wanted Firoka to walk, as the sole preferred partner in the scheme, we agreed to second the staff and continued to pay their salaries prior to transfer' - then there's some discussion of the sums involved. The only point about it is this, that a year on you were saying that, basically, you had a discussion with Cllr Meehan, there was clearly come discussion around the issue of Firoka's dissatisfaction 'since none of us wanted Firoka to walk' so it's fairly evident from this, isn't it, that the question of Firoka, as it were, threatening to walk or walking, raising their dissatisfaction, was a significant issue at the time, one that you had discussed with Cllr Meehan.
609. CA I had various discussions, as I said to you yesterday, with Cllr Meehan and that email was sent when I was on holiday in France. I sent it and I - again, based on the discussions that I have had with Keith at the time and Cllr Meehan and Mr Kassam. We talked about the seconding of the staff. The master agreement still stands, the fact that the cut off date, the date we were working to, was 1st August 2007. So I did that, knowing fully well that he couldn't probably walk, that was what I wrote. I was away when I did that - if I had looked at my notes at the time then maybe I would have said something different. It doesn't take from the fact that the advice given by the officer at the time, in terms of the insolvency situation, the fact that the company was being wound down, that was the key to the eventual phased transfer, which both David Loudfoot himself has confirmed, if you go through the documents.

610. TM Yes, I understand your point about that, but there was some suggestion yesterday, as it were, that the issue of Firoka walking perhaps had been downplayed in your estimation, but it's fairly evident from this that it was a live political concern in your discussions with Cllr Meehan. It's fairly evident, isn't it?
611. CA That was what at the time the officer said to us, and I mean, as I said, I go by what the officer said. He has been there, operating the procurement. I have put it there, I accept, I was on holiday when he phoned me and I, as it says it was sent from a wireless device, I was away, so I didn't have the opportunity, but it doesn't take away from the fact that Keith had confirmed and the master agreement confirms that legally Firoka could not walk before the 1st August, so I think I need to emphasise that.
612. TM Thank you very much, Cllr Adje. Chair, that's my only question. That's the end of my cross-examination of Cllr Adje.
613. AL Cllr Adje, I think members of the Panel would like to ask you some questions. Cllr Reece, if you want to start?
614. KR Ok. Coming back to you, Cllr Adje, I would like to focus on the process and the relationship with Mr Kassam of Firoka. Could you tell me when you first met or telephoned Mr Kassam?
615. CA I can't really recall. What happened was on, I believe it's on page 278 or, yes 278. It was following my meeting with the then Director of Finance, Andrew Travers, it was on his advice to meet with, the emailed that he sent to the then Chief Executive and advised that I meet with Kassam. I subsequently contacted Keith and he organised a meeting.
616. KR That's the first time you ever had a discussion or met with Kassam, the 11th February? You'd never talked to him before or discussed the Trust before?
617. CA At the time, as at the 12th February 2007, the date of this email, I hadn't met with Mr Kassam. I didn't even know who he was.
618. KR Ok, alright, and then, so you didn't know who he was, but you did start meet him. On the 11th April, according to our timeline, you had a meeting with Mr Kassam?
619. CA Keith and I. Keith and I, I don't think that was the first meeting, the first we had met at the Palace.
620. KR What was discussed on the 11th April?
621. CA What was discussed on the 11th April was exactly the possible secondment from the Trust of staff to... because of the losses that were being sustained by APTL at the time. He put to us the possibility of working, of getting the staff to work with him, with his company and I think, I can't recall, there was a, I don't know if it was before I went, became the Chair, of after, there was a Mr Sean

Ormerod that was working in that office.

622. KR Yes, I was going to ask you about that. The 11th April, your evidence is that you were just discussing transfers of staff, this was not an occasion where Firoka said they might walk, which caused the briefing note of the 16th April to be created. You see where I'm going, I mean, why did Keith suddenly come up on the 16th April with this very firm note about why there was no need to be concerned about Firoka walking? In the context, it seems to me that there had been discussion about them walking, which might have been that 11th April meeting.
623. CA What tends to happen is ... the difficulty I have is that Keith would take notes but would not produce them, as I have mentioned.
624. KR I'm just asking you for your recollection. What happened on the 11th April meeting you say you had with Kassam?
625. CA A number of issues were discussed including the possible transfer and concerns about, you know, the slow pace of things and the possibility of him leaving the contract, as it were.
626. KR So he did threaten to leave the contract?
627. CA Well he mentioned... he didn't, I wouldn't say threatened – he mentioned it at the meeting.
628. KR Ok. Anything else discussed, any concept of a licence being raised at that point?
629. CA No, but subsequently Keith obviously informed me that for any action to take place, for Firoka to be able to operate, he would need a licence.
630. KR Let's get the timing, now. That was the 11th April, there's a reference in the timeline to a telephone conversation on the 14th and 15th of April – I'm sorry this is so complicated – 14th and 15th there's an alleged telephone conversation between Cllr Adje and Kassam, can you tell us about that?
631. CA Yes, every so often following my introduction and meeting, Keith would phone me, even at weekends, and say Mr Kassam's got this issue, can I speak with him. I can't recall which of the days, either 14th or 15th. I had a phonecall where Mr Kassam was still going on about the issues we discussed on the 11th.
632. KR Which were...?
633. CA Which were the transfer. The secondment.
634. KR To stop him pulling out?
635. CA Maybe stop him pulling out, because of the [unclear] and if he were to pull out, what remedy would, what would be the fallout, as it were.

636. KR Fallout.
637. CA Yes.
638. KR Can you explain? It's not radioaction you're talking about – what do you mean by fallout?
639. CA I say fallout, I'm just – I can't recall exactly but the effect that it was having on his company and also on the staff at Ally Pally.
640. KR So he said 'if you won't help me with this there will be fallout and I will pull out'?
641. CA I don't think that there was an issue of help mentioned. It was a case of running the business to ensure that there is continuous business coming to Alexandra Palace, because according to him and Mr Holder at the time, other people were using other venues rather than coming to the Palace, because the Palace apparently is dated and hasn't got the equipment. So that was what he was discussing and he said to us, which he confirmed again on either 14th or 15th that he was going to be bringing the place to, what's it called, 'modern technology'.
642. KR So once he got his lease, he was going to be in a position to turn things around, but it was taking such a long time to get the lease that he needed you to assist him to get somewhere now rather than wait for the lease and the review and the Charity Commission?
643. CA I won't say the word 'need' in particular, I think he was already locked in and he was having a discussion with...
644. KR When you say locked in, what do you mean by that sentence?
645. CA Locked in by the master agreement.
646. KR Alright, so you have this conversation at the weekend, but maybe can I put it to you that you're a little concerned about how locked in you are, so you ask Keith to prepare the briefing note. Why did Keith come up with this briefing note? That's two questions but the same issue. Can we explore why Keith came up with this briefing note on the 16th April?
647. CA Because I asked him to produce one, based on the meeting on the 11th and the subsequent phone call.
648. KR So his advice on the 16th April was very specific that Firoka was locked in and there was no need to provide any incentive for him to stay, or that legally speaking he could not exit the arrangement.
649. CA That's correct.

650. KR Ok, and then on the... can you take me through what conversations you had with Kassam after the note of the 16th April, between then and the vital Board meeting on the 24th April?
651. CA I don't recall having any discussions with Mr Kassam after that.
652. KR So you received the briefing note and it's accepted that you received it.
653. CA Yes.
654. KR And you had no further conversations with Kassam before the Board?
655. CA I don't recall having a conversation with Kassam.
656. KR Do you think that Keith had conversations with Kassam?
657. CA I don't know.
658. KR Ok. Alright, thank you very much, it is a long time ago. How would you describe the decision making process that was going on at this time involving you and Kassam and perhaps Cllr Meehan over this decision about the future? Can you explain what happened between the 16th April and the 24th April?
659. CA It is difficult to recall, but what I do know is that every so often Keith will phone me and I will phone Cllr to complain and say something about Mr Kassam. I will phone Cllr Meehan, or if I am around I will pop into his office and then I will phone Keith back and say, look, I've spoken with Cllr Meehan, this is the situation. That was it.
660. KR Why would you involve Cllr Meehan?
661. CA Because Cllr Meehan is the Leader of the Council and the Chair that took over from me, he had a series of meetings with him about the future of the Palace, so it is something that is commonly done in the political arena.
662. KR So did you speak to Cllr Meehan between the 16th April and the 24th?
663. CA I can't... let me see, I think I would have done. To keep him informed of what was happening.
664. KR I'm only a new councillor, but presumably before meetings at Ally Pally, there's quite a lot of work that goes into preparing for the meetings, so you would have been discussing, presumably, with Cllr Meehan and Keith Holder about the preparation of the documentation for the Board meeting, particularly in light of the big decisions that might have to be taken.
665. CA No, from my few, well one year or so there, you don't normally involve the Leader. What tends to happen is the officer prepares the report, which is Mr

Loudfoot, sorry, Mr Holder, sorry, prepares the report, and that is it. If there are any issues he would phone to say, look, I am having problems here or there, he never phoned me to say that he was having problems with the report.

666. KR But you might have spoken to Cllr Meehan between the 16th April and the 24th about Alexandra Palace?
667. CA Yes.
668. KR That's fine. Can you just give me a second... there has been a suggestion that you were very keen to have the Board decide to grant the licence to Firoka to ensure they didn't cause any ructions and walk away because you had a personal interest in securing – I'm just repeating what's in the documents, in the statements – securing election as Corporate Resources Director at the next meeting of the Labour Group. What would you say to that?
669. CA It's total nonsense. Because to become a Cabinet Member, in fact, as I said yesterday, I was offered the position of Cabinet Member for Resources, I turned it down.
670. KR When were you offered that?
671. CA When was I offered that? 2006. After the May election. I was the Leader in 2004-5, I took the Council into the local election and I kept it Labour. I was expecting to remain Leader, I wasn't Leader. I was given the job as a compromise by the then Leader, Cllr Meehan and I refused it. I decided that I wanted a quiet life. I went for that position of the Chair of the Palace, Cllr Egan, the current Chair, also put his name forward and I got it by either one or two votes. People are not offered jobs, you go through a process where you put your name forward and you go through a vote for a particular position that you are interested in. Now, however, I won't bore you with it, the current position in the Local Authority is that the Leader, once appointed, either elected or by... either elected Mayor who appoints advisors, the Leader once appointed and approved by Full Council, he appoints the Cabinet, but prior to that, we all had to put our names forward. So you could have two or three people competing to become a Cabinet Member
672. KR I understand. So you went to Ally Pally after the election rather than stay on as, rather than take the job as Corporate – or try for the job as Corporate...
673. CA Cabinet Member for Resources.
674. KR Sorry, now, I'm just... so you were Leader at the time that Firoka was originally provided with the master agreement. It says here, after public tender process, Firoka was selected as the preferred developer by the Board, so you were Leader of the Council at the time the Board selected Firoka?
675. CA I was Leader of the Council from 2004 to 2006.

676. KR May 2006.
677. CA Yes.
678. KR And Firoka was approved in January 2006.
679. CA I don't know when Firoka was approved because I...
680. KR It says here...
681. TM If it helps, it is correct, I think, that the decision of the Ally Pally Board to choose Firoka as the preferred developed as against other possible candidates was January 2006. I think Clifford Hart was at that meeting. But the full legal agreement, as it were, that actually bound Firoka to the Council was actually not until November 2006. At that stage, I think, Cllr Adje had ceased to be Leader but was Chair of the Ally Pally Board.
682. KR Thank you very much. Well, then to go back, to go forward, rather, to May, you don't believe that you were at all influenced by this AGM coming up?
683. CA Why should I be?
684. KR Because you said you'd stepped back, you were going to Ally Pally for a holiday, you said yesterday that you were going to, had you not become, this is maybe in the notes, but had you not become Director of Corporate Resources, you would have stayed on at Ally Pally, as though the Ally Pally job was some kind of second choice, and you really wanted out.
685. CA Not necessarily second choice, there was a number of... it's just that there was not much, Cllr Matt Cooke, obviously, given the work that he had politically was very busy and wanted to become the Chair and then Cllr Egan also wanted to become the Chair, and I think Cllr Cooke got it. In terms of my... it's not a question of being the Chair of Alexandra Palace or that of Planning or Pensions or stuff, it's not a question of, 'oh, it's not a good job'. Most of those jobs I have done. Chair of Pensions, Chair of Audit, so it's not a question of [unclear].
686. KR But you did say yesterday, I believe, that you were keen to get the Corporate Resources job, but if you hadn't you'd have stayed on at the Palace.
687. CA I didn't use the word keen to get it, I didn't.
688. KR I apologise, you didn't. Alright. Well then, if I... may I carry on? Or am I taking too much time? I wanted to focus now a little bit more on Keith, I can't get a picture of why he was still employed by the Council at the time of the licence, in a sense, because there is some documentation, if I can take you to page 278, which I think you referred to earlier, the email from Andrew Travers to you and others about Keith Holder's role with Firoka. Can you explain why Keith was still there, what was the issue there?

689. CA The issue there was Keith wanted to work with Firoka and at the same time work with the Trust. I met with Andrew Travers and I said is this possible, permissible and Andrew's advice was quite clear, that that shouldn't happen. It was something that was put to me by Keith and Andrew said no.
690. KR So he stayed on as General Manager at that point? This is February 2007. There's the question of the meeting of the 11th April, there's the briefing note on the 16th April, there's what you describe as his u-turn, where he suddenly comes up with a different briefing on the 24th and on the 30th, he becomes a consultant to the Council, which had been negotiated over this period. Does he have a job with Firoka at that point?
691. CA I don't know, I really don't know. I doubt it very much. The difficulty that I wanted him to outline how long he had worked for the Council and then his role at the Palace, because the first time I saw Keith was when I was Executive Member for Finance, when there were issues about the Palace and the Council and that was it, I didn't really have any engagement with him. So when he said that he would like to work with Firoka, or wanted to work with Firoka, a job, that raised alarm with me, so I went to the Director of Finance, Andrew Travers, because at that time Andrew was leaving and going to the GLA.
692. KR Can I ask you a question about this document? It says we concluded that Cllr Adje would inform Firoka and Keith that we would not support Keith being employed by Firoka at this time. We concluded it would be sensible for the Board to go ahead with the proposed appointment of RLF – who is that? Have I missed something?
693. CA RLF I think, I'm not... is another company that would do the monitoring of Firoka and of the lease on behalf of the Palace.
694. KR Ok. I'm sorry, I'm concentrating on stuff that's not to do with the licence but just to get the background. This man Ormerod was brought in to work for APTL or for the Council? He was Firoka's employee?
695. CA I think he was Firoka's employee.
696. KR Do you think, what involvement did he have in these briefing notes that were produced?
697. CA Briefing notes?
698. KR The one on the 16th April and the one on the 24th. Would Holder have discussed with Ormerod what was in them?
699. CA I don't know.
700. KR Did you ever discuss with Ormerod what Kassam's position was?

701. CA No.
702. KR Ok. Finally, I'm sorry, I had a third question which was in terms of the 24th April, as Chair, did you not feel you needed to disclose to the Board the existence of the briefing note of the 16th April?
703. CA No.
704. KR You didn't feel that, as they were making this big, important decision, and the licence agreement was going to give Firoka a step up from what he would have had otherwise, an incentive maybe to carry on, that you didn't need, as Chairman of the Board, to explain that there had been this other briefing note from the senior officer in charge?
705. CA The officer, in terms of the oral advice he gave, said it wasn't necessary because that was what he said. He wrote a report, which I accepted and, based on the report that he produced, questions were asked and the Trust Solicitor was there. If the officer had said to me, Cllr Adje, that report that I had produced, you now need to... then of course I would. Because as you know, normally, when reports are produced they're more or less a work in progress, which is what the question you were asking me between the 16th and the 24th, was there a meeting with Cllr Meehan, and so on. Mr Holder, as I put the point to him yesterday, most people that know him know him as an experienced officer...
706. KR Wait, I think we heard that. I'm just wondering where this licence agreement came from? Perhaps a slightly different tack. When did you first think of giving a licence to Firoka?
707. CA I didn't think of giving Firoka any licence. The officer said to me that, for the staff to be seconded and for work to happen there, that the licence would have to be novated to him, and that was what, I didn't even know the figure, or the sum, I said is it £1000 in a month or a year?
708. KR I'm not sure that was the fee for this licence or for other licences.
709. CA I really don't know. He mentioned a figure, and I just said, Keith, you are the expert in this, I'll leave it to you.
710. KR And the 24th April report to the Board, the content and the specific statements it makes about what should happen in relation to Firoka, when did you first see that?
711. CA On the day.
712. KR So before the 24th April, between the 16th April and the 24th April, you and Keith and Meehan never discussed what Mr Holder's briefing note would say? He came up with this whole idea himself?

713. CA We didn't. We didn't discuss it and Cllr Meehan confirms that in his... the only thing that we discussed, in terms of the licence, there was no discussion about profit and loss or [unclear].
714. KR In terms of the 24th briefing note, what discussions did you have in terms of how to keep Firoka on board?
715. CA I didn't have any discussions with Keith or with Cllr Meehan.
716. KR That's fine. I just had one more. I'm not an expert on the code of conduct and I think the others will go there, but from the point of view of objectivity, you know what I mean by objective, from the point of view of a reasonable man, would you not think that a reasonable man on the Board, as a trustee, would have expected you to be more open with them about the briefing note situation?
717. CA We had a situation which the officer advised that there appears to be a lot of sensitive information being leaked and he advised...
718. KR You said that yesterday for the first time, I think. It's not in the documents, and you were not – I'm taking you now to the Board meeting on the 24th April. Surely you weren't worried about leaks then, because the meeting was taking place?
719. CA Excuse me. Mr Holder explained to me that sensitive documents should no longer be disclosed. Now, on the 24th April, he prepared a document which he felt covered issues that would be dealt with by members at that meeting, the trustees at the meeting. That was what happened. After that, in terms of the contractual issues and the transfers and stuff, he dealt with it himself.
720. KR That wasn't my question, my question was don't you think that if you had asked the trustees, as objective people, would they have not been interested or influenced if they had known there had been this earlier briefing note, would their decision have been the same? I'm not putting this properly, I'm not a barrister, but, you know, you get the gist of what I'm saying. If the trustees had been told about the earlier briefing note, the one on the 16th April saying Firoka's locked in, do you think they would have agreed the contents and the resolution that it did make at the meeting on the 24th April?
721. CA Maybe they would, maybe they wouldn't. I can't confirm that. Although I did say that they probably would have because of the way that things were panning out, because we had, at the time, even before then, Keith had been winding down the company because of insolvency, the [unclear] came in, we had to sign some documentation on the trading side and the two non-executive directors also had left at the time.
722. KR But the point about... had they known, don't you think they would have been interested, at the very least, that there was a completely different note.

723. CA I think they would have been interested, but the point remains that I followed the officer advice in terms of the leaks. I take the point that you're making about the fact that, well, maybe that document should have been laid around the table or at least referred to, but I followed advice not to and I accepted that advice.
724. KR Thank you very much, I'm sorry it took so long. Thank you.
725. AL Cllr Demirci, do you have any questions?
726. AD I think Cllr Reece asked most of the questions I was going to ask, I'll just have a couple of short questions. Did you exert any pressure on Keith Holder to change his mind, political pressure as you said yesterday, to change his mind from what he gave to you on the 16th April and what he gave, the report that was produced and subsequently given to the Board on the 24th April?
727. CA The straight answer is no, I have no reason to exert pressure on Keith Holder or any other officer, for that matter.
728. AD Ok. Who drew up the licence, the one that was given to Firoka?
729. CA I believe it was Mr Holder.
730. AD Did you have any input in what the licence should be indicating, or what should be in the licence?
731. CA No. I don't even know what the licence looks like. He mentioned to me, as I explained earlier, that for anyone to operate they needed the licence and that's when he mentioned either £1 or £1000. I didn't influence or have any discussions with him. If I can find it.... If you go to page 332, just down where it says Under whose instruction did the licence development take place? This is a question by Mr Walklate. He said 'David recalls originally obtaining the electronic copy of the licence from the legal advisors at the request of Keith Holder'.
732. AD Thank you. So, I presume if you didn't have sight of the licence, this wouldn't have gone to the Board for the Board to see what was included in the licence either?
733. CA Well, I would have queried a number of points or issues if they had brought it to my attention.
734. AD So what you're saying is Keith Holder was solely responsible for drawing up the licence and producing the licence and so on?
735. CA Yes. I think he confirmed that yesterday.
736. AD Just one more. Did you have anything to gain personally or professionally from this deal going through with Firoka at all?

737. CA I don't, I mean I think that Mr Mitchison put that to me in an indirect way yesterday. I don't see anything for me to be gained, I came into politics to better the life or livelihood of the people of the borough, that's why I came into politics and in terms of the Palace, when I got there it was made clear to me that, forget about the Council now, you have to act as a trustee. So in the interest of the trust, we all acted. I have nothing personal to gain out of it. I know that Mr Holder has obviously made his statement to the effect that I probably applied pressure on him, but I have absolutely nothing to gain.
738. AD Thank you. Thank you, Chair.
739. AL Ok, thank you. Cllr Adje, so you just answered the question 'did you have any input into the licence?', and your answer is 'no'. You weren't involved in any of the discussions or the negotiations?
740. CA No. I left it, I never had any discussion on that.
741. AL What about the terms of the transfer?
742. CA No.
743. AL I'm just curious, because in this email that Mr Mitchison referred you earlier to, the email on page 423, that came to you in April 2008, David Loudfoot, the now General Manager, is writing to you, isn't he, to ask you a question because Kassam's told him he's come to an agreement with you about staff payment and he's asking you to clarify it. You respond saying, 'whilst the sum of £120k was mentioned, I do not recall discussing with Mr Kassam or anyone else for that matter that we would give him money regarding seconded staff'. But your response isn't that you weren't involved, your response is that you were able to answer this question. You knew about the staffing matters and that was not what was agreed, although you remember that sum being mentioned.
744. CA Staffing matters were entirely different from the licence. The licence was to operate, and I had no discussions with anyone about that. It was a staffing issue on secondment, because I got involved in that because the trade unions were concerned that staff hadn't been involved, and I called a meeting, which Keith was present at, to discuss issues just to try and allay fears of the staff. But I think part of the discussion was if the Council or the Trust were to continue to pay the wages of the staff, then Kassam would pick up whatever costs, as Keith was explaining yesterday in terms of the profit and loss. I did not take part in any of those discussions. The only discussion I recall taking part in was about staff secondments, that's all.
745. AL Right, but this wasn't all part of the licence agreement, how much you pay for staff?
746. CA No. Definitely not, that's not what that note is saying.

747. AL The other thing I just wanted to ask you about is, obviously quite a long period of time had passed since the master agreement had been signed, but suddenly from the papers it appears that everybody became quite busy between the 11th April and the 24th April, in quite a short time. On page 306, which was in some of your answers to Mr Walklate, around paragraph 147 and 148 he's questioning you about the report, the 24th April and you're commenting on the lack of legal or financial comments, which we've talked about and you comment that last minute reports sometimes have no legal or financial requirements. What was the hurry here? What was the big hurry? Why did this have to be done so quickly that you felt it was a last-minute report that was tabled very quickly, no special meeting called, no financial comment? Where did this come from? Because we've already heard that there's this 1st August deadline date. Are you able to explain that?
748. CA Well, I think this is where the question that was put to me earlier about the AGM coming forward... Keith's view at the time is that it would be better if anything is going to happen, to happen before the Group AGM, because if a new Chair then comes in, he then needs to explain all over again what's been happening. And I think there was a note he's referred to, a letter, which he wrote to Cllr Cooke complaining to him more or less – he said he was sorry to be writing to him in that manner, but he was trying to explain that he was no longer an employee of the Trust, of the Board, therefore he should more or less speak to David Loudfoot. So that was where it came from in terms of the preparation for the report.
749. AL Just that, the 15th there was a cut-off for administrative ease, really, is that what you're saying? Because there was a new Chair coming in.
750. CA Yes.
751. AL But otherwise there shouldn't have really been, there wasn't, I mean do you look at that now and think there was no justification, do you really think there was justification to rush this through?
752. CA There is always the benefit of hindsight, I think. If I had that, if the officer had advised me, 'Charles, there's no need', then fine. I wouldn't say go ahead with it or don't go ahead, he gave me that advice, said 'this is what should happen', I said 'ok'.
753. AL Did you feel it would look better for you ending your term if this was dealt with and Firoka was locked in, would that have been a better outcome? Anyone doing a job for a year, you want to leave feeling you've achieved something. Was that partly on your mind?
754. CA Not at the time. Not necessarily, not at the time, because I would make sure that a proper job was done before I left, in fact I thought a proper job was done before I left because the order had been granted, which was an achievement. I thought that that was in fact the key thing, to know that the order, without it laid down in parliament, we wouldn't have been able to go down the route of development. So when it came I did a note to my colleagues, I can't remember

if it went to all members of the Council, that we had now got it, I think a statement, a press statement also went out. I saw that as really the milestone of getting that.

755. AL But you wouldn't want everything to fall apart afterwards, having achieved this? There must have been some reason or some concern why this needed to happen.
756. CA As I said, it was based on what the officer said to me, if he hadn't then obviously the new Chair would have picked it up and followed it through.
757. AL Do you think you had a different relationship with Keith Holder than you had with other officers, because he was so senior and so experienced? Because from the evidence we've heard from you, you obviously put a lot of faith and trust in him. And we perhaps hear about a relationship that you might not expect a councillor and an officer to have, in the sense that he advises you and you go ahead, even if his advice changes very dramatically from one day to the next, you go ahead. Would you say that was right?
758. CA That's how it's been. I think, there is an ex-Chair, I've forgotten his name, who sits on the Palace... Nigel Wilmott, yes, that's it, Thank you. Nigel Wilmott, who's a former councillor, Chair, and Andy Krokou, and this was where I actually saw Keith in operation in terms of his style. Those past Chairs and myself worked very closely with Keith. He had the expertise. If you phoned Keith, whatever time of the day, he would tell you the history, or try to solve a problem.
759. AL How do you see councillor-officer relations, would you normally see it more that the councillor as the voted-in representative, is leading the decision making?
760. CA I think the Trust relationship there is different from the relationship here at the Council, that has always been a bone of contention between Keith and senior officers here, the Director of... Andrew Travers, for example, and the then Chief Executive David Warwick, that if David had the power to get rid of Keith he would have, because of Keith's style.
761. AL But you're obviously, you're a very experienced councillor going into a situation that you were aware of, did you not think maybe you should open this relationship with a different stance? It's slightly hard to believe that the he was lead, if I put it to you like that, that he completely changed his advice, you don't question him, he tells you not to put it to the Board, you don't, you disregard whatever duties you may have as a trustee based simply on that advice. Is that really what happened?
762. CA I wouldn't necessarily say that I disregarded my responsibility as a trustee, I felt that given the advice that he provided, was fulfilling my role, and the other Members' role as a trustee.

763. AL Even though there were concerns raised to you about his style.
764. CA I know. That's really the issue. Maybe I felt, maybe I felt that because we were, come maybe August, 1st August, or by the outcome of the order, whether there was a judicial review or not we were obviously going to get it, from the briefing that was given to us by the Trust Solicitor, that if there was a challenge, a judicial review, there was 80% chance of winning, maybe I just felt that the governance issues that were there would be dealt with. I think that's probably it, because if I, if that wasn't the case, then obviously I would have taken a different approach.
765. AL Even though the transfer was a vitally important matter and it really required very strong governance, didn't it?
766. CA I think from his phoning me when there are issues, I felt that that was sufficient. In terms of going into detail, the governance of the Palace, I don't have that expertise because I've never been to the Palace as a Chair or as a member of the Board. Had I been serving on the Trust, on the Board, prior to my being a Chair, maybe it would have been different. So I relied on him on a number of things, and I think that's why he said to me 'thank you, Charles, for letting me run the show'.
767. AL Did you see his briefing note of the 16th April as quite unhelpful?
768. CA Not necessarily, he sent it and then that was it. I didn't have to take any action. I didn't take any action.
769. AL You didn't tell him it was unhelpful?
770. CA No, I did not.
771. AL Did you comment that you didn't want Firoka to walk on your watch?
772. CA No, I never said that. I mean, why would I say that?
773. AL Were you worried about that at the time?
774. CA We were all, when he came and said Firoka would walk, Firoka said he would walk, I said well, provide me the brief and if he's able to walk or not. And when he referred me to the master agreement then, and I said fine, he won't be able to, and I think that briefing confirmed it. So the issue really, and this is why I'm having difficulty, really, in comprehending why people say that I gave him, Charles Adje - it's not in my power - gave Mr Firoka a sweetener. Because I don't see it as a sweetener. I saw the discussions, because staff were leaving, business was going down and we were obviously, he said to me, couldn't operate with an insolvent company and that was how I saw it. But I tried...
775. AL When did the insolvency issue come up, because that's not mentioned, is it, in the 16th April note or in the 24th April note that went before the Board?

776. CA Yes, it wasn't mentioned. That was given to me...
777. AL When did that first come up then, the insolvency issue?
778. CA It was in his oral advice that he gave me which was on the basis which he wrote his report.
779. AL He told you that before the Board meeting, on the 24th April, that he was worried about insolvency, or after that?
780. CA Before he wrote his report. After his report on the 16th, which he said, 'oh no no, you can't do this, you can't do that' he came back to me and said, 'Charles, actually there's a way forward'. This is where I, in terms of compromise, for example, that someone had been compromised, I would argue that it is me that has been compromised by him, by not providing me with a written confirmation of that discussion, of the advice that he gave me. Because if he had, then obviously we wouldn't be here in terms of oh, you were provided with advice and you didn't follow it and then later he's changed his mind, saying 'oh well, I stand by it'. Because there is no record of the discussion or the advice that he gave subsequently. That was why I put it to him yesterday if he had a conscience. Because I find it difficult to be placed in this type of situation or position, by an experienced officer, maybe I was off-guard, I probably should have sent him an email, which is what I tend to do, but I just didn't do it. I am kicking myself for that, and now he's saying, 'oh well, Charles...'
781. AL Ok, thank you. Rachel?
782. RH I just wanted to ask you a few questions about some of the responses that you gave in your interview with Martin Walklate, back in 2008. The interview begins at page 291. Yesterday, when you were asked questions, I think, from Terence, or perhaps in your own introduction or the evidence you gave for yourself, you said that you didn't bring the briefing note of the 16th April to the trustees' attention prior to the 24th or after, because you were taking Keith's lead on this, because he advised you not to. You went to Ally Pally for a quite life, deferred to his expertise, etc. If you turn to 313, can you see at question 197 and... sorry at point 197 through to 200, you were asked question 63: "did you bring the matter or the content of the briefing note to all of your trustees' attention prior to the decision of the 24th April? Answer: could not recollect. Did you bring the matter or the content of the briefing note to any of your trustees' attention prior to that meeting? Could not recall". Can you tell me why you have changed your position on this? What you said back then, which was obviously much closer in time to events that happened, than what you are now saying, which is obviously quite different. Why has your account changed so much?
783. CA In terms of saying that I was advised and I could not recall?
784. RH Your answer, you didn't – when, just after events that happened in 2007 you were asked about this, rather than saying Keith told me not to tell them, Keith advised me not to pass that on, you simply say "I can't recollect, I can't

recollect". Are you saying your memory's improved now, 4 years on, such that you can now recollect, or is there some other reason your story's changed so much?

785. CA I haven't changed my mind. At the time I couldn't recollect what I did or not, now I have thought about it more, and I understand that it was not provided, based on the advice that was given to me.
786. RH So you're saying that you now remember advice you were given in 2007, but in 2008 you couldn't remember it? Is that right?
787. CA I had thought about it, it's exactly the same question that was put to me by Mr Walklate at the time, he said did I remember sharing the report with Cllr Meehan, and I think my answer then was also could not recollect.
788. RH The next question I wanted to ask you is again about something you said yesterday. You said that Kassam had concerns about the length of the process, the Charity Commission process, how long it was all going on for, but you said we knew he couldn't walk until August 2007. On 318, so still staying with this interview and looking back at your responses closer to the time...
789. AL It was 2010.
790. RH 2010, sorry, I'm completely wrong. I've assumed that this interview was done just afterwards, but this was actually the interview that you did last year, so the difference in time is, this is actually almost a year ago today that you gave these answers, so sorry, I've given you the wrong date for this interview. 242, I think you were asked by Terence in this interview about the master agreement, and in relation to the master agreement signed in November 2006, committing the Council and Firoka to the lease, were you aware that it had a backstop date of 1st August, after which time it was much less certain? Answer: no, you couldn't recall the backstop date. Again, I wanted to ask what can you remember, can you think why your position has changed on that?
791. CA At the time I honestly didn't know the date. If it wasn't for the fact that this had come up when I started doing the research, I wouldn't have known that the 1st August 2007.
792. RH So you've only – when did you learn, exactly?
793. CA Of recent, leading up to the hearing.
794. RH When did you first see the master agreement?
795. CA I don't think I saw it, I don't think I saw it.
796. RH You produced it for the hearing today, so you must have seen it at some point.
797. CA Yes, I requested it.

798. RH But prior to that you'd never seen it before?
799. CA No, because it is a commercially sensitive document.
800. KR Did you have to sign it?
801. CA No, not me, Members or trustees aren't allowed to act in such...
802. RH What did you know of the content of it, without seeing the actual document itself, so for example what did you know of the existence or otherwise of a backstop date?
803. CA Keith explained to me, Keith explained it me and when I requested the document, I wasn't sure what I was requesting from officers. Legal services wrote back to me and confirmed that 'we think you mean the master agreement' and when I received the master agreement I went through it and then I saw the date and the time.
804. RH Sorry, I've not been very clear in my question. I meant back in 2007, looking at the issues around the potential for Kassam to walk, what did you know then of the content of the master agreement, and in particular the backstop date?
805. CA Not much. Not much, I probably didn't take... the way I saw it is that most of the procurement aspects of the package, as it were, have already been done by officers, so I never took any interest as such.
806. RH Did you know there was a backstop date?
807. CA I knew there was a date, but when, I didn't.
808. RH Did you not think to ask?
809. CA Not at the time, because what I was focussing on at the time was the order. Getting the order through.
810. RH Well we know one thing you were focussing on at the time was the concern that Firoka would walk. We know that because we've been taken already to the email in which you specifically say that was your concern and that of George Meehan.
811. CA Well, as I said, I was on holiday when I wrote that.
812. RHJ Regardless, this is what you wrote in your email and you wrote quite clearly that you were concerned – none of us wanted Firoka to walk as the sole preferred partner in the scheme. So in those circumstances where this was, as you say in your email, something you were trying to stop, did you not think it was of importance to find out when this backstop date was?
813. CA Maybe I chose the wrong set of words, there, whilst I was on holiday with my family. If I had been around then I probably would have done proper research

and changed and reflected properly. But in terms of....

814. RH Just to be clear, what do you say is wrong about this? What would you change in this email if you hadn't written it somewhere else?
815. CA That we don't want Firoka to walk. That wouldn't have been there.
816. RH I see. Just if I can, then, coming back again to some of the points from the interview, yesterday you said that if you had been provided with the facts and figures about the licence, so more information about what the numbers involved, who was going to get what financially, you would have exercised your judgement and involved yourself more. So, and your position as I understand it is 'I just took a back seat and I was taking a holiday at Alexandra Palace and I didn't, I left it all to Keith'. Looking through, actually, it's not your interview it's David Loudfoot's interview which is at page 334, so I think his interview was in 2008, which is why I've got muddled with my dates, I think. It begins at page 329. This is his interview, probably as part of Walklate 1 or 2. He says, and this is at the top of page 334, 'David was of the understanding that the financial consequences, this is in relation to the licence, had been made clear to Council members via Charles Adje, briefing the group'. His understanding, not just Keith, but David's understanding, was that you had been the one who was aware of the numbers and who had actually briefed the group on that, or the Council.
817. CA That obviously is incorrect. There is one bit there as well, I don't know where it is now, that Mr Harrington, the treasurer alleged that I was in the driving seat. I never had any discussions with Mr Harrington, and the only time Mr Harrington would have any comment or engage with me would be at the Board meeting that was the day to day engagement that I've ever had up until recently when Keith became a consultant and David Loudfoot, even then, very rarely I would meet with David Loudfoot, later on Mr Harrington, I would say that that's a conspiracy.
818. RH So you think there's a conspiracy of the officers against you in the form of Mr Harrington, Mr Loudfoot and Mr Holder. And are you, for example, just reading it, carrying on at 334, said that you and he, you and David, that is, exchanged text messages regarding the financial situation as the licence continued to run. Do you also deny that?
819. CA David and?
820. RH David and yourself. If you read the next paragraph
821. CA Where it says that 'David was not really...'
822. RH It begins 'David is clear'. Are you with me?
823. CA 'David is clear'?

824. RH Just read that one.
825. CA That's total nonsense, because, what I recollect was agreed is as confirmed by Keith, it was a phased thing to be reviewed. I wasn't the Chair, so he didn't say when this happened to make a bland statement, as though Cllr Adje was made aware of it. I would have acted. I would have acted, That's total nonsense.
826. RH So when he recalls the exchange of text messages and the conversations, he's lying, is he?
827. CA Yes, if he produced a text message – I don't recall getting a text from him on that. I mean, why would I engage with an officer, texting him on such serious matters, financial matters? No.
828. RH And I just wanted to ask you, I'm slightly unclear about what you say about there being no sweetener offered to Firoka. The circumstances were certainly at the very least, you and Cllr Meehan decided that you would second the staff over to Firoka, but that APTL would continue to pay them and there'd be no reimbursement of that sum. So you can see there's a benefit, a clear benefit to Firoka – they're getting the staff for free. How else could this possibly be described other than a sweetener? I fail to see.
829. CA From what was explained to me at the time, the staff I think was in the region of £0.5m or so, if I recall. It could be different, with the passage of time, and Firoka was going to be buying all the supplies and stuff like that, so that would be his contribution. So that was it, so I didn't personally see it – I think Keith probably touched on that briefly yesterday. I see what you mean, but at the time and even now I'm finding it difficult to see that it is a sweetener, because of the insolvency situation, because that cost obviously will continue.
830. RH But the cost continues and the cost is upon APTL, whereas another way of putting it, this isn't a commercial deal is it, if I say to you have my staff work for you, I'll carry on paying them, you don't have to. That's not a commercial deal is it, that's giving you something for free, aren't you?
831. CA I think it will depend, because from what we were told, it's that both parties are going to be putting something in.
832. RH According to 423, what Firoka's putting in is not walking, yes, that's what they're putting in to this bargain you're making. If they don't walk as the preferred partner for the scheme, you will second staff and continue to pay their salary prior to transfer, so prior to them being TUPE transferred to Firoka, is obviously the plan for the longer term.
833. CA That is correct, subject to Firoka buying and supplying all the goods. Obviously I haven't got records of that, but from what I was advised, it would be either near to, the Trust wouldn't be incurring costs in terms of the purchasing of activities or services being delivered at the Palace, that would be Firoka.

834. RH But nor would it be benefiting from the sale of those services or events. Firoka has to pay out of their, let's saying they're putting on an exhibition and they have to pay some money on stands, whatever it is they have to pay the money for to get the money in, that's quite separate from the issue of having a whole team of staff which is paid for by someone else working for you for free.
835. CA I didn't go into those details. I didn't go into those details with either Firoka or Keith or with Cllr Meehan.
836. RH You went into enough detail to be able to say here, 'as none of us wanted Firoka to walk as the sole preferred partner in the scheme, we agreed to second the staff, pay their salary'. The principle of it is here, isn't it? I don't understand your response, really.
837. CA I have said that, I probably made the wrong choice of words there because I was on holiday, then if I was present, if I was at home maybe it would have been different, in terms of how I phrased that. I was away in France with my family when the call came through and I said send me the email, and he sent and I replied in that manner. I still obviously, difference of opinion, I see, I'm struggling in terms of the sweetener aspect, the salary stuff, because of the way it was explained to me.
838. RH Did you tell the trustees what it says here, that the staff were going to go over?
839. CA They were aware of that.
840. RH They were aware of that? That the staff were going to go over but that APTL was going to continue to pay them. Is that at the Board meeting of the 24th April? That's at 380.
841. CA We were all ware of that.
842. RH But how?
843. CA In terms of the secondment.
844. RH How were you made aware? How were they made aware? Sorry, how were they made aware? I realised you were aware because you were behind it, but how were they made aware, the trustees?
845. CA Keith, in his preamble, in presenting the report.
846. RH If you just look at 379. I can see that staff are mentioned in the paragraph which is four up from the bottom, the staff can be seconded for the interim period during which effect can be given to the formal arrangements to ensure continuity of employment and length of service.
847. CA That's it. That's the way he explained it to the Board in terms of the secondment on an interim basis for continuity. What would normally happen from a secondment point of view, subject to whatever agreement, I'm not

talking in particular about this, some arrangement would be in place whereby you recoup the cost of the salary. Now I don't know if that discussion took place in terms of the APTL recouping the salary that's been paid to the staff by the Trust, I didn't have that level of discussion.

848. RH So what you recollect, sorry, just to understand what you were saying, is that in addition to what is written here, Keith made the additional point orally, or verbally at the meeting, look , we're going to continue to pay them ourselves.
849. CA That's more or less it, but what I'm also emphasising is the fact that the extent to which a discussion was had with Firoka's financial director. Or Firoka himself as to we would like to recoup the money back, because we have the mechanism where we pay the staff and then that ought to be recouped, I don't know the extent to which that discussion was held with them. In terms of the secondment and the financial aspect.
850. RH Why would that discussion take place? The whole deal was that you would continue to pay the salary prior to transfer in order to stop them walking. Why on earth would you then say we're going to ask for that money back? I don't understand. Why would Keith be saying that?
851. CA It depends on the... I think the concern for all at that time was the fact that the company was being liquidated and continuity, really, was the issue. I think it was on that basis that this was agreed.
852. RH Continuity of the business?
853. CA Yes.
854. RH Thank you.
855. PS Just one clarification, really. The impression that I've got from the answers to questions over the last day and a half have been yourself as a kind, I guess, as a political driver to it but Keith very much in the driving seat for all operational matters. Just as I reviewed the paperwork again, this period between the 11th April and the 24th April, there seems to be almost, I hesitate to say daily, but every couple of days there are quite major interventions by yourself into the discussions, whether they be briefings to the Chief Executive or conversations with Firoka, or there are quite significant detailed briefing notes sent through to you. It looks here as though you are actually quite involved in operational matters and are quite involved in the decision making process that led up to the report on the 24th April. Is that an accurate reflection, do you think?
856. CA I wouldn't say I was heavily involved, as I say, Keith would have a problem, he would call me and I would call Cllr Meehan and say this is the situation, or if I'm around then I would go into his office and say this is the situation. And then if it's resolved, then I'll let Keith know, and say either the Chief Executive would phone you, or speak to the Chief Executive or the Monitoring Officer. I wouldn't call that heavily involved.

857. PS Would you not have a view on those matters? I mean it sounds as if Keith's asking you something, you're asking Cllr Meehan, and Cllr Meehan's calling Keith. Did you have a view as well?
858. CA Cllr Meehan didn't call Keith. The type of issues normally, if Keith is trying to engage with officers here at the Council and there is no response, then Keith would call me and I will call Cllr Meehan and say why haven't the officers responded? One of such was the, during the drafting of Keith's consultancy contract he wasn't having any joy with engaging with the officers here, so he decided to, he phoned me up and I called and someone from Legal went across with Stuart Young, Assistant Chief Executive, and they had a meeting about it, and so just that type of stuff. I won't say that I had day to day running of matters.
859. PS Why do you think Keith Holder wrote the briefing note that he wrote to you, if your role was just as a quite high level political steer. Why do you think he felt compelled to write you a four-page briefing note?
860. CA Because I wanted, well I asked him to, in terms of the discussions that we'd had, I asked him to produce the note to tell me what is possible and not possible, so he wrote it. That's why.
861. PS And were you not... in many respects that note just says you don't need to do anything, don't do anything. Did you not challenge Keith when he then wrote a paper a few days later saying actually do, do something, and do something that potentially has risks to it? I mean, you can see that any interim licence agreement in any commercial deal is going to have some risk to it, so you'd gone from in many ways quite a low risk paper which just said you don't need to do anything at all, take no action. And as you rightly said the paper said I don't need to do anything therefore I'm not going to do anything. Good. The briefing paper. To a report that said do lots of things. Did you not feel surprised by that and did you not feel that as the Chairman of that Board you would say to Keith what's going on here?
862. CA Maybe I didn't see it that way. Maybe I saw it that something that said it wasn't possible in terms of the secondment, he's found a way round it, based on our discussions that, 'oh actually Charles it can be done'. He told me orally. My mistake, and I admit it, is not actually getting him to put it in writing, That really is the crux, because if I had that in writing, in terms of the challenges and stuff then obviously I wouldn't be here in terms of the compromised aspect of this matter.
863. PS Thank you.
864. AL I think Cllr Reece just has a question for you.
865. KR Just to take us back, if you don't mind, to the briefing note of the 17th April, 16th April. It's on page 267, it says this note is compiled following discussion with

the Chair, the general manager and Kassam - we've been over that - Subsequent telephone conversations between the Chair and Kassam, a discussion between the Chair and Ormerod – that's the Kassam employee within APTL, etc and then he says, I want to take you to paragraph 6.5 on page 270... he's explained that there's no need legally to do anything to keep Kassam on board because legally he's committed. This is Holder saying that 'any public decision to financially assist Kassam would undoubtedly generate fierce public opposition. It is also unlikely that such a stance could be politically justified. If there were a desire to provide some assistance, it would, in my view, have to be restricted to the non-recovery of some legitimate expense ... the danger of any non-recovery being exposed by a liquidator...' etc. 'Support of this nature is fraught with danger'. So this is Keith saying we cannot provide anything by way of public assistance to Kassam. He goes on to say these comments are written without knowledge of telephone discussions over the weekend. You, Adje, and Kassam, had these conversations - I didn't get involved. There was also a subsequent meeting with Ormerod, he says, I didn't get involved. So he prepares this note, you receive it and on your own statement this week, yesterday or today, he then phoned you and said I think I've got a way around it, and the next thing we have is the briefing to the Trustees, who are not told we are going to give financial assistance to Mr Kassam, but that we're going to enter into some sort of licensing agreement that... I put it to you that I think you needed to tell the Trustees about this briefing note, particularly when I look at it again, saying that any public decision to financially assist... the upturn or the u-turn. as you describe it, just needs more explanation than we've had here, I think. Can you give us any more?

866. CA I have said to you, I have explained it to you in terms of Keith coming back to me and I also explained in terms of Keith not actually providing me with a written explanation as to why he changed his mind in terms of the briefing that he gave me, and that is the crux of the issue, here.
867. KR Thank you.
868. AL Sorry, Cllr Demirci has one more question, then we'll take a break.
869. AD Just following that, if I can just ask Cllr Adje about... I mean this report that came to the trustees which is on page 379. It points out there that the ice rink, 'in addition a management arrangement for the operation of the ice rink can be concluded'. Were there any objections raised in that meeting against this happening at all?
870. CA No, I don't think so. I don't think so.
871. Ad Because that leads, the reason why I'm asking is that leads from what Cllr Reece said, it's about providing financial assistance to Kassam. Obviously the ice rink is one of the key components which actually brings funds into APTL. So there were no, as far as you can remember, there were no objections? Because I can't see in the meeting, minutes of the meeting, there were no objections from the trustees. And the trustees were aware of the secondment

of the staff in the interim period as it says in the report there?

872. CA Not that I can recall. A number of questions were asked and Keith answered them and the Trust Solicitor was there and a technical point was put to him and he dealt with it. From what I can recollect he didn't have any issue with the proposal. I think the view that I took and possibly other trustees was that those matters would be left to the officers to discuss. I think that's the problem that when the licence was drawn up, there wasn't any further discussion after the meeting of the 24th.
873. AD Were the Trust made aware of the cost that was going to be incurred by the APTL or by the Council of £120k, were any figures given on that night?
874. CA I don't think any figures were given.
875. AD Ok. Chair, if I may through you ask Terence a question as well, please?
876. AL Yes.
877. AD Terence, with regard to Cllr Adje said that he did not see the master plan until recently.
878. TM The master agreement, yes.
879. AD The master agreement, is that given to the Chairs, or is it kept as Cllr Adje said, the Trustees are not allowed to see this as it's a...?
880. TM I think the position would be that the Chair of the Alexandra Park and Palace Board would have had the right to see the master agreement, it would be treated, I'm sure, at that stage as, I think there would have been concerns about releasing the whole document there were parts of it, as it were, that were not sensitive, there were other parts I'm quite sure that were regarded as sensitive. I say that, because I'm aware that a Freedom of Information request was made to see it some time in early 2007. Part of it was released, but a substantial part of it was redacted.
881. AD By whom.
882. TM By David Burn, probably on the advice of David Burn, who is a senior solicitor in the Council's legal service. And no doubt on the advice, having discussed it with Iain Harris, the Trust Solicitor, and probably the General Manager. So the view was taken that certain aspects of that were not to be put in the public domain, others were put in the public domain, but the right of the Chair and any Member of the Board to see that document would be absolute. After all it was a very important agreement following a major decision that all the Board trustees had made in November 2006 and on that occasion there was a very substantial report containing very detailed advice from Berwin Leighton Paisner and Howard Kennedy, a report of many dozens of pages, setting out, as it were, probably in rather technical language the risks, what was to be gained and the risks on entering into a master agreement, describing what that

entailed for the trustees to consider. So there would have been an absolute right to see the master agreement that I think was probably in fact, if memory serves me right, there was probably a version of the master agreement, not albeit the final one, attached to that report and possibly a synopsis of appendices, which were very long, running to several hundred pages. In answer to your question, yes, the trustees would have had a right to see that. They would probably be warned to keep it, as it were, quite confidential.

883. AD Thank you.

884. AL Thank you. I think we probably ought to take a short break until 11.50am.

885. [adjourned]

886. AL Ok, so there's a chance now for the parties to sum up their cases. Cllr Adje, first Terence Mitchison will speak and then you will get to speak on your case. Ok, thank you..... [long pause, inaudible whispering]. Ok, Cllr Adje, can I invite you to sum up your case first, then Terence will respond.

887. CA Thank you. I do not believe that I breached part 5 of the code, I believe that I acted in accordance with the advice given by the officer, when dealing with commercially sensitive and confidential information, on disclosure and sharing of information, due to persistent leaking of information. The report produced, which was based on the oral briefing given by the officer to me and accepted by me as the Chair, was presented as an agenda item by the officer with questions asked by trustees in the presence of trust solicitors.

888. CA I also believe that I did not breach paragraph 3,2,d or the Member Officer protocol by allegedly instructing the officer to write a report contrary to his advice. There were no differences of opinion, and the need to produce two separate reports did not arise. The officer's impartiality was never compromised and his written and oral advice were accepted. The officer was well-known by his officer peers and Members for his no-nonsense approach in his dealings. His robust way of engaging with his fellow officers at the Council and at the Palace, from junior staff up to Director and Chief Executive level is widely acknowledged. He fights his corner, no matter who you are. I believe that he would have taken appropriate action if he felt that he had been undermined or asked to suppress information. As stated, his written and oral advice were accepted, hence the production of the report, as advised by him, for a phased transfer. Bearing in mind that he was going to be working for both Firoka and the Trust at the same time, which I think was page 278 in term of Mr Travers' email. On page 332, Mr Loudfoot confirmed that his colleague was responsible for drafting the licence, two paragraphs before the end. Assistant Chief Executive Stuart Young confirmed, on page 354, penultimate paragraph, that he saw no reason to assert that I either did or had the ability to motivate either person to act in a particular manner on the subject of the licence to operate granted to Firoka by using my employment status.

889. CA I understand my role and those of my colleagues to safeguard the interest of the Trust and assist an asset for the use and benefit of the residents of the

borough, which cumulated in accepting the recommendations for a phased transfer in the report. The person I feel who has been compromised in this matter is myself, by virtue of the officer's action in not confirming his oral advice in writing. I was also the one who was threatened if I did not call off the investigation into the granting of the licence. The lesson, obviously, this has taught me is to revert back to having all advice and communication confirmed in writing. That's all.

890. AL Thank you Cllr Adje. Mr Mitchison.

891. TM Chair, thank you. On the first allegation, under paragraph 5, that Cllr Adje conducted himself in a manner which could reasonably be regarded as bringing his office as the Chair of the Ally Pally Board, or the Council into disrepute, there are certain facts which are not disputed. Firstly that Keith Holder produced a briefing note dated 16th April after a meeting with Firoka on 11th April, and the briefing note contained Keith's own professional advice on the problem of Firoka's dissatisfaction with the delay to the redevelopment and lease project. Keith's advice was based on Legal advice which he'd obtain from the project advisers, Berwin Leighton Paisner, specialist commercial lawyers. So there's no dispute, I think, that that briefing note was contemporaneous and it was received. Cllr Adje was aware of the content, the main point that was set out in that note was a firm recommendation from Keith to take no action, no need for a rush decision, dangerous to be seen supporting Firoka. It was clear that this briefing note was not communicated in any way to the other councillor trustees on the Ally Pally Board before they made their decision on the 24th April. Now Cllr Adje says this non-disclosure was on the advice of Keith Holder, because some of the trustees could not be trusted to keep sensitive information confidential. Keith Holder says to the contrary that Cllr Adje told him it would not be helpful if other trustees were aware of the briefing note. Either way, Cllr Adje as the Chair of the Board was the only one of the trustees aware of the previous advice in the briefing note. I think that's not disputed.

892. TM Another fact not disputed is that the Board received a tabled report from Keith Holder on the 24th April, which was very different in its conclusions and recommendations from the briefing note. In place of the no action in the briefing note, the Board trustees were now recommended to commence a phased transfer of the charity, business, staff and contracts to Firoka, following the grant of the Charity Commission's order. That is, in effect, a change from no action to transfer the whole business to Firoka, after a process but it's clearly going to be soon. At a meeting on the 24th April, Cllr Adje chaired the meeting, he permitted the tabling of the report, which was not on the printed agenda circulated in advance, when he was present he said nothing himself about Keith Holder's previous advice and did nothing to query the apparent change of mind, as Cllr Adje describes it, which he alleges that Keith Holder had in his alleged u-turn between the briefing note and the 24th April. Either way, whatever the truth of that, nothing was said by Cllr Adje and he alone knew the contents of the briefing note.

893. TM It's not disputed that, after the 24th April, as the result of the Board's decision, a licence was granted by the Council as trustee to permit Firoka to occupy Alexandra Palace on very favourable terms, though this was initially for a three-month period, the licence was not terminated until late 2007 and there was substantial loss to the Alexandra Palace charity and the Council which has to underwrite the Charity's financial position. During the cross-examination of Keith Holder by Cllr Adje, it emerged that Cllr Adje had seen at least the final draft of the licence to Firoka before it was signed, so he must have been aware that this licence was the immediate consequence of the Board's decision. There were further emails, to which I'll refer later, discussed this morning at appendix c, I think, page 423 in the bundle. That indicated at least that Cllr Adje was aware of the broad thrust of the negotiation and the secondment of staff and the need to prevent Firoka walking.
894. TM On the basis of the accepted facts, then, the question is was the failure of Cllr Adje to disclose the briefing note to his fellow trustees an action so far below the general accepted standards of local government and charity trusteeship, that is was disreputable in terms of the Member code of conduct? The Standards Board guidance to which I referred the Panel on page 89 talks about the meaning of disrepute, but it refers only to dishonest or deceitful behaviour, but in a context which makes it clear that these are only examples and that anything which would be regarded by most people as unacceptable or disgraceful could amount to disrepute. It has to be accepted that local government is frequently party political and controversial, and necessarily so, and councillors from different political groups are quite commonly seriously critical about the actions of their politic opponents. It is clear that Parliament, in agreeing the statutory code for the Standards Board for England, never intended disrepute to mean just something that was politically controversial, it had to be very much more serious than that. Very much something that the great majority, regardless of political allegiance, would say was in breach of accepted standards.
895. TM I have referred and I've put to Cllr Adje three documents which support the argument that his conduct in allowing or actively suppressing Keith Holder's briefing note did plainly fall below generally accepted standards. Just to recap, the first document was the extract from the Members' handbook, which is the officially sanctioned guidance to all councillors, and that's at page 447 to 449 of the bundle. The point here being that the Chair of any official body or committee has a responsibility to ensure that appropriate advice or information is made available to all committee members and that decisions accord with the principles of decision making. These principles include making decisions on the best legal and financial advice and publishing all options, including those that were considered and rejected. In the context of the briefing note, which did contain both legal and financial advice, which was used by Keith to support the do nothing option, it's quite plain that this very relevant advice was not made available and was not referred to at all by Cllr Adje when he did Chair the meeting on 24th April.
896. TM The second document was the protocol on decision making, at pages 452 to 453 of the bundle. This requires committee reports to include legal and

financial advice and the available options. Failure to do so is evidently serious, because the intention stated but never carried through was to make compliance with the protocol equivalent to a breach of the code of conduct. As I said, this was never carried through but it's quite clear that the weight given to the protocol in the constitution is substantial, and that this is minimum acceptable practice to ensure that those essential elements have legal and financial advice, the true advice of professional officers and all available options are available to all decision makers, not merely the Chair.

897. TM The third document is the Charity Commission guidance. As we've heard, this is relevant to trustees because the Alexandra Park and Palace Board members are trustees of a charitable trust in addition to being members of a Council committee. The Charity Commission guidance emphasises the collective nature of trustee decisions and the personal responsibility of each trustee, hence the importance of ensuring that each and all of the trustees have the same relevant and important information and advice and not just the Chair of the trustees.
898. TM In my submission it was particularly important that the advice in this briefing note should have been disclosed to the other trustees because, firstly, that advice in the briefing note was plainly very relevant to the whole issue of relations with Firoka in a difficult period leading up to the expected Charity Commission order, and then the process of moving towards the grant of the lease. It is accepted, I think, by Cllr Adje that there was concern at a political level about the possibility of Firoka walking and more remotely, perhaps, about what happened about the backstop date. As Keith Holder put it, this was a briefing note 4 pages long, exceptionally long, I think for anything that Keith wrote, and couched in terms that left no doubt as to the General Manager's concern over the problem with Firoka and the risks of taking rushed or hasty action, including the risks of being seen to take overt support, financially, to Firoka, the dangers that entailed.
899. TM Although Cllr Adje has mentioned the briefing note as not being disclosed, a clear distinction, I think, must be drawn between this particular briefing note in this context and a briefing note about speculative options for the future or I would describe it as blue-sky thinking. It does happen, of course, that political assistants and officers do on occasion write option notes or briefings for cabinet members or for individual members, which are relevant to their portfolios and seen by them, discussed by the Cabinet. These are not necessarily part of the decision making process. If a major decision, comparable in scope to this one, effectively the handing over of an entire service to an outside organisation, were to come before the Cabinet, it's fairly obvious that whatever briefing notes had gone before, all significant facts, all relevant financial and legal information and all the options would of course be included in a report for the Cabinet and the decision makers would have as full information as, say, the Leader or Chair of the Cabinet. The decision made by the Board on the 24th April was undoubtedly a very major one. It was authority to transfer the whole business, staff and contracts, albeit that it was not irrevocable, it was difficult to think of anything more significant, effectively, than transferring your entire undertaking, effectively, disabling your trading

company. Under those circumstances, it's obvious that the fullest possible information had to be provided to the trustees.

900. TM It must be said that the tabled report itself was very short and incomplete, it was a 1-page report with none of the detailed legal or financial comment that might be expected. There wasn't even a clear statement of the financial difficulties affecting APTL, though there was mention of the staff uncertainty and secondment. There was really no analysis at all of the significance and extent of the risk that was to be transferred to Firoka. It appears that the trustees accepted it on the basis that this was something that simply took place nearer the time at the move to the lease, and they simply failed to understand at all the significance of what was being put to them, the fact that a licence of the kind that was actually entered into was to follow two weeks later.
901. TM For all these reasons, the deliberate non-disclosure of the briefing note to the other trustees before their decision on the report was, in my submission, so far below accepted standards both for local government and for charities that it did in fact bring into disrepute both Cllr Adje's role as the Chair of the Alexandra Park and Palace Board, and it also brought the whole of Haringey Council into disrepute. This is evidenced and supported by the findings of the previous Walklate reports that flow directly from the issues over the licence when it became public. There were two investigation reports included in the agenda pack, the first one looking at governance failures generally, the second one specifically into the possible fault of Keith Holder. The conclusion of the Walklate reports being the governance of the Alexandra Park charity needed urgent improvement, and on the back of that report there was understandable very critical press and public reaction to those findings into what had happened, and the scale of the losses to the Alexandra Park charity revealed. As a consequence, the matters flowing from the actions of the Chair, the suppression of the briefing note, the decision of the Board, the entering into of the licence, that it opened the door, at the very least, to the matters that caused such serious and legitimate public concern.
902. TM As a final point on that, I would remark on the question raised by Cllr Adje about the sensitivity and the alleged leaks to the public of documents and committee reports, I think it's fair to say that I think it's accepted that the report in question was in fact an exempt report and it's usual where there is any sensitive legal advice or commercial sensitivity could be compromised in a way prejudicial to the Council's interests, that information of that kind is treated as exempt. Now that means, of course, that it is not put in the public domain or at least the press and public, but it is disclosed to all members of the relevant decision making body. If Cllr Adje is suggesting that some members of the Board were so untrustworthy that they couldn't be trusted to make decisions, than that's clearly a very serious matter and one would have thought something that ought to have been raised more directly and if there were Members of the Board actually leaking documents, then itself would have merited investigation. In my submission, the fact that there might be suspicions or risks of leaking was no excuse for a failure to bring all the trustees fully into the picture and disclose information to them and if it wasn't possible for the Board to work like that then there was clearly something plainly wrong that

required a further and different investigation.

903. TM Chair, on the second allegation, this is under paragraph 3.2.d, and the allegation is that Cllr Adje did something which compromised or was likely to compromise the impartiality of Keith Holder as an employee of the council, namely that he put improper pressure on Keith Holder to conceal the content of the briefing note and submit a report to the Board containing wholly contrary advice to the trustees. The facts that I've just cited as undisputed are very relevant here, but the panel has heard two totally contrary accounts of the pressure placed on Keith Holder and the origin of the report.
904. TM Now according to Cllr Adje, the briefing note was sent to him by Keith Holder, but a few days later, in a conversation, Keith Holder was making quite different suggestions about the possibility of a transfer to Firoka as a way of getting round the pending insolvency of APTL and difficulties with staffing. Cllr Adje says that Keith himself was the true mover behind the tabled report, which he as Chair accepted, perhaps naively or unwisely, without really probing or seeking a clear written explanation for Keith's strange u-turn or change of mind. So that's one account.
905. TM But according to Keith Holder, after the briefing note was sent, Cllr Adje phoned him to make clear that the do-nothing advice in that note was not acceptable politically, there was an instruction from Cllr Adje not to circulate the briefing note, which was described as not helpful, and a related instruction to prepare a report for the next meeting, which sought authority to place Firoka in the same position as they would have been under the lease, and I think that was taken by Keith to mean that they had to be in occupation of the Palace, and the staff transferred and the costs of those staff and premises met by Alexandra Palace Trust.
906. TM The two accounts given are quite plainly irreconcilable, at least on the pressure issue. There is no other relevant witness evidence and there is no contemporary written record that bears on these events at all, other than the briefing note and the report, which you've seen, the tabled report. So the question of course is who is the Panel to believe? In my submission it is necessary to consider which account is more likely in the circumstances.
907. TM The problem with Cllr Adje's version is that he accepts Keith Holder is a man of strong opinions and forceful personality, but this does not fit with the idea that Keith effectively changed his mind about the whole future direction of the Trust within a few days of writing a very firmly argued briefing note. Would Keith Holder really move from doing nothing to transfer the whole business to Firoka in a few days, in a week or less, without any explanation? Was there anything in the briefing note that actually touched upon the insolvency of APTL or the difficulties of the staff? I'm not saying these weren't problems, but I must say it may strike the panel that the constant reference to them, though they might have existed, is something of a smokescreen to disguise the fact that the real issue here was concern about Firoka walking and the need to ensure that Firoka was locked in and actually in the Palace, at least before the 1st August, so that they would be making profits from the business and feel less inclined,

as it were, to walk out of the agreement if matters passed the 1st August without a substantial progress having been made. That was the risk that was uppermost in the minds of Cllr Adje and possibly others, and that was the risk he was seeking to avoid, that was the truth of the deal being put before the Alexandra Park and Palace Board, and of course not explained to the other trustees at all.

908. TM One may ask why would Cllr Adje, as a very experienced councillor trustee, a man trusted by his colleagues on financial and property matters, simply accepted as an unexplained volte-face a plainly inadequate short report, tabled at the last minute at the Board, making extremely radical recommendations about a complete change of direction, but with no prior warning. Apparently the report had not even been shown to Cllr Adje, neither he nor any of the other trustees had had a chance to consider this in advance. Is this a credible scenario? I have to argue that it is not. Is it not far more likely that the initiative was in truth Cllr Adje's, that he was ready to waive aside obvious weaknesses in processes and procedure because he felt a powerful political imperative to keep Firoka locked in to the project?
909. TM The panel has been referred this morning to the email sent by Cllr Adje to David Loudfoot a year later, in April 2008, when matters must have been reasonably fresh in his mind. Although sent on holiday he clearly refers to the issue of concern about Firoka at a political level. There have been a whole series of questions put by the panel to Cllr Adje this morning, which I think it is fair to say have highlighted some considerable inconsistencies in his evidence. There have been concerns about his apparent change of mind in his answers to Martin Walklate about disclosures to trustees, as compared to his evidence just at this hearing. Apparent changes to his recollection about the backstop date. I'd also say that I think there must be a serious question about whether he had no involvement in the details of the licence. He says that the secondment of staff was not a matter included in the licence, if the Panel refer to page 210 in the bundle, I think they'll find that Martin Walklate deals with the secondment of staff and the absence of payment for that as one of the issues that was covered in the licence, so it seems highly improbable that Cllr Adje, who was well aware of that issue, was not aware of that particular detail of the licence. And Keith Holder I think said that Cllr Adje had in fact seen at least the final version of the licence and is highly likely to have discussed at least the salient points, even if he was not fully aware of all the detail.
910. TM Chair, Cllr Adje made a direct attack yesterday on Keith Holder's personal integrity when finishing his cross examination of Keith. No sustainable grounds were given to support this attack other than an obvious disagreement over the evidence around these events, which has become very personal. Cllr Adje has suggested that Keith Holder wanted to work for Firoka. I don't have the evidence as to whether or not this was true, the question was not in fact put to Keith Holder, but even if it were true that Keith had expressed an interest in doing so, it is impossible to ignore that Keith's advice in the briefing note would of course be wholly inconsistent with any suggestion that Keith might have been wanting to improperly favour Firoka in this matter, let alone any other matter it is quite clear that insofar as the briefing note is concerned he is not

saying anything that Firoka would be pleased to hear. Financial support to Firoka is dangerous, no action is necessary, so on that particular point it's impossible to see that any possible offer of future employment was in any way influencing what Keith was doing at that stage in the briefing note, and it's hard to believe that it actually influenced what he might have done later in relation to the tabled report.

911. TM There was a further suggestion that there were some issues between Keith Holder and the former director of finance, Andrew Travers, which would warrant casting doubt on Keith's veracity. In my submission, whatever the truth of that is, it has nothing whatsoever to do with the events in question here, it is not relevant and should be ignored.
912. TM In summary, I ask you to accept that Keith Holder's account of events is more logical and therefore more credible, and to give credit to what Keith Holder has said when he differs from Cllr Adje. Assuming you're with me on that, the important points in Keith Holder's evidence are obviously that there was advice in the briefing note of great importance to the charity, how to handle the dispute with Firoka, this advice was backed by legal advice from BLP. The note made it clear this advice was not to be lightly ignored or overturned. It said the advice reflected here gives little room for changing stance and warned about the dangers, etc, it was a four page briefing note of exceptional length and clearly couched in terms that Keith meant Cllr Adje to sit up and listen to this. Keith said that Cllr Adje had phoned him after receipt of the briefing note and expressly overridden his advice. He was told to suppress the briefing note and write a very different and contrary report. Keith said he did protest at this and made plain that such a course was against his professional advice and so Cllr Adje must have been aware that Keith was not genuinely in agreement with this instruction, notwithstanding that Keith obviously later did as he was told and presented the tabled report.
913. TM In his answers to my questions, Keith did say that he felt his professional integrity had been compromised by Cllr Adje's instruction. In answer to a question from the Panel, on his previous response with Martin Walklate, this is the point at page 323 in the bundle, at that point in answer to Martin Walklate's question Keith said that he felt that he had not been compromised or rather he said he had felt compromised but not at the time, meaning as he put it in his oral reply to the Panel that he did not feel compromised in April 2007, but only later when he became aware that the Leader had not been fully aware of, or fully supportive of Cllr Adje's own stance, political direction.
914. TM My comment on this is to make 2 points, first that after some considerable reflection and with fuller knowledge of all the circumstances, Keith has concluded yesterday that his professional integrity had been compromised and secondarily that, looking at the terms of paragraph 3.2.d in the code, which I think you'll find on page 22 of the bundle, it's apparent that the test is an objective one, the member must not doing anything that compromises or is likely to compromise the impartiality of an officer. So the test is not simply what the officer subjectively felt or believed, that this must have some evidential weight, I accept. But in all the circumstances, the average reasonable officer, if

I can so put it, would have been justified in feeling compromised by what happened.

915. TM My submission is that on Keith Holder's version of the basic facts, the overruling of his briefing note by Cllr Adje, this was a situation where any reasonable chief officer would have felt that his very important professional advice was being improperly suppressed. The point often made by Cllr Adje was that if Keith had really felt compromised, he would surely have gone to the Chief Executive or the Monitoring Officer. Keith's response was that he thought the Chief Executive was supportive of the line taken by Cllr Adje and so there'd be no point in such a complaint by Keith. Now whether it was wise of Keith to have omitted an immediate complaint to the Chief Executive or the Monitoring Officer might be relevant to the seriousness of the breach, but in my submission there can be a breach of paragraph 3.2.d, even if no complaint is made to either of the statutory officers, because that's clearly not a prerequisite in that paragraph. If action is taken to compromise an officer, then the breach is committed at that time. There is no precondition to the breach that a complaint must be made about it beforehand.
916. TM I'd wish to point the panel again to the guidance from the Standards Board, page 88. Especially in the second paragraph on that page in the second column. That's the point that starts you can robustly question officers but you as a member must not try and force them to act differently, change their advice, or alter the content of that report if doing so would prejudice their professional integrity. That's what the guidance says you must not do, that in my submission is exactly what did happen here. And I point also to the protocol at page 451, this is the protocol on member officer relations, paragraph 7.02. This indicates the expected solution where there is a conflict between an officer's professional advice and a Chair's political stance. The solution suggested is that the chief officer be allowed to write the report as they wish, under no circumstances are they to be pressured not to, so the chief officer writes the report with the professional advice, but the Chair can add the Chair's own views and arguments in the same or a separate report. This is simply guidance, but it does give an expectation of what would be reasonable and expected in such circumstances. It was not the approach adopted here by Cllr Adje.
917. TM I want to be clear that I'm not saying necessarily that if Cllr Adje and others felt that there was a political imperative for reaching agreement with Firoka, necessary to ensure that Firoka did, as it were, take a favourable view and felt that it was in their interest to stay at the Palace, that that was not necessarily an argument that could have been legitimately put. There might, for all we know, have been good arguments for such a course that could have been put forward, properly explained and supported in a report. The trustees could have been made aware of this, made aware of the terms of the master agreement and BLP's advice. They should have seen, as it were, both sides of the coin, and they should have reached a decision on full information. That's what could have happened. It's quite plain that it didn't, and in my submission it certainly involved a breach of the code in relation to disreputable conduct. I think if you accept Keith Holder's evidence, as I think on balance you should, then I think

you'll find that the other breach, compromising his impartiality as an officer, which means his professional integrity, that the other breach is also made out. Thank you, Chair.

918. AL Ok, so what happens now is the Panel will now need to deliberate and make findings on the disputed matters of fact, and based on those finding we'll make decisions about whether parts of the Code have been breached.

919. [adjourned for deliberations]

920. AL Cllr Adje, I'll now read out the findings of the Panel, these findings will be published in due course. The Panel considered the evidence presented and the final submissions, and made the following decisions of fact:

There was a meeting held on the 11th April 2007, between Firoz Kassam, Keith Holder and Cllr Adje, where concern was expressed by Mr Kassam about the delays involved in the Charity Commission order and the ultimate lease, and where he threatened to withdraw from the process. There were then telephone conversations during the weekend of 14th /15th April 2007, between Cllr Adje and Mr Kassam, with regard to matters raised at the 11th April meeting. As a result of this, Cllr Adje asked Keith Holder to prepare a briefing note, addressing the issues raised at that meeting. Keith Holder produced a note, dated 16th April and sent on 17th April to Cllr Adje. This briefing note contained his own professional advice on the problem of Firoka's dissatisfaction with the redevelopment and lease project, which advice was based on legal advice from the project advisers BLP, specialist commercial lawyers. The thrust of the briefing note was that there was no legal basis for Firoka to withdraw. Following receipt of this note by Cllr Adje, a conversation took place between Keith Holder and Cllr Adje about that briefing. On the evidence we have heard, we do not find the Keith Holder volunteered an alternative solution to that proposed in the briefing. We do consider that Cllr Adje indicated that the briefing was not supported at the level of the leadership, and that an alternative way forward should be found to prevent Firoka from withdrawing from the process. We accept Keith Holder's evidence that he was asked to present a further report encompassing this. At the meeting on the 24th April Chaired by Cllr Adje, the Board accepted a tabled report, not printed on the agenda, that was written by Keith Holder, which was very different in its conclusions and recommendations from the briefing note. In place of no action, Alexandra Park and Palace Board trustees were now recommended to begin a phased transfer of the charity business, staff and contracts to Firoka, following the grant of the Charity Commission's order. Cllr Adje, the Chair, said nothing himself about Keith Holder's previous advice, or queried the apparent change of mind indicated by the tabled report. After the meeting of the Board, and as a result of their decision, we find that a licence was granted by the Council as trustee to permit Firoka to occupy Alexandra Palace on favourable terms, which was initially for a 3-month period.

921. AL Our findings in terms of breaches of code of conduct are as follows. Paragraph 5 of the code of conduct, we find that Cllr Adje was in breach of paragraph 5 of the code when he failed to disclose the key information and advice contained

in the briefing note of 16th April to the Board meeting on 24th April. We made this finding in the context of the importance of the decision that the Board was to take, the importance of the advice contained in the briefing for that decision and the duties Cllr Adje had as Chair of the Board, a committee of the Council and a board of trustees. We conclude that by this failure, Cllr Adje brought his office and the Council into disrepute. Paragraph 3.2.d of the Code of Conduct – having found that in the course of the telephone conversation held by Cllr Adje and Keith Holder, which discussed the briefing note of 16th April, that Keith Holder was asked not to distribute the briefing note and instead produce a new report, we do not consider on the basis of the evidence that we have heard that Cllr Adje's request compromised or was likely to compromise Keith Holder's professional impartiality, there being insufficient evidence that undue pressure was applied to Keith Holder, so we have not found a breach in respect of paragraph 3.2.d.

922. AL Cllr Adje, it is now time for us to consider sanctions. We would invite the parties to address us on sanctions and any mitigation. Cllr Adje, I do have your form which you've provided which we've just now been provided with in relation to mitigation. That says that "I do not accept that I breached the Members' code, as I have previously stated, I merely asked for a confidential briefing which was provided and proved not to be required at any discussions with colleagues. The organisation in question was bankrupt and could not trade, there was no sweetener granted. The persistent pursuit of this matter, which should have been laid to rest after the first Walklate report, has every appearance of a witch-hunt. I did not sign any documentation, and all members are aware that confidential briefing notes to Chairs are deemed as such and not shared with others. The officer provided and presented a report that was discussed at committee. It is the Chair's prerogative as to whether confidential information is shared, especially when the need to do so does not exist. I have never in my experience as Leader of the Council, when I transformed it to a good three star performing authority with good prospects for improvement, known it to be in breach not to share such information. I have served as Committee Chair, as Executive Member, Cabinet Member and as Leader of the Council. It is ludicrous to infer or to allege that I would compromise the impartiality of an experienced officer with vast local government experience behind him, who was very well known for speaking his mind and would not tolerate any less than professional practice from anyone, be they member or officer. This matter should be dismissed and any lessons learned for the future."
923. AL Is there anything in relation to mitigation, now you've heard our findings in relation to paragraph 5 of the code that you would like to say to the Panel? Focussing really on what would be an appropriate sanction in your view.
924. CA Well I think finding me in breach of paragraph 5 is a sanction in itself, and I think that what ought to happen is for the benefit of members and officers for the future, they should be told that when a briefing is provided, it should be clearly... advice should be given within the briefing that it should be shared with relevant committee members. I don't think that any further sanction in terms of having been found in breach of the code would serve any good for the

public. Bearing in mind that this matter has been going on since 2006. I've been under great pressure on this matter, that I felt that I was actually doing good for the Trust. I think I probably have myself to blame for being too trustworthy and I note what Mr Mitchison said about my remark to Mr Holder, it was how I felt about the fact that advice that was given has now been rescinded and I feel very strongly about that. I only hope that one day that he'll be able to come to terms with that. In a nutshell, I think that having found me in breach of section 5, I think that is tough enough and any further imposition would be, I don't think would be good.

925. AL Ok, thank you. Mr Mitchison, would like to address us on the sanction?

926. TM Chair, thank you. The guidance which you have which will be undoubtedly referred to by the Monitoring Officer, the guidance from the Standards Board, the relevant parts in terms of sanctions are on pages 46 through to 49. It may be helpful if I run through the list of possible sanctions, the lowest being censure. There are powers to restrict members having access to Council premises, which I would suggest is probably not appropriate here, partial suspension from some Council duties, again not appropriate, full suspension from all Council duties, I would argue that probably to mark the very serious features in this case that a full suspension for some period is likely to be what the panel ought to consider. Other sanctions include a requirement that a Member submit a written apology in a form approved by the panel, which might perhaps be more appropriate in a case where it was an individual had been aggrieved, the Member to undertake specified training, again that's possibly something you might wish to consider as an option. The Member to participate in specified conciliation, probably not relevant, and suspension conditional on the member submitting an apology or undertaking conciliation or training, again I suspect unlikely to be relevant.

927. TM The factors to be taken into account according to the guidance are firstly, did the member appreciate they were failing to follow the members code of conduct, in this case I think it's quite clear that Cllr Adje did not believe that he was in breach, he believed he was following officers' advice, whether it was reasonable for him to do so, I think is very much in question, given your finding. Second factor, did the Member seek officers' advice, and was this followed or ignored? This is clearly absolutely pertinent, because here there was a clear case, as it were, of officer advice being proffered. I appreciate that you've not found that it was overridden in terms of compromising Keith's professional advice, nonetheless there was advice available and for whatever reason it was not followed and many of the problems involved in the disreputable action were greatly aggravated by the fact that officer advice was not followed. Third factor, was there a breach of trust? I think technically this probably does not mean breach of trust or charity law, I think it means a situation where somebody is trusted with money or trusted with confidential information and proceeds to breach that particular trust.

928. TM Was there financial impropriety? Not in the sense of any action for personal gain, I think that's never been alleged, but clearly there was a failure to follow accepted procedures which contributed to a substantial financial loss and

therefore the procedural irregularity did have serious financial consequences. What was the result of failure to follow the members' code of conduct? Here, obviously, as the panel has found, the licence did follow the decision of the Board, and more remotely the licence would have continued for three months and did continue for the remainder of the year because a decision wasn't taken to terminate it, and so in effect CA opened the way for a situation that did ultimately lead to a loss of at least £1.5m and of course there were the Walklate investigations that followed, adverse public and press reaction to the revelations about the lack of governance at the Palace, consequent disrepute for both the office of Chair and the Council as a whole, so those consequences were undoubtedly serious.

929. TM Does the subject Member accept they were at fault? I would say that, throughout this hearing, Cllr Adje has protested that he was not personally at fault and if anything was the victim of circumstances and other people's actions rather than any personal blame, so I think that has to take in account that he has not until this moment accepted the possibility that he personally had some personal fault or contribution to what went wrong. Did the subject member apologise? No. Has the subject Member been warned for previous similar misconduct? No, nothing similar. Has the subject Member breached the Members' code of conduct before? Yes, there has been a finding of breach by an ethical standards officer, and I do have copies of the finding. I have to apologise for the fact that this is taken from the internet and that the font is extremely small, if members have difficulty reading it, it might perhaps help if I read it out.
930. TM Chair, if you're content that I read it, perhaps it would assist. So this was a case that involved a complaint received on the 10th March 2008 and the date the investigation was completed and the ethical standards officer of the standards board reported was the 24th September 2008. The allegation was that the member, Cllr Adje, disclosed confidential information and the outcome was that the ethical standards officer found that no action needs to be taken. The summary of the complaint reads the complainant alleged that Cllr Charles Adje of the London Borough of Haringey as the Cabinet Member for Resources, disclosed confidential information to a solicitor. The information was part of a draft report to the Cabinet Advisory Board, which outlined options for the future of the Wellbourne Community Centre and the site on which it stands, both owned by the Council.
931. TM I might have to explain at this stage that Cllr Adje was at this stage the Cabinet member for Resources in charge of property matters, which would include having portfolio responsibilities for a decision on the future of property, but this was a decision going first to the Cabinet Advisory Board and then formally to the Cabinet for decision. What he was alleged to have passed to a solicitor was a draft report about the Wellbourne Community Centre and possible future options. Just returning to the case summary, it was alleged that Cllr Adje may have unfairly advantaged the occupants of the site, given that parts of the report refer to confidential financial information about the rival bids and the site's value. Cllr Adje disclosed information from the report to a local solicitor, from who he sought advice about the status of the site occupant's tenancy with

the Council, he did not seek any specific agreement from the solicitor to keep the report's contents confidential. The ethical standards officer considered that it was reasonable for Cllr Adje to disclose the information in order to obtain confidential legal advice, and therefore did not consider that Cllr Adje was trying improperly to advantage the site occupant, however the ethical standards officer did consider that Cllr Adje breached the code of conduct on confidential information without getting his solicitor to agree formally that it would remain confidential and not be further disclosed.

932. TM The ethical standards officer found that although Cllr Adje had breached the code of conduct, no further action was necessary. The ethical standards officer copied a final report on this investigation to the London Borough of Haringey Standards Committee in order to help the committee in its role of promoting and maintaining high standards among Members. There's then a comment suggesting the committee reviews guidance available to Members, aimed at helping understand their responsibilities in relation to confidential information and suggests that guidance should state that Members ought to confirm with an advisor that there's no conflict of interest between the Council and any of the advisor's clients, and if there were such a conflict, the Member should consider using another advisor or solicitor. So that's the factual summary of the only case where there was a formal finding against Cllr Adje of a breach of the Members' code of conduct.
933. TM The guidance from the Standards Committee continues to suggest that there are various mitigating factors or aggravating factors. The mitigating factors will be an honest, if mistaken, belief that conduct did not breach the Members' code of conduct, the Member's previous record of good service, evidence of ill-health, recognition of breach and cooperation in rectifying problems and apologies, compliance with the members code of conduct since the events, and beneficial results for the public. I think it could be said, perhaps, that the Member did have a, it's much for the panel to judge whether it was an honest, belief that the conduct didn't breach the code of conduct. I think it also has to be recognised that the Member did cooperate with the Walklate investigation into this breach and the previous Walklate investigations into Alexandra Palace, but I wouldn't wish to say anything further about mitigating factors.
934. TM In terms of aggravating factors as set out by the Standards Board, the first is dishonesty, the second is continuing denial of the facts, I think in the light of the panel's finding, clearly an issue is raised as to whether there was due recognition by the Member that his account lacked credibility. Did he persist in putting forward an essentially inaccurate and wrong, subjectively wrong, account in the face of evidence from Keith Holder and in the face of the logic and the probability of the documentary evidence? My submission would be that he did continue to deny relevant facts long after it was fairly obvious that his story lacked credibility. The third factor, did he unfairly blame others? Clearly there's an element of dispute over the question of compromising Keith Holder's professional integrity; you've not found that as a breach, but there's also clearly an element of unfair blame on Keith Holder for supposedly executing a voluntary u-turn. Clearly the panel has found that that was not the case and to that extent it appears that Keith Holder was being unfairly blamed

for events that were in fact the responsibility of Cllr Adje himself. Finally, did he fail to heed appropriate advice or warnings? Here, obviously there was professional advice warning against risks and this was overridden or at least not followed. Keith Holder did warn of the reputational risk if unwarranted benefit was seen to be conferred upon Firoka, he did warn of the risks inherent in going down the path of transfer to Firoka, and it appears that this was deliberately not passed on the other trustees. So to that extent, there was a serious aggravating factor here for the panel's consideration. Final factor raised by the Standards Board is, was this a persistent pattern of behaviour? This appears to have been a single episode and there's nothing else in the record that suggests that Cllr Adje has engaged in this form of conduct before.

935. TM By way of conclusion, Chair, I would say that given your findings of fact, it's clear that on those facts clearly something very serious did take place, albeit that the Member may not have subjectively appreciated what the consequences would be at the time, and that it is necessary to mark the seriousness by an appropriate sanction, and I would suggest that in this case the maximum sanction available to you is 6 months, that would be appropriate, given the... that's 6 months suspension, full suspension from all council duties, and that would be appropriate to mark the degree of departure from accepted practice and the very seriousness of the consequences that followed from it and the member's manner of conducting himself at this hearing. Thank you.
936. AL Thank you. Cllr Adje, is there anything further you want to add?
937. CA Well I think if I do, I'm damned. I'm more or less at the panel's mercy, so I think that whatever decision the panel obviously takes, I will hopefully seek advice and, you know, obviously accept, but I don't blame anyone other than myself, it's actually a matter of trust. If I understand what Mr Mitchison has said, I think it's a sad day for democracy and for trust, and it just shows that I have to be extremely careful in terms of my dealings with officers and the advice that they give me. The failure on my part to ask Keith why the sudden u-turn has cost me, or is going to be costing me, dearly, as it were. So I don't think I have anything to say.
938. AL Ok, thank you, Councillor. The Panel will now move into deliberations as to the sanction to be imposed. Thank you. So I need to exclude the public and press, now, and the parties.
939. [adjourned for deliberations]
940. AL The panel, having considered the submissions of both parties and the guidance provided on standards committee determinations, has made a majority decision that the sanction for the breach of the code of conduct, is that Cllr Adje will be suspended from all of his duties for a period of 4 months, effective from Thursday 7th April. Following this period of suspension, Cllr Adje must within 6 months of his return to work undertake a period of training under the supervision of the Monitoring Officer or his representative, such training to include the members code of conduct and the responsibilities of chairs and vice-chairs in council decision-making, This decision is going to be published,

Cllr Adje. Cllr Adje, in respect of paragraph 3.2.d there was no finding of a breach here, you do have the right therefore that that's not mentioned in any publicity or in the published decision, it's really your decision whether you want the fact that there was no finding to be mentioned, or for it not to be mentioned at all.

941. CA Do I make that now?

942. AL Does that have to be made right now?

943. CH Yes, we would require it really. We would need to have one by tomorrow morning, really, is that okay?

944. CA Fine.

945. AL Cllr Adje, you do have a right to request an appeal against this decision, and information will be provided to you in a written letter.

946. CA OK.

947. TM Chair, sorry, there's one point on which perhaps I should have addressed you, but perhaps via the Monitoring Officer. In considering your sanction, did you have any regard to whether you were going to suspend any Members Allowances during the period of suspension?

948. [whispered deliberations]

949. CH If it is a full suspension then yes, it is a suspension of allowances.

950. AL Yes, I mean, it's a full suspension, we'd assumed that would include full suspension of allowances.

951. TM Thank you.

952. AL Thank you.

953. CA Thank you very much.

954. AL That concludes the hearing.

[hearing concluded]

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