



DUNCAN BAKER MP

Member of Parliament for North Norfolk

Tudor House, Grammar School Road, North Walsham, NR28 9JH
Telephone 01692 557140 Email duncan@duncanbaker.org.uk



Wednesday 6th April 2022

Cllr T Adams
Leader, North Norfolk District Council
Council Offices
Holt Road
Cromer
NR27 9EN

Dear Cllr Adams

Audit Report: £30,000 Capability Review contract

I was alarmed to read last week's coverage in the local press and on the BBC about the Ernst & Young auditors' report on the £1000-a-day Capability Review contract awarded by North Norfolk District Council in 2019.

You may recall that it was in July that year when I started to ask questions about the procurement process, because I did not believe the contract had been awarded properly. Despite fervent denials by the Liberal Democrats that anything was wrong, we now see confirmation from the auditors that the council's Financial Regulations were, as I asserted at the time, substantially breached.

I am even more alarmed that a 'supplementary page' to the report exists which the public has not been allowed to see. What is contained within that page which is deemed so sensitive it cannot be shared with those who – through their taxes – pay both the council's bills and councillors' allowances?

Last week, NNDC's Governance, Risk and Audit Committee chose, to discuss the matter behind closed doors, following advice from an officer that councillors could find themselves in a "difficult position" were they to do otherwise. Difficult for whom?

The reason given for discussing the findings of the Ernst & Young report secretly was that there was a risk of 'exempt information' being disclosed. You will know the relevant sections of the Local Government Act require explanation – in public – as to what type of exempt information might be at risk of being shared. This is so the public can be confident that the reasons for discussing such important matters in secret are valid and justified. Can you explain to me why this part of the meeting was kept secret?

Why has your administration acted with such a lack of openness and transparency regarding this whole episode? Perhaps had you taken my initial concerns more seriously, you would not have found yourselves in the situation you now do.

Given the findings of the audit report, I have the following questions for you:

- Are the officers referred to in the audit report as having signed the 'backdated' exemption certificate still working for the Council? In the light of this audit report, may I ask why?
- Councillors are elected and accountable to their electorate. Will you please name the two councillors deemed by the auditors to have acted "inappropriately" so that they can be held properly to account by electors? And if not, why not?

- I am sure you, as Leader of the Council, can see the actions that have come to light have greatly tarnished the Liberal Democrat administration. Will you be asking for any of your councillors to resign?
- The reference in the audit report to a 'whistle blower' suggests that at least one person within the council had sufficient integrity to know things were badly wrong, and to take the matter to the police. Why, then, has it taken three years and an external audit report for your administration to recognise the seriousness of the situation?
- Do you plan to offer an apology to North Norfolk taxpayers? And will you be outlining the steps you have taken both to discipline those responsible, and to put in place the safeguards to ensure this can never happen again?

This contract may 'only' have been worth £30,000. But in a council with such demonstrably weak financial controls, it could so easily be £300,000 or £3 million of council taxpayers' money. The flawed and improperly procured Capability Review led to the redundancy of a diligent and dedicated public servant who had, for many years, run the council very well as a Joint Paid Head of Service. Does the audit report potentially place the council at risk of him taking further action?

It has also led to a needless restructuring of the council which has already cost taxpayers over £800,000 without, as we have seen, delivering any benefit whatsoever.

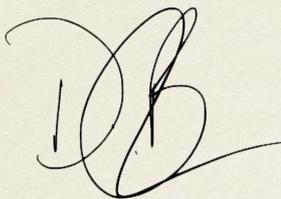
Despite the many denials made by councillors over the past three years, both in press reports and in their attacks upon those critical of this procurement, the Ernst & Young report has laid the matter bare for all to see. Our council – and our money – are simply not safe in the hands of the current Liberal Democrat administration.

I look forward to your early reply. Once I have received it, I will be giving consideration to asking the government to tighten up the law on council procurement, by raising this matter on the floor of the House.

Such an absolute travesty can never be allowed to happen again, either at NNDC or any other council.

I copy in the Secretary of State for the Department of Levelling Up, Housing and Communities who I feel must be aware and informed of the audit findings at North Norfolk District Council.

Yours sincerely

A handwritten signature in black ink, appearing to be 'DB', written in a cursive style.

Duncan Baker

Member of Parliament for North Norfolk

cc The Rt Hon Michael Gove MP (Secretary of State for Levelling Up, Housing and Communities)