



Phase 1 Report – Allegations regarding
housing allocations as part of the Earls
Court Regeneration Scheme
Hammersmith & Fulham Council

February 2013

This document has been prepared on the basis of the limitations set out on pages 3 and 30.
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1. Introduction

- 1.1 This report summarises the work that has been conducted by Deloitte & Touche Public Sector Internal Audit Limited ("PSIA", "Us" or "We"), in respect of allegations surrounding housing allocations as part of the Earls Court Regeneration Scheme, as passed to us by Hammersmith & Fulham Council ("the Council", "the Client" or "You").
- 1.2 The Council received a report, dated 10 September 2012, stating *'this report supplies information about Hammersmith & Fulham Council's actions regarding the Early Movers List. It substantiates allegations that Public Officers promised new council homes in Capco's Seagrave Road development to certain residents in exchange for them supporting demolition. It supplies evidence that may contribute to a Police investigation into Misconduct in Public Office, which could lead to criminal charges, and which, furthermore, may result in civil litigation to rectify breaches of statute'*.
- 1.3 The report sets out the following under the sub heading 'The allegation': 'On 31 January 2012, [REDACTED] On the same day this person sent the following email to a Council Officer:
- "There is so much that is wrong with the relationship between the Council and CapCo that I hardly know where to begin.*
- Remember the list of about 120 VIP estate residents who have been promised priority in the move to Seagrave Road (if it ever happens) irrespective of if their homes are required for development, which [B1] of CapCo agreed to garner resident support, and which you also agreed "as [B1 of CapCo] agreed it"?*
- I was on the list, having been offered a Block D penthouse on Seagrave Road. Thanks but no thanks"*.
- 1.4 The allegations make reference to CapCo and Seagrave Road. CapCo are the developers, Capital & Counties, with whom the Council signed a collaboration agreement in September 2009 and an exclusivity agreement in July 2011. The relevance of the Seagrave Road site is that, following the publication of the initial master plan for the regeneration scheme in March 2011, CapCo submitted a planning application for a site at Seagrave Road. The master plan was then amended to include this site. The Council have suggested that its inclusion would aid the ability to deliver its commitment of 'one move' for residents, as the first group of residents could be moved to Seagrave Road, allowing their part of the existing estates to be redeveloped. The overall regeneration would therefore be undertaken on a phased basis.
- 1.5 We were engaged by the Council to ascertain whether any evidence was available which supports (or not) the allegation received. The exact scope of our engagement is summarised in section 3 of the report, with a copy of the agreed Remit attached as Appendix B.
- 1.6 Our high level findings are set out in section 4, followed by additional detail in section 5. A summary level timeline of events is attached as Appendix A.

2. Limitations

- 2.1 This report sets out the matters, which came to our attention from examination of the documents we have gathered and which were made available to us to date together with the information provided to us by Hammersmith & Fulham Council and other non-Council interviewees. Save where we have been able to corroborate information, we have had to assume that documents or information made available to us are reliable and complete. Our work is dependent on the co-operation and honesty of the people to whom we spoke and the completeness and integrity of the material provided to us. We have not independently audited, or otherwise tested or verified, any of the information with which we have been presented.
- 2.2 The sole purpose of this report is to assist Hammersmith & Fulham Council in deciding what further action it may wish to take in this matter. It was prepared for the Purpose expressed in our letter of engagement dated 11 October 2012. Save as required by law, this report should not be disclosed to any third party without prior written permission. In the event that we give our permission we cannot accept liability for the contents of this report to the recipient concerned. The exclusion of liability also covers any third party recipients of information that quotes, refers to, or publishes, our report under the Freedom of Information Act 2000. We would ask that Hammersmith & Fulham Council consults with us promptly should it receive any request for information under the Act which it considers requires disclosure of the contents of this report, whether in whole or part.
- 2.3 Our findings might change in the light of further work being performed or further information becoming available.

3. Scope of Work

- 3.1. It was agreed that the overall work to be completed may comprise a number of phases, the extent of these being dependent upon the findings that arose and the possibility that additional information may have come to light during or following the completion of our phase 1 work.
- 3.2. We have completed the agreed 'Phase 1', and this report covers our findings in relation to the steps agreed within our remit.
- 3.3. Phase 1 was focused on the examination of documents provided by, and interviews with, selected members of current Council staff and one councillor. We also approached, with a view to interviewing, former staff members / contractors who are no longer 'employed' by the Council, subject to their co-operation; individuals who are or have been engaged as members of the West Kensington and Gibbs Green Residents Steering Group ("the Steering Group"); together with the individuals named as being the co-authors of the report provided to the Council, dated 10 September 2012, setting out the allegations. The Council were responsible for contacting all external individuals directly to ascertain whether or not they were willing to talk to us.

3.4. We carried out interviews with the following individuals, the majority of which were digitally recorded, seeking to obtain information relating to the allegations in question:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

3.5. In a number of cases the interviews had to be re-arranged at the request of the interviewees.

3.6. Further context regarding the selection of each of these individuals is set out in our agreed Remit, as attached at Appendix B. [REDACTED] and [REDACTED] were not originally identified, but were added as a result of information provided to us during the course of the interviews regarding officer involvement in the regeneration project.

3.7. Various documentation was provided to us during the course of our work, including the following:

- Report titled 'Early Movers List: Homes for votes? 10 September 2012'.

- Report compiled by [REDACTED] and [REDACTED] in response to the allegations, dated 12 November 2012, plus various attachments, including:
 - Copies / extracts of local news articles and Tenant Resident Association (TRA) newsletters;
 - Copy of a letter from [REDACTED] to the Chair and Secretary of the TRAs, dated 31 March 2010;
 - Copies of a selection of the newsletters from Hammersmith & Fulham Homes / the Council;
 - Copies of the information packs sent out regarding the Consultation exercise;
 - Copy of the presentation slides from the phasing meeting that took place on 12 January 2012; and
 - Copies of letters, appearing to be from residents, commenting on contact they had received from [REDACTED]
- Stakeholder Engagement Report, dated March 2009, written by M&N Communications.
- Presentation slides titled 'Earls Court Regeneration' for the Cabinet meeting held on 3 September 2012, plus the agenda, papers and minutes of the 3 September 2012 Cabinet meeting.
- Written statement made by [REDACTED] following the 3 September 2012 Cabinet meeting.
- Agenda and minutes of the Cabinet briefing held on 28 March 2012.
- Copies of various correspondence between [REDACTED] and [REDACTED].
- Copies of blog postings by [REDACTED] – 'The [REDACTED] Report'.
- Copies of blog postings by [REDACTED].
- Documents obtained by [REDACTED] from the Council following an FOI request on 9 August 2011, including:
 - Minutes of Steering Group meetings and meetings with residents prior to the Steering Group being fully formed;
 - Presentation slides from Steering Group meetings;
 - Invoices from Holiday Inn Express for drop in session costs; and
 - Letter from [REDACTED] to the TRAs, dated 31 March 2010.
- Document said to be the Steering Group mailing list, dated December 2011.
- Newsletters from Hammersmith & Fulham Homes and/or the Council between Spring 2009 and September 2012.
- Copies of the Draft Contracts for Tenants and Leaseholders.
- [REDACTED] handwritten notes setting out the names of approximately 40 individuals said to be residents on the West Kensington and Gibbs Green estates.

- Examples of Tenant/Leaseholder Enquiry Record Sheets used to record information when [REDACTED] spoke with residents.
 - Maps of the estates used to explain indicative phasing plans.
- 3.8. Where documentation has been provided, we have examined this to determine its relevance in relation to the allegations and also to further our understanding of the regeneration project and various contextual elements surrounding this. In addition, we have used it to confirm elements of the verbal accounts provided to us by interviewees, and for the purposes of analysing elements of available data where we have considered this to be relevant to our remit.
- 3.9. Given that our remit was to identify, through the completion of the agreed interviews and examination of any documentation provided to us, whether any evidence was available to substantiate the allegations raised, we have not sought to go beyond this and examine email accounts or electronic records for any of the individuals listed at 3.4 above, or for any other unnamed individuals. However, the Council has assured us that such records are secured and can be accessed.
- 3.10. The only exception with regard to the consideration of evidence held in electronic records is the Access database held within Housing and Regeneration, which we were told by [REDACTED] is used to record information relating to residents the Council have engaged with in relation to the regeneration project. Further details regarding this are given in sections 4 and 5.
- 3.11. Other than [REDACTED], we have not sought to contact any other residents from either the West Kensington or Gibbs Green Estates. The co-authors of the report provided to the Council on 10 September 2012 declined to provide us with the identities or contact details of any of the residents said to have been interviewed for the purposes of that report, as they stated that the individuals had agreed to be interviewed on the basis of their identities being protected.

4. Executive Summary

- 4.1. Our overall conclusion is that, based on the work undertaken, we have not identified any evidence to support the allegation of the existence of an Early Movers List ("EML"), VIP list, or priority listing by any other name. However, we acknowledge that, based on the interviews conducted, there may have been a perception that one existed and that more could have been done to dispel this.
- 4.2. We have confirmed the existence of the following:
- a) Handwritten notes, [REDACTED], setting out the names of approximately 40 individuals said to be residents on the West Kensington and Gibbs Green estates; and
 - b) An Access database held by the Council which records a tick in a field marked 'Seagrave Road' against 38 individuals said to be residents of the West Kensington and Gibbs Green estates.
- 4.3. The above two sets of records have been described to us as follows:
- a) [REDACTED] has informed us that [REDACTED] handwritten notes were not compiled on the basis of any promises regarding housing. [REDACTED] informed us that they resulted from discussions [REDACTED] had with fellow residents and that [REDACTED] passed the notes to the Council to demonstrate that there would be residents who were happy to move there. The notes have been referred to by others as [REDACTED]. Elements of the notes are unclear, but do indicate that the individuals are either interested in moving to Seagrave Road or in joining the Steering Group; and
 - b) Officers / former officers of the Council have informed us that the purpose of the Access database is to maintain a record of residents they have spoken with, including any comments and queries raised, together with as much information as possible regarding their current position and likely future housing needs. Within this, a field has been included for recording any interest shown in Seagrave Road, either on the basis of [REDACTED] notes or direct conversations with residents. Officers / former officers deny that any promises have been made, only that interest has been recorded.
- 4.4. We refer below to the following evidence obtained from our work which we consider to be broadly consistent with these descriptions:
- a) [REDACTED] stated in his interview that the wording in his email of 31 January 2012, the email on which the allegations are centred, as set out at 1.3 above, was aimed at making his anger regarding the regeneration proposals clear, and that, in hindsight, it was overstated. [REDACTED] confirmed that a representative of CapCo had talked to [REDACTED] about the penthouses they were planning and had suggested to [REDACTED] that he should have one, following which [REDACTED] indicated [REDACTED] may like one. However, [REDACTED] stated that it was informal and that, in [REDACTED] view, it was not inappropriate for CapCo to be asking him [REDACTED] view on the types of property they needed to build for leaseholders such as [REDACTED]. [REDACTED] said that he hadn't seen it as a promise of a property.
 - b) [REDACTED] stated in his interview that he has never seen the alleged EML / VIP list.

- c) The number stated in [redacted] allegation of 120 residents does not accord with either [redacted] handwritten notes or the Council's Access database.
 - d) [redacted] has not provided us with any documentary evidence of an EML / VIP list.
 - e) In addition to [redacted] allegations, the allegations set out in [redacted] report are said to be based on the accounts of 22 residents, interviewed by [redacted] assistant, who claim that they were made promises of a move to Seagrave Road. However, [redacted] has declined to provide us with details of the identities of these residents and hence we are not in a position to be able to validate their accounts against those of our interviewees and our own analysis.
 - f) We undertook a comparison of the 38 residents on the Council's Access database to the responses in the Consultation exercise. Only 25 were found to have 'Supported' the proposals.
 - g) We have not been provided with any evidence to support the allegation by [redacted] that the Residents Steering Group was set up and controlled by the Council to help gain approval for their proposals. It is confirmed that they received financial assistance to pay for independent legal advice, but there is evidence that the Council initially sought to engage with the Tenant Resident Associations (TRAs) and offered the same funding to them prior to the Steering Group's formation. We were informed by the Council that that offer was not responded to.
 - h) We undertook a comparison of the Steering Group mailing list to the Consultation responses. Only 37 of the 83 on the mailing list were found to have 'Supported' the proposals. This appears to accord with [redacted] account that membership of the Steering Group is open to all, not just supporters of the scheme, although it is noted that [redacted] challenged the accuracy of the mailing list in his interview.
 - i) [redacted] has not provided us with any documentary evidence of an EML / VIP list. From [redacted] interview and reference to the email sent to [redacted] on 22 June 2012, we understand that [redacted] complaint has escalated due to his belief that [redacted] request for a response from the Council, regarding the allegation set out in [redacted] email of 31 January 2012, has not been adequately dealt with. Our findings do not lead us to question the response provided by [redacted], although we have not sought to assess the extent to which [redacted] complaint was dealt with in accordance with the Council's complaints procedure and the steps taken by [redacted] to determine their response.
 - j) We have been informed by [redacted] that, as far as he is aware, other than the complaint raised by [redacted], and comments raised by opposition councillors at the Cabinet meeting of 3 September 2012, there have been no other formal complaints received regarding any housing promises or priority listing from any of the residents of the West Kensington and Gibbs Green estates, or from any of the Councillors for the North End ward, the ward in which the two estates sit. The Council's Regeneration Team confirmed that they are not aware of any other complaints.
- 4.5. In addition to the above points, it is noted that the last general and local elections took place in May 2010 followed by the London Mayoral election in May 2012. A number of interviewees have suggested that the presence of

Councillors and other political representatives on the estates could have impacted on the messages given to residents and it is possible that promises regarding re-housing could have been made by any of these individuals. We have not been provided with any evidence to either support or discount this, but if it did happen then it could have led residents to believe that they had been made a promise by the Council.

- 4.6. The discussions that took place at a meeting with the Steering Group on 12 January 2012, the purpose of which was to discuss how the phasing may work, appear to have made a significant contribution to the allegations raised by [REDACTED] regarding the existence of an EML. The presentation slides refer to the *'need for an open and transparent Local Lettings Policy'*. However, the slides also make reference to *'accommodate those who have expressed an interest in Seagrave Road'*. [REDACTED] deny that any commitment was made to an EML and state that it was made clear that any surplus properties would need to be allocated on the basis of a Local Lettings Policy. There are no minutes of the meeting and therefore we are unable to comment on the likely impact of any statements or representations made at the meeting and the extent to which they were consistent (or not) with the slides presented.
- 4.7. Through our interviews, we have been made aware of wider concerns / allegations regarding the regeneration scheme. We have not explored any of these, as this was not part of our remit, but they are noted in section 5.

5. Detailed Findings

- 5.1. We have expanded upon our summary findings below. These are directly referenced to the points set out in the Executive Summary, with the exception of the initial sub-section on 'Stakeholder Engagement'. Whilst this does not directly link to our overall conclusion regarding the allegations raised, we do believe that it is of relevance from the perspective of understanding the background to the proposals and providing an insight into the activities undertaken by the Council to seek to engage residents, to inform them of the proposals and encourage them to provide feedback on these.
- 5.2. We have included a sub-section on 'Perception'. This is a point that has been put forward by [REDACTED] and is one which we have considered from an overarching perspective in relation to the various accounts of interviewees. We acknowledge the potential importance of perception and the way in which this could have impacted on responses to the Consultation exercise. However, perception is difficult to establish retrospectively and very subjective.
- 5.3. A further contextual point of note is covered under the sub-section on 'Wider Concerns / Allegations', highlighting additional points raised with us regarding the regeneration project during the course of our work, which were outside of our agreed Remit.
- 5.4. To conclude our detailed findings, we have included a sub-section on 'Observations', in which we set out two areas where the Council's processes could have been stronger. The first has been put forward by [REDACTED], the second is our own observation.

Stakeholder Engagement

- 5.5. As a background to the origins of the Earls Court Regeneration Project, [REDACTED] made us aware of a stakeholder engagement exercise undertaken by external consultants, M&N Communications, in November 2008.
- 5.6. We have been provided with a copy of the report for this exercise. The three principal objectives of the exercise are recorded as having been:
- *'To carry out a major 'listening exercise' to understand if/how residents felt they could benefit from major investment from the Earls Court and TfL depot redevelopment;*
 - *To encourage as widespread involvement of residents from the estates as possible in the programme, and give everyone the opportunity to take part and respond; and*
 - *Provide a clear summary of issues and feedback to LBHF to help them plan for the future to ensure that residents benefit from the investment opportunities around them'.*
- 5.7. The report states that everyone living on the estates was given the opportunity to get involved in the exercise, *'either verbally as part of group discussions, or by themselves in a written format through the questionnaire'.*
- 5.8. We make no comment on the significance or implications of the findings from this exercise against the detailed scheme proposals now planned to be taken forward. In addition, we have in no way sought to validate the findings.

However, we do note that they suggest both positive views regarding the estates and views that improvements could be made to them, on the basis of the feedback provided. The report indicates the 'key findings' as being the following (emboldened text is as per the original report):

- *'Whilst West Kensington residents were mixed about feeling pride in their estate, Gibbs Green residents were almost unanimous in this. However, across both estates, there was **general agreement that 'sense of community' could be better.***
- *There was **an obvious commitment demonstrated by residents to the estates and the area.** Whilst residents did not, on the whole, wish to buy their current rented property, around half said they would wish to buy a property in the area if possible. Over half also said they would not want to leave the estates.*
- *The majority of residents felt it was **important to have mixed communities to prevent 'ghettos' being created** – aside from issues with transient communities or overcrowding (private renting), residents felt the current mix is good.*
- *Safety in open spaces / play areas is good but on the whole, **the use of open spaces across both estates is largely very poor.** The main reasons voiced for this were lack of defined uses, dog usage and early closing / locking of sports areas.*
- *On the whole, a **significant majority of residents felt either 'quite safe' or 'very safe'.** There are some issues with drug dealing on some stairwells / open spaces but no specific 'hot spots' were noted.*
- *An overwhelming number of residents felt that **both of the estates were very easy to navigate** and found getting around within the estates easy.*
- *Residents felt **access to public transport connections was one of the most attractive reasons for living in the estates.** All forms of transport were considered easy to access meaning better access to more jobs further afield.*
- *Community halls are underused however generally, the **lack of community facilities on the estates was not considered to be a major problem** due to access / excellent links to "everything we could need" in the wider area.*
- *About a quarter of the respondents were unemployed, not due to health or age. The **majority expressed the need for more employment opportunities for local people in the immediate area.***
- *There was a **mixed response to how much obvious benefit there had been from Earls Court** with only around a third seeing obvious benefits for the community.*
- *Predominantly **residents were uncertain about whether redevelopment of Earls Court would be good or bad** until more detailed plans are seen. Many expressed a desire not to lose any social housing or demolish relatively new, quality buildings (e.g. on Gibbs Green).*

- 5.9. Following the above report, a series of newsletters were published by the Council and Hammersmith & Fulham Homes to communicate the findings of the exercise and the plans at that time for the estates. Further newsletters have been published in relation to the regeneration project since the first one in Spring 2009. Copies of these are available through the Council's website and we have identified and reviewed 23 such newsletters in the period through to September 2012.
- 5.10. Our general observations are that the newsletters did make clear the Council's stated desire for residents to give their views on the proposed developments and the options for asking questions and seeking additional information. From Autumn 2009 onwards, the newsletters included details of the Council's stated commitments to both tenants and leaseholders/freeholders. In addition, they explained that housing allocations would be on the basis of a formal policy.
- 5.11. Other ways in which the Council sought to engage and communicate with residents included surgeries and drop in sessions. These took place on a number of occasions from November 2009 through to February 2012, as shown in the timeline at Appendix A.
- 5.12. We were informed by several interviewees [REDACTED] that a number of the surgeries and drop in sessions were disrupted by [REDACTED] and members of the TRAs, including one which was held at a local hotel in February 2012 and had to be closed on the instruction of hotel staff. [REDACTED] confirmed that [REDACTED] and a group of residents did plan to "impose" themselves on the February 2012 session, including taking a nine year old girl to read a letter asking that the Council do not demolish her home. However, [REDACTED] claimed that the session was different to those held previously. [REDACTED] said that all previous sessions had been open to anyone wishing to attend, whereas this session was closed from the point at which they arrived. We are unable to confirm the exact circumstances surrounding either the February 2012 session or earlier sessions, although the accounts given by officers regarding disruption are consistent with each other.
- 5.13. [REDACTED] has alleged that residents were seen through the closed doors being signed up to the EML at the February 2012 session. Whilst it cannot be confirmed, a possible explanation for this is that [REDACTED] informed us that [REDACTED] and [REDACTED] used a feedback form to record comments and queries raised by residents at this session. [REDACTED] also explained that they would often draw maps of the estates to help demonstrate, during discussions with residents, how the phasing may work. Examples of such forms and drawings have been observed. [REDACTED] also informed us that some residents chose to complete the Consultation form during the February 2012 drop in session, as that was held during the consultation period.
- 5.14. Resident engagement has also taken place through the Steering Group, following what we understand to have been initial unsuccessful attempts to engage with the TRAs. Further details regarding the Steering Group are set out at 5.46 to 5.49 below.

██████ List (Executive Summary – 4.2(a) and 4.3(a))

- 5.15. We have been provided with a copy of handwritten notes confirmed as having been taken by ██████ and to which the reference ██████ is believed to be associated. The notes record the names and addresses of individuals said to be residents on the estates who have informed ██████ of their interest in moving to Seagrave Road. The first page of the notes are headed as follows: "Tenants who wish to move to Seagrave Rd site if development goes ahead". The notes also record names which are indicated as being leaseholders and freeholders, together with those interested in joining the Steering Group. Elements of the notes are difficult to read, but there appear to be approximately 40 residents listed in total.
- 5.16. ██████ have confirmed that the notes were passed from ██████ in June 2011. They have also confirmed that both ██████ explained to ██████ at the time that ██████ could not make any promises to residents of any form of priority move to Seagrave Road. ██████ informed us that ██████ explained this to ██████ when ██████ was passed the notes, but asked ██████ to reinforce this with ██████, which both ██████ and ██████ confirmed took place.
- 5.17. ██████ informed us that ██████ notes were not compiled on the basis of any form of promises regarding housing. She informed us that they resulted from discussions she had with fellow residents following the first mention of the possible use of the Seagrave Road site. ██████ said that ██████ would be interested in moving there and others indicated to her that they would like to do the same. ██████ explained to us that she passed the notes to ██████ to demonstrate that there would be residents who were happy to move there.

Council's Access Database (Executive Summary – 4.2(b) and 4.3(b))

- 5.18. In addition to ██████ handwritten notes, we have been shown an Access database held within Housing & Regeneration. We have been informed that ██████ and an Administrative Assistant had access to the database (whilst employed by the Council) and that the purpose of it was to maintain a record of residents they had spoken with, including any comments made by the residents and/or any requests for further information. We were informed by ██████, that, given the scale of the proposed regeneration project and the level of engagement with residents, maintaining such a record is crucial in helping to better understand the needs and views of residents as part of the ongoing development of plans, and in ensuring that ongoing communications are appropriately targeted and informative.
- 5.19. As well as recording free-form comments, the database has a number of "tick box" fields within it. One of these is marked "Seagrave Road". We were informed by ██████ that this was updated largely on the basis of ██████ handwritten notes, although there may have been other occasions when residents indicated directly to ██████ that they were interested in Seagrave Road.
- 5.20. With the assistance of ██████, and with our direct observation, we obtained a report of all residents on the database with a tick in the "Seagrave Road" field. A total of 39 residents were listed on the report, although one of these was noted as being recorded twice, leaving a total of 38. We reconciled this to ██████ handwritten notes. Of the 38 listed on the database report, 29 were

identified on the handwritten notes (although elements of the handwritten notes are not clear). As per 5.19 above, this suggest that additional residents indicated an interest in moving to Seagrave Road directly to [REDACTED].

[REDACTED] List and the Council's Access Database (*Executive Summary – 4.2, 4.3 and 4.4(c)*)

- 5.21. We have not identified or been provided with any evidence to suggest that either [REDACTED] handwritten notes or the Council's Access database represent a list of residents who have been made any form of promise regarding a priority move to Seagrave Road. The content of [REDACTED] handwritten notes and the database record appear to accord with the response given by [REDACTED] on 4 April 2012: *'As part of the lengthy consultation process some residents have registered an interest in moving to Seagrave Road. While we have noted that interest, and will continue to note any further interest, no promises have been made'*.
- 5.22. It is noted that the number of residents recorded in [REDACTED] notes and on the Council's database appears to differ significantly to the alleged *'list of about 120 VIP estate residents who have been promised priority in the move to Seagrave Road'*, as set out in the email from [REDACTED] on 31 January 2012. We have not been provided with any evidence of the existence of a list of residents of this magnitude.
- 5.23. [REDACTED] have raised the possibility of confusion with a document which serves as the mailing list for the Steering Group. We have been provided with a copy of this, titled *'Earls Court Steering Group Mailing List for Mailmerge'*. The list records the names and addresses of a total of 83 residents, although both [REDACTED] have informed us that [REDACTED] has further residents to add to this.
- 5.24. In his interview, [REDACTED] challenged the accuracy of the mailing list, informing us that approximately half of those listed were members of the TRA who are against the scheme. He suggested that their names had been used to give the impression that the membership of the Steering Group is bigger than it actually is, and links this to his allegation that the Council set up and have controlled the Steering Group to help garner support for their proposals. We have not sought to contact any of the residents included on the mailing list and hence cannot confirm whether it is accurate or not. However, on the basis of 5.46 to 5.49 below, we have seen no evidence to support this allegation regarding the control of the Steering Group.

[REDACTED] Allegations (*Executive Summary – 4.4(a), 4.4(b) and 4.6*)

- 5.25. With regard to the initial allegation raised by [REDACTED] in [REDACTED] email to [REDACTED] on 31 January 2012, as detailed at 1.3 above, [REDACTED] has informed us that his wording in that email was aimed at making his anger clear and that, in hindsight, it was overstated. He confirmed that [REDACTED] had discussed a penthouse with CapCo, but that it was, in his view, informal and he didn't believe it to be inappropriate for CapCo to be seeking his view on the types of property they needed to build for leaseholders, of which [REDACTED] is one. He said that he hadn't seen it as a promise of a property.

- 5.26. In an interview held on 15 May 2012, as documented within [REDACTED] report, dated 10 September 2012, [REDACTED] is recorded as saying that *'I have never seen the list and I do not know who is on it, although I know I was on it'*. He says that he knows he was on it because [REDACTED] told [REDACTED] as much when they were "joking" about it, but that [REDACTED] did not take it seriously until a meeting held on 12 January 2012.
- 5.27. [REDACTED] informed us that [REDACTED] resignation from the Steering Group came following meetings on 11 and 12 January 2012. He explained that he found out on 11 January 2012 that, if it went ahead, the project could have a 20 year build period rather than the five year period he had previously understood it to be. Then, on 12 January 2012, at a meeting held with the Steering Group to discuss how phasing may work, [REDACTED] alleges that [REDACTED] *'said that they were starting small because of the "Early Movers List"'* (quoted from [REDACTED] reported record of his interview with [REDACTED] on 15 May 2012, although consistent with [REDACTED] interview with us).
- 5.28. In their interviews, [REDACTED] denied that this was said. Their accounts of the meeting and their explanation to us of what was discussed regarding possible phasing suggest that this was a difficult meeting, covering a complex topic and one which led to [REDACTED] and other members of the Steering Group saying that the indicative first phase was too small.
- 5.29. [REDACTED] account of what was explained in the meeting regarding indicative phasing, which is consistent with [REDACTED], is summarised as follows:
- There are currently 180 houses on the two estates, the majority of which are concentrated in the middle of the site.
 - 103 of these houses are occupied by secure tenants.
 - The Council had made a commitment that any secure tenants currently in a three or four bed house, who were assessed as still needing a property of that size at the time of the move, would be entitled to a house.
 - Although a full housing needs assessment had not been undertaken at that stage, and is still yet to be completed, [REDACTED] completed an analysis using available housing benefit and council tax data, from which they estimated that approximately 40% of residents were under occupying.
 - On the basis of their analysis, they therefore estimated that they needed approximately 60 houses as part of the regeneration scheme in order to meet the above commitment.
 - A total provision of 75 houses for the Council was included within the draft Conditional Land Sale Agreement ("CLSA"), to allow an element of leeway on the estimated requirement.
 - The application made by CapCo for planning permission for Seagrave Road included 14 houses.
 - On the basis of the envisaged total of 14 houses at Seagrave Road and on various infrastructural requirements and commercial preferences of CapCo, an indicative first phase was presented to the meeting. The property makeup captured by the indicative phase was believed to allow the Council to meet its commitment on houses, given the estimated

percentage of over occupiers. It would also not fill all of the planned properties at Seagrave Road.

- The surplus properties that would result from the indicative first phase could then be offered to other residents across the estates who had a desire to move to Seagrave Road. However, ■ stated that it was made clear in the meeting that any such allocation would need to be done on the basis of an open and transparent Local Lettings Policy.
 - ■ response to the suggested first phase was that it wasn't large enough. She suggested widening it to cut across the middle of the site, thereby picking up more of the elderly residents. This was confirmed by ■ in her interview.
 - ■ responded by explaining that ■ suggested larger phase wouldn't be possible, because it encompassed many of the estates' houses and, with the envisaged total of 14 houses at Seagrave Road, they wouldn't be able to meet their commitment to those who continued to need a three or four bed house.
 - ■ response was that many of the residents in her suggested larger phase didn't need a house, and that she and other members of the Steering Group would help explain the position to residents and encourage them to accept smaller properties.
 - Connected to this, ■ asked why the Council hadn't conducted a needs assessment. As part of giving us her account of this meeting, ■ explained to us that, whilst a housing needs assessment would have helped with better understanding the exact requirements for re-housing, it is not normal to conduct one until approximately six months prior to a move.
 - To help ease the tension in the meeting, a representative from CapCo suggested that there may be options to build additional houses away from the Seagrave Road site. Sites at Farm Lane and 70 Lillie Road were discussed and CapCo agreed to go away from the meeting and explore these further in order to determine whether it may be possible to expand the indicative first phase.
 - If the larger first phase wasn't possible, ■ suggested that those who had expressed an interest in moving to Seagrave Road could be given the surplus properties. However, ■ again confirmed that any such allocation would need to be done on the basis of a Local Lettings Policy.
- 5.30. ■ provided us with the presentation slides used at the meeting. These include a list of 'Phase 1 Key criteria', of which it is noted that one is recorded as being 'accommodate those who have expressed an interest in Seagrave Road'. In her interview, ■ confirmed to us that it was made clear that this would have to be done on the basis of a Local Lettings Policy, not simply on the basis of those residents that had already expressed an interest in moving to Seagrave Road. The presentation slides go on to include two bullet points linked to this criteria, as follows:
- 'Small phase one allows for other estate residents to move to surplus Seagrave Road properties (approx 130).

- *Need for an open and transparent Local Lettings Policy*.
- 5.31. It is not possible for us to confirm exactly what was or wasn't said at the 12 January 2012 meeting. [REDACTED] account of the meeting, as summarised above, was detailed and explained using the presentation slides and a map of the site. The details given to us were understood, but were seen to be relatively complex. Whilst the slides do note the '*need for an open and transparent Local Lettings Policy*', which would appear to counter [REDACTED] allegation that [REDACTED] said that there was a commitment to an EML, the inclusion of the words '*accomodate those who have expressed an interest in Seagrave Road*' could be taken, at face value, as suggesting such a commitment.
- 5.32. In [REDACTED] interview, [REDACTED] informed us that his anger that led to [REDACTED] resignation was more focused on discovering the 20 year build period than the alleged EML.

[REDACTED] Report and Resident Accounts (Executive Summary – 4.4(d) and (e))

- 5.33. As set out at 1.3, the allegation in [REDACTED] report of the existence of an EML is partly based on [REDACTED] email of 31 January 2012. [REDACTED] has not provided us with any documentary evidence of an EML, VIP list, or any equivalent priority listing.
- 5.34. The allegations in [REDACTED] report are also stated as being based on the accounts of 22 residents said to have been interviewed by [REDACTED]. As noted at 3.11 above, [REDACTED] declined to provide us with the identities or contact details of any of these 22 residents as he stated that they had agreed to be interviewed on the basis of their identities being protected. Given this, we are not able to corroborate any of the accounts set out in his report.
- 5.35. Whilst [REDACTED] are not in a position to corroborate or otherwise the above resident accounts, they did inform us that, in their opinion, a number of residents have been confused about the proposals and the Council's commitments to residents as a whole. [REDACTED] described a number of examples of residents who would ask repeat questions at each drop in session and who would appear to understand the answer, but then raise the same concerns again the next time she saw them. [REDACTED] informed us that, in her opinion, there is a lot of confusion on the estates, and referred to newsletters from the TRAs which she believes have given misleading information. [REDACTED] informed us that these were the reason [REDACTED] originally resigned from the TRA. The newsletters were evidenced by [REDACTED] as part of their own written response to the allegations. [REDACTED] referred to complaints from residents about [REDACTED] pressuring them to record their objections to the proposals. [REDACTED] provided us with copies of two such letters from residents, although, in the same way that we have not been able to validate the accounts of the 22 residents, the veracity of these and the claims from [REDACTED] cannot be confirmed.

Perception

- 5.36. [REDACTED] informed us that, following the Cabinet meeting on 3 September 2012, he doesn't believe that housing allocations will be made on the basis of an EML. However, he raised the issue of perception and suggests that residents on the estates may have believed themselves to be on an EML at the time of the

Consultation exercise, and hence may have voted on that basis. ■ suggests that it was in the interests of the Council not to correct any such perception.

- 5.37. Whilst accepting the importance of perception and the possibility that this could have influenced the Consultation responses, this can be set against the non-binding nature of the process. ■ has informed us that he was content that there was no risk of manipulation in the process given that the subsequent decision regarding the CLSA was not directly dependent upon the outcome of the consultation. He therefore saw no motivation for the Council to seek to influence responses. In our view, whilst it is accepted that a degree of support, even if in the minority, is likely to have been more favourable than no support, there would appear to be no overriding motivation for the Council to seek to influence responses in the same way as if the consultation had been in the form of a ballot.
- 5.38. Further assessment of whether there has been a perception issue is set out in the following sub-section.

Reconciliation of the Council's Access database to Consultation responses
(Executive Summary – 4.4(f))

- 5.39. We sought to reconcile the report of 38 residents with a tick in the "Seagrave Road" field on the Council's Access database to the Consultation responses.
- 5.40. In five cases we couldn't find a completed response form. For the remaining 33, we identified the following:
- 25 were recorded as 'Supporting' the proposals;
 - 4 were recorded as 'Objecting' to them;
 - 1 was recorded as being 'Neutral'; and
 - In 3 cases, we found forms for which the address matched to the resident on the database, but the names were different. The reason for this has not been explored, but each of these was recorded as 'Objecting' to the proposals.
- 5.41. This analysis suggests that those who had been recorded by the Council as having shown an interest in moving to Seagrave Road weren't all supporters of the overall regeneration project.
- 5.42. Regardless of the reason why not all of the 38 residents on the database supported the proposals through the Consultation exercise, the fact that this occurred would seem to go against them having either been made a promise of a priority move, or having the perception that this was the case.
- 5.43. On the basis of the overall results of the Consultation exercise, as reported on at the 3 September 2012 Cabinet meeting, it is noted that the number of responses in support of the proposals exceeded the total of 38 residents recorded on the database. Of all residents, 634 were reported as supporting the proposals. Focusing only on secure tenants, in line with Section 105 of the Housing Act 1985, 103 residents were reported as supporting the proposals. These figures therefore demonstrate a level of support beyond the number of residents recorded on the Access database with a tick in the "Seagrave Road" field.

General, Local and Mayoral Elections (Executive Summary – 4.5)

- 5.44. Continuing on the matter of perception, if any residents did in fact believe themselves to be on an EML, VIP list or equivalent priority listing, it would appear relevant to consider how this could have been impacted on by the occurrence of the General and Local Elections in May 2010 and the London Mayoral Election in May 2012.
- 5.45. A number of the individuals interviewed have suggested that the presence of Councillors and other political representatives on the estates could have impacted on the messages given to residents and it is possible that promises regarding re-housing could have been made (or perceived to have been made) by any of these individuals. We have not been provided with any evidence to support or discount this, but, if it is assumed it did happen, then it appears foreseeable that it could have led residents to believe that they had been made a formal promise by the Council.

Residents Steering Group (Executive Summary – 4.4(g) and 4.4(h))

- 5.46. In addition to allegations regarding an EML / VIP List, ██████████ have alleged that the Steering Group was set up by the Council and that the Council has controlled it so as to leverage support for the proposals. We have not found or been provided with any evidence to support this.
- 5.47. █████ informed us that, subsequent to their resignation from the TRAs, he met with ██████████ in 2010, following which these █████ residents set up the Steering Group and took on the role of directors.
- 5.48. We understand that the Council provided the Group with funding for external legal advice to assist them with developing a contract for tenants and one for leaseholders and freeholders, the purpose being to formalise the commitments the Council had made regarding re-housing and compensation. We further understand that the Council assisted the Group with administrative support through █████, and facilities for holding meetings. However, it is noted that, prior to the Steering Group being formed, █████ met with the TRAs and subsequently wrote to them on 31 March 2010 to confirm the commitments being made to all residents. That letter included an offer *'to make a grant of financial assistance to the TRAs to enable you to appoint independent legal advisors, and to assist us in concluding the necessary agreements, based on the heads of terms that you have supplied. The estimate of these costs, that you have kindly provided, would be acceptable'*. █████ informed us that no response was ever received to that letter, although this is not something we are able to confirm or otherwise.
- 5.49. We have been informed by █████ that there are no restrictions on membership of the Steering Group and that Steering Group newsletters are sent to all residents of the estates. As per 5.23 above, the Steering Group mailing list provided to us by █████ records the names and addresses of a total of 83 residents. As with the 38 residents recorded on the Council's database, we sought to reconcile these 83 residents to the Consultation responses. In 26 cases we couldn't find a completed response form. For the remaining 57, we identified the following:
- 37 were recorded as 'Supporting' the proposals;

- 12 were recorded as 'Objecting' to them;
- 1 was recorded as having raised a 'Concern';
- 1 was recorded as being 'Neutral'; and
- In 6 cases, we found forms for which the address matched to the mailing list, but the names were different. The reason for this has not been explored, but each of these was recorded as 'Objecting' to the proposals.

██████████ **Complaint** (*Executive Summary – 4.4(i) and 4.4(j)*)

- 5.50. ██████████ complaint is understood to stem from the allegations raised by ██████████ in his email of 31 January 2012. Following that, ██████████ is understood to have asked for a response from ██████████ at an Extraordinary Full Council meeting on 19 March 2012. He subsequently emailed ██████████ on 28 March 2012 chasing this.
- 5.51. ██████████ replied by way of an emailed letter to ██████████ on 4 April 2012. In it, ██████████ stated that that the Council *'does not have a list of 'VIP residents' who have been promised a move to Seagrave Road'*. The letter does say *'As part of the lengthy consultation process some residents have registered an interest in moving to Seagrave Road. While we have noted their interest, and will continue to note any further interest, no promises have been made....A Local Lettings Plan will be developed to allocate the new properties'*.
- 5.52. Further correspondence between ██████████ took place through until 22 June 2012, at which point ██████████ escalated his complaint to ██████████. ██████████ then had a series of correspondence through until 6 September 2012. Further details of all stages of the correspondence are set out in the Timeline at Appendix A, in so far as these have been made available to us.
- 5.53. ██████████ has not provided us with any documentary evidence of an EML / VIP list. As stated in his interview, and in an email sent to ██████████ on 22 June 2012, ██████████ complaint has escalated because he believes that his request for a response from the Council regarding ██████████ allegations has not been adequately dealt with.
- 5.54. It was not within our agreed remit to investigate the way in which ██████████ complaint was handled and we have not sought to assess the extent to which ██████████ acted in accordance with the Council's complaints procedure. However, our findings in relation to investigating the allegations raised in ██████████ report, as based on ██████████ allegation in his email of 31 January 2012, do not lead us to question the nature of the response provided by ██████████.
- 5.55. ██████████ did explain to us the process he followed to investigate ██████████ complaint, including the reasoning behind both this and the consequent response provided to ██████████. He explained the need to consider any complaint both on its individual merits and in the context of whether it stands alone or forms part of a wider pattern of similar complaints. ██████████ informed us that, as far as he is aware, other than comments raised by opposition councillors at the 3 September 2012 Cabinet meeting, there have been no other complaints received regarding any housing promises or priority listing from any of the residents of the West Kensington and Gibbs Green estates, or from any of the Councillors for the North End ward, the ward in which the two estates sit. The

Council's Regeneration Team confirmed that they were not aware of any other complaints.

- 5.56. [redacted] also confirmed that [redacted] had not provided [redacted] with any evidence to support the allegations raised, and hence he considered a proportionate response was to question [redacted] on the matter. On the basis of [redacted] response, [redacted] own confidence that there was no risk regarding the Consultation exercise (as covered at 5.37 above), and the contextual aspect of the General, Local and London Mayoral elections, [redacted] informed [redacted] that he considered the matter closed.

Wider Concerns / Allegations (Executive Summary – 4.7)

- 5.57. A further important element of context is that [redacted] have all raised wider concerns and allegations than just the one relating to an EML / VIP list. [redacted] has suggested that the EML is not his primary concern. We have not explored any of the wider concerns / allegations as this was not part of our remit. However, we note them as including the following:
- Whether it was legal for the Council to enter into an exclusivity agreement with CapCo;
 - Whether CapCo is a reputable developer, including their association with the Kwok bothers; and
 - Whether the CLSA represents good value for the Council.

Observations

- 5.58. Overall, whilst we have not identified or been provided with evidence to support the allegation that the Council holds an EML / VIP list for priority housing, we do note two areas of observation regarding the Council's processes.
- 5.59. The first has been highlighted by both [redacted] and concerns the governance and project management arrangements. [redacted] informed us that he felt the governance could have been more robust, as documentation surrounding meetings was not as comprehensive as it could have been. [redacted] also informed us that he felt the weekly Communications meetings between officers involved in the scheme lacked structure, and hence he cancelled these and took steps to implement a more structured project management framework.
- 5.60. The second area concerns the extent to which the Council took clear steps to correct any potential perception amongst residents that there was an EML / VIP list.
- 5.61. The Consultation exercise was due to end on 17 February 2012. However, a letter was sent to all residents by [redacted] on 3 February 2012 notifying them of an extension until 12 March 2012. The letter notes that *'During the course of the consultation exercise, it has become increasingly apparent to the Council that some residents have concerns about the reliability of assurances that the development will proceed in full, and about the timescale, if the Conditional Land Sale Agreement is entered into with the proposed developer'*. The letter

clarified a number of points, including that, although *'the Council anticipates that it will have received the full (approximately) £100 million by 2020.... the phases of construction and demolition may take considerably longer than that to complete, assuming that all the phases proceed as both the Council and the developer intend'*.

- 5.62. Given the allegations raised by [REDACTED] in [REDACTED] email to [REDACTED] on 31 January 2012, this letter provided an opportunity to make a statement to all residents that there was no EML / VIP list. Although newsletters from Hammersmith & Fulham Homes and subsequently the Council had stated that allocations would be on the basis of a local lettings policy, the only public statement we are aware of having been made to specifically deny that homes had already been allocated, other than at the Cabinet meeting on 3 September 2012, was in a Steering Group newsletter in July 2012, after the end of the Consultation period. The only other action we are aware of is the discussion that [REDACTED] [REDACTED] had with [REDACTED] when [REDACTED] first passed her handwritten notes to [REDACTED] in June 2011, as detailed at 5.16 above.
- 5.63. However, we have not identified or been provided with any evidence to distinguish between this being an intentional exclusion, or a matter of judgement, or simply something which wasn't considered.

Appendix A – Timeline of Events

The following table sets out a summary level timeline of events on the basis of the accounts and documentation provided to us through the interviews. Specific dates have been included where provided to us.

We have not sought to validate every element where it relates to an event which is said to have taken place, but documentation such as newsletters and letters have been examined where they are said to have been circulated. Verbal accounts of the same event from different individuals have been compared where possible and where relevant.

It is possible that there are additional events that took place or publications that were made which have not been raised with us and hence are excluded from the timeline.

Time Period	Activity
November 2008 – February 2009	Stakeholder engagement exercise undertaken by M&N Communications (reported on in March 2009).
December 2008	CapCo intentions made public.
Spring 2009	Newsletter from the Council summarising the results of M&N's engagement exercise.
June 2009	Newsletter from the Council setting out broad plans for regeneration.
September 2009	Council signed collaboration agreement with CapCo.
Autumn 2009	H&F Homes newsletter
17, 19, 26 November + 1, 2, 3 December 2009	Drop in sessions
5 January 2010	Meeting with the TRA
1, 3, 4 February 2010	Surgeries
11, 16, 23, 25 February + 4, 9 March 2010	Drop in sessions
February – March 2010	TRA newsletters and ██████████ resignation
31 March 2010	██████ letter to TRAs offering financial assistance for legal advice
Spring 2010	H&F Homes newsletter
May 2010	UK General and Local Elections
13 May 2010	Steering Group meeting
13 July 2010	Steering Group meeting
7, 8 July 2010	Drop in sessions
19 October 2010	Steering Group meeting
10, 16 November 2010	Drop in sessions
Winter 2010	H&F Homes newsletter
25 January 2011	Steering Group meeting
January 2011	Tenant and leaseholder assurances folder sent out

Time Period	Activity
29 February + 2 March 2011	Drop in sessions
March 2011	H&F Homes newsletter
2 March 2011	Steering Group preview of Masterplan
18, 19, 21, 22 March 2011	Masterplan exhibition
4 May 2011	Drop in session
4 May 2011	Steering Group meeting
May 2011	Steering Group newsletter (issue 1) with draft contract
18 May 2011	Steering Group meeting
June 2011	H&F Homes newsletter
9, 10, 11 June 2011	Updated Masterplan exhibition to include Seagrave Road
June 2011	█ passes handwritten notes to █
July 2011	H&F Homes newsletter
July 2011	Council signed Exclusivity Agreement with CapCo
26 July 2011	Steering Group meeting
November 2011	H&F Homes newsletter
December 2011	Consultation pack sent to residents
10, 18, 26 January + 1, 9, 29 February 2012	Consultation drop in sessions
12 January 2012	Phasing meeting
27 January 2012	Email from █ informing █ and █ resignation from the Steering Group
31 January 2012	Email from █ saying that comments published on the W14 website are incorrect and should be submitted in writing to the Council so that they can be responded to.
31 January 2012	Email from █ setting out various concerns, including <i>'Remember the list of about 120 VIP estate residents who have been promised priority in the move to Seagrave Road (if it ever happens) irrespective of if their homes are required for development, which Powell of CapCo agreed to garner resident support, and which you also agreed "as Powell agreed it"? I was on the list, having been offered a Block D penthouse on Seagrave Road. Thanks but no thanks'.</i>
3 February 2012	Letter sent to residents informing them of an extension to the Consultation deadline from 17 February 2012 to 12 March 2012.
February 2012	Seagrave Road planning application approved
28 March 2012	Email from █ referring to an Extraordinary Full Council Meeting on 19 March and a request for a written response regarding █ allegations.
4 April 2012	Letter from █ confirming that the Council <i>'does not have a list of 'VIP residents' who have been promised a move</i>

Time Period	Activity
	<i>to Seagrave Road'. The letter does say 'As part of the lengthy consultation process some residents have registered an interest in moving to Seagrave Road. While we have noted their interest, and will continue to note any further interest, no promises have been made.....A Local Lettings Plan will be developed to allocate the new properties'.</i>
17 April 2012	Further email from ██████ raising a 'formal complaint and a formal request for a full investigation'.
May 2012	London Mayoral Elections
8 May 2012	Further letter from ██████ confirming that housing allocations will not be determined by the developer or the Steering Group.
21 May 2012	Further email from ██████ asking for an explanation as to why ██████ allegations haven't been taken seriously.
14 June 2012	Further letter from ██████. Refers to earlier correspondence and suggests that further details regarding re-housing plans would be presented at Cabinet.
22 June 2012	Email from ██████ escalating his complaint and asking for an independent investigation.
5 July 2012	Steering Group meeting
July 2012	Steering Group newsletter
10 July 2012	Email from ██████ asking for any evidence ██████ has regarding the allegations.
1 August 2012	Email from ██████ stating that he had received no response from ██████ email of 10 July 2012. ██████ sets out that he has seen no evidence of corruption from his own enquiries.
1 August 2012	Email from ██████ apologising for the delayed response as he had been out of the country. ██████ sets out his dissatisfaction with the response and asks why ██████ is not investigating it further.
2 August 2012	Email from DM to CC acknowledging receipt of CC's email of 1 August 2012.
16 August 2012	Email from ██████ referring to ██████ email of 1 August 2012. ██████ sets out the basis on which he has considered the allegations and that he has no evidence to support them.
3 September 2012	Email from ██████ setting out that ██████ is still not satisfied with the response, but will ask ██████ about it in the Cabinet meeting.
3 September 2012	Cabinet approves the CLSA
4 September 2012	Email from ██████ setting out that ██████ considers the matter closed.
6 September 2012	Email from ██████ setting out that the matter is not closed and the reasons why ██████ considers that to be the case.

Time Period	Activity
6 September 2012	Email from [REDACTED] setting out that he would want to investigate the matter if there was any information regarding any member of Council staff, but that he has insufficient evidence to warrant that,
10 September 2012	Report submitted to the Council by [REDACTED] – 'Early Movers List: Homes for votes?'
12 September 2012	Council approved the proposal for outline planning permission for Seagrave Road.

Appendix B – Agreed Remit

1. Introduction

- 1.1 We understand that Hammersmith & Fulham Council (“the Council”) received a report, dated 10 September 2012, setting out suggested evidence in support of allegations that, in relation to the Earls Court Regeneration project, “Public Officers promised new council homes in Capco’s Seagrave Road development to certain residents in exchange for them supporting demolition”.
- 1.2 The allegations refer to an ‘Early Movers List’ and suggest that a number of residents from the West Kensington and Gibbs Green estates have been recorded on this.

2. Description of planned work

- 2.1 The overall work to be completed may comprise a number of phases, the extent of these being dependent upon the findings that arise and the possibility that additional information may come to light during or following the completion of any one phase.
- 2.2 Our work will be limited to carrying out the steps outlined below and reporting the results to you.

Phase 1

- 2.3 Phase 1 will be focused on the examination of documents to be provided by, and interviews with, selected members of current Council staff and one councillor. We will also approach, with a view to interviewing, former staff members / contractors who are no longer ‘employed’ by the Council, subject to their co-operation; individuals who are or have been engaged as members of the West Kensington and Gibbs Green Steering group; together with the individual named as being the author of the report provided to the Council, dated 10 September 2012, setting out the detailed allegations and supporting evidence. The Council will contact these external individuals directly to ascertain whether or not they are willing to talk to us.
- 2.4 We will examine the following documents, to the extent that they can be provided to us by the Council:
- Any records held in relation to residents and interests or otherwise in respect of a move to the Seagrave Road site, i.e. the suggested ‘Early Movers List’ in any and all its various forms.
- 2.5 In connection with an intended interview, as per 2.6 below, we will also seek to obtain any similar records suggested as being held by ██████████, and/or by any other interviewee. The purpose of this will be to determine how any such records compare to any found to be held by the Council as per 2.4 above.
- 2.6 We will carry out and document interviews with the individuals listed below to seek to obtain information relating to the allegations in question. We will propose to interviewees that these interviews be digitally recorded and that a copy of the recording be provided to them. We do not propose that the interviews are transcribed, although this could be undertaken on request (a separate charge will be levied for this service). Instead, we will document a non-verbatim record of the meeting, a copy of which will be provided to interviewees for them to sign to confirm as an accurate record of the discussions.

2.7 Current Council staff to be interviewed include:

[REDACTED]

The purpose being to seek to determine their involvement in the regeneration scheme and the allocation of housing, including their knowledge and understanding of any records held as per 2.4 above.

2.8 In addition we may interview [REDACTED]. However, since he has provided a recent statement (on or about 3 September 2012) this may be sufficient for the purposes of reporting.

[REDACTED] inclusion is on the basis of [REDACTED] involvement in the 'central negotiating team between the Council and Capco', [REDACTED] involvement in 'meetings between the Council and residents' and [REDACTED], as noted in [REDACTED] aforementioned statement.

2.9 Former members of staff and contractors to be interviewed, subject to their agreement with the Council, include:

[REDACTED]

The purpose being to seek to determine their involvement in the regeneration scheme and the allocation of housing whilst employed/engaged by the Council, including their knowledge and understanding of any records held as per 2.4 above.

2.10 Other individuals who we would propose that the Council invite to be interviewed include:

[REDACTED]

The purpose in relation to the first three of these being to clarify our understanding of the allegations and concerns being raised regarding the allocation of housing, and the extent to which they are able to provide evidence in support of these, either in documentary form or through access to residents who are anonymously referred to in the report dated 10 September 2012.

The inclusion of the further two individuals is on the basis of their involvement, both former and current, in the West Kensington and Gibbs Green Steering Group. Again, we will seek to determine their understanding of the allocation process, and their knowledge and understanding or otherwise of any 'Early Movers List'.

2.11 Following completion of the work set out at 2.1 to 2.10 above, we will summarise the results and report the associated findings to the Chief Executive and Executive Director of Finance and Corporate Governance.

Phase 2

- 2.12 Progression to a second phase of work will be dependent upon the findings of Phase 1. A key determinant is expected to be the extent to which we are provided with the names and contact details of residents from the West Kensington and Gibbs Green estates, as referred to in the report provided to the Council, dated 10 September 2012. In the event that these are not forthcoming, any further work may be deemed unnecessary.
- 2.13 If names and contact details of residents referred to in the above report are provided, Phase 2 will include seeking to interview these individuals. In addition, consideration will be given to whether other residents are approached to determine whether they wish to be interviewed or to provide any information they deem relevant.
- 2.14 If residents are to be interviewed and/or contacted, a separate decision will be made in conjunction with the Chief Executive; the Executive Director of Finance and Corporate Governance; and the Principal Litigation Lawyer as to an appropriate sample size. The Principle Litigation Lawyer will be responsible for corresponding with any residents who are identified to us as being able to assist with the work.
- 2.15 The need to examine any additional documentation and/or to interview any other individuals, other than tenants, will also be considered as part of agreeing the scope for any Phase 2 work. The Proposed Investigation Remit will be amended to cover any such work, including agreeing an appropriate budget and target timescale for completion. The same will apply in the event that any further phases of work are required beyond that.
- 2.16 At the conclusion of our work, we will provide a written report to the Chief Executive and the Executive Director of Finance and Corporate Governance.

Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

Deloitte & Touche Public Sector Internal Audit Limited February 2013

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