

## Foreword Caller Report

Max Caller was asked to report into Best Value at Liverpool City Council as a result of a specified report and events, following my arrest on 4<sup>th</sup> December. I was arrested for bribery and witness intimidation. I deny any wrongdoing and have not been charged with any offence and will defend myself against the allegations made. I believe the truth will always come out and my faith, my family and my real friends have kept me strong. I have always done my best for my City; always have and always will. I have broad shoulders and will stand up for myself but my family and in particular my wife has been through hell. We will come through this nightmare and I want to thank those who have stood by me. It is hugely disappointing that those who have accepted the findings of this Report, including people in my own party whose values of equality and justice have been forgotten in the rush to condemn. I call on them to judge me and the Labour Administration when you know the facts and the truth, not before as many have already done including colleagues, who I have known and worked with for many years. The trial and judgement of me, and me alone, has already taken place without hearing my voice or checking the facts first, this is unforgivable and shames the Labour movement. To not even have the decency to speak to me to seek my views about things I am accused of, is plain wrong.

I recall my fight over five years to clear a young man falsely accused of a crime he didn't commit, Michael Shields. That experience reminds me of the power of organisations, the media and people who can manipulate the facts to suit them. They peddle smears, innuendo and lies, which people accept, because it is easier than seeking the facts and the truth. I remember people telling me to give up the fight for Michael Shields and that it was futile, I wouldn't, didn't, and we won that battle, I won't give up on this one either.

However, it was and is right that a Government should reassure itself that any Council can carry out its duties and responsibilities that it was elected to do. I have no issues with that, but the duplicity and hypocrisy of this Government in doing so should shame them and be recognised by people. Why? Well, there is still an ongoing Lancashire Police Inquiry called Operation Sheridan. This inquiry is into Lancashire Council, its relationship with BT and the awarding of contracts over a period about nine years. The Conservative Leader of Lancashire County Council Geoff Driver was placed on Police Bail for near two years, for alleged witness intimidation and the awarding of contracts, similar to the false claims made against me. He was allowed to carry on as Leader, by this Government and stand in the local elections. He was re-elected and is still the Leader of Tory controlled Lancashire County Council. There was no Commissioner sent in to look at their Council.

I have no issue with Geoff Driver, but one can only assume there is one rule for one politically controlled Council and another one for a Labour Controlled one.

In my response to the Reports publication, I have used the report itself as a template and put my response in the margins. I have included links to Cabinet reports which highlight and support my statements. I have produced two appendixes one that shows how our City has transformed and what this progressive Labour Council has done, the other is a guide of how the Council, Mayor, Cabinet, Statutory Officers and Council operate. When people read my full response, I hope they question and they ask, why are these crucial facts left out of this Report? Further why were the inaccuracies not challenged by senior Council Officers.

## ROLE AND POWERS OF THE ELECTED MAYOR

I think it is also important for people to understand the role and power of the Mayor and Cabinet and that of Senior Council Officers. There is no difference between a Leader and a Mayor, except the Mayor is elected by the people of the City and not by Councillors. They have no more power than a leader and like all Mayors and Leaders they together with their group and wider Party set the political priorities and policies of the Council, through a Manifesto, mine was published every election. I stood as Mayor in 2012 and in 2016.

The Mayor is a figurehead, an ambassador, a leader and a spokesperson for the City. He or she is there to set the vision and path within limits. The Senior Statutory Officers are there as advisors to the Mayor, Cabinet and Council to support and ensure the legal functioning of the Council.

The Statutory Officers which are the Chief Executive, the City Solicitor who is classed as the Monitoring Officer and the Financial Director who is called the Section 151 Officer. They are there to make sure that the Council operates within Local Government Law and Framework and also the Local Government ACT. That is their primary function and all Councillors rely on them to make sure that we stay within the law. It is their duty to ensure that the City Council provide a Balanced Budget and operate and comply with Best Value and the Local Government ACT. See link to roles and Governance of the Council.

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## INITIAL COMMENTS ON THE CALLER REPORT

I now want to direct my comments to the deliberate misinformation and smears within this report, all protected under Parliamentary Privilege. Now everyone knows it is a natural human instinct to defend oneself when accused of something you know is wrong. I have deliberately not commented on the report thus far because I wanted to go through it line by line to judge for myself the accuracy of the sensationalist claims made within it.

Having now done so I want to fully respond, and I have carefully chosen my language. There is clear evidence that this Report has not been **fact checked**, and as a result reaches deliberate and misleading conclusions. It appears to me that the Report only collected and favoured evidence that proved a pre-determined case that Mr Caller had before he arrived in the City. I am highlighting how this approach and the way this report was compiled was to do maximum damage to me and the Labour Administration.

This so called **Best Value Inspection**, was instigated by a Conservative Government prior to the Local Elections, with a purpose of doing the maximum damage, no surprise therefore that the smears and lies permeate the Report throughout.

Even in the terms of the Report itself, the body of the investigation cites evidence of the misuse of Delegated decisions made by officers that were at times, alleged to have been withheld from Elected Members. Yet it is Elected Members and the Mayor in particular that are the focus of a narrative of wrongdoing.

Now Mr Caller needs to answer whether he was given all the facts in relation to the false claims made or was any research done by himself before such claims were made in the Report. Was it right to choose to just accept what was given to him and ignore crucial facts

and information or were they obstructed from his view? This will help people understand the real purpose and role of this inspection. I refer you to my comments above as to why Lancashire County Council was not subject to a Commissioner review. I have no doubt that Mr Caller and his team are experienced but, if before you start you have a clear focus and one intention, then that experience matters not. Let me explain in more detail.

When Max Caller was asked to undertake this role by Central Government, their officials had already spoken to Merseyside Police and Liverpool City Council's Chief Executive to discuss their views. I have no doubt that such a high-profile politician like myself was not arrested without senior Whitehall officials or Ministers not knowing or talking to one another. Indeed, officials had already spoken to Tony Reeves well before they arrived in Liverpool. Now, at the time of these conversations, Liverpool Chief Executive Tony Reeves was a witness in Operation Aloft - a fact I only found out about during questioning by the Police. He no doubt gave his views and the reports of whistle blowers to Mr Caller, who also engaged in conversations and had an agreement with Merseyside Police to exchange information. In my view Mr Caller and his team came to firm up their already formed opinion of Liverpool City Council and myself as a result of those conversations. This report, and its content and comments are very selective and not contextual, the report is based on views and opinions, they are not based on facts but opinion and gossip.

It is also worth pointing out here that six days before this report was produced, a copy was given to Tony Reeves and other Officers at LCC to comment on. They did not correct the many inaccuracies and lies within it; I can only conclude they also wanted to smear and damage not just me but many others including the Labour Administration too. The damage to the reputation of one of the most successful Administrations of Liverpool Council is a travesty of the truth and unjust and in time people will ask why.

Max Caller mentions me 80 times within his report and yet he never asked to speak to me. It was me who asked to speak to him. People can draw their own conclusions as to why, but it seems that no matter what I said, he had, as I say, formed a view already. Once again, I make the point that if an audit of any type takes place, then natural justice and fairness allow those audited to make comment and respond before publication. I was not asked to comment on any claims or accusations made against me or the Council. Everyone should now read my response to the claims made, in full and see the explanations but also to get the full facts and information but more importantly people should then ask why I was not given the chance to do so before publication.

Before I mention my interview with him and the issues I raised, I will deal with the deliberate lies and false information in his case studies and in his comments, opinions and language of generalities which appear throughout his report. People should know that the case studies he uses are the cases that have been investigated and still are by the Council and Merseyside Police. Conveniently, Max Caller uses them and found no other case studies of any note. But even those case studies are missing crucially important facts and the question once again is why? Does Max Caller know this or has he been given - and provided with - selected information. He concentrates on those case studies mentioned, but not on any of the successes we have had. It is clear he wants to "highlight the funerals not the

weddings". In other words the many, many success stories of LCC in particular about providing Best Value have been left out and deliberately so.

Let me deal with some issues now. First Mr Caller mentions one of our Golf Courses. We own two courses; the one mentioned, Allerton and also Kirkby Golf Course in Knowsley – but that is not mentioned, I wonder why? People in this City need no reminding of the cuts we faced from the Government, but the two Golf Courses were haemorrhaging about £800,000 per year. Rather than closing them we invited interest from the private sector to help us run them (Best Value Mr Caller) to see if we could turn them in to a success. We have achieved this and more. We are now making a profit of about £100,000 per year rent and have saved ourselves approx. £4 million £800,000 per year over the last five years as we are not suffering the losses we were. Indeed, Allerton is now arguably the best Municipal Golf Course in the Country. The company have invested £7 million and created 130 jobs. Mr Caller rejected the offer to speak to Hill Dickinson a reputable longstanding legal company for an explanation, see appendix. I am (and so should the Labour Administration) be really proud of what we have achieved in protecting our services. The way we did this deal was an example to others on how to achieve Best Value and protect services. These important facts are lost in the selectively damaging description. But the true purpose and true colours shine through when he smears me, by stating I had lunch with a Director of the Company at Allerton Golf course and did not declare this in the members interest book.

First, one could ask what has this got to do with Best Value and indeed why is this so important to Mr Caller? Of course, it helps him and his team with the creation and inference of wrong-doing and corruption. The reason why it's not declared and in the members book, is it didn't happen. I did not have lunch with a Director. I attended with my Deputy Office Manager Mr Ben Fitzpatrick and we, during our visit of 45 minutes had a cup of coffee; a fact that can be confirmed by him and my office if he had looked or more importantly if he wanted to look or ask.

Why did the Report mention this lie and not the money we saved or Best Value achieved or the fact that our Golf Courses are now the envy of others and remain municipally owned? Why did officers of the Council not correct this smear? People can and should judge for themselves why. I can only assume, because I know that before you make such an allegation you should and would check it out. If he had done so, he would have found out that it was a false claim. So, who gave it to him? and why did he include it in his report? The failure to correct such obvious inaccuracies calls into question the accuracy of many other findings within Mr Caller's report. These are questions Mr Caller should answer but the damage is done. My opponents and those of the Labour Party used this smear and lie on election leaflets. An important point here is that any Audit of any organisation usually affords them the opportunity to make a comment or respond to the report. Mr Caller provided Tony Reeves and other Officers with a copy of the report six days before it went public. However, I was not given the opportunity to address any issues or correct any false facts within it. Again, people should ask why?

Lets now deal with what I believe to be a serious and damaging smear and deliberate lie that in my view shows why people should have no confidence in this Report or the so called impartiality of it. Max Caller himself states in section 7.12 of the Report on Social Value, “

Indeed, the myopic view that suppliers of services to LCC must have a Liverpool Postcode, as stated in interview by the Mayor, demonstrates, at best, a lack of understanding of the Act and at worst, an attempt to stifle healthy competition in tender processes” I would ask that people read the transcript of that interview which I attach which exposes his flagrant abuse of power and process not in misrepresenting me, but completely making it up to suit their agenda. You will clearly see from the transcript of the interview that I recorded, that I make no such claim . Mr Caller and members of his Team need to explain how such a false statement misrepresenting what I said was made.

Let’s move on to another false claim and smear. He claims that a Mayoral Lead is receiving five times the amount of allowance given to people who take on this role. He of course has either deliberately been misled or is happy to spread another lie. The person he refers to is Tracy Gore, a woman who has been seconded from Steve Beko Housing to Chair the Equalities Task Group I set up to address the issues of entrenched inequality here in Liverpool; a fact known to the CEO and other senior officers who could have corrected it. They didn’t and allowed it to be published. Trying to infer this was done in his report as a favour is a disgraceful smear on Tracy Gore. Once again, questions need to be asked : Who gave him this false information? Did he check it? Another question Mr Caller should answer. Mr Reeves and other Senior Officers certainly knew about the secondment - indeed the CEO had met Tracy Gore on more than one occasion to discuss the Terms of Reference, so he allowed this to be put in the Report without challenge as did others.

This Report generalises and makes unfounded claims throughout and they need challenging. It claims that City Centre regeneration is based on Student Accommodation and Hotels. There are 50,000 plus welcome students who stay in Liverpool and our economy thrives as a result of them and our Universities. As consistently voted the third most visited City in the UK, we need hotels, and they create jobs and allow us to compete for conferences and events. Indeed, one of the hotels - the Pullman at Kings Dock - we own, and we make £1.7 million per year from hotel beds alone (Best Value). So, we will take no lectures from Civil Servants on how to grow our City; a City transformed over the last ten years. But let’s analyse his claims. We have seen the transformation of Kings Dock, land we acquired from the HCA along with Pall Mall and the Littlewoods site for £4 million and now worth over £30 million (Best Value). Kings Dock has seen the Pullman Hotel and linked Exhibition Centre allow us to compete for some of the biggest conferences to be held in Liverpool. Cruise Liners used to dock at the Langton Dock next to a scrap berth with 3 cruise liners docking there per year. Since we paid Government £11 million back, which they forced us to do, we now have cruise liners berthing at the Pier Head. Cruise liner visits are now at 80 plus per year with each one estimated to be worth £1 million to the local economy, with a planned new terminal and hotel to be built on land we negotiated from Peel Holdings. Next to this is going to be a new Isle of Mann ferry terminal and berth, which we secured through negotiations with the Isle of Mann Government (Best Value).

The Paddington Village is a totally owned council site, which we created through our vision for the Knowledge Quarter. We did this by moving a dilapidated school Archbishop Blanch from its original site to a new one in Smithdown Road. It allowed us to develop what is probably one of the most significant development opportunities in the Country over three

phases with over a thousand high-tech jobs and bringing in business rates revenue of £20 million per year upon completion. The first phase is nearly complete with the Royal College of Physicians locating here, the Rutherford Cancer Centre, Kaplin Language school and a hotel already completed, bringing in £7 million in business rates. We competed with other Cities to win the Royal College of Physicians to locate here, and it was the vision we had and what we wanted to create that persuaded them to come to Liverpool (Best Value).

The Royal Philharmonic Hall has been revamped thanks to LCC. The Everyman Theatre rebuilt again with LCC help and support, likewise the Royal Court theatre refurbished with LCC help and support, the Epstein Theatre once again opened after years of closure. All supporting our Visitor Economy the Rocket Fuel for our continuing regeneration and supporting our economic recovery led by Liverpool Labour Councillors (Best Value).

Pall Mall is an office development we own as we bought the site off HCA, creating new businesses and revenue for Liverpool Council (Best Value). The new car park in Victoria Street built and owned by LCC is bringing in additional revenue. We are working and developing on Upper Central with a partnership between the two Universities creating SCIONTEC, a joint venture between all three. Developing Brownlow Hill and connecting the new hospital, the new Clatterbridge Oncology Centre and our Universities as a unique Health and Science Campus as good as anywhere in the Country. The development at Princes Dock, Kings Dock and Queens Dock, alongside the continuing development of the Baltic Triangle are the envy of cities across the UK. From Bramley Moore Dock through to the Garden Festival site, we are witnessing five miles of regeneration, regeneration on a scale not ever seen in the City of Liverpool in its entire history. So, I don't accept the Report's comments that it's just Students and Hotels. I, and the residents of Liverpool, do not recognise this description.

But let's move on from the City centre to his claim that no regeneration has taken place outside the City Centre. I doubt whether this team left the Cunard Building and visited any district or part of our City. Let's start at Speke in the South of the City, where we have seen new housing new schools and new medical facilities built in South Liverpool. We have seen the expansion of Mersey retail Park and Mersey Estuary Park. We have seen developments and business supported by LCC happen, we have seen B&M set up a distribution centre there with a direct grant from LCC. We have seen new Home Bargains, Dobies Garden Centre, expansion of Seqirus a Pharmaceutical Company that produce the second Highest number of Flu Vaccines in the World, with the help of LCC.

Many companies have opened on the Estuary Park some with our and my direct help and support creating hundreds of jobs. Let's look at Edge Lane Kensington, first phase of the plans complete as a direct result of LCC working with the owner and Derwent Holdings bringing in a revenue of £7 million per year. Two more phases to come transforming an area that had become synonymous with economic and housing failure. The boarded-up housing and derelict buildings shamed us all. Travel down Edge Lane today and see the transformation heading towards the City. You will see new housing providing a visual delight compared to what it was a few years ago. Let's now move to East Liverpool and Norris Green, the infamous Boot Estate. It was a legacy of blight, failure and shame left to the Labour Administration to sort. Again, transformation is a word that sums up the changes,

with it now being called Norris Green Village with property prices up by 30% in some areas and, hundreds of families now living in quality housing. We have invested £millions in Croxteth Hall, refurbishing a great Liverpool asset. Let's now look at North Liverpool Anfield, which was described by Tory Peer Eric Pickles as shocking. Today we have seen real improvement, surrounding the development of LFC's stadium. We have seen much investment in housing, retail and district centre by LCC creating a new area people are proud of. Not far from there is Project Jennifer, which has again seen £millions of investment. A new indoor market, retail shops, a new school, new Police Station has seen a stalled regeneration scheme kick started by Liverpool Council. In North and South Liverpool, we have built two new Dementia Hubs supporting people and communities. Each of these together with a new Special Educational Needs Schools and seventeen new general schools shows we have supported communities and provided Best Value.

Liverpool Council has led the way in kickstarting regeneration in our City and proud of our partnerships and collaborations, from Bramley Moore Dock to the Garden Festival Site. Our invest to Earn Strategy has seen us use Best Value to generate revenue for our City. We now receive in Business rates and Council Tax in excess of £50 million more than we did ten years ago. We have helped create 38,000 new jobs 4800 new businesses and, over 13,000 houses have been built during the Administration. We are now building Council Houses for the first time in over 30 years. We sold the Municipal Buildings valued at £5 million for £11 million. We purchased the Cunard Building for £10.4 million – it is now estimated to be worth £30million. We purchased and rent back Finch Farm to EFC and we make a £1.2 million profit. We purchased a 21% stake in John Lennon Airport JLA saving it from closure (imagine a great City like Liverpool without an Airport). We sold 10% shares recently making a profit of £17 million and we still own 11%. We as mentioned purchased four plots of land from the HCA for £4 million. These plots at Kings Dock, Pall Mall, Littlewoods are worth an estimated £30 million. We totally own Paddington village, and we own shares in Central Station. We purchased the Garden Festival Site, now earmarked for massive housing, retail and leisure development that will transform the 110-acre site, this is real Best Value.

However, the most important Best Value we have provided for our City is managing to grow our economy and protect our residents, especially those most in need. We spend over £68 million in supporting vulnerable people with Labre House at the forefront of our vision. Keeping our libraries, leisure centres and children's centres open despite near 60% funding cuts equating to almost £640 million is real Best Value, something this Labour Council should be proud of and defend. Its legacy and mine is there for all to see now and in the coming months and years. I am proud of my colleagues past and present who have served with me and overseen the wonderful transformation of our City.

Remember the people of this City deserve and have the right to see all the facts and information available so they can decide what to believe. I hope they read my rebuttal of the false claims and misinformation provided within this report. I will finish by saying put the Police allegations to one side until they are concluded and look for yourselves at our City and judge us on the evidence around you, not on the basis of Civil Servants' predetermined judgement. I pride myself on the fact that Liverpool people have and will always ensure fairness.

Please read my long but full factual and accurate response and attached Reports. Then form your view based on all the information but more importantly ask questions and challenge the contents the truth is important to us all.

Joe Anderson