

JOE ANDERSON TRANSCRIPT

Present:

MC Max Caller
JA Joe Anderson

MC Hello, hi good morning.

JA Good morning.

MC Good morning. I'm Max Caller and you have the rest of my team also joining the call, so you've got Mervyn Greer and Viv Geery and Eddie Smiley from the Department who's acting as my chief of staff.

JA Good. Nice to meet you all.

And you – hello.

MC So, I can tell you a little bit about what we are doing but you probably know this already.

JA Yes, I've seen the engagement letter Max so I'm aware of that, which is why given that it was under your heading of best value, I wanted to have a chat with you about my views and thoughts about that and then obviously to help in any way I can and assist in any way I can, whether today or talking to the team about issues or whatever just to make it clear to you that I'm here to assist and here to help in any way I can so that was really why I wanted to make contact. I mean I guess on clearly the Police investigation going on as you're aware, Operation Aloft and I'm co-operating with the Police in any way I can but I've got concerns how some of that is linked to my concerns about the things that I've raised and I don't know whether you're aware of my initiation of an investigation into Highways procurement and stuff which started in the summer and whether that is being investigated. I asked for that to be done in August of last year into some concerns I had raised by a Highways developer who had raised some concerns about procurement and how they had been treated and I raised it with Jeanette McLaughlin, City Solicitor. It's ongoing and of course I have got some issues and some concerns about that which I am more than happy to go into with you now but again, at your sort of behest, I'm happy to answer anything or talk about that or talk about anything that you want to ask me about.

MC So I think it would be helpful if you started by saying that you had a series of issues and concerns you wanted to put to us and I think it would be really helpful to work through that to start with as I might link that to the things that we are already doing and go from there and then we can reflect on that and decide how we can go forward.

JA Sounds good. Well in the summer of last year, I received a complaint from a construction company called Kings about how they received notification back from the Council about not winning a contract which is called The Strand contract and they raised concerns about that and I asked them to tell me what those concerns were, put it right and make that complaint and they were complaining that they bid £1 million cheaper than Kings and they believed the quality of work and stuff and their submission was better but they had been told that the reason why they failed on that bid was because they had gone over the number of words in the forms that they had to fill out and that they had gone over a number of words and I thought, well given it was £1 million cheaper and it was a company that had been working with the Council doing good quality across the city and stuff what have you, it seemed a bit strange that that was the case so I asked Jeanette to look in that and we think they brought in Grant Thornton to have a look at that, but it started with me asking some questions around. I was actually under the belief that we weren't using Amie as a sort of assistance to the Council because I was under the impression that we had got rid of them some time back because of the costs that were being passed on to Liverpool City Council and the failure in quality of their work. We had had lots and lots of complaints about people. I wasn't aware that we still were using them anyway, making enquiries about that, I found out that that was indeed the case and there were other issues that came to light then in terms of asking questions around Amie's relationship with the city, the costs and stuff associated with that, so we started asking some questions around what role, who procured Amie, who kept them on, why were they being used, all of those sort of things.

MC So this is after 2018, you thought they had actually terminated the relationship.

JA Yeah, yeah, it was as far back as that because we were constantly receiving complaints about the quality and about the work that they were doing and the costs so anyway as I said, then I started asking questions about Amie's role, what they were doing and it became clear that they, Amie, that we had seconded some, a guy called Andrew Gibson from Amie to Liverpool City Council and I asked questions about how much it was costing us and I was told it was costing us £350,000. This guy was flying in from Northern Ireland to sit on decision making procurement, decision making processes with an ex Amie, a Liverpool City Council employee called Fernando Nunes Vega who has been in Spain for over the last 12 months but working and making decisions as an ex Amie employee and he had appointed somebody else, I can't remember his name now who was an ex Amie employee and it was the ex Amie employees who were making the decisions on awarding contracts and one of the suggestions from people and in particular the company that were complaining about the unfairness of the work in terms of on The Strand and not getting it, Kings Construction, they were concerned that there was favouritism going on and I said well I'll raise the issues for you and ask the questions because the bottom line is, everybody should be treated fairly, everybody should be given a fair crack of the whip so the bottom line is, it then became clear that looking at the work that Grahams from Northern Ireland had been winning, I asked about, who was winning this work, who was

overseeing the allocation of the work and Grahams had won work on The Strand. Apparently there is an over cost on that, which is an issue about when some of these companies especially the outside companies make bids for work, I believe they go in cheap and then add on costs in terms of what's called compensation event claims and jack up the price after they've won it but I started asking questions about Grahams and they had won The Strand and apparently it is massively overspent. The Ropewalks, they have just received that a couple of months ago and I was asking the question, well how come if they were overspent on The Strand by so much and they were putting in these compensation event claims, how they had been given another £5 million contract for Ropewalks, an area of the city. Then they had done the work on the Churchill Flyover, the Northern link road, Moorfields, Brown O'Hill, Upper Central, City Centre Coach Park, Riverside Drive Coach Park, the city centre bus station, Old Haymarket, Tye Barns, Victoria Street, all these contracts that were awarded to Grahams and it became clear to me that Grahams were a Northern Ireland company and Amie were a Northern Ireland company and often coming across to these meetings and flying in to these meetings and I was asking myself the question, was anybody declaring any interest, Fernando Nunes Vega worked for Amie and he is awarding contracts to Amie and they're awarding contracts to Northern Ireland companies and if you look at our social value policy, we're supposed to be and I've made a big play of social value in my tenure as leader and mayor because I'm a great believer in getting value for the pound we spend and local supply companies, apprenticeships. Nobody does for instance any checks on these companies, whether they're using local labour, whether they're doing any apprenticeships, whether they're committing to social value in any way but they seem to be getting the work and often is the case is that nobody follows up and checks anything that they say, we just then pay these compensation claims and pay these overspends and it's not just by the way with Grahams, there's another company called North Western who did work and did some stuff on Princess Avenue and ended up getting work for Lime Street who again had put in compensation event claims against Liverpool City Council and I was told that the work that they had done was really poor and yet they were still getting work and I think, my suggestion is that you talk to as well Andy Barr who again has been arrested as part of Operation Aloft, I think you should have a chat with him because I know he was raising concerns about some of these things himself and he was Head of Highways so I think it would be useful to have a conversation with him. This Northwest Midland they were called and for me as I said, I was then told of a meeting that took place between Kings and Trevor Ingham, the Head of CPU where Kings were making complaints and wanted to have a straightener if you like, a conversation with the City Council and say look, why aren't we getting a fair crack of the whip which I suggested that they do, I said go in and talk to the Council and put your case and say we do this, why didn't we do that, what have we done wrong, let's have a look at the score and stuff so they had a meeting with Trevor Ingham and somebody else was at the meeting and they made a complaint to Jeanette McLaughlin about this and again she will give you chapter and verse and a record of that where I complained because Trevor Ingham apparently said something along the lines, I paraphrase here but the elephant in the room is that you are too close politically to the Mayor Anderson and they said

what do you mean by that and they said this is political, you've got to be, so words to that effect, so he needs to be, so I've raised that and made a complaint to Jeanette McLaughlin and said what is he inferring, what is he suggesting, but the whole thing around this is why has Fernando Nunes Vega been allowed to stay in Spain, who gave permission for him to be remaining in Spain for over the last 12 months, that's how long he's been in Spain. Apparently his wife's ill or whatever but that's over 12 months, but we fly in this guy from Northern Ireland to sit on this and he does his little part by Zoom but we fly this guy in from Northern Ireland and apparently again, I've been told that we pay Amie for him, he then charges hotels, his meals, expenses and we pay Amie about £350,000 so they were, as early as that, that I was deeply concerned because for me, one of the reasons why we got a massive road problem on our networks, the potholes and our roads were disintegrating and we borrowed money to repair our roads, to fix them and put them right and even used capital receipts to put into to repair our roads, some of the funding that we received for instance from the old municipal buildings that we used to house in Dale Street, round about £4 million/£5 million of that went into the capital programme for road repairs and part of doing that where we get extra value for money is because we use the social value and I've raised the issues about social value, I think we've gone backwards in terms of the money that we spend on social value, in terms of on contracts have gone not upwards, we've gone downwards and I started again raising real concerns about this. Coincidentally by the way of course, at the same time which is one of the issues that I've been sort of accused of doing, if there were FOI questions being written by people about procurement but in particular about social value and stuff, now I'd already started 2 years ago, over 2 years ago, I'd spoken to Mel Crichton. We went to look at a community bank, I can't remember where it was now, somewhere round Bristol I think, we'd gone to see a community bank in operation and I wanted to bring a company in that helped with that and how you set up a community bank but also had done work on social value which some of the big cities and how you improve social value and how you scored it and got more apprenticeships and you did all of those things. Manchester for instance, in their social values on their highways for instance, they have a process where 30% waiting formula is granted to local supply so that you can get the maximum out of their pound spend and so I started asking could we bring in this company, I can't remember what they're called now but it'll come to me in a minute but we had asked for them and they are sort of like a community interest company that I had asked to bring in and it's been delayed and delayed and delayed because I wanted them to look at us getting value for the money that we spend and we've done under my leadership what we called the inclusive growth plan, the inclusive growth plan means exactly what it says on the tin in that we give and support the local economy, local businesses, creating more jobs, investing in the city and making sure that we maximise the opportunities for the city but for businesses and for the people of the city to get apprenticeships and jobs and all those sort of things so inclusive growth means exactly what it says and the city's one plan as well and the city plan that we have produced now is an iteration of that but just again shows that that's the process that we should engage in.

MC So I've certainly seen what you've been doing on social value, I've certainly seen the evaluations, they are all laudable aims, I have certainly seen the investigation about how the tender was awarded and my understanding of Fernando's position in Spain is he is not allowed to travel back into the country because of Covid. At the moment all travel's banned, he can't come back even if he wanted to.

JA I mean that may well be the case but was it the case 14 months ago.

MC Yeah you can come from Northern Ireland of course because it is part of the United Kingdom

JA Yeah, look all as I am pointing out is his link with Amie and also the fact that I'm fairly sure that if you go back and the travel restrictions, whether whose travel restrictions were in placed last February, last March, last April or last May, I'm not sure, that's for you to look at or for me. I'm just pointing out that here is a guy that worked for Amie, he employed somebody else and promoted somebody else who used to work for Amie and seconded to Liverpool City Council to sit on this panel and my angst if you like about that is quite simply about whether there is anything, that's an extremely large amount of work being given to a Northern Ireland company by a Northern Ireland company that then uses sub-contractors from Northern Ireland. There's about 4 companies working sub-contracted on The Strand that are from Northern Ireland, seems like there is a Northern Ireland cartel so all I'm pointing out is my concerns and I think I've got a right to ask the questions and to ask people to look into that in the same way you've got a right to ask the questions and ask things of me and the city in terms of best value and what's been going on with Operation Aloft.

MC Yes that's fine, I've got that and certainly...

JA And you know there are things that need to be looked at. Who are the people that were signing off the quality of the work? Who were the people that were making the final decisions? Has anybody checked in terms of the compensation events? Has anybody checked with any of those schemes that were done to see if any compensation claims were made by that company and then whether they were then subsequently awarded more work having made those huge compensation event claims? These are questions that need to be asked. That's a huge amount of work, I've just reeled off about 12 schemes there or whatever that they've been awarded. I'm not suggesting for one minute that they weren't the best, but it's a lot of work isn't it?

MC Yep, yep, well I've got that on my radar now so....

JA And it's worthwhile checking about, as I said the cost of The Strand, how much it's gone up by. One of the things I raised with Jeanette McLaughlin, I was told, and some of this Max as well, you have to remember that it was officers of the Council that had told me some of this information so I was told that The Strand works had gone over budget by £5 million and then when I started asking questions about that, there was all kinds of reasons but then

they were awarded another contract in Ropewalks whilst I was questioning how that was going on, they were awarded another contract.

MC I think that's certainly an area to look at and we will pick that up.

JA And regards what worries me as well is that you have the Head of Procurement, Trevor Ingham making a comment about me when I'm doing my job and asking questions. Now at the end of the day, I'm the Mayor of Liverpool and even if I wasn't the Mayor of Liverpool, I was the leader of Liverpool, I have always made it absolutely clear since I became leader that if anybody wants to complain, if anybody wants to make contact, if anybody wants to raise any issues, that I have open door policy, people can make contact with me. That doesn't mean to say I'll put it right, but at least I'll ask the questions and I'll raise the issues. That's what my role is, that's what my job is.

MC I mean I understand that, as you know I work with Jules XXX and the institution of electing mayors changed the balance of where questions came.

JA Yeah, equally for me, I've made no secret of the fact that as and I don't want to make any sort of politics, but as the Council has struggled financially, that we have to grow the economy, we have to get on with things, Howard Bernstein and Richard Leese showed the way in Manchester about how to grow the economy, we're now getting more business rates in the city, we've created more jobs, all these things need to be done and for me, it was always a question of maximising the opportunities that we had and that's exactly what I wanted to do and what I'm clearly saying is the school building programmes, we've built 17 new schools and what I did with all of those schools, that when we awarded contracts to those developers, it was that they used local suppliers. I always remember a company coming to me who supplied furniture, plastic furniture for the dining areas in the schools that we were building and they had done three and they said without the intervention of the Council making sure local supply was used, we'd have gone under, we wouldn't have been able to survive, we created round about 60 apprenticeships across those schools, they were transferring from one to the other, that's inclusive growth, that's about social value. They are at the heart of everything that we should do.

MC Yes I understand that and I understand why you would do that and why it's right to do that.

JA OK

MC So we will certainly follow up with those issues that you have just raised with me now. The ones that I haven't already got to because some of those things were already on my list.

JA And you know as I said, I'm more than happy to answer any of other issues, questions or comments or points or whatever that you want to challenge me or raise with me or whatever.

MC I appreciate that.

JA I'm here to help at the end of the day. In terms of I know you're looking at but if we look at some of the things, people are trying to suggest that there is a strained relationship between me and Tony Reeves or whatever, my strained relationship with Tony Reeves was round a number of things not happening as they should be happening. I got Kit Malthouse to agree that we build council housing, we wiped off the ATA debt with that, that was 3 years ago. The slow progress that we've made in that regard, the process that we had made, the progress we made sorry in that regard has been really slow. I've been pushing and challenging on that. The community bank, I've pushed on that. The social value, I've asked for a policy to be submitted to cabinet by the end of February and I was concerned that that was slowed down, then finding out about how much money had been spent outside the city looking at the lists of companies and stuff in the same way with the Highways stuff, these were all things that were being challenged but let's not forget, it was me who employed Tony Reeves, first as a consultant from the Deloittes and then employed him against the opposition who were against him, it was me that employed him, it's me that if you look at the audit and governance, if you look at all the processes that we have put in place, they are all under my leadership, if you look at the fractional sales model that we've got in place with the panel, Jane Corbett chaired that which we set up after the regeneration meeting, I agreed to get on with that and set up that, brought in Simon Gocher to look at North Point Global and what went on there. Even the inquiry by Lancashire Police into what went on with BT, it's got a link, in terms of the Council, I've made an officer available to Lancashire Police to access anything they want and require and an office inside the Cunard Building. We have done everything to support the Police in every way they can with that, in the same way we will do with Operation Aloft but all of those things in terms of the statutory officer's group, the due diligence now that gets done on land sales and buying of land and stuff, whatever that will engage in, all of those things have been put in place so we are where we are in regards to, we have brought in a peer review, we've also as I said just had Grant Thornton give us a report which went to Audit and Governance about governance arrangements and about all of those things, I'm sure you'll have all those made available to you to scrutinise.

MC I've already seen many of those things.

JA My only comment on it Max, is that I think some of the procedures and things that we have in place are robust enough and good enough and not dissimilar to other cities. Of course what you can't legislate against is somebody behaving in a way that circumvents that or does things wrong and that's the issue that the Police are investigating and that's a matter for them.

MC Absolutely. I think that's absolutely right. You can have the right procedures but you've got to follow them.

JA Yes, absolutely and I mean coming back to what the Police are looking into and stuff whatever, I don't know, I know you've got some relaxation off the Police to talk about those issues but they're under investigation, some of them are internal stuff around Percy Street and around Faulkner Street and what happened with those and as I have said to the Police, if there is any wrongdoing then those people need to be held to account and stuff and whatever but in terms of what, again you know as somebody that's worked in local government as well that you can, sometimes you can be like a mushroom, kept in the dark and fed what people want to tell you so, from the Mayor's point of view sometimes you assume sometimes, yeah, maybe naively you assume that things are in the framework and the proper, I'm sure I don't need to remind you about the statutory officer's responsibilities and how it works and despite what people say or think, Mayors don't have cart blanche or powers to do things without going through those statutory processes and also through cabinet and through other things to if things have gone wrong then they need to be corrected but I'm not convinced that it's down to the procedures that we have in place, it's the people who are dealing with the processes that might be at fault.

MC All that will come out....

JA Yeah, absolutely.

MC But what we are doing and where it's not best practice, we will say so and where it is, we'll also say so because I think it's important. I know authority is all bad and no authority is all good.

JA No and we've made mistakes but we are exemplars in other areas as well, I think the fractional sale stuff is again something that we did. You know as well as I do that the fractional sales model and the bad practice in using that model was happening in Leeds, in Manchester, in other parts of the country but that said, something fractional sales actually work and some don't so again it's about how it's used and what it's done. I mean without going into the North Point Global report and what happened there, that is still under investigation and stuff but I think it's unfair to try to accuse the Council of not doing due diligence on that when at the end of the day that was because of what people bought, they bought properties and stuff, the people themselves that did that should have done their own due diligence and shouldn't have got engaged in those things, we all came about, but the other things that as I said I am more than happy to talk about is any other areas but I've got, I know for instance the Police have raised issues about companies being awarded work and stuff and we've always had a situation where companies in the city, and it's similar to Manchester and similar to other areas, for instance how companies sponsor MIPEM and do they expect favours from the Council because they are sponsoring MIPEM or engaging with the Council in ways that they are paying for the Council to go to the South of France to the property, stuff, what have you, that's always been the case that different groups and difference companies that are involved with the Council with the knowledge quarter, Paddington Village, the things that we've done, I mean I'm sure you can see the development that's taken place in the city and what

we've done and what we've actually achieved over the last sort of 7-8 years. It's been phenomenal and Paddington Village, Garden Festival site, Kings Dock, there's lots of companies that work with us going to MIPIM who support the Council going to MIPIM that are involved in all of those things.

MC You've just got to be so careful though.....

JA Yeah, absolutely.

MC That you're safeguarded. I understand exactly the point you're making.

JA No absolutely because, and I agree with you, but it's whether that should be looked at from a national perspective because you know as well as I do that the support for Councils going to the likes of that event in particular is not just done in Liverpool, it's done elsewhere. It's things like, we have what's called The Mayoral 100 Club where businesses pay for culture events and stuff, whatever they support us putting on cultural events but do they expect things in return for that? That's just, as you said, you've got to be absolutely careful that that's not how it's seen if they are doing something in terms of helping the Council in any way.

MC Yes I understand that, absolutely understand that. That's been really helpful you know. I mean it's been very useful for you to talk like that. Happy. We are going to pick up the points that you've raised because they were already on our list so that will be something we will follow through.

JA I mean clearly Max, as I said I'm more than happy to talk to your team, anybody who wants to ask or follow up or whatever or do anything in a particular area. It's frustrating for me because at the end of the day I've been, what I've been arrested for and stuff whatever, so it's difficult, I can't even speak out about some of the things. I can tell you one thing that I was accused of, which was taking money from companies for my campaign fund and when we've made enquiries, we've found out that these companies did indeed pay money but they'd paid them to the Lord Mayors Charity Fund and not to me yet, that's one of the things that I was accused of so I've got to sit here patiently, I've been told that I can't have any involvement in the City Council, not by the Police but Liverpool City Council are restraining me because they're telling me that if I get involved even for instance in the Equality Task Force or any of those things that are passions of mine that I want to see happen because of Black Lives Matter, I can't do any of those things because what I've been told is that you will send in the commissioners if I get involved so I'm sitting here, well that's what I've been told Max, so I can't even access Liverpool City Council's network in terms of making contact with people and they're then telling me for instance, my mayoral allowance I don't get, I can't get it because they're saying I'm not working and yet they're stopping me working so I want to speak to Claire Dove, I want to speak to Tracey Gore about the Black Lives Matter and the taskforce that I've set up. I want to check where we are with the community bank. I want to check where we are with some of the things that I've put in place, the education bursary, how that's working, our adult social care. I can't even work because Liverpool

City Council at this juncture are blocking me from working. It's just an injustice. I've been charged with nothing, arrested but not charged with anything.

MC I understand that and I understand what the Council has said. All I can say is that I've got a job to do and my task is to report to the Secretary of State and then copy that to the Council before the end of March and we will ensure that we do that unless something really gets in the way. I've always kept my promises....

JA And Max listen, let me be clear, I know of your reputation and stuff whatever and I know you'll be fair in the way you approach it and that's exactly what I want, I'm not asking for anything other than that, my frustration is that at the minute, I'm the elected Mayor of this city, I have been for 10 years, well 8 years and 2 years as leader of the Council, I've done in my view absolutely nothing wrong and I will defend myself and the truth will come out and I am so frustrated that at the end of the day I just can't even be, I'm stuck here in my own house because I can't go out but that's life.

MC I understand, it is a difficult time. It is a very difficult time. We'll follow up.....

JA OK no worries.

MC And be in touch as we need.

JA OK

MC You've been very helpful and if there is anything more you want to say to me, you know how to get hold of me, I'm always happy to talk to you.

JA Thanks Max and thanks to everybody else for being here, thank you, good to speak to you.

MC Thanks very much.

JA OK, take care now, bye bye.