

Case Summary - Cheshire East Council

Case no. SfE-000133
Member(s): Councillor Frank Keegan
Date received: 13 Dec 2010
Date completed: 24 Mar 2011

Allegation:

That Councillor Keegan acted improperly in relation to a housing proposal from which he stood to gain personally.

Standards Board outcome:

The ethical standards officer found that the member did not breach the Code of Conduct.

Case Summary

Councillor Keegan was a cabinet member of Cheshire East Council from its inception in April 2009 until November 2010. He had responsibility for finance.

Over several years he developed an idea which involved allowing developers to build houses on council owned land. The buyers would only need to pay initially 50% of the value of the houses, so enabling people to buy houses they otherwise could not afford. The council would gain a proportion of the equity of the houses. Councillor Keegan projected this would bring significant financial benefit to the council.

The complainant alleged that Councillor Keegan had:

1. sought to compromise the impartiality of council officers
2. failed to register a personal interest
3. disclosed confidential information
4. used resources not in accordance with the authority's reasonable requirements
5. used or attempted to use his position improperly to secure an advantage
6. brought his office or authority into disrepute.

Allegations 1) and 2) related to a meeting Councillor Keegan held with a senior council officer in August 2009 in an office owned by a large property developer. His housing idea was mentioned at the meeting. The ethical standards officer found that they had met there as a matter of convenience, as Councillor Keegan was unable to get to the council offices at the time. She considered there was no evidence that the meeting had altered the officer's views about his housing idea, or that it was likely to do so. She therefore found he had not compromised or attempted to compromise the officer's impartiality.

The ethical standards officer also considered whether Councillor Keegan ought to have registered the fact that the property developer made the office available for the meeting in August 2009, on the register of members' interests. As there was no business of the authority which could have affected the property developer, she considered he was not under an obligation to register the hospitality. Therefore he did not fail to comply with the Code of Conduct.

Allegation 3) concerned a plan of an area of land in Cheshire which Councillor Keegan requested from a council officer and then forwarded to the same property developer as in allegation 1). It was alleged that he improperly disclosed confidential information. The ethical standards officer found that the plan was readily accessible information and was therefore not confidential. Councillor Keegan therefore did not fail to comply with the Code of Conduct.

Allegation 4) related to Councillor Keegan allegedly misusing officers' time to promote his housing idea. He asked for an update on the plan he obtained, and he discussed his idea with a senior officer. The ethical standards officer considered that the Code of Conduct was not intended to prevent such dialogue and that Councillor Keegan had not failed to comply with it.

Allegation 5) related to paragraph 6(a) of the Code of Conduct which states that a member must not use or attempt to use their position improperly to secure an advantage. Evidence in support of this allegation was that in October 2010 Councillor Keegan told the leader of the council that he was hoping for personal gain from his housing proposal, and in an email to the deputy leader he wrote that he was "hopeful of a share in the company" and "wanted a reward for my efforts". Councillor Keegan denied that he stood to make a gain from the housing proposal. He denied using the words alleged to the leader, but the ethical standards officer concluded that he had done so.

Another witness stated that Councillor Keegan said on 25 October that he had already told the developer that the council would be releasing land. Both Councillor Keegan and the developer denied that any such undertaking had been given.

The ethical standards officer considered that Councillor Keegan's proposal had not related to one particular site, but he had used one site to demonstrate the viability of his idea. She noted that it was understandable that Councillor Keegan's email and admission to the leader had caused concern to the complainant. However, she considered that Councillor Keegan had always been open about his proposals, which were at a formative stage. She concluded that there was insufficient evidence to show that Councillor Keegan had attempted improperly to gain an advantage from his housing idea.

Allegation 6) related to disrepute. The ethical standards officer considered that in the absence of any other breaches of the Code of Conduct he had not brought either his office or his authority into disrepute. She observed that Councillor Keegan ought to reflect on his actions as they had caused understandable concerns from senior officers and other members about the public perception of his relationship with the property developer.

Relevant paragraphs of the Code of Conduct

Paragraphs 3(2)(d), 4(a), 5, 6(b)(i), 13(2)

29 March 2011