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Woking Borough Council kept football stadium redevelopment dealings secret, independent investigation finds

Independent review backs up scrutiny task group's criticism of council's dealings with football stadium developer

BY

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CGI of the controversial new stadium planned for Kingfield, refused by planning committee in 2020 (Image: Holmes Miller Architect)

An independent investigation into Woking Borough Council has confirmed it kept its dealings with the Woking Football Club stadium developer secret and failed to properly address risks.

It describes the involvement of people in the council who had a conflict of interest as like 'driving a coach and horses through the Nolan principles' - the ethical standards expected of public office holders.

The report, from the Local Government Association's Gifty Edila, has prompted Woking council's leader to apologise to residents for their procedural failings.

Conservative leader Ayesha Azad said in last Thursday's council meeting that it 'makes for sobering reading in places' and 'highlights the procedural failings, the inevitable conclusion of which can only be, in this project the council, with the best of intentions, took a wrong turn'.

She continued: "And we need to understand that as a local authority, our wrong turns are not without consequence, for communities, families and individuals.

"To those people I want to apologise, not for the ambition that this council has to support the football club, which I know many of them share, nor for wanting to build homes in our borough for people who need them; I know that many people support that social imperative as well.

“But sorry that in our dealings with this matter, the council’s zeal was allowed to diminish responsibility to serve you openly, transparently, with full regard to the principles that govern public life.”



Cllr Ayesha Azad became leader of Woking Borough Council in October 2020 (Image: Surrey Live / Darren Pepe)

The proposed expansion of the Kingfield football stadium to over 9,000 seats, along with 1,048 homes and a medical centre, was refused by the planning committee in June last year, though the developer intends to appeal.

To allow expansion the intention was for David Lloyd leisure club on Westfield Avenue to be relocated to Egley Road, but that was refused planning permission as well.

However it was not the merits or drawbacks of any development that were under scrutiny, but how the council conducted itself.

What did the independent investigation find?

Woking Borough Council supported the football club’s endeavours, buying land without conducting a valuation, and agreeing to a loan of £250m to an external developer when officers knew the company was only worth £100.

Despite these lengths it did not accept ownership of the project and so had no business case or project plan.

Investigator Dr Edila, a retired barrister, said she had been “surprised” to be told no risk template existed for “a project of this magnitude”.

She also said it was “unusual in my experience” not to include legal advice in the reports presented to council.

“As decision makers the councillors were entitled to have all relevant facts,” she said. “There was financial advice given but no legal advice.”

Labour councillor Mohammad Ali raised concerns about the loan agreement in 2019, but press and the public were excluded from the meeting.



Woking borough councillor Mohammad Ali represents Canalside (Image: Surrey Advertiser - Grahame Larter)

Dr Edila’s report said more information was withheld from the public domain than was necessary and criticised a failure to take minutes to document project meetings. “WBC is a public body and is accountable to the public,” she wrote.

“It is not a privately owned business where there may be discretion as to how the directors run the business. Local authorities are particularly vulnerable to legal challenge, not for the substantive decisions they make, but for procedural failures.

“It is important that records on important matters like the WFC (Woking Football Club) project are retained for audit trail purposes.”

She also said WBC should not be appointing its employees onto external companies or trusts that are likely to have an association with the council.

The husband of the council’s finance director, Leigh Clarke, is a minor supporter shareholder of the football club. The council’s head of legal services, Peter Bryant, gives general assistance to the club with the management of elections to their board and is a member of the supporters’ club Cards Trust.



- Woking Borough Council offered £250m loan of public money to developer with no guarantor



- Developer intends to appeal decision to refuse Woking FC stadium plans and housing scheme

At the same time they are both directors of the property owner, Kingfield Community Sports Centre Limited (KCSC), so have a legal duty to safeguard the best interests of the company and ensure it remains solvent.

Both declared all these interests and yet continued to represent the council in its dealings with the developer.

Dr Edila said: "As directors of KCSC, both directors owe their primary loyalty to the company above the council's interest. Yet they worked on the project on behalf of the council."

She said there was no doubt in her mind as to the integrity and professionalism of Mrs Clarke and Mr Bryant, but the council had placed them in a difficult position.

"Would the ordinary person outside and looking at the two officers' roles in the council think they would be predisposed and biased towards supporting one or more of the three organisations they were associated with?" asked Dr Edila.



Peter Bryant, Woking Borough Council's monitoring officer, and director of democratic and legal services (Image: Woking Borough Council)

"That is the position the directors were placed in and they constantly had to defend their integrity when questions were asked."

She concluded: "There was a genuine desire to find the best option for redeveloping or relocating the stadium without it becoming a council-led project.

"The council already had multiple projects in progress, especially in the town centre, and many through council-owned companies. Internal resources were stretched and taking on an additional development project like this one was unrealistic."

What did the external report recommend the council should do?

Woking Borough Council (WBC) agreed unanimously on Thursday (January 7) to accept Dr Edila's 14 recommendations in full, some of which they said had already been enacted.

These can be [seen in full here](#) and include:

- If the football club project is given planning permission in the future, an updated report should go to full council confirming the legal basis for agreements.
- All major development projects should have contingency plans for managing risks, and project groups with scheduled meetings and minutes taken.
- Where a special purpose vehicle company - a subsidiary created to isolate financial risk - is set up to deliver a project, a guarantee from the parent company or other protection should be sought.
- A valuation should be sought when buying land in the borough.
- Only the parts of development project reports that should not be in the public domain at that point in time should be kept confidential, not the entire report.
- The council should avoid appointing officers, especially the finance and monitoring officers, onto external companies or trusts likely to have an association with the council.
- Councillors who decide planning applications should not take part in the scrutiny committee's review of a proposed development that will submit a planning application.
- Officers and councillors should get external training on the code of conduct, the Nolan principles and sitting on external bodies as directors of companies or trustees on trusts.
- WBC should set up a residents' panel to ensure they are consulted regularly.
- WBC should allocate a reasonable budget to its scrutiny committee.

How did councillors respond to the findings?

The external review was sparked by the work of the council's own cross-party overview and scrutiny committee task group, and Dr Edila praised their 'admirable skill'.

The group was chaired by Deborah Hughes, Lib Dem councillor for Hoe Valley, who said: "As chair of overview and scrutiny (OSC) I welcome this report and I must say the leader's acknowledgement of it in this meeting.

"The task group's finding that reassurance could not be given has been fully endorsed by Dr Edila, who has also confirmed the damning indictment of council processes in reference to a major development.

"I welcome these recommendations, the implementation of which will ensure a step change in the governance processes of this council for the future."



Woking borough councillors Louise Morales and Deborah Hughes represent Hoe Valley (Image: Grahame Larter)

Cllr Graham Chrystie, who was part of the OSC task group and also chair of the planning committee, said the council had 'failed very badly'.

"There is something seriously wrong with procedures, and with governance, in this council," he said. "A number of residents have said they haven't seen anything as bad."

Dr Edila said the council's head of legal was satisfied councillors sharing roles on the task group and planning had based their vote solely on the planning meeting.

Cllr David Bittleston, who was council leader during the process leading up to the planning decision, said Dr Edila had done an 'amazing job' though he did not agree with all the conclusions.

He said: "The overriding theme throughout this is not condemnation of the council; actually, it's a whole series of congratulations about the council, and the officers."

Dr Edila commended the trustbuilding initiative of a joint leaders' group meeting.

On the subject of transparency, Cllr Bittleston said: "Throughout that whole process with the football club my door was always open. I had meetings with the many directors from the football club, Dukelease [the developer involved the directors of Dukelease and GolDev], SWAG the campaign group."

Cllr Hughes responded: "I assume all those meetings were minuted."

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Cllr Bittleston continued: "Whilst there are things we need to put right, don't let's all say 'It's appalling', because it isn't appalling. What we've done is great.

"I do have one issue and that is over this concept that we should have joined with the developer and done the communication together; I can't see how you can do that and behave without being biased."

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Louise Morales, Lib Dem councillor for Hoe Valley, responded: "If we don't actually support a development, what did the councillors think they were voting for when they voted to, on this particular case, lend £250 million to a developer?"

"They have voted with our council taxpayers' money to support a project to the tune of whatever they care to be.

"If you don't support it enough to do a joint communication with the general public, and put your hand up and said, 'Yes I've agreed that I think this is a really good idea', then actually maybe we should not be supporting it financially as well, if we cannot actually put our faces out in public and support it with the developer and say this is a joint project."