

INDEPENDENT INVESTIGATION INTO THE WOKING FOOTBALL CLUB AND ASSOCIATED DEVELOPMENT

Executive Summary

The Council at its meeting on 30 July 2020 resolved that:

“the LGA be requested to nominate a professional person or experienced organisation, independent of the Council, to investigate and review the processes and actions of the Council in respect of Woking Football Club and associated development and to make appropriate recommendations to Council arising from the investigation and review”.

Following an introduction by the Local Government Association the Chief Executive confirmed the brief to Dr. Gifty Adila as: “Woking Borough Council has engaged you to:- “Investigate and review the processes and actions of the Council in respect of the Woking Football Club and Associated Developments and to make appropriate recommendations to the Council arising from your investigation and review”. The brief is open and not constrained in any way. The timeframe is not fixed but we would hope that three to four weeks (15 to 20 days) should be sufficient so that this matter could be addressed before Christmas.

The report incorporates the recommendations of the independent person and sets out a series of draft resolutions for Council approval. In approving the draft resolutions, it should bring the matter of the Woking Football Club and Associated Development issues to a close.

The Council is requested to publicly thank Dr Gifty Adila for undertaking the independent review.

Recommendations

The Council is requested to:

RESOLVE That

- A Internal training on the use of the Woking Borough Council Project Management Framework be provided to all Corporate Management Group Officers, their direct report and any other officers that are called upon to manage activities through the framework;**
- B If the Woking Football Club project obtains planning permission an updated report should be submitted to the Executive and Council incorporating the requirements of 30 July 2020 Council Resolutions E and F and include confirmation of the legal powers enabling the Council to support the implementation of the project;**
- C All major projects should have a completed risk management template that identifies all the relevant risks, and which should be supported with contingency plans for managing the risks;**
- D Major Development projects should have project groups with scheduled meetings and minutes taken;**

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- E The Director of Legal Services investigates the merit of seeking LEXCEL Accreditation and reports thereon to a future meeting of the Executive;**
- F When considering future projects with third parties Council participation in community engagement related to the project should be formally considered and determined by Members;**
- G Note the formation of the Residents Panel;**
- H Part II confidential information in reports dealing with development projects should be limited to information that should not be in the public domain at that point in time and should not apply to the entire report;**
- I When seeking approval for a project or activity the identity of the Officer with authority to accept or amend arrangements on behalf of the Council will be stated together with the Member with whom that Officer will consult in making the decision;**
- J In future development projects where a Special Purpose Vehicle company is set up to deliver a project, a risk template must be produced, and a presentation made to Councillors, particularly addressing viability and identifiable risks to the project. Consideration should be given to the SPV company providing a bond, insurance or a parent company guarantee, if there is a parent company. If none of these are realistic or achievable, other assurance and protection should be sought and put in place;**
- K The arrangements for the appointment of Directors to Council owned companies, be considered by the Executive at its meeting on 25 March 2021 and by the Council at its meeting on 8 April 2021;**
- L External training should be organised as part of the 2021/22 training programme for Officers and Councillors on the Code of Conduct, to include the Nolan principles and sitting on external bodies as directors of companies or trustees on trusts;**
- M Members of Planning Committee should not participate in an Overview and Scrutiny Committee's review of a proposed development in which a planning application would be submitted;**
- N Members of Planning Committee should not sit on an Overview and Scrutiny Committee or Task Group meeting reviewing a development, which had been determined by Planning Committee. They may give evidence at such meeting;**
- O WBC should adopt the Local Government Association's guidance document 2019 called 'Probity in Planning' and arrange a presentation on it to Planning Committee members;**
- P External training should be arranged for members of Planning Committee on Code of Conduct, Nolan principles and the guidance called Probity in Planning;**

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- Q** The Draft Revenue Budget for 2021/22 should include a provision of £20,000 for Overview and Scrutiny activity subject to final approval by Council at its meeting on 11 February 2021;
- R** The Overview and Scrutiny Committee be requested to consider the role profile setting out the skills it will require in a Scrutiny Officer together with the Business Case for the appointment;
- S** WBC should appoint an external facilitator to work with those involved in the project – Officers and the Executive, and the Task Group to rebuild the good working relationships that previously existed;
- T** The Council expresses its appreciation for the work undertaken by Dr Gifty Adila.

The Council has the authority to determine the recommendations set out above.

Background Papers: None.

Reporting Person: Ray Morgan, Chief Executive
Email: ray.morgan@woking.gov.uk, Ext.. 3333

Contact Person: Ray Morgan, Chief Executive
Email: ray.morgan@woking.gov.uk, Ext.. 3333

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1.0 Introduction

- 1.1 The Council at its meeting on 30 July 2020 resolved that:
- 1.2 “the LGA be requested to nominate a professional person or experienced organisation, independent of the Council, to investigate and review the processes and actions of the Council in respect of Woking Football Club and associated development and to make appropriate recommendations to Council arising from the investigation and review”.
- 1.3 Following an introduction by the Local Government Association the Chief Executive confirmed the brief to Dr. Gifty Adila as: “Woking Borough Council has engaged you to:- “Investigate and review the processes and actions of the Council in respect of the Woking Football Club and Associated Developments and to make appropriate recommendations to the Council arising from your investigation and review”. The brief is open and not constrained in any way. The timeframe is not fixed but we would hope that three to four weeks (15 to 20 days) should be sufficient so that this matter could be addressed before Christmas.
- 1.4 Dr Gifty Adila’s report is set out at Appendix 1. The Council first received it on 15 December. Following review the Chief Executive made representations, as requested, on 23 December concerning the accuracy of some references within the report. Dr Adila considered the representations and made minor amendments to the report and reissued it, with its original date The Council received the final version on 28 December 2020.
- 1.5 The text of the report is not reproduced here, only the recommendations. This covering report sets out how it is proposed to address the issues raised. The recommendations are then set out in the draft resolutions before the Council.
- 1.6 Each recommendation is considered below.

2.0 Recommendation 1

- 2.1 The report at Appendix 1 recommends that:
 - i. All major development projects however initiated should be recognised as a project and the Council’s project management tools such as Prince 2 should be adopted to manage the project.
 - ii. Internal training on project management should be provided to the Corporate Management Team and their deputies.
- 2.2 The first of these recommendations repeats the original recommendation approved Council at its meeting on 30 July 2020. The Council determined at Resolution A that

“the Woking Borough Council Project Management Framework be adopted for all projects and programmes including those that are not initiated by the Council”
- 2.3 The Council’s project management framework is based on Prince 2 principles and is embedded in the Councils systems of monitoring and reporting. Accordingly it is considered that Recommendation 1 (i) has been addressed.
- 2.4 The additional recommendation, ii, proposes that training on project management should be provided to the Corporate Management Team (CMG) and their deputies. Rather than limit this proposal to deputies it is proposed to extend it to all CMG officers and their direct reports. The training programme will also be extended to all officers who may be called upon to manage projects through the Project Management Framework.

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- 2.5 Therefore the draft resolution for Council, taking into account Recommendation 1 (i) and (ii) is
- A. Internal training on the use of the Woking Borough Council Project Management Framework be provided to all Corporate Management Group Officers, their direct report and any other officers that are called upon to manage activities through the framework.

3.0 Recommendation 2

3.1 The report at Appendix 1 recommends that:

- i. The report writing template for committees, the Executive and Full Council should be amended to include a legal implications comments section. All reports should have legal implications comments and when proposals in a report do not have any legal implications, the comment 'None' should be inserted to provide clarity.
- ii. If the WFC project proceeds to implementation, in the event of planning permission being obtained, an updated report should go to the Executive and Full Council and it should include confirmation of the legal powers on which the agreements were made.

3.2 Recommendation 2 (i) is accepted.

3.3 Recommendation 2 (ii) was in part considered that the July Council meeting when it resolved at "E" and "F"

- E elements of the future sustainability and self-sufficiency of WFC should be more fully tested for clarity and accuracy. As the prime rationale for the development is that of ensuring the on-going sustainability of the club. It would be prudent to ensure that this is achievable in all the various and on-going iterations of the proposals. Any changes of proposals should be brought back to the Council for consideration;
- F a rigorous risk assessment is required of the whole scope of the Woking Football Club and Related Developments to protect the Council should Planning Consent be granted. The project risks and those associated with the loan facility should be regularly reviewed;

3.4 Accordingly, a composite resolution B is proposed which cross-references the resolutions of 30 July and incorporates Recommendation 2 (i) above.

- B If the Woking Football Club project obtains planning permission an updated report should be submitted to the Executive and Council incorporating the requirements of 30 July 2020 Council Resolutions E and F and include confirmation of the legal powers enabling the Council to support the implementation of the project.

4.0 Recommendation 3

4.1 The report at Appendix 1 recommends that:

- i. All major projects should have a completed risk management template that identifies all the relevant risks, and which should be supported with contingency plans for managing the risks.

4.2 This recommendation is agreed and is consistent with the Project Management Framework. Accordingly it is included as draft resolution C

- C All major projects should have a completed risk management template that identifies all the relevant risks, and which should be supported with contingency plans for managing the risks.

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5.0 Recommendation 4

5.1 The report at Appendix 1 recommends that:

- i. Major development projects should have project groups with scheduled meetings and minutes taken.
- ii. Legal Services should seek Lexcel accreditation from the Law Society of England and Wales.

5.2 Recommendation 4 (i) is agreed and is consistent with the Project Management Framework. Accordingly, it is included as draft resolution D.

D Major Development projects should have project groups with scheduled meetings and minutes taken

5.3 Recommendation 4 (ii) relates to a quality standard for Legal Services. The Council has previously explored this accreditation but decided on grounds of cost and efficiency not to progress it. In light of the recommendation, it is proposed to investigate accreditation again and report to the Executive on the implications and cost benefit of the proposed accreditation. Accordingly resolution E modifies the recommendation

E The Director of Legal Services investigates the merit of seeking LEXCEL Accreditation and reports thereon to a future meeting of the Executive.

6.0 Recommendation 5:

6.1 The report at Appendix 1 recommends that:

- i. WBC should be joint partners on community engagement in development projects in the borough. If necessary, a developer could be asked to fund any additional staff needed to support the community engagement task.
- ii. WBC should set up a Residents' Panel to facilitate regular consultation with residents, and to use the panel to commence wider community engagement on development projects.

6.2 In respect of (i) the Council has generally avoided being a party to community engagement activities undertaken by third parties, even those with whom they had close associations. The exception has been Victoria Square and town centre developments related to it, where the Council, and Council Members, have participated in public consultation events. Rather than setting a fixed approach, it is suggested that when future projects initiated by others are considered the issue should be addressed in the Project Workbook and Member level approval obtained. Accordingly the recommendation 5 (i) is amended as F

F When considering future projects with third parties Council participation in community engagement related to the project should be formally considered and determined by Members.

6.3 In respect of (ii) The Leader of the Council has already announced the formation of the Residents Panel that followed the recommendations of the LGA Peer Challenge. Therefore, the resolution for Council will be to note its formation.

G Note the formation of the Residents Panel

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7.0 Recommendation 6

7.1 The report at Appendix 1 recommends that:

- i. Part II confidential information in reports dealing with development projects should be limited to information that should not be in the public domain at that point in time and should not apply to the entire report.

7.2 This recommendation is agreed as resolution H

- H Part II confidential information in reports dealing with development projects should be limited to information that should not be in the public domain at that point in time and should not apply to the entire report.

7.3 Whilst accepting the recommendation it should be noted that the Council has agreed a Confidentiality Protocol which also addresses this matter.

8.0 Recommendation 7

8.1 The report at Appendix 1 recommends that:

- i. WBC to consider amending the Ostensible Authority arrangement and instead to delegate powers to Officers when considering reports and to stipulate the use of the delegated power in consultation with a named Councillor.

8.2 The use of ostensible authority in the case of the Football Stadium was consequential upon Council decisions. The proposal to amend the arrangements for use of ostensible authority as a default is accepted and in future, the Officer responsible for authorising detailed changes will be expressly stated in the report, Such authorisation will be in consultation with the Leader of the Council or a relevant Member. Accordingly revised wording is proposed at I for the resolution by Council.

- I When seeking approval for a project or activity the identity of the Officer with authority to accept or amend arrangements on behalf of the Council will be stated together with the Member with whom that Officer will consult in making the decision.

9.0 Recommendation 8

9.1 The report at Appendix 1 recommends that:

- i. In future development projects where a Special Purpose Vehicle company is set up to deliver a project, a risk template must be produced, and a presentation made to Councillors, particularly addressing viability and identifiable risks to the project.
- ii. Consideration should be given to the SPV company providing a bond, insurance or a parent company guarantee, if there is a parent company. If none of these are realistic or achievable, other assurance and protection should be sought and put in place.

9.2 These recommendations relate to future projects where Special Purpose Vehicles may be required. Each circumstance will be different. The principle of undertaking a risk assessment and considering the availability of appropriate security is accepted and the recommendations are reproduced as a composite resolution J.

- J In future development projects where a Special Purpose Vehicle company is set up to deliver a project, a risk template must be produced, and a presentation made to Councillors, particularly addressing viability and identifiable risks to the project. Consideration should be given to the SPV company providing a bond, insurance or a

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parent company guarantee, if there is a parent company. If none of these are realistic or achievable, other assurance and protection should be sought and put in place.

10.0 Recommendation 9

10.1 The report at Appendix 1 recommends that:

- i. When purchasing land in the borough, an internal or external valuation should be sought to assist Councillors in making a prudent decision on the purchase.

10.2 This recommendation has been determined by the Council at its meeting on 30 July 2020 when it resolved at H that

“acquisition of land or property by the Council should normally be supported by at least one valuation, or where its price is in excess of £10m, two valuations, and where valuations are not considered appropriate a full explanation must be submitted to the Executive or Council for approval”

10.3 Accordingly, it is not proposed to repeat the resolution.

11.0 Recommendation 10

11.1 The report at Appendix 1 recommends that:

- i. The Council should avoid appointing statutory officers, especially the Section 151 Finance Officer and Monitoring Officer onto external companies or trusts with whom the Council has or is likely to have an association.

11.2 In the context of the Football Club development, it is understandable why this recommendation has arisen. It does however raise wider issues about the governance of Council companies. The Council has set up its companies to deliver its objectives and has sought to ensure that the Directors it appoints ensure the companies do so. Whilst in law the Directors will owe loyalty to the companies, it has been long understood that in the event of a conflict of interest they would resign from the company or be removed by the Shareholder, the Council.

11.3 Therefore it is proposed to defer consideration of this recommendation until after a report on Governance of Companies has been considered by the Executive with the benefit for further specialist legal advice. It is proposed that the matter be considered by the Executive at its meeting on 25 March 2021 and its recommendations considered at the Council meeting on 8 April 2021. Accordingly the revised resolution is set out at K

- K The arrangements for the appointment of Directors to Council owned companies, be considered by the Executive at its meeting on 25 March 2021 and by the Council at its meeting on 8 April 2021.

12.0 Recommendation 11

12.1 The report at Appendix 1 recommends that:

- i. External training should be organised for officers and Councillors on the Code of Conduct, to include the Nolan principles and sitting on external bodies as directors of companies or trustees on trusts.

12.2 This recommendation is agreed upon the basis that it will be undertaken as part of the 2021/22 training programme as set out in resolution L.

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- L External training should be organised as part of the 2021/22 training programme for Officers and Councillors on the Code of Conduct, to include the Nolan principles and sitting on external bodies as directors of companies or trustees on trusts.

13.0 Recommendation 12

13.1 The report at Appendix 1 recommends that:

- i. Members of Planning Committee should not participate in an Overview and Scrutiny Committee's review of a proposed development in which a planning application would be submitted.
- ii. Members of Planning Committee should not sit on an Overview and Scrutiny Committee or Task Group meeting reviewing a development, which had been determined by Planning Committee. They may give evidence at such meeting.
- iii. WBC should adopt the Local Government Association's guidance document 2019 called 'Probity in Planning' and arrange a presentation on it to Planning Committee members.
- iv. External training should be arranged for members of Planning Committee on Code of Conduct, Nolan principles and the guidance called Probity in Planning.

13.2 These recommendations are agreed and are reproduced as resolutions M, N, O and P respectively. A copy of the LGA publication "Probity in Planning" is attached at Appendix 2.

14.0 Recommendation 13

14.1 The report at Appendix 1 recommends that:

- i. WBC should allocate a reasonable budget to Overview and Scrutiny Committee for their work.
- ii. WBC should allocate a part-time Scrutiny Officer post to Overview and Scrutiny Committee to assist with their work.

14.2 The Council originally had a budget for Overview and Scrutiny of £20,000 but during the period of austerity, it was deleted. It is proposed that it be reinstated in the draft budget for 2021/22 but subject to formal approval by Council at its meeting on 11 February 2021. This will enable the Council to take account of other competing demands upon its resources. Accordingly, resolution Q is proposed.

- Q The Draft Revenue Budget for 2021/22 should include a provision of £20,000 for Overview and Scrutiny activity subject to final approval by Council at its meeting on 11 February 2021.

14.3 The Council has never provided a separate officer to support Overview and Scrutiny activity; it has previously considered that appropriate officer time will be allocated as required. Indeed this was done for both the Task Group and the Independent Review. To take this forward the Overview and Scrutiny Committee should determine a specification of the skills it seeks in a Scrutiny Officer and the Business Case for the appointment. Officers will submit a draft proposal, in consultation with the Chairman, with examples of what others do and with a proposed role map and person specification. Accordingly, resolution R is proposed.

- R The Overview and Scrutiny Committee be requested to consider the role profile setting out the skills it will require in a Scrutiny Officer together with the Business Case for the appointment.

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15.0 Recommendation 14

15.1 The report at Appendix 1 recommends that:

- i. WBC should appoint an external facilitator to work with those involved in the project – Officers and the Executive, and the Task Group to rebuild the good working relationships that previously existed.

15.2 The Council has historically had good Officer/Member relations and it is disappointing to here that this has deteriorated; it is certainly not the wish of Officer. Officer accept that there will from time to time be robust challenges to their advice and inevitably differences of opinion but have always sought to serve the whole Council and act in the best interests of residents of today and tomorrow; not just those that shout loudest,

15.3 However, a view has obviously been expressed and it would be reckless to ignore it. The Council has access to independent facilitators experience in such matters and therefor it can be arranged. Accordingly the recommendation is reproduced as resolution S.

- S WBC should appoint an external facilitator to work with those involved in the project – Officers and the Executive, and the Task Group to rebuild the good working relationships that previously existed.

16.0 Support for Independent Councillors

16.1 The report commented on support for the Independent Councillors by engagement with the Local Government Association. Officers are happy to pursue this and will liaise with Councillor Bond to establish if he and his fellow Members would find this helpful.

17.0 Implications

Financial

17.1 As reported to the 30 July 2020 Council the requirement to undertake an independent review of the work of the Task Group, including further investigations if required, it was assumed that such a review/investigation could be undertaken for some £10,000 - £20,000. The review was undertaken with that provision at a cost of £18,000 and will be met from contingencies and reported in the Green Book.

17.2 The proposed budget of £20,000 for Overview and Scrutiny will be subject to further consideration by Council at its meeting on 11 February 2021.

17.3 The potential cost of a Scrutiny Officer will be considered at a future date when Overview and Scrutiny has completed its Business Case.

17.4 The training requirements outlined in the recommendations can be met from the Training Budgets in 2021/22.

Human Resource/Training and Development

17.5 The Business Case for a Scrutiny Officer is yet to be prepared and will address the implications when produced.

17.6 There are no other human resource issues raised by the report.

Community Safety

17.7 There are no community safety issues raised by the report.

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Risk Management

17.8 There are no new risk management issues raised by the report.

Sustainability

17.9 There are no new sustainability issues raised by the report.

Equalities

17.10 There are no new equality issues raised by the report.

Safeguarding

17.11 There are no new safeguarding issues raised by the report.

18.0 Conclusions

18.1 The Independent review has identified some further improvements the Council can make to its arrangements to enhance openness and transparency. It also confirms the positive intent of Officers engaged in the project.

REPORT ENDS

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Appendix 1

Report on Woking Football Club and Associated Development – 15 December 2020

A copy of the report produced by Dr Gifty Edila (Hon) is attached as a PDF.

The Council received the final version of the report on 28 December following minor amendments by the author.