

Alan Law – 4 March 2020

Alan Law provided and read out a personal statement – ‘My involvement with LRIE 2013-2015’ outlined as follows:

My direct involvement with the LRIE Project was both short (circa July 2013 – circa Feb 2014) and was limited to assisting with the final phase of selecting (recommending) a Joint Venture Development Partner.

I was elected in May 2007. From May 2008 until July 2012 I was the Portfolio Holder for Planning. As such, being the Executive Member responsible for the Local Planning Authority, I could not have any involvement with the property or land owning side of the Council or whenever the Council acted as a property developer as it did with Market Street and LRIE.

I was of course aware, through my attendance at Operations Board and Executive meetings, of the Council’s general intent to develop both areas as part of the Newbury Town Vision 2026. However I was not at all involved in any details and my only recollection of anything significant relating to LRIE was a discussion at Ops Board/Executive (mid/end 2010?) concerning the need to consolidate the many different leases within the LRIE site.

From July 2012 until May 2015 I was Portfolio Holder for Finance. I later added the Property and Human Relations portfolios in 2013. Property under Richard Turner was mainly involved with Council owned buildings, the majority of which were schools. London Road was not however part of the Property Portfolio at this time. It was the responsibility of Bill Bagnell working directly with Nick Carter and its Member governance was covered by the Newbury Town Centre Task Group, within Pamela Bale’s Visions portfolio.

The first time I ever heard the term OJEU was at an Ops Board discussion prior to Executive in September 2012. I recall asking what exactly is OJEU? and having it broadly explained as EU procurement rules and regulations. I recall some discussion about whether or not we would need to follow OJEU rules in this case, but I am not certain if this was first raised at this meeting or at a later meeting.

In any case in mid-2013 (July?) I was asked by Pamela Bale and Nick Carter if I would join a small cross party working group to help in the selection of the preferred developer. I do not have the precise dates of any of these meetings but there were 3 or 4 of them during the remainder of 2013 and start of 2014. Other Members of this group were Cllrs Pamela Bale, Jeff Beck and Roger Hunneman, plus Nick Carter and Bill Bagnell. Other attendees were Shiraz Sheikh and/or Head of Legal, David Holling. Also present at all meetings were representatives of Strutt and Parker, property development consultants to the Council on the LRIE project led by Brian Raggett and Simon Underhill.

Prior to my involvement with this selection working group, I believe the question of OJEU had been raised (probably at an Ops Board meeting in May/June 2013). Subsequently, at one of the following working group meetings (it may have been the first I attended but I cannot be sure) both David Holling and Shiraz Sheikh were

present and they clearly stated their legal advice, following external legal advice. It was that we did not need to follow OJEU procurement rules as this transaction was via a land sale and as such did not qualify for OJEU procurement rules to be applied. This statement was accepted by all and I don't ever recall the question ever being raised again within this group.

The first meeting of this group which I attended was following the short list being narrowed from 6 to 3 bidders (August). I was not involved in this initial filtering. The three shortlisted candidates were: St Modwen, Frontier Estates and Wilson Bowden. A further meeting was a presentation from the 3 shortlisted candidates and there were also two lots of site visits to examples of the 3 shortlisted developers in late October 2013. The main criteria for selection was: could they do the job envisaged (advised by S&P they all were capable), but the most important selection criteria was which one did we feel we (the Council) could best work with during a long term partnership. In the final analysis, and I believe it was unanimous, we all felt most comfortable with the St Modwen team and with the quality of their build and project management (particularly as seen and experienced at a site visit near to Weston-Super-Mare). Final selection and recommendation of St Modwen as our JV partner was made by the group in early 2014 (February I believe). This was the last time I was involved with this group and I am not aware of this small selection group ever meeting again after early 2014.

Following our recommendation, the process then moved to acceptance of the recommendation by Executive and then onto final legal contract negotiations. Final approval to proceed and to conclude a legal agreement with St Modwen was approved at Executive on 20/11/14. I understand the agreement was finally signed by both parties in October 2015, by which time, following the election in May 2015, I had moved back to the Planning Portfolio and had not further involvement with the LRIE project.

In early 2016 I was aware of a legal challenge and court case involving Faraday Development Limited but I was not involved and I had no detailed knowledge of any of the issues or arguments or costs involved. I finally left the Executive in July 2016, before the initial court judgement or any of the subsequent appeal cases occurred. Therefore, I had no contemporaneous knowledge of the rationale for the cases, or the defence of the cases or the costs involved. My limited knowledge of these events has subsequently come via the press and Council statements, just like everyone else not directly involved.

Q&A

1. *Can you describe your involvement in the LRIE project?*

Outlined in the personal statement.

2. *Can you detail the governance that was put in place to ensure that the project for the redevelopment of the LRIE was effectively managed and progressed?*

Outlined in the personal statement.

3. *Can you recall who provided the Council with advice regarding this project? &*
4. *Did you have any concerns about the advice received?*

Discussions already referred to at Ops Board in relation to OJEU. Firstly in September 2012 when AL sought clarity on the OJEU process. Then again in May/June 2013. *Covered in personal statement.*

Firm recollection that Shiraz Sheikh and David Holling attended a cross party working group to give advice on OJEU after they had received external legal advice. *Covered in personal statement.*

Was there any surprise at the advice to not follow OJEU?

AL - not at that meeting.

Believed it was questioned at Operations Board.

Legal did their job on this. They procured external advice which was followed. It was categorical advice.

5. *Were you as Finance Portfolio Holder/the Executive given details of the costs of the project?*

High level budget management did not go down to a project by project basis. There was no line by line analysis of costs. The reliance was on officers to monitor expenditure and report exceptions.

AL recalled that Chief Exec's budget often funded many areas, including some projects, but no budget management issues there.

AL could recall the Legal budget being stretched in some years but could not remember the specifics.

Believed that project budget was set on a yearly basis as part of the Visions.

Was AL aware of the link between Wilson Bowden and FDL?

AL felt there was a loose connection.

6. *Is there anything further you would like to add that has not been covered/anything that could have been done differently?*

AL felt that a business case would have been useful.

Felt it was a lengthier process than expected.

Felt that projects that covered different service areas needed an overall project budget and formed using a zero based budget approach.

View on project management in WBC?

AL – Bill Bagnell was project manager and he involved expertise as when required, the necessary officers and Members etc. AL did not feel that a changed project management approach would have made any difference to the outcome.

Was the project discussed at Cons Group meetings?

General process for final papers to go to Group ahead of Exec/Council.

Awareness of process in appointing advisers – i.e. S&P?

AL believed S&P involved from the outset, also involved with Parkway. Believed that S&P had a long history with WBC and had worked closely with Nick Carter. Felt they were competent.

Governance by the NTCTG was questioned?

AL – NTCTG was a sub-section of the Visions. He was only involved in 2014 when his portfolio included Visions and economic development for a period of time.

AL wanted area task groups to work together across the district and not be separate. As such he looked to remove the NTCTG and replace it with a district wide approach that would be able to have a greater reference in the Core Strategy.

Was the pace of the project appropriate?

AL - in retrospect - no, was very time consuming. AL felt that he would likely have questioned this. However, that was partly due to the nature of local authorities and how they operated. Progress was also restricted by the various leases on the LRIE.

James Cole felt that tighter project management was a potential area of learning.

Was there a focus in the Executive to push the project through quickly as this could have limited the advice and guidance received?

AL unable to give a view on that point.