Public Document Pack

AUDIT COMMITTEE

10.00 AM
ON
MONDAY
12 MARCH 2012
IN
CABINET SUITE, SHIRE HALL, GLOUCESTER

MEETING PAPERS

Audit Committee

Monday 12 March 2012 10.00 am

Cabinet Suite, Shire Hall, Gloucester

AGENDA

Item		CONTACT
1	**Apologies for Absence**	Andrea Griffiths Tel: 01452 425006
2	**Declaration of Interests** Please refer to note 1 at the end of the agenda.	Andrea Griffiths Tel: 01452 425006
3	**Minutes** (Pages 1 - 8) a) To consider any issues arising from the meeting held on the 19th January 2012 b) To confirm and sign the minutes as a correct record	Andrea Griffiths Tel: 01452 425006
4	**Independent Review of the Cotswold Water Park** (Pages 9 - 66)	Andrea Griffiths Tel: 01452 425006
5	**Date of the next meeting** The next meeting of the Committee will be held on 13th April 2012	

The Audit Committee

Cllr Ron Allen, Cllr John Burgess, Cllr Gerald Dee, Cllr Philip McLellan (Chair), Cllr Brian Robinson, Cllr Mike Sztymiak and Cllr Brian Tipper

NOTES

1. **DECLARATIONS OF INTEREST** – Members requiring advice or clarification about whether to make a declaration of interest are invited to contact the Monitoring Officer (Nigel Roberts ☎ 01452 425201/fax: 426790/e-mail: Nigel.Roberts@gloucestershire.gov.uk) prior to the start of the meeting.

2. **INSPECTION OF PAPERS AND GENERAL QUERIES** - If you wish to inspect Minutes or Reports relating to any item on this agenda or have any other general queries about the meeting, please contact:

   Andrea Griffiths, Democratic Services Officer
   ☎:01452 425006/fax: 425850/e-mail:andrea.griffiths@gloucestershire.gov.uk

3. **GENERAL ARRANGEMENTS**
   (a) Will Members please sign the attendance list.
   (b) Please note that substitution arrangements are in place.

EVACUATION PROCEDURE - in the event of the fire alarms sounding during the meeting please leave as directed in a calm and orderly manner and go to the assembly point which is **outside the main entrance to Shire Hall in Westgate Street**. Please remain there and await further instructions.

AUDIT COMMITTEE

MINUTES of the meeting of the Audit Committee held on Thursday 19th January, 2012 commencing at 10.00 am.

PRESENT MEMBERSHIP:

Cllr Phil Awford	Cllr Philip McLellan (Chair)
Cllr John Burgess	Cllr Mike Sztymiak
Cllr Gerald Dee	Cllr Brian Tipper

Substitutes:

Also in attendance: Jo Walker, Mark Spilsbury, Martin Robinson (Audit Commission), Peter Jones, Graham Garbutt, Rodney Semple, Janet Bruce, Philip Williams, Graham Burrow, Theresa Mortimer and Andrea Griffiths.

Apologies: Peter Barber; Audit Commission

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Allen, Councillor Awford substituted at the meeting.

2. DECLARATIONS OF INTEREST

Councillor Burgess declared a personal non-prejudicial interest in respect of the fact that he received a local government pension from Gloucestershire County Council. He also declared an interest relating to the Cotswold Water Park item, in that he had been an employee of Cotswold District Council, a District Councillor and Cabinet Member of Cotswold District Council. It was also noted that Councillor Burgess was a member of the GCC's Water Park Joint Committee. Councillor Burgess abstained from taking part in discussion regarding the Cotswold Water Park Society item.

Councillor Awford declared that he was the Chairman of the Children & Young People Scrutiny Committee.

Both the Chairman and Cllr Mike Sztymiak declared a personal non-prejudicial interest in respect of them being a member of the Pensions Committee. It was duly noted that Cllr Sztymiak was employed by Capita.

The Chairman declared that he is a school governor at Coney Hill Primary School and that he is a member of the Appeals Panel.

3. MINUTES

All matters arising had been dealt with and communicated to members of the Committee.

RESOLVED

THAT the Minutes of the meeting held on 26th September 2011 be signed as a correct record by the Chairman.

4. REPORT ON THE PROGRESS OF THE INDEPENDENT REVIEW OF THE AFFAIRS OF THE COTSWOLD WATER PARK SOCIETY

The committee received a detailed presentation (a copy of the presentation is attached to the signed minutes) by Independent Chairman Graham Garbutt. It was noted that Graham Garbutt had been asked by Gloucestershire County Council to carry out an investigation into the setting up of the Cotswold Water Park Society Limited (CWPSL), its governance and the county council's relationship with the society.

Mr Garbutt explained that the investigation began in October 2011, members were informed this had been an extensive review involving discussions with numerous witnesses, and an extensive range of documents and files had been examined.

It was explained that the investigation included examining the appropriateness and application of relevant county council procedures. It was evident the focus of the presentation centered on these findings, as it highlighted necessary improvements that could be made without delay.

In response to a question, members were informed that a full report, including the publication of documents and evidence concerning Cotswold Water Park Society Limited would be concluded by the end of February 2012. It was agreed that an extraordinary meeting of Audit Committee be held in March to discuss the reports findings.

It was noted that Graham was also taking independent legal advice on some areas of the review. He explained that many people were awaiting the outcome of the full review. His aim was to pursue the various concerns and complaints to clear conclusion wherever possible and would publish a full report as soon the work was completed.

RESOLVED

(i) That the presentation be noted.
(ii) That a copy of the presentation be circulated to members for information.
(iii) That the full report would be presented to an extraordinary meeting of Audit Committee in March 2012.

5. AUDIT COMMISSION PROGRESS REPORTS

Martin Robinson, Audit Commission, presented the regular update report showing work to be undertaken by the Audit Commission in relation to the Council and the Pension Fund, and also progress made on Audits already being undertaken. It was explained that application of the code on data transparency relating to districts would require further investigation.

RESOLVED

(i) THAT the report be received.
(ii) Martin Robinson would investigate the code on data transparency, in relation to the district councils.

6. ANNUAL AUDIT LETTER 2010/11

Martin Robinson presented this report that summarised the findings from the 2011/12 audit. It included messages arising from the audit of the council's financial statements and the results of the work that had been undertaken to assess the Council's arrangements to secure value for money in its use of resources. The District Auditor had given an unqualified opinion on the accounts and an unqualified value for money opinion.

RESOLVED

THAT the report be noted.

7. AUDIT PLAN 2011/2012

Martin Robinson, Audit Commission, presented the reports which informed the Committee of the audit work to be undertaken for the 2011/12 financial year for Gloucestershire County Council, the Gloucestershire Pension Fund and the fee involved.

It was explained that because the 2011/12 audit was not yet complete, the audit planning process for 2012, including the risk assessment would continue as the year progressed and the fees would be reviewed and updated as necessary.

The total indicative fee for the audit for 2011/12 was £217,800 which represented a 10 % reduction on the audit for fee for 2010/11. It was reported that the variation from the scale fee occurred where the assessment of risk and complexity were significantly different.

Members seeked clarification regarding the issue of pooled investment vehicles as depicted in the Pension Fund Annual Report (Page 67), it was explained that this

was not a specific issue in Gloucestershire. However it was agreed that the District Auditor would clarify Gloucestershire's position in writing.

RESOLVED

(i) THAT the reports be noted.
(ii) That Martin Robinson would clarify the position of 'Pooled Investment Vehicles' in writing.

8. CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2010/11

Martin Robinson, Audit Commission, presented the report which provided the committee with a summary of the findings from the certification of 2010/11 claims.

The committee noted that funding from government grant-paying departments was an important income stream for the Council. The Council had to manage claiming grant income carefully, demonstrating to the auditors that it had met the conditions attached to the grants.

He confirmed that in 2010/11 the audit team certified three claims with a total value of £66 million. Of those, there were no limited reviews of claims and full reviews of 3 claims were completed. Two claims were amended for errors.

In response to a question, Mark Spilsbury explained that he had written to the head teacher at St. Peters regarding the SCITT program as run by Secondary Head teachers and Gloucestershire University. It was noted that the letter advised SCITT that they were now responsible for their own audit and the costs involved.

RESOLVED

That the report be duly noted.

9. TREASURY MANAGEMENT STRATEGY 2012/13

Mark Spilsbury, Head of Finance, explained that the council had adopted the CIPFA Code of Practice for Treasury Management in Public Services which required an annual strategy in advance of the year to be prepared. The report provided gave details of the borrowing and lending activities that may take place during 2012/13. It was duly noted that this was a prudent strategy to follow given the financial constraints.

It was explained that guidance from CLG on Local Government Investments in England required that an Annual Investment Strategy (AIS) be set. It was noted that the Council's investment priorities were to provide a security of the invested capital, liquidity of the invested capital and an optimum yield which is commensurate with security and liquidity.

RESOLVED

THAT the Committee noted the Treasury Management Strategy for 2012/13.

10. REPORTS BACK ON ACTION REQUESTED FOLLOWING ON FROM AUDIT REPORTS

(a) SEN Transport
Philip Williams, Lead Commissioner for Community Infrastructure, gave a detailed presentation of the reports findings. Members were informed that staff from ITU had been closely scrutinising invoices from contractors. By their vigilance and ability to investigate issues, a contractors invoice had been successfully challenged and had been reduced by £4,000. Consequently an investigation had been undertaken to review the payments made to contractors and the systems and controls in place. It was duly noted that the review had highlighted possible overpayments, system weaknesses and fraud.

It was explained that the travel arrangements for children with Special Education Needs were of a complex nature. Councillor Awford informed members that Children & Young People Scrutiny Committee would be addressing the issue of school transport in greater detail at its March committee meeting.

In response to a question, it was noted that arrangements had been reinforced, especially when it involved a single occupancy contract, as this involved the highest level of risk. It was explained that risk and spot inspections were carried out, the ITU was attempting to triangulate its resources.

RESOLVED
(i) That the committee noted the report
(ii) That CYP would investigate SEN Transport further and would report back to Audit Committee in April 2012

(b) Lump Sum Pension Payments
Graham Burrow, Head of Finance Exchequer, presented the report which detailed the approval, calculation and payment of lump sums, pensions and capital strain costs incurred by GCC as part of the VER and redundancy scheme. Members were informed where staff had been subsequently re-employed by GCC, all policies and guidance had been followed.

RESOLVED

That the report be noted.

11. INTERNAL AUDIT MONITORING REPORT

Theresa Mortimer, Finance Manager for Internal Audit, Risk Management &

Insurance presented the report which provided an update on key findings emanating from Internal Audit Reports issued since the 26th September 2011.

The committee welcomed the report which provided assurance in relation to the key systems audited. Members were informed that an overall assessment of the adequacy of control systems had been provided. It was noted that for the first time there were no limited assurances.

RESOLVED

The committee noted the key findings.

12. DATE OF NEXT MEETING

The committee noted that its next meeting would take place on 13th April 2012.

CHAIRPERSON

Meeting concluded at 12:51

Audit Committee 19th January 2012

	Topic	*Action*	*Responsibility*	*Progress*
1	**REPORT ON THE PROGRESS OF THE INDEPENDENT REVIEW OF THE AFFAIRS OF THE COTSWOLD WATER PARK SOCIETY**	1. That a copy of the presentation be circulated to members for information. 2. That the full report would be presented to an extraordinary meeting of Audit Committee in March 2012.	Andrea Griffiths Graham Garbutt	Completed 12th March 2012
2	**AUDIT COMMISSION PROGRESS REPORTS**	Martin Robinson would investigate the code on data transparency, in relation to the district councils.	Martin Robinson	13th April 2012
3	**AUDIT PLAN 2011/2012**	That Martin Robinson would clarify the position of 'Pooled Investment Vehicles' in writing.	Martin Robinson	Completed
4	**REPORTS BACK ON ACTION REQUESTED FOLLOWING ON FROM AUDIT REPORTS**	SEN Transport - That CYP would investigate SEN Transport further and would report back to Audit Committee in April 2012	Cllr Awford	13th April 2012

This page is intentionally left blank

Cotswold Water Park Review

March 2012

Graham Garbutt

CONTENTS

	Pages
Acknowledgements	3
Summary of Main Findings	4 - 8
Introduction	9 - 10
Chronology	10 - 15
Part 1: Specific Complaints and Concerns	16 - 24
Part 2: Policies and Procedures	25 - 31
Part 3: Governance	32 - 39
Recommendations	39
Appendices	40 - 57

Acknowledgements

This report presents an analysis and interpretation of evidence drawn from some sixty interviews and from numerous documents. None of those approached declined to be interviewed and I am very grateful for their cooperation and for the information and insights provided.

Gloucestershire County Council sponsored the review through Peter Jones, Deputy Chief Executive, who had had no previous involvement with the Water Park, and through its Audit Committee. The council has provided support and access to information as needed and its ready agreement to appointing external legal advisers has reinforced the independence of the review.

The confrontation of serious fraud required special courage, notably from Natasha Flaherty of the Cotswold Water Park Society.

I am indebted for the co-operation of many members and staff of the local authorities, the district audit service, the prison service and the police. The Provincial Grand Lodge for Gloucestershire also provided helpful information.

The length of the Water Park's existence and the volume and complexity of information involved presented serious challenges. Work on the enquiry has been strengthened enormously by the skill and energy of the two staff, both investigative auditors by background, seconded to the review team: Janet Bruce and Rodney Semple.

This review identifies a number of real concerns and shortcomings. It is also important to record that, after about six months of engagement, the dominant impression is of professional public servants working with diligence in increasingly challenging circumstances – something we are all privileged to take for granted.

Graham Garbutt
Gloucester
March 2012

MAIN FINDINGS

Overview

1. The case of Cotswold Water Park illustrates the risks involved in **transferring service delivery and assets** from local authorities to outside bodies, and the critical importance of ensuring that policies and procedures, and the necessary skills and resources, are in place to manage future pressures.

2. In the course of this review evidence has been identified that merits **further investigation** and has accordingly been referred to the City of London Police Economic Crime Directorate. Further details are not given at this stage.

Specific complaints and concerns (Part 1)

3. There is **no evidence** that the Gloucestershire County Council was involved in creating the parallel, confidential agreements ('Heads of Terms', Agreement to Lease) negotiated in December 2007 between Mr. Grant and Watermark. The council did not sign any such document and there was no provision in them for it to do so. It is likely that the council first became aware of the agreements after Mr Grant's arrest in 2010 and first saw any of the documents in August 2011.

4. There is **no evidence** to support allegations of a conspiracy linked to the Freemasons and there is nothing in what I have seen to suggest any impropriety on the part of that organisation or its members. Those most centrally involved in the subject matter of this inquiry are not Freemasons.

5. When the county council gave consent to the underlease for the **Keynes Country Park (KCP)**, provided to Watermark by the society, its terms were significantly more permissive than the headlease granted by the council to the society. In particular the "permitted use" clause was extended to allow any development for which planning consent could be obtained, except that Watermark could not construct residential accommodation unless reasonably required for employees or security personnel.

6. In agreeing to these more permissive terms and in other activities the society perhaps acted **beyond its own rules** of operation, derived essentially from the local authorities' legal powers for providing "recreational facilities". However, under the

provisions of the Industrial and Provident Societies Act 1965, Section 7D2, this would not invalidate Watermark's underlease.

7. The council's consent was authorised at official level using **delegated powers**. This decision was defective in its failure adequately to take account of internal professional advice and in failing to consult adequately or seek authority from senior councillors or directors. Further, it contravened requirements set out in guidance produced by the same department earlier that year: for example, in testing options, financial appraisal and competitive tendering. The context for this decision was pressure for alleged urgency related to the society's financial position.

8. The operation of the **complaints system failed in this cas**e. Following receipt of allegations and after consultations at director level, the then director of finance instructed that the matter should be dealt with as a formal complaint. There is no evidence that this instruction was carried through, and there appears to have been no system to ensure an effective and timely response.

9. Although the council's most senior legal officer had repeatedly cautioned that it would be unlawful for the council to exert influence over the society, the chair of the Joint Committee did so in drafting a response for the society's chairman to a very important complaint. Independent legal advice presents a different legal interpretation on this point: it was quite proper for the Joint Committee to influence the Society and indeed, in providing strategic guidance, this was one of its core purposes. The councillor's action was, on this basis, **not unlawful**.

10. Following receipt of complaints, the chair of the Joint Committee sought advice from the monitoring officer. This seems to have resulted more in a robust defence of the council's actions than an independent examination of the facts. The subsequent review by the district auditor, unfortunately curtailed before its completion, indicates some disquiet over remaining questions and apparent contradictions and identifies some items meriting further investigation. Those concerns were justified but **not pursued**.

11. A complaint to the local government Ombudsman was poorly handled and, after long delay, **not pursued**.

Council Procedures (Part 2)

12. There is pressing need to **improve and update** council procedures. The Water Park project is relatively small but similar failures in other areas of council activity would

have greater impact on service users. Other service areas should consider these findings and possible implications for their management of risks.

13. The county council's **complaints policy** seems comprehensive and sound, but processes for its operation are inadequate.

14. The Council's policy on **Freedom of Information** is closely related to complaints policy and it could be helpful to review their relationship. In this case the council response seems to have been in the spirit of the Act, though with some inconsistency. Clarity is needed on corporate expectations, on who should be consulted on what will be released, and on the recording and monitoring of decisions.

15. The **scheme of delegation** requires detailed review. The schedule attached to it is incomplete in its description of who should be consulted. There should be clear thresholds for mandatory consultation and/or approval. Where legal or financial advice questions a proposed decision, this should automatically be referred to a higher level for resolution: probably a director or cabinet member. There should be a uniform system for authorising and recording decisions, and for public access to them. Operation of these arrangements should be audited.

16. The **policy for disposals** of property has some inconsistency with the scheme of delegation. The two documents need to be aligned and to confirm that they apply to decisions including consents to underlet and other relevant actions where guidance may be ambiguous. While the disposals policy appears to be comprehensive and thorough, the council should consider carefully how it can ensure greater compliance. It should seek further advice from the Royal Institute of Chartered Surveyors or similar source on best practice and its implementation in this case and for the future.

17. The council has different codes of conduct for **declarations of interest** by members and officers. While some differences are valid others should be aligned. Compliance in different departments varies and needs active management and strong corporate leadership. Systems for public and media access to this information need to be transparent and consistent. Requirements in the council constitution for declaration of interests should be reviewed, taking account of government and other advice.

18. There may be scope for improving clarity in the relationship between the **Cabinet and joint arrangements**. This can involve complex relationships with uncertain accountability and "ownership". There is a need to improve role definition, the

provision of support and training, and clarity on sources of financial, legal and other advice for the joint bodies.

19. Rights of **scrutiny and intervention** by council nominated board members or observers should be defined and protected. Adequate training is essential, and sources of professional advice should be specified. The role of "lead officer" in joint arrangements should be carefully defined. Conditions attached to funding and other support should reinforce these requirements.

20. The **role of chief finance officer** should be more carefully defined in financial regulations, as should related departmental and delegated roles. This is essential to minimising risks of future failure.

21. The combination, in one person, of the roles of **monitoring officer**, chief legal adviser and line manager of key service areas involves risk of role conflict. It will be increasingly difficult to sustain as more widespread outsourcing and other changes to council services creates a growing need for demonstrably independent investigation and reporting. Urgent review is needed.

22. The council's Audit Committee should take a lead in ensuring that these measures are implemented as soon as practicable.

Governance (Part 3)

23. The Trust should review its **legal powers** in light of its ambitions and intentions for the future.

24. Overall, past arrangements have **failed to achieve** many of the aims of the Water Park's creators and local confidence has been further weakened by the existence of criminality.

25. Unprecedented pressure on funding and on the capacity of public agencies demands that earlier assumptions of local authority leadership and resourcing need to be **reassessed**.

26. Current **proposals for change** include the abolition of the Joint Committee, the creation of a new Trust board, a new officer liaison group, and lead cabinet members in each of the local authorities. It is not clear that the proposed new arrangements

will achieve what the Joint Committee did not. Much will depend on the Trust, which is likely to fill any vacuum left in governance.

27. Formal decision processes will be needed for issues such as **planning policy**, and the masterplan would be given added force if these were better co-ordinated across the local authorities.

28. A stronger framework of **landscape design** is needed to guide mineral extraction, subsequent landscaping and the positioning and scale of new housing and other buildings. The Water Park should rediscover the spirit of 18th-century English landscape design, with its special combination of countryside and water combined with new planting, vistas, access routes and high-quality architecture. This would give greater confidence to residents and potential investors.

29. Unlike other parts of the Cotswolds, the Water Park is not in an Area of Outstanding Natural Beauty (AONB), lacking the required landscape character for special protection and conservation measures. It faces major change driven by industrial extraction, but creating opportunities for imaginative regeneration. Advice from the Organisation for Economic Co-operation and Development (OECD) and other bodies on **best practice in rural development** should be carefully examined and applied. 'Benchmark' projects in comparable areas should be identified.

30. Careful attention should be paid to establishing effective governance including a balance of **'hierarchies, markets and networks'**. Current proposals create uncertain linkages between the main "driver" (the Trust) and these requirements, with significant risks for the future. These proposals may be insufficient to build consensus and manage effective delivery.

31. At least for an interim period, a **partnership board** involving all key agencies seems the best means of ensuring effective governance. Unlike the Joint Committee it should include private landowners and investors, community and environmental representatives, the media and others, as well as senior elected representatives. It could be supported and led by the Trust.

32. Current funding should **continue** for the next year while long-term arrangements are developed and put in place.

INTRODUCTION

33. The character of the Cotswold Water Park is formed by open farmland and attractive Cotswold villages, and through decades of intensive mineral extraction and the consequent formation of lakes. Maps of the area are shown at appendices 21 and 22.

34. The area does not enjoy the special planning regime of the Cotswold AONB to the north, nor indeed the protection of national parks derived from the requirement to conserve natural landscape. The impact of extraction has been substantial, creating a landscape that varies from industrial, accompanied by associated road construction and heavy traffic, to emerging waterscapes and wildlife habitats, to traditional farmland. Together they present an area in transition. Intensively worked areas to the west face perhaps another decade of extraction, while those to the east and south could see another forty years of disruption.

35. Realisation of a positive future for the area has been made more challenging by the Water Park's geographical spread across several local authority areas: initially the two county councils of Gloucestershire and Wiltshire and the districts of Cotswold and North Wiltshire. Subsequently Wiltshire became a unitary authority, combining the county and its districts, as did Swindon. These current local authorities therefore have a different mix of planning and other statutory responsibilities.

36. More than forty years ago the local authorities recognized the need for cooperation and began to develop a vision for a Water Park that, following mineral extraction, would emerge from this post-industrial landscape. The boundary has always, it seems, been rather loosely defined, but agreement was reached on broad aims and strategy.

37. A Joint Committee was created in the 1960s to coordinate policy and provide strategic direction, and re-established in 1994. The Cotswold Water Park Society was set up as its “delivery” body in 1996, distanced from local authority control as required by legislation but funded to a limited extent by the councils through a "partnership grant agreement". Significant problems at the Society (detailed in the sections below) have resulted in a series of allegations about the conduct of council officers, elected members and others associated parties.

38. Against this background Gloucestershire County Council commissioned this independent review (see appendix 24). The full terms of reference are reproduced at Appendix 25 and this report addresses these through three main themes:

Part 1 - The first aims to identify and clarify **specific complaints and concerns**, to assess whether they are real or unfounded, and to recommend action where needed.

Part 2 - The second, drawing from this experience, identifies lessons for council **policies and procedures** as it – like many other local authorities – increasingly relies on other organisations to provide public services.

Part 3 - The third considers past experience and assesses what arrangements would be most appropriate for the future **governance** of the Water Park.

39. First, I set out the chronology of events leading to this review, and the related financial background.

CHRONOLOGY

40. The Society was set up in 1996 as an independent body but with a remit that meant it was closely aligned to the Joint Committee. The Joint Committee provided an annual grant of around £130,000 to the Society that went some way to funding a series of mutually-agreed objectives.

41. The Society also held a series of properties on long-terms leases from the partner authorities at peppercorn rents. The expectation was that the Society would be able to access additional funding that was not available to local government bodies and, combined with commercial income, it would be able to manage these facilities in a financially sustainable way. Keynes Country Park (KCP) was the main such asset transferred from Gloucestershire County Council (GCC).

42. The Society seems to have overstretched itself in the period 2002 to 2003 when it embarked on the construction of the Gateway Centre, a visitor centre and retail site at the entrance to the water park. This was a significant financial venture for what was effectively a relatively small business and it hit serious problems when anticipated grant funding did not materialize and the construction project went over budget. The Society had to incur a large bank loan and appears to have faced cashflow problems.

43. The partner authorities helped provide a financial rescue package but this does not appear to have fully solved the problems. Two chief executives, Roger Brown and Tim Pain, left in quick succession resulting in the interim appointment of Dennis

Grant in 2005. At this stage Mr Grant was a member of the Society's Board and the chief executive of the Swindon Chamber of Commerce. He took charge of the situation and implemented a recovery plan. It is clear from the papers I have reviewed that Mr Grant was seen as "a breath of fresh air", injecting a more business-like approach to the Society.

44. As has since emerged, this impression was misleading. Mr Grant was subsequently convicted of a major fraud against the Society of c.£700,000.

45. There were early signs that might conceivably have prompted action. Swindon Chamber of Commerce collapsed in early 2006 and, in February 2007, the chair of the Society's finance sub-committee, Roger Duckett, resigned(see appendix 10) in frustration at Mr Grant's management style and the lack of financial information being provided. Mr Grant appears to have survived these potential setbacks unchallenged.

46. In 2007 Mr Grant initiated two major transactions that were portrayed as crucial to the Society's financial recovery. First, he entered into negotiations with the Co-operative Society for the purchase of the Gateway Centre. This would generate a receipt in excess of £1.5m and would help pay off the outstanding bank loan. Second, he entered into negotiations with a water park development company, Watermark, to sub-lease Keynes Country Park in return for a guaranteed annual rental income of c.£70,000. At the time Watermark was one of several companies developing properties and delivering services in the water park.

47. At one level, these appear reasonable business ideas that could be justified by the Society's apparent financial position. The main problems were (a) that Mr Grant stole some of the receipts and (b) how the KCP transaction in particular was handled.

48. KCP was let to the Society on a lease from GCC. The lease had provision for sub-letting and required that GCC should be asked for consent before the Society could proceed with any such arrangements. In standard legal terminology it was expected that consent would not be unreasonably withheld.

49. The Society's solicitors, Sanders Brickwood, sent a draft sub-lease to GCC's legal services team in July 2007. As this was the first that the team had heard of the proposal they passed it on to the property team who would normally engage legal services to process such a transaction. Both legal and property staff highlighted the point that the proposed sub-lease departed from the terms of the head lease and offered the new tenant more flexibility in terms of how the KCP site could be used. This was discussed with the then Head of Corporate Property Services who had

delegated authority to make a decision in such cases. His initial view was that the sub-lease should only proceed on similar terms to the head lease. However, he later changed his view and agreed to Mr Grant consent on the more flexible terms on the grounds that this was needed to make the transaction commercially attractive to Watermark. Consent was given to the Society on 20th December 2007.

50. The sub-lease was granted pursuant to the terms of an Agreement to Grant a New Lease between the Society and Watermark also dated 20th December 2007. This Agreement included additional provisions beyond the grant of the sub-lease whereby the Society would try to gain ownership of property surrounding KCP and would lease it to Watermark for further development. The principles were agreed in two initial documents that were later referred to as the "Heads of Terms".

51. In early 2008 Watermark took possession of KCP and, from an early stage, there was antagonism between the company and local residents. Concerns were raised by residents in relation to access rights to the KCP area and there was also concern about the implications of a mineral extraction application in a field bordering KCP. It was proposed that gravel would be extracted and the site then redeveloped as a car park to serve KCP.

52. As a consequence of these concerns residents began to ask questions about the terms of the KCP sub-lease and how that transaction had been agreed by GCC. A local district councillor, Peter Clarke, asked GCC for copies of lease documents and additional questions were raised by Esmond Jenkins, a local resident whose property bordered the field where extraction was planned. Mr Jenkins later took Mr Clarke's council seat at a by-election in September 2009.

53. GCC released a selection of relevant papers from the legal conveyancing file to Mr Jenkins under the Freedom of Information Act. This prompted Mr Jenkins to raise questions about the legality of the under-lease and the adequacy of due diligence undertaken by GCC. A long series of correspondence ensued and resulted in complaints about GCC's conduct being made to the District Auditor and the Local Government Ombudsman. Nevertheless, the concerns remained, with regular reports in the media suggesting that questions remained unanswered. A detailed report by the council's director of legal and democratic services, to the GCC Audit Committee, also failed to satisfy complainants.

54. Mr Jenkins continued his investigations over the period 2008 to 2010 and made some serious allegations about the conduct of individual council officers and elected members. In particular, he raised concerns about the corporate structure of the Society

– which Mr Grant had restructured into conservation and commercial wings – and related conflicts of interest. He also identified a £150,000 transaction relating to a development company, Kilbride, that did not appear to have been recognised in the Society's accounts. Following the initial identification Mr Jenkins had correspondence with both GCC and Cotswold District Council (CDC) as to whether they had fully investigated his concerns.

55. In April 2010 Mr Grant and his colleague Nick Hanson, the Society's finance director, were arrested following whistleblowing by the finance officer, Natasha Flaherty. The extent of the fraud - in excess of £700,000 - soon became evident. Unfortunately, Mr Hanson died while still under suspension from his duties at the Society and his role will never be fully explained. Mr Grant, on the other hand, pleaded guilty and was sentenced to four years and four months imprisonment in July 2011.

56. During this period Watermark remained in occupation of KCP. Relations with the Society were difficult due to ongoing disputes over rights of way and an apparently over-lapping lease with another tenant, Waterland Ltd. The mineral extraction planning application was also resubmitted, this time as a joint application with the Society. Consequently, local objections continued despite the arrests and questions continued to be asked about GCC's role in agreeing the underlease.

Financial background

57. To appreciate the background to the Society's problems it is useful to have a clear understanding of the main financial arrangements and issues.

58. Some of the motivation in setting up the Society in 1996 was financial. As an independent non-governmental organisation it could attract funding that was not available to local authorities. As mentioned above GCC transferred significant assets – including KCP - to the Society on long-term leases at peppercorn rents. The belief was that the Society would be able to manage the assets at a lower cost to the council than if it had continued to manage them in-house.

59. The Society received income from a variety of sources:

- The annual partnership grant of c.£130,000 from the Joint Committee which itself received annual contributions from each council of c. £30,000. However, by 2005 this funding, while still important, represented a relatively minor proportion of the Society's total revenue.

- Other grant income that local authorities could not otherwise attract.

- Commercial income from, for example, catering and car parking on sites it managed.

- Rental income and other commercial contracts.

60. While this model can attract more income than local authorities themselves it does leave the organisation vulnerable to variations in levels of income from the different sources. These risks became evident in 2002/03 when the Gateway Centre construction project led to the resultant financial pressures that were at the heart of many of the Society's problems.

61. The appointment of Mr Grant led to significant changes in the financial situation. He planned to use the Society's major assets – the Gateway Centre, KCP and Cleveland Lakes – to generate a combination of capital receipts and ongoing income. In theory this was not a bad idea – the capital receipts could pay down debts and the income could bolster the cashflow position. In practice, the plans were not effective because Mr Grant diverted income for his own use.

62. I must emphasise that I have not carried out a detailed audit into the Society's finances. However, from the interviews I have carried out and the correspondence I have reviewed it appears that Mr Grant was able to hide transactions from scrutiny by splitting the finances between a commercial group - which he controlled and was independent of the Society – and an environmental function.

63. It appears that the Society did not have an effective overview of transactions in both areas, allowing Mr Grant to misappropriate significant sums that would have been of great benefit to the overall business. In the circumstances, there is also every reason to suspect that some of the financial analysis provided to the Joint Committee was inaccurate and misleading.

64. Despite the fact that the Society was an independent organisation GCC still had significant financial interests:

- The payment of an annual contribution of c.£30,000 to the partnership grant from the Environment Directorate's budget.

- Ensuring the receipt of employees' and employers' contributions to the Local Government Pension Scheme - GCC administers the Gloucestershire fund and the Society was granted admitted body status i.e. its staff could opt to join the scheme despite that fact that the Society was not a local government organisation.

- Its need to understand the financial implications for the council if the leased properties were to revert to council management - As GCC could not access external funds in the same way as the Society the expectation was that there would be additional costs to be borne by the council over and above the partnership grant contribution. This consideration appears to have played a significant part in GCC's thinking when confronted with any threats to the Society's continued solvency. It appears to have influenced thinking with regard to the Keynes Country Park sub-lease proposal.

65. The pensions contributions became a significant issue in mid-2008 for both the council and the Society when the final Society staff member of the scheme left. As a consequence, the Society was faced with a position where it had a significant liability to the scheme (estimated at c.£500,000 at that time) which became due when they had no remaining active members. Abortive discussions about how the debt would be paid took place over the following 18 months and the failure to resolve the problems and did much to increase distrust in the Society within GCC at that time. However, while there were increasing concerns about the Society's ability and willingness to pay these did not translate into specific concerns about probity.

66. The timeline at Appendix 1 gives a more detailed account of the key milestones and activities that led up to this review being commissioned.

PART 1: SPECIFIC COMPLAINTS AND CONCERNS

The underlease for Keynes Country Park

67. The Society's decision in 2007 to grant an underlease (see appendix 27) to developers Watermark required the consent of the county council. This was authorised by the then Head of Corporate Property Services (HCPS) using delegated authority. The scope and application of this authority is set out in Council's constitution. Part 5 defines its "scheme of delegation" and paragraph 5.4 requires that "before exercising delegated powers… officers must consider whether it would be advantageous and/or prudent to consult with the leader of the council, another Cabinet member or any other member of the Council and/or officer, and whenever they consult with another must carefully consider any response that they receive."

68. The accompanying schedule defines different levels of delegation but adds little in clarifying specific authorities – we return to this point in Part 2 of this report. It seems that the overall effect was and is to give wide delegated discretion, including in deciding what advice to obtain and what weight to attach to it, whether to seek agreement from senior officers or councillors, and ultimately to decide on whether to proceed and on the terms of any negotiations. Decisions once made were simply recorded, without explanation or rationale, and confirmed through signing a standard delegation form (Annex 34) and kept on file.

69. The council's separate "Policy for the disposal of property" was published (coincidentally) in April 2007 by Corporate Property Services. It sets out a range of processes and requirements, including the need for detailed options appraisals on potential property disposals (see appendix 2 of that policy document – Annex 36).

70. Both the current and previous heads of the property department have confirmed that these processes were appropriate to this transaction. Subsequent independent legal advice has reinforced this view:

> "Controls in the head lease over development requiring planning permission were removed. The Council did not have to agree to these changes as part of permitting the underlease to Watermark. When it was appreciated that the proposed agreement with Watermark included changes to the head lease we would expect the Council to have looked at issues which are broader than those which are material when considering a request to consent to an underlease where the head lease terms are unchanged. Those considerations would include:

- the policy implications of passing control over future development (subject to planning permission) to Watermark having regard to the role of the Society identified for it when it was established
- a justification by the Society for the changes and if this was financial the implications of the decision for future grant funding
- the circumstances justifying the arrangements with Watermark and how Watermark came to be chosen and the reasons for not exposing the opportunity to competition."

71. In the case of Keynes Country Park the council's consent (see appendix 26) to the Society's underlease to Watermark was sought and granted through this system. The process was initiated through a letter to the legal department of 27th July 2007 from lawyers acting for the Society. This included a draft underlease containing changes from the terms of the headlease and it was passed by the legal team to the property services team for advice and instruction as to how to proceed.

72. The context of perceived urgency is significant. A consensus had developed that the Society's finances were extremely fragile and that the underlease would help with this. Mr Grant had persuaded the Society's board, the Joint Committee, and council officers and members that this course of action would be more commercially effective than the status quo, reduce costs and guarantee income; and also that there was a high degree of urgency if the Society was to be rescued from financial collapse. This was accepted in the context of strong concern among senior figures in the local authorities about the Society's financial history and about the potential costs of KCP and other properties reverting to Council management. In the event the underlease was not settled until 20th December 2007, and the society had not collapsed.

73. There is no evidence of significant appraisal of the financial argument for the underlease to underpin the council's decision to grant consent. Nor, it seems, was any advice sought from the finance department. The then director of finance later confirmed to me that financial advice should have been sought alongside the legal advice provided, though there is no evidence of this having been done.

74. Comments were provided both from the property services department and from the legal department between September and November 2007, generally clear and well argued. They questioned the proposed terms, suggested escalation to senior officers and members, and urged caution. (see annex 33).

75. This correspondence (from both property services and legal) seeks confirmation that the underlease to Watermark should simply reproduce the limited terms of the headlease provided to the Society by the council. This is initially confirmed by the HCPS who continues to press urgency. Legal services respond by insisting on a formal signature confirming the decision by the HCPS to give consent under his delegated powers. However in an e-mail dated 20 November 2007 the HCPS changes his instruction and the broadened terms are accepted: he confirms this by signing the delegated authority on 28th November 2007.

76. The pattern of legal and other advice and the context of financial and governance concerns surrounding the Cotswold Water Park Society (CWPS) would have placed this decision within the requirements of the scheme of delegation for wider consultation and authorisation on "sensitive" matters. Yet there is no evidence of this happening. The responsible director at the time (now retired) cannot recall any authorisation being sought and the relevant council cabinet member is emphatic that his consent was not requested. Had it been, the expectation would have been for the issue to have been placed on the agenda for regular meetings between the Cabinet member and senior staff in his field of responsibility (the Resources meetings); and for his decision to be recorded in minutes. Records of agendas and minutes at the time show no reference to consultation or decision.

77. I have searched paper and electronic files for evidence of this process but have been unable to find anything relevant. It is problematic that one file, or perhaps a set of files, relating to the Cotswold Water Park is apparently missing from property service records.

78. In correspondence of 28 April 2009 with the monitoring officer, the HCPS refers to his "delegated responsibility for approving leasehold arrangements and for instructing legal services to implement new or amended legal agreements". He wrote that he had been advised by the Joint Committee's lead officer and Mr Grant that "CWPS were in severe financial difficulties. If they were unable to very quickly secure external funding there was a strong probability the society would fold, the lease would foreclose, and a full liability for the ongoing management and maintenance of KCP would fall back to GCC." Further: "…it became clear that merely assigning the lease to Watermark would confer no additional ability for them to explore the leisure potential of the park unless its terms were relaxed. Clearly, the relaxation of these terms had a monetary advantage, and a premium and annual rental sum to reflect the benefits to Watermark was negotiated by CWPS. As this consideration would accrue directly to the benefit of CWPS, it would enable the

society to improve its financial position and secure much-needed investment. This in turn would directly benefit GCC who would no longer be faced with the prospect of resuming full responsibility for KCP with all the attendant adverse financial consequences this would involve".

79. We can find no evidence of any financial analysis or options appraisal to justify this course of action, nor of any due diligence or risk analysis in relation to the proposed subletting. It seems, however, that the over-riding consideration at the time was the perceived urgency to avoid the Society's financial collapse.

The "Heads of Terms" and additional documents

80. The decision to grant consent to an underlease with greater freedoms than the headlease was helpful to the achievement of wider ambitions, set out in parallel agreements between CWPS and Watermark. The actual underlease as consented by the council does not reveal these, but separate documents (appendices 3-9) signed at the time provide for the possibility of using the KCP land to provide access to surrounding land with potential for development. The agreement also provides for the society potentially to benefit financially.

81. The county council was not a party to these wider agreements and we could find no evidence in council records or elsewhere that it was directly involved in their creation. Councillors and officers involved at the time deny knowledge and there is no evidence or reason to challenge this. Those who were aware would have included Mr. Grant, Watermark, both sets of their retained solicitors, and the Society's chairman (now deceased) and secretary. The secretary has indicated that she and the chairman were pressured by Mr Grant to sign documents. She described in clear and plausible terms the strong misgivings she felt at the time.

82. From Watermark's viewpoint they offered the possibility of further profitable investment in developments on adjacent land. Any new developments envisaged in the documents would have been subject to planning consent from CDC. But the deal made them practically feasible, and there was precedent for other developments in the area won on appeal following rejection by CDC.

83. We have sought to establish the extent of knowledge of these broader ambitions among other key individuals and it seems clear that it was limited. It appears that the primary, publicly-debated underlease was itself not scrutinised in detail, either by the society's board or by the Joint Committee. Mr. Grant reported in general terms to

both and both agreed in principle, subject to all legal issues being cleared (specified by the Joint Committee on 25th May 2007 – see appendices 14 and 16) that, it seems, was never sought**.** Beyond the limited circle directly involved others have insisted that they understood the terms of the underlease to be the same as those of the head lease. For example on 30th January 2008 the chair of the Joint Committee, attending as an observer on the CWPS board is minuted (see appendix 13), as confirming to the board that this is the case, and no-one sought to challenge or correct him**.** Given that the Joint Committee had **agreed** in principle to the underlease "subject to all legal issues being cleared"**,** perhaps he might have checked before saying this. It is regrettable that concerns expressed to and within Property Services were not more widely made known.

84. There was some discussion at the Society's board in May and July 2007 (see appendices 11 and 12) but the wider implications may not have been fully appreciated.

Response to complaints and Freedom of Information requests

85. The council has a formal complaints system described in Section 2 of this report. Two points seem particularly relevant: complaints are defined as "any expression of dissatisfaction", and the policy excludes complaints subject to "live" review by other bodies.

86. There is clear evidence of a succession of complaints, notably from Mr Jenkins, from at least 22 May 2008. He drew attention to an apparent lack of due diligence in respect of the Keynes Country Park transaction. This was correctly referred upwards by the legal officer involved and considered by a succession of senior staff, ending with a decision that it should be treated as a formal complaint. Ultimately the then Director of Finance wrote to the HCPS on 4 June 2008 instructing him to deal with the matter as a formal complaint. I have seen no evidence of this instruction being acted upon: a breach of council procedure. The council appears to have taken no further action in relation to further related enquiries from Mr Jenkins until February the following year.

87. In a further letter from Mr Jenkins to the chair of the Joint Committee, dated 11th of November 2008 (appendix 33 k), he detailed a number of concerns relating to the underlease, the Society's governance and the restructuring initiated by Mr Grant.

88. On 27 January 2009 Mr.Jenkins wrote with concerns about the KCP disposal and apparent lack of financial appraisal and proposes referral to the Audit Commission.

89. Following a request from Councillor Parsons, chair of the Joint Committee, on 6 February 2009 the monitoring officer produced a considered and lengthy paper addressing the major issues raised in complaints. (included in appendix 20)The paper discusses the history of the Water Park, the development of the Joint Committee's role, the establishment of the Water Park Society and the specific issue of the KCP sublease. He presents the view that the Joint Committee is primarily an advisory/commissioning body and not a service provider, and that the council acted properly in agreeing to the KCP lease. The argument is broadly that due diligence was carried out as part of the original 1997 head lease and, as there was no change to the end service provided (the Council's main object) there were no grounds for withholding consent. This line of argument was reflected in a later response to a question in council on 24 November 2010 provided by the relevant cabinet member but drafted by officers. This response also included the view that cabinet member authorisation was not necessary:

> "The grant of the underlease to Watermark was a matter for Cotswold Water Park Society Ltd – a separate legal entity. The county council's only role as freeholder was to grant consent to the underlease, which the main lease required that we could not unreasonably withhold. This was not a matter for Cabinet member authorisation."

90. Following the complaint from Mr Jenkins, on 9 April 2009 the district auditor asked the monitoring officer for relevant information and colleagues were asked by him to provide this. The monitoring officer replied to the district auditor on 7 May 2009.

91. The District Auditor engaged in substantial correspondence with the council's monitoring officer and concluded in a letter to him of 22 May 2009 that there were significant matters that required further review. These included the evidence used to support the grant of the sublease of KCP, evidence addressing legal queries and the respective roles of the county council and the Joint Committee.

92. Subsequent independent legal advice also suggests that there were inconsistencies :

> "Para 10 of the letter dated 7 May 2009 to the District Auditor is inconsistent with the email from (HCPS) dated 28 April 2009 which recognises that the terms of the lease were to be relaxed and therefore the issues for the County Council went

beyond the decision to grant consent to an underlease. (The Monitoring Officer) also suggests the terms of the lease and underlease are not "substantially different" (para 11) whereas the replies to the District Auditor's questions in the letter of 8 April is in keeping with (HCPS's) position (page 2)."

93. However the district auditor was unable to pursue these concerns due to the limitations on his remit: he suggested in the same letter that an independent review should be commissioned and the results made public. (This current review was commissioned in October 2011.) While there is reference to the Water Park issues at the Audit Committee on 30 June 2009 and 28 January 2010, there seem to be no further reports of substance from the district auditor on this matter.

94. Mr Jenkins also complained to the local government Ombudsman, having indicated his intension to do so in a letter to the council's chief executive in August 2009. He submitted a detailed complaint on 28 June 2010 and the Ombudsman replied apologetically on 19 April 2011 (appendices 18 and 19). The matter seems to have rested there. She had concluded, provisionally and after long delay, that the complaint did not fall within her powers: "I fear that my colleagues were beguiled by the intrinsic interest of the issues you raise in your extensive documentation and we overlooked a crucial test for jurisdiction".

95. Both of these formal processes potentially provided the council with the opportunity to deal with outstanding concerns effectively and conclusively, albeit that arguably the council's complaints system did not formally require it to do so. That system indicates that it should not be invoked when there are other 'live' inquiries such as those by the District Auditor and the Ombudsman. Together these covered the period from 9 April 2009 to 19 April 2011, almost exactly two years.

96. But the council had initiated a formal complaints process in June 2008, apparently with no outcome; and on 6 February 2009, following a request from the chair of the Joint Committee, the monitoring officer had presented comprehensive advice. Trying to act both as the council's chief legal advocate and as its impartial adviser, he seems in this case to have leaned towards the former and might have given more emphasis to the substance of the complaints.

97. In both cases it seems that opportunities were missed to deal conclusively with real concerns. Restrictions on the District Auditor's remit and failures in the Ombudsman's service served only to make matters worse.

98. The council's complaints system failed in this case, probably more than once. There were specific failures but also an apparent collective mindset unwilling to admit the possibility of error.

Cotswold District Council

99. This review was commissioned by Gloucestershire County Council and its work is the main focus. Complaints and accusations have also been directed by Mr Jenkins at Cotswold District Council (CDC): some are or have been subject to separate enquiry processes. The following observations result from areas we have pursued in this enquiry.

100. The council's cabinet includes individuals who share business interests. The arrangement does create some issues of perception and the risk that conflicts of loyalty or of interests might arise.

101. Closer examination mitigates these concerns. In practice, interests appear to have been declared in the normal way and relationships seem transparent.

102. The cabinet appointments, from a limited pool, seem to reflect experience and ability. The problem of perception may continue but we have seen no evidence of any more substantive concerns, and the arrangements may well offer the best available mix.

103. The council's planning service seems to be founded on effective processes: notably the scheme of delegation and associated arrangements for call-in to committee. The greatest challenges lie in the need for better coordination between county and district policy and process.

104. While specific policies are a matter for local democratic decisions, the case for policy distinctions between different types of housing seems uncertain and would probably benefit from further analysis and debate. This is of particular concern in light of the different stance taken in Wiltshire, where that approach has now been abandoned.

Freemasonry

105. In Section 2 of this report I shall refer to the county council policy on declaration of interests by councillors and officers, including its current application. Here, it seems right to address concerns expressed about the possibility of some form of undue

influence involving members of the Freemasons. For example, in May 2010 Mr Jenkins refers to the “spectre and influence of freemasonry” and there are similar references in papers for the recent Standards Board hearing at CDC.

106. Following an interim presentation to the county council's audit committee we received representations and information including from the national organisation (the United Grand Lodge for England see appendix 30).

107. Membership alone cannot be taken to imply wrongdoing: no doubt members would argue that their culture and discipline provide safeguards against impropriety. These points have been pressed on me in the course of this review and I have no evidence to challenge them.

108. The notion of undue influence could only be established first by identifying individual miscreants and then proving an association between them within Freemasonry. I have seen no evidence to support allegations of undue influence involving freemasonry. I have also established that none of the central characters is a freemason.

109. I have asked direct questions of each major figure involved in this review (including council leaders and chief executives). All but one (who has publicly confirmed his membership) have denied being members, and others have commented on the limited presence and influence of Freemasons.

110. However, following an approach to the Provincial Grand Master for Gloucestershire and subsequent discussion, formal consent (examples at appendices 31 and 32) was sought, received and witnessed from individuals at the heart of these allegations for a search of membership records. This process confirmed that none is a member. Mr Grant was and is not a member, so the notion of a conspiracy in this context seems improbable. In the absence of evidence to the contrary I suggest that those interested in the Water Park’s future focus their energies on more tangible and positive issues.

PART 2: POLICIES AND PROCEDURES

Complaints Policy

111. This policy is broadly drawn and includes "any expression of dissatisfaction". Key aims include: “to act quickly and efficiently”, and “to use customer feedback to improve”. It specifically excludes first requests for information or explanation, the work of other bodies, and issues subject to "live" review by organisations such as District Audit or the Ombudsman service. The system involves a three stage process of escalation where necessary, through local line manager resolution, an independent officer, to a director.

112. The policy sets out a process of registration, standards of response, and how to deal with "vexatious" complaints. When complaints are made through elected members, directors must be notified and informed of progress. Responses to complaints should “show genuine regret that someone has felt it necessary to complain". However where there is a "vexatious complaint", which has been found unjustified but where the complainant is not prepared to accept this and persists with the same complaint, a senior manager (in consultation with a relevant director and with legal services) may "decide not to pursue the complaint further and advise the complainant accordingly".

113. Generally the policy seems comprehensive and sound, and the Council has an electronic monitoring system to maintain it. The real challenge lies in its use and implementation. This case illustrates opportunities to improve the system through ensuring:

- that staff recognise and record “any expression of dissatisfaction, whether justified or not”.
- that there is a workable and proportionate monitoring system to ensure that appropriate and timely responses are given, and to "use customer feedback to improve".
- that an objective and dispassionate view is taken before a complainant is defined, and treated, as "vexatious".
- a clearer process for handling complaints received by members. The section of the policy entitled "14.how will we support staff?" could be extended to include this.
- a review of the current policy in relation to complaints about other bodies. While the current policy does embrace complaints about "contractors", with

increased reliance on external service provision, the Council should recognise the public expectation of accountability by elected representatives for services commissioned from or devolved to others.

Freedom of information

114. This policy relates closely to the complaints policy and both have been tested by issues raised in relation to the Cotswold Water Park. Key points include the need for proportionality and consistency in the scale of documentation released, especially when several departments are involved, and the appropriate allocation of officer time. It is essential to develop a culture based on citizens' rights and a presumption of openness.

115. The policy itself should be clarified in relation to who internally is consulted on what will be released, how their views and reasons are recorded (especially when release is denied or restricted), and how implementation is monitored and scrutinised. Any role for elected members needs very careful definition so that there is no risk of a perception that information might be withheld for political reasons. Again, the Audit Committee may wish to take a role in gaining assurance that appropriate measures are in place.

Scheme of delegation

116. The scheme is set out in section 5 of the council's constitution (see appendix 35). Issues arising from this review include the need for greater clarity in requirements for consultation, the levels of delegation (and the accompanying schedule), clarity and consistency in processes of authorisation and recording of decisions, and for their reporting and subsequent scrutiny.

117. Consultation: para 5.4 of the Constitution states:

“Before exercising delegated powers the Leader of the Council, Cabinet Members and Officers must consider whether it would be advantageous and/or prudent to consult with the Leader of the Council, another Cabinet Member or any other Member of the Council and/or Officer, and whenever they consult with another will carefully consider any response that they receive. In any event, consultation will always be required with all persons referred to in: "Consultation under paragraph 5.4" in the table below…".

This could and should have formed the correct procedure for the delegated decision on the Keynes Country Park underlease. But the column referred to in paragraph 5.4 is blank. This does not negate the requirements of the earlier part of the paragraph, but inclusion in the schedule might have been both helpful and prudent. Generally, a review of the schedule, including completion of the blank parts, is necessary.

118. Levels of delegation: it follows from the above that a clear definition of thresholds for mandatory consultation would also be helpful. Volume of work may preclude consultation on smaller and less contentious matters. But it should be possible to apply reasonable definition of scale and sensitivity. In particular, where legal or financial advice challenges a proposed decision, this should be referred to a higher level in all cases, and probably to directors or cabinet members.

119. Authorising and recording: the council has no single system for this but para.5.8 of the scheme sets out requirements for “key decisions” which are clear and do require consultation. For other decisions it does not specify a common system or format and does not require a record of any consultations undertaken nor that records should be made available for public inspection. The system for non-key decisions would benefit from closer definition.

Disposals of property

120. This policy document (appendix 36), separate from the Constitution, was produced in April 2007 and does (para.6.3) set out specific delegation thresholds. It requires that for a disposal "in excess of £1 million" or "at less than open market value", “a detailed report will be submitted to the Lead Cabinet Member for Resources or to Cabinet for approval….". Para.6.4 requires that the Head of Corporate Property Services "will ensure that proper and adequate records are maintained for all relevant decisions." Further (para 6.5), "all potential disposals off the Rural Estate will be referred to the Gloucestershire Rural Estate Disposals Review Advisory Group who will advise the Lead Cabinet Members for Resources of their recommendations".

121. While the document is entitled "Policy for the Disposal of Property" it is clear from discussions with former and current heads of department that it is and was intended to apply to "any interest in land", the term used in the scheme of delegation, and specifically to decisions such as a consent to an underlease. It is important to align the two policies both for that definition and for the specific delegation thresholds referred to above.

122. This policy document appears generally to be comprehensive and thorough. The problems identified are of implementation where significant anomalies in terms of which transactions should be covered by the policy have been evident. The council should consider carefully how it can ensure greater compliance with its requirements and I propose that further advice should be sought on best practice and its implementation in this case and for the future from the RICS or other appropriate source.

Declarations of interest

123. The county council's constitution includes different codes of conduct for members and officers, and within these are requirements for declaration of "personal interests" (Paras. 8 and 13 respectively). Both require declarations of potential conflicts of interest, though there is some inconsistency. This review has indicated varying compliance with the policy across departments, and some uncertainty as to corporate requirements. Particular concerns were the incomplete declarations in certain areas (including Property, though this has now been rectified). It is essential that compliance is actively managed, especially in areas with higher risk, and that clear corporate leadership is given.

124. An aspect of this – and potentially a useful discipline – is the question of public and media access, on which clarification is needed.

125. A particular issue in the context of this review is the requirement for declarations of membership of "a secret society": generally interpreted as a reference to the Freemasons. The term "secret society" is used in the code of practice for staff, while the councillors' code follows advice from the Standards Board for England (appendix 24) and relies on declaration of involvement in charities associated with the Freemasons. This is driven by the law about standards of conduct found in the Local Government Act 2000 as subsequently amended and now reformed by the Localism Act where the Standards Board is to be abolished and new arrangements about codes of conduct, registering declared interests are found in chapter 5 of Part 1 of the Act.

126. Following press coverage of an earlier presentation I made to the Council's Audit Committee, an approach was made by the United Grand Lodge for England (see appendix 30) who referred to a decision by the European Court of Human Rights in 2007 that found the practice of requiring declaration of membership in violation of

Articles 11 and 14. The effect seems to be to question the Council's policy on officers' declarations rather than members'. It also challenged the legitimacy of founding policy on concerns over possible "perception" of conflicts of interest: unfounded perception is not grounds for discrimination.

127. A further perspective on these issues is that offered by the "Seven Principles of Public Life" produced by the Committee on Standards in Public Life, chaired by Lord Nolan and widely adopted throughout public service (appendix 29).

128. Having dealt with more specific allegations in Section 1, the reconciliation of these much broader issues is beyond the scope of this review, and may indeed beyond the County Council. No doubt the council will wish to consider what further action is required to resolve inconsistencies and to ensure an appropriate balance between transparency and privacy.

129. Note that, for the interested reader, the letter at appendix 30 helpfully refers to a number of web links that describe the work of the Freemasons.

Cabinet and joint arrangements

130. Many joint arrangements including the Cotswold Water Park Joint Committee were set up many years, or decades, ago when councils operated through a system of committees. When the Cabinet system was introduced for English local government in 2000 the government set out specific guidance (see below) with the aim of clarifying risks and necessary safeguards. A particular concern was the risk of confused responsibility and accountability, perhaps for example through individual Cabinet members taking de facto decisions in the context of joint meetings.

> "6.46 In deciding to enter into joint arrangements, the executive should be clear that doing so does not adversely affect efficiency, transparency and accountability in respect of the discharge of those functions and that it will deliver best value. The executive should remain, and be seen to remain, accountable for those functions as the clear, accountable, corporate leadership of the local authority.
>
> 6.47 The Secretary of State also recommends that a local authority's constitution should set out clear procedures for effective communication and exchange of information between the executive and Joint Committees."

131. Experience with the Cotswold Water Park indicates some confusion over the role of the Joint Committee in controlling finance and property interests, including uncertainty over requirements to consult it. Other potential concerns include the "ownership" of collective outcomes such as the master plan: something to be resolved within the new arrangements. There is a wider risk that similar issues will arise in other collective arrangements including partnerships and outsourcing.

132. The roles of lead members and officers, and of observers, need careful definition, and the provision of support and training. Particular care is necessary when support is shared across local authorities, for example in relation to finance officer and monitoring officer roles.

Scrutiny and intervention

133. Where councillors take on the role of board member or observer, their rights to intervene and to obtain full information must be defined and protected, and they need support in analysis and scrutiny of financial and other matters. Where "lead officers" are appointed (as with the Joint Committee) it is essential to define the role and the expectations of partners. In the case of the Water Park, the lead officer was appointed and had responsibility for issues of strategic planning, but expectations on financial and other matters were very unclear.

134. These roles should be defined and protected in the conditions attached to financing by local authorities, including rights for access by auditors when requested by council nominees. It is not sufficient only to be able to scrutinise specific payments by the council since these need to be seen in context, providing assurance that there is no replication in the use of public resources.

135. Finally, appropriate training is necessary on what powers are available and what can be expected from funded bodies. Good practice advice is available from bodies such as the Audit Commission and the National Audit Office.

The role of Chief Finance Officer

136. The Council's constitution, in Financial Regulation E, requires that:

> "The Chief Financial Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when

arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies."

137. This is very broadly drawn and goes well beyond financial matters into "corporate governance and legal matters". There is a real risk of failure unless this is reassessed and defined more clearly, including specific departmental and delegated roles. Moreover these expectations need to recognise the likely substantial increase in the volume of work involved in "partnerships and joint ventures" and "contracts with external bodies". The resulting implications could be substantial, including numbers, flexibility and skills in the staffing structure. The Audit Committee may wish to seek further assurance that this regulation is reviewed appropriately.

The role of Monitoring Officer

138. This formal role was set up through the Local Government and Housing Act 1989, essentially to advise councils when risks arise of acting illegally. Since then there has been a growing tendency for the role to become broadened to one of adjudicator, or ombudsman, in matters where impartial assessment is required.

139. At the county council the monitoring officer role is combined with those of chief legal adviser and head of department, and this combination can create both perceived and real role conflict. Specifically in the case of the Water Park, the officer found himself in the position of both defending the council and its staff against threats of litigation and acting as impartial arbiter. There is every likelihood that the number and scale of similar issues will increase in future, as new arrangements are made for service provision by other bodies.

140. There is therefore some urgency in the need to review the role and, in particular, whether it should be separated from other responsibilities.

Audit Committee

141. At the beginning of this report I referred to the diligence and commitment evident throughout much of the evidence we have seen, but also to real concerns and shortcomings. This section has highlighted procedural weaknesses that must be addressed to minimise the risk of repeated failures. That risk is accentuated by the growing reliance on service provision at arm's length from local authorities. The Audit Committee has a central role in seeking assurance that internal systems and processes **anticipate** future challenges.

PART 3: GOVERNANCE

The Joint Committee

142. The Joint Committee reflected common practice when two or more local authorities share responsibility. In this case the Water Park area initially involved two county councils and two districts. With the creation of a unitary local authority for the whole of Wiltshire in 2009 the number was reduced to three: Wiltshire Council, Gloucestershire County Council and Cotswold District Council, but the structure remained broadly unchanged. The Joint Committee's terms of reference and membership are summarised at appendix 17. It is predominantly a local authority structure, chaired in rotation by councillors, and also including parish and relevant public agency representatives.

143. The Joint Committee has been supported by a group of council officers, led and chaired in recent years by a part-time former planning officer retained on a consultancy basis. There has also been some financial and legal support from named council staff.

144. Perhaps the Joint Committee's most tangible output has been the Water Park master plan (Strategic Review and Implementation Plan 2008) produced by consultants Scott Wilson but largely driven by the chair of the office group.

145. The Joint Committee’s other roles have been rather less defined and incisive, notably in relation to the financial and property issues referred to elsewhere in this report. Perhaps as a creature of local government its engagement with landowners and private investors has lacked confidence and purpose. Relationships with the private sector have in effect been through the planning system managed directly, and separately, by the different councils, or through the Water Park Society (now Trust).

The Cotswold Water Park Society

146. The Society was set up as a single body to achieve the local authorities' collective aims for the Water Park area. Freed from local government constraints and direct control, it would be able to attract funding unavailable to the public agencies, and it would also act as their "independent" delivery arm. Local authority funding was provided to achieve defined aims, set out in a “partnership grant agreement” (appendix 37). The transfer of assets to the society, including Keynes Country Park,

would both provide creative opportunities for the Society to generate investment and relieve the local authorities of ongoing costs. In theory, risks would also be transferred from the public sector to this independent organisation.

147. The Society's governing "rules" under the Industrial and Provident Societies Act were designed to reflect of the local authorities' powers to provide “recreational facilities”, defined in section 19 of the Local Government (Miscellaneous) Provisions Act, so that the Society could undertake that role. Moreover the rules were redefined in 2004 specifically to clarify and establish a narrower remit, focused on the provision "for the benefit of the public, and in particular inhabitants of Gloucestershire and Wiltshire, facilities in the interests of social welfare for education, conservation, recreation and leisure time occupation at the Cotswold water Park…" Specific changes also included the deletion of "sport "and "tourism". As our legal advice points out, it may be difficult to exclude sports from the definition of recreation. That set of rules, applicable from 1998, is attached at appendix 28.

148. There is some contrast between the Society's legally established terms of reference and the assumptions sometimes made about its role. The formal role definition would, for example, probably exclude sports, economic development, and tourism following changes to the rules in 2004. Arguably some of its activities, interventions and ambitions have been outside its powers. Most important, the terms of reference have been transferred to the new Trust, with the same legal constraints and these therefore need to be reviewed.

Other interests

149. The Water Park has been defined institutionally in the Joint Committee and the Society. Local residents have been involved essentially through their elected representatives with occasional open meetings, and through local media reporting.

150. The private sector's role has focused on mineral extraction and the development of holiday homes, managed largely through the planning processes of the different local authorities.

151. Environmental and biodiversity interests have worked alongside these to seek positive influence on future planning and to create and safeguard habitats as opportunities have arisen.

152. The de facto creation of a visitor and tourism market, largely through holiday accommodation, has developed another interest group. It appears to have no collective involvement other than through the developers. They share an interest in the creation of wider opportunities for visitors in recreational and other forms of activity.

Evaluation

153. Evidence presented earlier in this report shows that important lessons can be learned from experience over recent years. Key issues emerging are:

- The Joint Committee's existence over several decades indicates that it carried the confidence of its local authority creators. It sponsored the development of the masterplan and provided collective ownership of it on behalf of local government and local communities. But the masterplan process was very slow: something that could have motivated commitment among partners may in fact have dissipated energy, and its positive impacts are hard to identify on the ground.

- The Joint Committee's relationship with the Water Park Society was much less certain: it seemed unable to hold the society to account for the use of public funding and land assets and its support staff were too easily satisfied with assurances from the society's officers. The existence of criminality was extremely unfortunate, but more effective supervision could have reduced this risk or dealt with it earlier.

- The role of the Joint Committee observers on the Society's board was inadequately defined, and the observers themselves received inadequate professional advice and support from council staff. The inadequacy of formal requirements attached to funding and asset transfer denied the observers necessary rights of access to information and proceedings.

154. By common consent, the Society lacked breadth of skills and experience, strength of leadership, and clarity in its purpose and resource base.

155. The overall impact has been inadequate to achieve many of the aims of its creators and the vision set out in the master plan. The period of criminality rocked confidence locally and institutionally, and the atmosphere of allegation, counter allegation and rancour has yet to be resolved.

156. At the same time, unprecedented pressure on funding and the capacity of public agencies means that earlier assumptions of leadership and resourcing need to be radically reassessed.

Current arrangements and proposals

157. Despite the scale of the challenges some progress has been made. The Society, in effect reformed as the Water Park Trust, is establishing a new board, skilfully assembled to bring a purposeful range of knowledge, experience and leadership.

158. Proposals are being put forward to abolish the Joint Committee, replacing it with a group of senior officers to provide strategic direction, reporting to a lead cabinet member in each of the three local authorities. These members would meet ad hoc to deal with collective issues as necessary, and provide a channel of democratic accountability.

159. Will the proposed arrangements meet future needs? It seems clear that the Joint Committee is no longer fit for purpose and should cease. Apart from the master plan, produced many years after initiation, it has not provided the necessary collective leadership to build consensus and to realise key aims. It has not acted with sufficient incisiveness to deal with problems. More could have been done to create a compelling, living idea of the area's future.

160. However it is not clear that the new officer liaison group, and occasional cabinet lead meetings, will achieve what the Joint Committee did not. Much will depend on the Trust. It will probably tend to fill any vacuum in governance. It probably has the energy and skills to create new ideas and strategies, to engage partners and to attract investment. As things stand it is the best hope for a positive future, but there are risks and there are certainly opportunities for further improvement. Continuing formal decision processes and structures will be needed for planning policy and the control of development, for the allocation, use and audit of any public funds, and others may be necessary and/or desirable. The master plan could be given added force if planning policies were better coordinated.

161. So far, mineral extraction in Gloucestershire has been driven by regional mineral targets, preferred locations have been mapped out and consents granted as application have been received. This has been managed by Gloucestershire County Council as the minerals planning authority, and similarly in Wiltshire. A consistent

pattern of extraction running at over 1,000,000 tonnes per year has been achieved in line with regional targets. The pattern has varied across the Water Park but currently it is anticipated that another 40 years of extraction is probable.

162. Where extraction has taken place this has generally resulted in the creation of new lakes, often following field boundaries as these have been acquired and dug out. Some have the potential for adjacent housing or other developments and in Gloucestershire this had been subject to separate planning processes, objectives, appeals etc. through Cotswold District Council. Wiltshire, with the full range of planning powers, seems to have adopted yet another approach to development in the Water Park. While CDC has sought to distinguish different categories of housing, leading to the construction of estates wholly of holiday homes, Wiltshire is now not intending to create similar distinct groupings of accommodation. That authority is also actively challenging national forecasts of demand for mineral extraction.

163. There is, then, scope to improve the local planning process in the context of the agreed objectives of the masterplan. It would surely be better to seek a more integrated process, cognisant throughout of the strategic plan and long-term aims for the Water Park.

164. It is essential that strategic planning should also be strengthened with a clear framework of landscape design to provide context for extraction, subsequent landscaping and a stronger stance on the location, density, character and design of new housing and other buildings. Taken together with opportunities for greater local involvement in planning, this would give greater confidence to local residents that future impacts would be positive and greater certainty to private sector investors.

165. The master plan identified the importance of landscape, but stopped short of creating more active intervention. It is a serious weakness in a landscape that combines villages of real character, the cachet of the Cotswolds, and the potential of the lakes. The Water Park could seek to rediscover and capture the spirit of 18th-century English landscape design. A 21st-century Lancelot Brown would see the "capabilities" of this special combination of countryside and water, combined with new planting, vistas, access routes and high-quality architecture. Combined with the presence of significant civil engineering resources and potential private investment, the scope for improvement is very substantial.

Models of governance

166. It is a failure of public governance that decades of joint working arrangements have been unable to create and realise a compelling vision of the area's future, and to capture the imagination of residents and investors. But perhaps this failure also reflects some confusion over the nature of the exercise. This part of the Cotswolds is not an AONB, unlike the area to the north: it lacks the required landscape character to qualify for the special protection and conservation measures. For similar reasons it does not fit the notion of a national park. It is an area undergoing major change driven by industrial extraction activity, creating opportunities for imaginative regeneration. So, appropriate models governance may derive more from urban and rural regeneration than from conservation.

167. More specifically the OECD's report "The New Rural Paradigm" set out lessons from its examination of international best practice in rural development. Perhaps the key concept is one of asset-based development: focused on the specific and distinctive mix of opportunities in a particular place, rather than simply viewing the locality from a perspective of more universal economic sectors.

168. Parallel work in the UK and elsewhere has emphasized the idea of sustainable rural communities: questioning the notion of urban agglomeration and advocating the careful consideration of how each local community can become more sustainable in economic, social and environmental terms. The idea of village appraisals fed into current policy on localism, emphasising the need to balance conservation and development in ways which can sustain local jobs, shops, affordable housing, schools, public transport, and so on.

169. Taken together, these models provide some touchstones for the Water Park and for the pattern of governance it needs. Emerging government policy could provide opportunities to create arrangements tailored by local people to the needs of the area.

170. Key governance requirements also include the need to balance concepts described by as hierarchies, markets and networks. “Hierarchies” include formal decision-making including statutory roles such as granting planning consents; “markets” refers to economic opportunity and investment; and “networks” are needed to build consensus and consent. All are necessary and the trick is to create governance arrangements that provide the right combination.

171. The arrangements currently proposed create uncertain linkages between the main governance "driver" (the Trust) and these three requirements for optimum governance. How will its work on developing the master plan fit with the hierarchical decision processes of consents for extraction, section 106 negotiations, etc? How will it engage with private investors, landowners, developers, and local business people? How will it build consensus locally and how will this align with the requirements of democratic accountability for formal decisions and for the use of public funds?

172. Partial answers are available, but the demise of the Joint Committee presents risks in removing its (limited) capacity to address some of these issues.

173. This analysis suggests that there is a clear case for creating a mechanism to align the various interests and governance requirements, and to build trust and maintain consent. Critically it would be more broadly drawn than the Joint Committee and be more than a formal extension of local government decision-making. It should be structured to meet the requirements of hierarchies, markets and networks described earlier. Fundamentally it needs to raise the collective game in turning previous work on the master plan into a compelling future for the area, and ensure its implementation through the various partners. Resourcing, support and leadership could come from the Trust.

174. An optimum mix of economic strategy, minerals and other planning policy, housing development, landscape and building design, will not happen by chance. The Trust has no strategic powers and is not subject to the disciplines of democratic accountability. As currently constituted its remit may be too narrow, and mechanisms need to be found to ensure effective connection with local communities.

175. The officer group can play vital role in coordinating the local authorities' policies and programmes as they affect the area, and their relationship – financial or otherwise – with the Trust. It might be able to help in creating better planning processes and aligning council and other statutory function.

176. Residents will expect to have access to elected representatives and decision-makers, and the ad hoc involvement of cabinet members may be insufficient to achieve this.

177. The governance model currently planned therefore may be deficient in its capacity to engage all local interests in building consensus and managing effective delivery.

178. Given the very difficult background to governance issues in the Water Park it seems clear that the existing and currently proposed arrangements will be less than optimal in building new consensus, in strategic integration and in effective implementation.

179. At least for an interim or transitional period, a joint forum or Partnership Board involving all interested agencies seems the best means of ensuring effective governance. Its urgent priority should be to establish common aims and stable resourcing for the medium term. Local authority funding over the next year should enable that process to be completed and its outcomes given proper consideration.

RECOMMENDATIONS

1. **The county council's policies and procedures should be reviewed in light of the lessons learned in this enquiry. It is essential that systems for implementation are robust and anticipate future challenges presented by new forms of service provision.**

2. **The Audit Committee should take a lead in monitoring progress and compliance.**

3. **Planning policies should be closely co-ordinated between local authorities involved in the Water Park. A stronger framework of landscape design is needed and the county council's review of mineral extraction policy should seek to support this.**

4. **Advice on rural development and regeneration from bodies such as the OECD should be applied and "benchmark" projects elsewhere identified.**

5. **New governance arrangements should be carefully designed and balanced to build consensus and ensure effective implementation. A new, broadly based, partnership board is likely to offer the best model.**

6. **Funding should for the Trust should be continued and reviewed after 12 months once the new arrangements are in place.**

List of Appendices – numbers 2-37 available at www.gloucestershire.gov.uk .

Please note that to the extent the inclusion of any of documents in this Appendix may waive privilege in any such document that should not be taken as a waiver of privilege in any other document or documents.

1	Timeline/Chronology
2	Persons/organisations met and consulted with during the course of the review
3	Grant Deed between CWPS and Watermark dated 21st December 2007
4	Grant Deed between CWPS and Watermark dated 21st December 2007
5	Letter stating principles of proposed purchase of Keynes Country Park (KCP) dated 14th February 2007 (lockout agreement)
6	Agreement to Grant a New Lease between CWPS and Watermark dated 20th December 2007
7	Map showing KCP and surrounding area as covered by agreement to grant a new lease
8	Letter to Chief Executive of CWPS (Dennis Grant) from Watermark setting out the draft principles of the Heads of Terms in respect of the proposed under lease. Not dated, and marked 'DRAFT'.
9	Supplemental Agreement in respect of the agreement dated 20th December 2007, between CWPS and Watermark dated 25th February 2010
10	Resignation letter from Chair of the CWPS Finance Sub-Committee, Roger Duckett to the Chair of the Board, Brian Atfield dated 20th February 2007
11	Extract from CWPS Board minutes dated 8th May 2007
12	Extract from CWPS Board minutes dated 4th July 2007
13	Extract from CWPS Board minutes dated 30th January 2008
14	Financial notes prepared by Nick Hanson for presentation to the Joint Committee, supporting the decision to sub let KCP. Includes a graph of KCP income dated 10th May 2007.
15	KCP sub lease proposal from GCC perspective

16	Extract from minutes of Joint Committee meeting of 25th May 2007 in respect of KCP sub lease
17	1994 Agreement between GCC, Cotswold DC, Wilts CC and North Wilt DC dated 7th February 1994
18	Letter from local Government Ombudsman to Cllr E. Jenkins dated 19th April 2011
19	Complaint from Cllr E. Jenkins to Local Government Ombudsman dated 28th June 2010
20	Report to GCC Audit Committee by Nigel Roberts, Director of Law and Administration dated 23rd September 2009
21	Map of western part of Cotswold Water Park including KCP and other GCC holdings, leased to CWPS, in this area
22	Maps of Cotswold Water Park area
23	Press release about the independent review of Cotswold Water Park
24	Standards Board advice for councillors
25	Terms of reference for Review of CWP
26	Licence from GCC to CWPS giving consent to sublease of KCP, dated 20th December 2007
27	Sub Lease of KCP from CWPS to Watermark dated 20th December 2007
28	Rules of CWPS Ltd
29	Seven Principles of Public Life, aka the Nolan principles
30	Letter from Chief Executive of Freemasons to Peter Bungard dated 23rd January 2012
31	Pro forma consent form for check on membership of freemasons
32	Example certificate from Masonic Provincial Grand Lodge of Gloucestershire confirming non membership of the freemasons

33	**General Correspondence** a. Email from Will Canaway to Robert Fox regarding proposed under lease dated 6th August 2007 b. Email trail between Robert Fox and Will Canaway between 5th and 6th September 2007 c. Email trails between Jane Daniel, Will Canaway and Sanders Brickwood between 14th and 17th September 2007 d. Email from Helen Sewter to Robert Fox reference permitted use clause dated 17th September 2007 e. Attendance note between Robert Fox and Will Canaway dated 2nd October 2007 f. Email from Will Canaway to Robert Fox reference advice on changes to head lease dated 4th October 2007 g. Attendance note between Robert Fox and Will Canaway dated 12th November 2007 h. Email from Charles Coats to Robert Fox re Keynes Park dated 12th November 2007 i. Email from Will Canaway to Rupert Sanders dated 13th November 2007 j. Email from Charles Coats to Will Canaway re Gateway Centre/Keynes Park dated 20th November 2007 k. Letter from Cllr E Jenkins to Cllr S Parsons dated 11th November 2008 l. Email from Charles Coats to Nigel Roberts dated 28th April 2009 m. Email from Cllr Jenkins to Nigel Roberts dated 5th January 2010 n. Email chain involving Cllr E Jenkins, Cllr S Parsons, McGills (CWPS Auditors), Cllr D Fowles, Cllr C Soden, Susan Groat (Kilmartin Director), and Mike Hatton between 16th and 18th February 2010 o. Email from Cllr S Parsons to Brian Atfield, copied to Dennis Grant and Nick Hanson, dated 19th February 2010 p. Email chain between Cllr Jenkins, Peter Bungard and Nigel Roberts dated 28th May 2010
34	Delegation form signed by Head of Property Services dated 28th November 2007

35	Scheme of Delegation extracted from the Council's Constitution updated 15th August 2011
36	GCC Policy for the Disposal of Property dated April 2007
37	A copy of a Partnership Grant Agreement between CWPS and the Joint Committee

Appendix 1

Timeline

Date	Event
1967	Establishment of Cotswold Water Park Joint Committee involving Cotswold District Council, North Wiltshire District Council, Wiltshire County Council and Gloucestershire County Council.
1969	Gloucestershire County Council (GCC) purchases Keynes Country Park (KCP)
1994	An agreement between the partner authorities and the Joint Committee re-establishes the committee's objectives.
1996 - 1997	Establishment of Cotswold Water Park Society (CWPS) and GCC assets - including KCP - leased to Society on long-term lease for peppercorn rent. Roger Brown appointed as Chief Executive. The Society is granted admitted body status to the local government pension scheme (LGPS) which allows staff to join the pension scheme. The Gloucestershire scheme is administered by GCC.
2002 to 2003	Gateway Centre built. This is a complex at the entrance to the water park comprising of a visitor centre and a retail outlet occupied by Cotswold Outdoor Ltd. It replaced an information point that was previously managed by GCC. The land at the front of the complex remained in GCC's ownership and was leased to the Society as a car park. The construction project suffers from funding shortfalls and this causes significant problems for the Society's financial stability.
30/09/2003	Roger Brown takes early retirement on grounds of ill-health. A successor, Tim Pain, is appointed by the Society.
01/10/2003	The GCC Cabinet approves its contribution to a financial rescue plan for the Society which involves advance payment of three years' worth of GCC grant.
2004 - 2005	The Society continues to face financial problems and relations with the local authorities deteriorate.

Date	Event
2005	Tim Pain resigns. Dennis Grant, already a member of the Board, is appointed as interim Chief Executive with the agreement of his employer, Swindon Chamber of Commerce.
27/09/2005	Peter Bungard (GCC Chief Executive) is informed by Barry King (Director in Environment Directorate) that there are serious financial problems at the Society. It is potentially insolvent and it is not in GCC's interests for it to collapse.
Jan-06	Rob Colley (GCC liaison officer with Joint Committee and Society) produces a briefing note outlining position; if Society collapses the country park and car parks would revert to local authorities with significant cost implications. Mr Grant is working on a recovery plan. Mr Colley also highlights the importance of the development of a Master plan to identify the future direction of the water park.
29/03/2006	Mr Grant reports to Board that three companies are interested in the Gateway Centre.
2006	Swindon Chamber Of Commerce collapses and goes into liquidation.
27/04/2006	Mr Grant is not present but reports to the Board that he is continuing to work on KCP. Richard Knight (board member) raises issue of Swindon Chamber of Commerce liquidation. Was Mr Grant involved? Brian Atfield (chairman) says he was and that Mr Grant needs to address a future meeting about the issue.
16/06/2006	Pauline Bamford (secretary to Society) writes to Bob Potter (GCC then Director of Finance) informing him that the Society will default on payment of pension contributions due to financial problems.
30/06/2006	Cllr Shaun Parsons (GCC) is elected chair of the Joint Committee. He has observer status on the Society Board, enabling him to attend meetings although not in a voting capacity.
02/08/2006	Brian Atfield highlights the pension issue to the Board and existence of a £252k liability if it stops paying contributions. Mr Grant reports that two offers have been received for the Gateway Centre.

Date	Event
30/08/2006	Mr Grant reports to the Finance Sub-Committee and apologises for failure to circulate business plan.
11/09/2006	Bob Potter has met with Mr Grant. The Society is unhappy about pension costs and its outstanding liability. There is potential for a default to arise.
27/09/2006	Cllr Parsons attends Board meeting as observer. Rupert Sanders (the Society's then solicitor) is voted on to the Board and Pauline Bamford is appointed as Company Secretary.
24/01/2007	Nick Hanson makes a presentation about a new corporate structure which is welcomed by Rob Colley. Roger Duckett (chair of Finance Sub-Committee) says he is unable to do much until May 2007 and that the sub-committee needs strengthening. The Board also agrees that any deals/joint ventures should be scrutinised and approved by the Board as they arise.
20/02/2007	Roger Duckett resigns by letter to Brian Atfield. He says that the decision has not been taken lightly and results from growing frustration with Mr Grant's management style.
28/03/2007	Brian Atfield announces Roger Duckett's resignation to the Board. Mr Grant reports on progress with Gateway sale and says that the Co-op offer will be forwarded to the Board. He also reports on the KCP deal. Watermark have agreed principles. No decisions are to be made until the Board gives its approval.
08/05/2007	Mr Grant writes to Cllr Theodoulou raising the idea of setting up a joint venture which involves closing South Cerney Outdoor Education Centre (SCOEC - a water sports facility for young people operated by GCC at another water park lake) and offering Watermark first refusal on the vacated site (which is situated next to another Watermark development).

Date	Event
08/05/2007	Nick Hanson presents paper on KCP sub-lease to Board. He and Mr Grant confirm that Watermark will not be building on KCP but are looking at the possibility of log cabins on the neighbouring Community Land. Rob Colley comments that this sounds fine in terms of the water park Master plan but that the planning authorities will have the final say. Rupert Sanders says that a variation on the lease will be required from GCC and that Watermark will have options on Freeth's Field and the Community Land.
22/05/2007	Barry King contacts Cllr Theodoulou and says that the KCP sublease proposal will be considered by the Joint Committee that Friday. There may be issues for GCC and he says he will work with Bob Potter on them. The SCOEC proposal is not on the agenda and Bob Potter is raising this with the Children's and Young People's Directorate (who manage the centre). The directorate later shows no interest in taking the proposal forward.
25/05/2007	The Joint Committee is informed of the Society's intention to investigate proposals for a joint venture with a commercial partner involving the sub-lease of KCP. They are told that public access to the park will not be prejudiced in any way. The committee welcomes the proposal subject to all legal issues being cleared.
04/07/2007	Mr Grant reports to the Board that the KCP Heads of Terms have been looked at and the sub-lease will cover future building on the site. The draft sub-lease will be sent to GCC.
27/07/2007	Rupert Sanders sends the draft sub-lease to GCC Legal Services. His e-mail outlines the need for GCC to Mr Grant consent (or not) to the sub-lease as required by the head lease between the council and the Society. He also outlines the board intentions of the sub-lease and mentions that other proposals are contained in Separate Heads of Terms. He also refers opportunities for the Society to purchases land nearby which may be finded by a capital payment in lieu of rent from Watermark, the proposed new tenant. Finally, he says he will send on pages 5 and 6 of the Heads of Terms which include information about Watermark.

Date	Event
	The sub-lease is allocated to Will Canaway (lawyer). Mr Canaway passes the documents to Robert Fox (a valuer in GCC Asset Management and Property Services team). The legal team needs to be instructed by the client service (AMPS) before it can proceed with any work on the proposed under-lease. Mr Canaway asks Mr Fox for information about the lease as the document has arrived out of the blue.
10/08/2007	John Hayward (surveyor) sends two reports on KCP and Gateway Centre to Mr Grant. He says that the KCP proposal looks attractive. He also comments that the Co-op's offer for the Gateway Centre is not that generous.
23/08/2007	Rob Colley briefs Charles Coats (GCC's then Head of Corporate Property). He says that the Gateway proposal should be supported as the full financial recovery of the Society depends on it.
05/09/2007	Cllr Parsons reports that Lloyds Bank will call in a £2m loan to the Society by the end of September. There is a plan to deal with this but there are delays.
05/09/2007	The Society's Board confirms that Mr Grant should proceed with KCP sub-lease.
14/09/2007	Charles Coats contacts Robert Fox and says he has met Mr Grant and he has got agreement in principle to the sublease from Cllr Theodoulou and Stephen Wood (GCC's then Group Director of Business Management, the chief financial officer).
14/09/2007	Will Canaway highlights the "permitted user clause" and says it needs to be brought to Robert Fox's attention as it could be seen to give the sub-tenant "carte blanche".
17/09/2007	Charles Coats writes to the Society to ask them to make an offer for the Gateway land.
21/09/2007	Rupert Sanders sends draft licence to sub-let to GCC Legal Services.

Date	Event
02/10/2007	Robert Fox asks Will Canaway to set out his concerns about the proposed sub-lease. He talks of "higher up bish boshing" re concerns of the council making no money and the "permitted user" clause.
05/10/2007	Nick Hanson makes an offer of £20k to GCC for Gateway land.
08/10/2007	GCC agrees that £20k offer is acceptable.
12/11/2007	Robert Fox asks Charles Coats to confirm that the instruction to Legal should be that Watermark must not be in any better or worse position than CWPS under the lease; Mr Coats confirms this is the case - Watermark to effectively step into CWPS's shoes.
15/11/2007	Robert Fox instructs Will Canaway to liaise with the Society's solicitors re. the sub-lease and that it should be on no more or less advantageous terms than the 1997 lease.
16/11/2007	Charles Coats tells Messrs Fox and Canaway there has been high level lobbying during day. He will be attending a meeting with CWPS reps the following Tuesday (20th November) to discuss. He asks them not to finalise the sublease until they receive instructions to do so.
19/11/2007	Charles Coats contacts Rob Colley and Mr Grant to confirm the meeting on the 20th. He suspects there may have been some misunderstanding/misinterpretation of instructions and this can be bottomed out.
20/11/2007	Charles Coats contacts Will Canaway and says that the bank have "pulled the plug" and licence must be completed by 29/11/07. Watermark have agreed to advance £37k on completion of licence. CC is happy with the permitted use definitions. Apparently Watermark have assured him there will be no major development or residential development.
28/11/2007	Will Canaway asks Charles Coats to confirm whether or not he is happy with the final changes to the sub-lease.
29/11/2007	Charles Coats confirms his agreement to the changes.

Date	Event
20/12/2007	GCC seals licence for under-lease to proceed. Society and Watermark sign KCP sub-lease and a separate "Agreement to Mr Grant a New Lease" document that translates the principles from the heads of terms into a legally-binding agreement. This covers the intention for the Society to gain ownership of land adjoining KCP and to enable Watermark to lease the land for further development.
30/01/2008	Mr Grant reports to the Board re. KCP. Watermark now in situ and plan to invest £1m in site. Cllr Parsons confirms GCC still own freehold and that terms of lease had not changed.
30/04/2008	DG reports re. Gateway Centre. GCC strip has been valued independently and council has to obtain best price for land. Richard Knight says there are local concerns about KCP and Watermark proposals. Mr Grant says that Watermark has to abide by same rules Society had to.
01/05/2008	Cotswold District Councillor Peter Clarke contacts GCC re. two planning applications - one for mineral extraction by Cullimores on land adjoining KCP and the other involving Watermark applying to erect a ski-tow in KCP. He says Shorncote residents are concerned about the proposals and this leads to requests to see the original KCP lease and sub-lease.
07/05/2008	Shorncote resident Esmond Jenkins contacts Cllr Parsons about the quarrying issue and the proposal to build an 800 capacity car park on the quarrying site.
08/05/2008	Will Canaway sends copy of 1997 lease and licence to sub-let to Cllr Clarke.
22/05/2008	Mr Jenkins comments that there appears to be a lack of due diligence in respect of the KCP transaction and asks Will Canaway to escalate his concerns about the probity of the transaction.
04/06/2008	GCC considers how Mr Jenkins' concerns should be investigated. Stephen Wood concludes that it should be dealt with as a complaint by Asset Management and Property Services. Bob Potter refers the

Date	Event
	complaint to Charles Coats.
27/06/2008	DG reports to the Board that the Gateway deal should proceed on that day. The KCP application for ski-tow has been refused.
21/07/2008	The last employed Society member of the pension scheme is about to leave CWPS triggering a requirement for the deficit to be repaid (as opposed to being recovered via ongoing employer's contributions). A recent actuarial exercise has estimated the deficit to be paid at c.£498k.
22/07/2008	The Gateway sale takes place and GCC receives £20k.
29/09/2008	Nick Hanson meets with Bob Potter and representatives from Cotswold District and Wiltshire councils. Hanson claims the Society can only replay £25k p.a. towards the pension deficit. Requests are made for financial information about the Society.
13/10/2008	The Society has still not provided financial information but they propose that the local authorities pay £100k each towards the pension deficit.
11/11/2008	Mr Jenkins writes to Cllr Parsons highlighting concerns about the roles of Mr Grant and Hanson in relation to the ownership of subsidiary companies in the new Society structure.
12/11/2008	Mr Grant talks to the Board about restructuring to a Trust. Says there would be no local authority representation. Richard Knight suggests members would be unhappy with restructure.
01/12/2008	Mr Jenkins asks for GCC's conveyancing file and asks who signed off the sub-lease.
31/12/2008	Nick Hanson proposes making five £100k instalments from 2009 to settle the pension deficit.
19/01/2009	GCC responds to Mr Jenkins' information request by sending him a copy of relevant documentation from the KCP conveyancing file.

Date	Event
27/01/2009	Mr Jenkins expresses concern about the disposal of KCP and the apparent lack of financial appraisal/due diligence. He says that the motivation seems to have been the Society's financial predicament. He questions this on the grounds of it being an "uninfluenced body" and on the grounds that Mr Grant has an undeclared commercial relationship with Watermark. He says this goes beyond a failure of governance and involves a deliberate misuse of public funds. He thinks this is so serious that the Audit Commission needs to be involved.
27/01/2009	Charles Coats informs Nigel Roberts (GCC's Director of Legal and Democratic Services - the council's main legal adviser and Monitoring Officer) that extensive discussions took place with Stephen Wood and Cllrs Parsons and Theodoulou about the KCP transfer.
29/01/2009	Bob Potter confirms to Nick Hanson that the Pension Fund accepts the deficit payment proposal.
06/02/2009	Nigel Roberts writes a paper for Cllr Parsons providing advice about the Society and the Joint Committee. The paper discusses the history of the CWP, the development of the Joint Committee's role, the establishment of the CWPS and the specific issue of the KCP sublease. Mr Roberts expresses his view that (a) the Joint Committee is primarily an advisory/commissioning body and not a service provider and (b) the council acted properly in agreeing to the KCP sublease. The argument is broadly that due diligence was carried out as part of the original 1997 transfer to the CWPS and, as there is no change to the end service provided - GCC's main object - there were no grounds for withholding consent.
03/03/2009	The Board hears that Mr Jenkins is referring the KCP matter to the Audit Commission. Pauline Bamford resigns as Company Secretary and is replaced by Nick Hanson.
09/04/2009	Stephen Malyn of the Audit Commission contacts Nigel Roberts and asks for information to help his investigation of Mr Jenkins's complaint. Mr Roberts asks colleagues to provide the requested information.

Date	Event
20/04/2009	Charles Coats discusses the KCP sub-lease with Will Canaway. Mr Coats is recorded as saying that he took the lead from Rob Colley. Issue was discussed with Cllr Parsons via Mr Colley. Says that of course Watermark wanted rights - that's what they were paying for. Says he discussed with Cllr Theodoulou and Stephen Wood and they were in favour of proceeding. He will produce a statement addressing Mr Malyn's questions.
28/04/2009	Charles Coats responds to Nigel Roberts with his account of the KCP licence to sub-let. He highlights the briefing he received from Rob Colley and the discussions he had with Stephen Wood and Cllr Theodoulou. He emphasises that he was under pressure to progress the matter.
07/05/2009	Nigel Roberts sends his response to Stephen Malyn.
22/05/2009	Stephen Malyn has considered GCC's response. He cannot investigate further but thinks there are areas that are worth further review - evidence held to support Mr Coats's decision, evidence addressing legal queries and the roles of GCC/Joint Committee. He suggests an independent review might be helpful.
24/06/2009	The Board hears that Natasha Flaherty has been appointed Financial Controller. In a closed session - excluding the Joint Committee observers - Mr Grant warns that the Joint Committee wants to make the Society part of Joint Committee.
30/06/2009	Charles Coats takes early retirement from GCC.
30/06/2009	Peter Barber of the Audit Commission reports to the GCC Audit Committee that they are investigating complaints about the KCP sub-lease. The Committee asks Nigel Roberts, as the Monitoring Officer, to present a report covering the history of events and correspondence to the next meeting on 23rd September.

Date	Event
20/08/2009	Mr Jenkins writes to Peter Bungard outlining a series of concerns. The main concerns are (1) that the KCP lease was unlawful - in terms of the 1997 lease - and evidence of commercial naivety on behalf of GCC (2) that the council's relationship with CWPS is unclear and inconsistently expressed by NR (3) an apparent lack of probity at CWPS (4) that Cllr Parsons and Mr Colley are effectively too close to the CWPS and (5) that a forthcoming gravel extraction application to GCC is flawed as a result of lack of public consultation and the involvement of CWPS with the contractor. He may make a complaint to the Local Government Ombudsman.
17/09/2009	Mr Jenkins is elected to Cotswold District Council in a by-election.
23/09/2009	Nigel Roberts presents his report to the GCC Audit Committee. The Committee resolves that it should receive a report back on 26th April on the roles of all parties involved (Joint Committee, GCC etc.) and any findings by the Local Government Ombudsman.
26/10/2009	The Society has not paid its first instalment of £100k towards the pension deficit apparently because of cash flow problems caused by delayed payments from Watermark. This is linked to the ongoing dispute re. the Waterland lease.
23/11/2009	Nick Hanson contacts GCC and discusses issues re. an angling club that has a licence for KCP and an ongoing dispute about rights of way. He also suggests that Cllr Jenkins has a conflict of interest in his complaints as he owns adjoining fields to Freeth's Field where gravel extraction and a car park for KCP are proposed.
22/01/2010	Withy King (solicitors) contact GCC and say that the Society needs consent for Watermark to assign their KCP sub-lease to a subsidiary company, Cotswold Country Park Ltd.
25/01/2010	Stephen Malyn of the Audit Commission reports to the GCC Audit Committee and explains that no further work has been done on KCP because of ongoing discussions with the complainant.
26/01/2010	Cllr Parsons reports that Watermark are refusing to pay rent until the rights of way issue at KCP is sorted out.

Date	Event
16/02/2010	Susan Groat (Director of Kilmartin, a property development company) sends Cllr Jenkins details of a £150k payment made to CWPS by a subsidiary named Kilbride. Cllr Jenkins also obtains notes of a meeting at Fairford and Lechlade Business Club where Mr Grant appears to have outlined his extensive involvement - and personal investment - in the commercial businesses he has set up.
16/02/2010	Cllr Jenkins e-mails Cllr Parsons, Cllr David Fowles and Cllr Carole Soden and outlines his findings re. the Kilmartin money and states that he can find no mention of it in the Society's accounts. He asks for an investigation into the matter. He sends copies to David Neudegg (Chief Executive of Cotswold District Council) and Nigel Roberts.
17/02/2010	Cllr Parsons responds to Cllr Jenkins. He is surprised by the e-mail. He has contacted the chair of the CWPS board, Brian Atfield, and found the matters had not been raised with the Society. He asks him to confirm whether he has raised issues with CWPS. He then reminds him that GCC does not control CWPS and asks that questions be firstly addressed to the CWPS board.
19/02/2010	Cllr Parsons e-mails Brian Atfield with a draft letter responding to Mr Jenkins' enquiry about the Kilbride money.
22/02/2010	Fran Mahon (Head of Property Services) takes legal advice as to whether GCC has any choice but to agree to the assignment of the sub-lease. The advice is that, having carried out due diligence, there is no reason to withhold consent. Consequently, Mrs Mahon gives delegated authority for the assignment.
23/02/2010	GCC receives legal advice that the Society is in breach of its agreement by not paying the first instalment for the pension deficit.
16/03/2010	Mr Grant writes to Stephen Wood and apologises for the pension deficit problem. The Society has been unable to pay because of the dispute with Watermark.
26/03/2010	Geoffrey Clifton-Brown MP chairs a public meeting to discuss the issues regarding the water park.

Date	Event
07/04/2010	Mr Grant updates Stephen Wood and says the Society is on track to make the payment.
28/04/2010	Mr Grant and Hanson arrested on suspicion of theft, conspiracy to defraud, money laundering and false accounting.
28/05/2010	Cllr Jenkins contacts Cllr Parsons, Peter Bungard, Nigel Roberts and Stephen Wood. He says he is concerned about the GCC involvement in the water park and is revising his complaint to the Local Government Ombudsman. He also refers to the "spectre and influence of freemasonry" and will ask the police to investigate rumours of Masonic involvement.
16/06/2010	The Board confirms that the Society will continue with the Spratsgate Lane mineral extraction proposal as joint applicant and a formal agreement should be discussed with Cullimore's. The reason for the Board making this decision is to ensure that they will still have some influence over the final use of the land following mineral extraction.
18/06/2010	Mr Grant admits fraud of £661,000
28/06/2010	Cllr Jenkins sends detailed complaint to Local Government Ombudsman. This accuses a number of council officers and Cllr Parsons of a range of failings.
16/07/2010	At a board meeting the findings of a review into the sub-lease of KCP are discussed. It has been found that there was a series a documents relating to the agreement including the lockout agreement, the agreement to grant a new lease, the sub-lease itself and the supplementary agreement. Details are mentioned about royalties on turnover and from the sale of any lodges.
06/09/2010	Nick Hanson collapses and dies while suspended from the Society.
1 to 2/03/2011	GCC provides information to the Local Government Ombudsman to help the evaluation of Cllr Jenkins' complaint.
03/11/2010	Watermark indicate via the media that they will be exercising a break clause in the KCP sub-lease allowing them to withdraw from the contract following a rent-free period of occupation of c.3.8 years.

Date	Event
June to July 2011	Cllr Jenkins raises a series of issues in correspondence with both Cotswold District Council and GCC. These include: 1. Cllr Parsons' behaviour in appearing to try to influence Brian Atfield's response to Cllr Jenkins' enquiry about the Kilbride money. 2. The extent and adequacy of any investigation into Cllr Jenkins' enquiry about the Kilbride money 3. His belief that GCC officers have tried to prevent disclosure of the KCP Heads of Terms and other relevant documents.
19/04/2011	The Local Goverrment Ombudsman responds to Cllr Jenkins and explains the delay in the response and the draft decision not to pursue the complaint.
02/06/2011	Brian Atfield dies following a short illness.
13/07/2011	Mr Grant pleads guilty and is sentenced to four years and four months imprisonment.
17/08/2011	Matthew Millett (acting Chief Executive of the Trust) sends copies of the KCP lease documents - excluding the Heads of Terms - to Alan Bently (lead officer for the Water Park in the Environment Directorate). He passes them to GCC Legal Services.
04/10/2011	GCC announces that an independent inquiry will be carried out into its relationship with the water park. The inquiry will be carried out by Graham Garbutt, visiting Professor of Government at UWE and an experienced ex-civil servant and local government chief executive.

This page is intentionally left blank