

Constitution Committee

Cotswold Water Park Background Briefing

The Cotswold Water Park

The Cotswold Water Park (CWP) is an area to the south of the county where gravel has been extracted for several decades. This has resulted in the creation of a series of lakes as the empty pits have filled with water. The economic and environmental importance of the area was recognised in the 1960s by the affected local authorities (then Gloucestershire and Wiltshire County Councils and Cotswold and North Wiltshire District Councils) and the Cotswold Water Park Joint Committee was set up in 1967 to oversee the park's development.

GCC's involvement with the CWP

GCC members sat on the joint committee alongside members from the other authorities. The council also had an interest as the owner of several properties in the water park, including lakes and car parks. Most notably, the council operated Keynes Country Park (KCP) – a series of lakes with an inland beach – as a directly managed service, partly funded by income from visitors. As local government finances came under pressure in the 1990s the council started to consider alternative service delivery options.

The outcome was that the partner authorities established the Cotswold Water Park Society in 1996. The society was independent of the councils but was set up to further their policy objectives in the water park and to deliver some of their services, including Keynes Country Park. As an independent organisation it was believed it would have access to alternative funding sources unavailable to local government and would hence be more financially sustainable.

Financial problems facing the society

The society received grant funding from the councils via the joint committee in return for carrying out a programme of environmental and economic development work. It also took on the management of the councils' properties in the water park. Most of these, like Keynes Country Park, were leased to the society on long term leases i.e. the council retained ownership and took on the role of landlord. In the case of KCP the society also retained the income generated from the park and used it to contribute to the costs of managing the service.

Over its history the society faced a series of financial crises that threatened its viability. In particular, the construction of a visitor centre in 2002/03 – a comparatively large capital project for a small organisation - suffered from funding shortfalls and led to the society approaching funders for help. A financial rescue package was agreed with the funding authorities but the problems continued over the following years. Two chief executives left in relatively quick succession and in 2005 one of the then board members, Dennis Grant, was appointed as interim chief executive with the agreement of his employer, Swindon Chamber of Commerce.

Under Mr Grant's leadership the society embarked on a series of deals that were ostensibly intended to improve the financial position. The visitor centre was sold and, in 2007, a deal was agreed with a local development company, Watermark, to sub-let Keynes Country Park in return for a guaranteed rental income. Under the terms of the original lease this transaction required GCC's consent as landlord before it could proceed. A licence consenting to the grant of the sub-lease was granted in December 2007 after lengthy correspondence between the society, Watermark and the council's property and legal teams. Watermark then took on the management of KCP.

During 2008 questions started to be raised by concerned local residents about the management of the society and, in particular, about the grant of the KCP sub-lease. Questions were also raised in various forums about the council's and the joint committee's roles in the transaction. Matters came to a head in April 2010 when a whistleblower at the society accused Mr Grant of fraud. He was arrested and a police investigation was launched. He subsequently confessed to stealing £661,000 from the society and was sentenced to four years imprisonment in July 2011.

Setting up the CWP review

Despite Mr Grant's arrest and conviction campaigners maintained that the full truth had not emerged and that there remained serious concerns about GCC's conduct in relation to the KCP lease. Consequently, in October 2011 the council announced that an independent review would be carried out into its relationship with the society. The review would be carried out by Professor Graham Garbutt, an experienced ex-civil servant and local authority chief executive.

The review's findings

Professor Garbutt submitted his report to the council in March 2012. This highlighted a series of weaknesses including serious failures to comply with procedures. In particular, the review highlighted that:

- The use of delegated powers in making the decision to approve the grant of the sub- lease was defective in that there was a failure to adequately take account of internal professional advice or consult adequately; also that the council's property disposal policy had not been complied with in this case
- In addition, a complaint about the council's handling of the transaction had not been properly investigated or responded to.

Professor Garbutt made a series of recommendations suggesting that the council should review a range of policies and procedures.

Action taken following the review

An action plan was drawn up and reported to the then Audit Committee (now Audit and Governance). This involved reviews of policies and processes covering:

- The corporate complaints system
- Freedom of information processes
- Officer scheme of delegation
- Disposals of property
- Officer and member codes of conduct
- Cabinet and joint arrangements e.g. joint committees
- Scrutiny and intervention
- Role of the Chief Financial Officer
- Role of the Monitoring Officer
- Governance/planning policy/landscape design/rural development

All of the agreed actions have now been completed apart from the outstanding issues re. changes to the scheme of delegation.