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19 September 2016

Dear Councillor Hall,

I understand that on 20 September your committee will review the decision taken by Mayor and Cabinet to use compulsory purchase powers to try and take the land leased by Millwall from Lewisham Council and transfer the freeholds to Renewal. My advisers and representatives attended the Mayor and Cabinet meeting on 7 September and have reported back to me what was said and, perhaps equally importantly, what was not said. At your forthcoming meeting, I hope that you and your fellow committee members will take into consideration the points that I have set out below. They all relate directly to the matters that were addressed during the Mayor and Cabinet meeting. The full background to this unhappy story was set out in the letter I sent to all councillors before the meeting.

- **What was reported at the meeting:** Council officers reported at the start of the meeting that Millwall had notified the Council, through its property advisers, that it wished to bid to buy the freeholds of the land that it leases around its stadium, but so far no bid had been received from Millwall.
- **Millwall facts 1:** the information provided by Council officers was incomplete and omitted two material elements. During 2012, the Council told us that the freeholds of our land would be offered for sale through a tender process. We confirmed our interest. It was recognised that Millwall and Renewal were likely to be the only bidders, but nevertheless the tender process was to be open to any bidder. It never materialised and no explanation was provided to us. By late 2013, it became apparent that Lewisham Council was preparing to sell our land in a closed process to Renewal. On 7 November 2013 Millwall's advisers, CBRE, did indeed formally notify the Council that Millwall wished to be given the opportunity to buy its land and asked for relevant information – including details of the land that was to be sold – in order to formulate a bid. Millwall also asked for any proposed sale to be delayed in order to give the Club a chance to bid. On 13 November, the Council replied and declined to provide the information necessary for a bid to be made and stated that the terms being agreed for the sale of the freeholds to Renewal were confidential. The Council stated: "I can however confirm that we have been independently advised that the deal represents the best consideration reasonably obtainable in all the circumstances." How could the Council know that this was the best consideration? The Council effectively denied Millwall the opportunity to bid and exchanged contracts for the sale of the freeholds to Renewal in December 2013.
- **Millwall facts 2:** in March 2014, a freedom of information request to Lewisham Council on behalf of Millwall asked for details of the proposed sale of the public land around The Den to Renewal. Notably, Millwall asked to know the price at which the freeholds of the land it leases were to be sold. The Council refused to disclose the agreed sale price of that land. Millwall appealed to the Information Commissioner against that refusal and the matter is due to be considered by the General Tribunal in November. There was no open bidding process



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permitted and Millwall considers that it, and the taxpayers of the borough, have the right to know what deal the Council has struck with Renewal for the sale of public land.

- **What was reported at the meeting:** the Chief Executive of the Council reported that between February and August of this year the Council sought to explore opportunities for Millwall to be involved in the urban regeneration project in New Bermondsey. He emphasised that the Council had appointed an independent expert to help with that situation. He said: "The key thing for us was to appoint someone independent from us... so we appointed someone who is an entirely independent expert from Strutt & Parker."
- **Millwall facts 3:** when Millwall's advisers, CBRE, first met with that alleged independent professional, he said that he had previously undertaken work for Lewisham Council! In an email dated 18 July to CBRE asking for information about Millwall's scheme, he said that it was to enable a transfer of information between Renewal and Millwall. He explained: "I should make clear that Strutt and Parkers (*sic*) role in this exercise is as a conduit for the information. Strutt and Parker do not intend to review or engage in discussions on any information received, nor will any such information be disclosed to the Council." However, when the Council published its CPO documents prior to the Mayor and Cabinet meeting on 7 September, it became clear that Strutt & Parker had prepared a report on Millwall's plans. The Council's CPO report prior to the meeting states: "6.41 As part of their appointment, Strutt & Parker were asked to advise on the MFC Proposals in terms of their viability, deliverability and overall fit within the Council's Core Strategy and regeneration objectives for the area. The Strutt & Parker report raises a number of significant delivery constraints in respect of the MFC Proposals and other implications for the wider Scheme as discussed below. Moreover, Strutt & Parker have examined the viability of the MFC Proposals and conclude that they are unlikely to be viable in isolation." We had no knowledge that such a report was being prepared, we were not asked to provide input and we had no opportunity to comment on it before it was placed in the public domain. Not only had a report been submitted without Millwall's knowledge and proper involvement, but that same report relied upon the plans Millwall had prepared in 2013 rather than the updated version that has been prepared over the last six months. We did not discuss in any detail the revised plans that we have been working on this year and which are the subject of a potential planning application because we were not asked to.
- **Millwall facts 4:** Renewal's plans for undertaking the development of New Bermondsey include sub-contracting parcels of the development to third party housebuilders, but Renewal has stated publicly that it will not work with Millwall. The Council's Chief Executive reported: "What we tried to do is bring them together again independently but in five months there's been one meeting and not one proposal from Millwall in relation to what it is they require." We have repeatedly explained in public what we require.
- **Millwall facts 5:** frequently the Council and Renewal have said that the viability of Renewal's plans depend on acquiring Millwall's land. We have never seen any facts or figures to support that claim.
- **What was reported at the meeting:** a Cabinet member declared at the meeting on 7 September that she understood that Millwall did not have the funds necessary to undertake its proposed development. Millwall's representative, Peter Garston, tried to intervene to assure her that this was untrue but was silenced by the Chair of the meeting. The Chair then went on to state: "I'd like to just formally now clarify something in particular around this whole funding thing. We can't comment either way on whether funding (*from Millwall*) is available, that option hasn't been put to us and for us to comment on that we'd have to do proper due diligence, the same way as we had to do with Renewal. So until such time as due diligence has been done it's not in our remit to make a decision on whether that funding's available or not. I know that there

have been comments about a personal ability of the chair to back this but we actually have no evidence of that so we can't take that into account, and that's the situation."

- **Millwall facts 6:** we do not know who briefed the Cabinet member that Millwall did not have the funding. The funds are available and that point has been made clear several times in public. At no stage has the Council requested further information. However, the Chair referred to the due diligence carried out on Renewal. That due diligence was initially contained in a report by PricewaterhouseCoopers (PWC) dated 6 September 2013 and tabled at the meeting of Mayor and Cabinet on 11 September 2013 when the decision was taken to sell the Millwall land to Renewal. A freedom of information question was submitted to the Council asking to see that due diligence report on Renewal. The Council refused to disclose it. Millwall's representatives appealed to the Information Commissioner who upheld the appeal and instructed the Council to disclose the report. The Council has lodged an appeal against that ruling and the matter is due to be heard by the General Tribunal in November. A version of the due diligence report was provided, but it was so heavily redacted as to render it largely useless. The Council has engaged lawyers and a QC to defend its desire to keep the due diligence report and the price of the freeholds confidential. In her evidence for the General Tribunal, the Council's QC has stated that the due diligence report which was relied upon at that key meeting of Mayor and Cabinet was a draft and "...it appears to have approached the issues of Renewal's financial standing more negatively than was warranted..."
- **What was reported at the meeting:** Council officers reported that Renewal would fund the CPO process and that Lewisham's taxpayers' money would not be used.
- **Millwall facts 7:** the officers did not report that taxpayers' funds are being spent by the Council on legal advice, including from the QC mentioned above, to keep information about Renewal, and the Council's dealings with Renewal, out of the public eye.
- **What was reported at the meeting:** prior to the meeting of Mayor and Cabinet on 7 September, Millwall raised a legal objection to Councillor Alan Smith chairing the meeting. He has previously tweeted derogatory and prejudicial remarks about the Millwall Chairman.
- **Millwall facts 8:** the Council rejected that challenge and Cllr Smith chaired the meeting. Millwall formally requested the right to speak at the meeting. We were told that there was no automatic right but that the request would be considered. It was granted. Cllr Smith informed the meeting that three people had asked to speak: local resident Willow Winston, Cllr Brenda Dacres and Millwall fan on the board Peter Garston. However, Cllr Smith then called upon a Director of Renewal to address the meeting more than once. No representative of Renewal had asked to speak and we question why Renewal were invited to defend their position and present new information – particularly relating to the funding of the Millwall Community Trust and the Energize Sports Centre – to the meeting which had not been previously disclosed and which was not properly challenged or tested. As noted above, Cllr Smith refused to allow Peter Garston to speak about Millwall's funding abilities.

I regard the whole tenor of the meeting and the manner in which it was managed as inherently prejudicial to Millwall's interests. By telling the meeting at the outset that we had not bid for our land, and by describing our plans for that land as not viable, all proper discussion of Millwall's position was effectively silenced. Renewal was given the unscheduled right to speak and was presented as the only viable proposition for the urban regeneration project. This directly led to the CPO decision being taken.

Since the Mayor and Cabinet meeting, Councillor Smith has posted further derogatory and incorrect comments about Millwall on twitter questioning our corporate status in the UK and our tax

transparency. We have corrected those inaccuracies via social media and are happy to clarify them further as required.

I would urge you and your committee to give careful consideration to these points and to ask the Mayor and Cabinet to think again about the CPOs and also refer this decision to full Council.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'John Berylson', written in a cursive style.

John Berylson  
Chairman