

Councillor Alan Hall  
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**Date:** 13 December 2016  
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**By Email Only (cllr\_alan.hall@lewisham.gov.uk)**

Dear Councillor Hall

**NEW BERMONDSEY (FORMERLY SURREY CANAL TRIANGLE) PROPOSED  
COMPULSORY PURCHASE ORDER**

We write on behalf of our client, Millwall Football Club Ltd ("the Club") in relation to tonight's meeting of the Overview and Scrutiny Business Panel.

Our client and advisors have obviously carefully noted the reasons for call-in given at the meeting of the Panel on 20 September and the report containing the officers' response to those issues included with the agenda papers for today's meeting. Our clients and their advisers share the grave concerns expressed by the Panel about the background and circumstances leading up to the decision by Mayor and Cabinet to make the compulsory purchase order and consider that the officers' response leaves fundamental points unanswered.

**Appointment of Renewal as developer**

There are many aspects of the transactions with Renewal which represent significant departures from what would reasonably be expected in the circumstances. For example:

- The Council appoints a company that it acknowledges has no track record in undertaking developments of the scale of the New Bermondsey Development – which would be amongst the largest in London;
- The founders of Renewal were the former leader and former senior officer of Lewisham Council;
- The parent companies of Renewal are registered in off-shore tax havens and the beneficial owners are anonymous;
- PWC was denied access to information about the parent companies in 2013 and was unable to do due diligence but the Council nevertheless proceeded to enter into a binding conditional sale agreement of the freeholds of the Club's and MCT's leasehold land;
- Given the above points, it frankly beggars belief that the Council considered it prudent not to have sought an open and transparent tendering process to ensure that the developer was one on whom the Council could rely and had the experience, skills and clear access to appropriate funding that would ensure delivery of the scheme;
- Having entered into a conditional sale agreement of the Council's interests in December 2013, it is apparent that the Council had not even conducted a viability assessment of

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the scheme. According to paragraph 7.50 of the report to Mayor and Cabinet, GL Hearn did not initially report on viability until April 2014!

Some of these factors alone would be regarded as grounds for deep scepticism but, taken together, they represent a wholly extraordinary approach to delivery of a project. In any other sphere of its major operations and service delivery, would the Council have allowed such a set of circumstances to accumulate?

### **LSH Brochure**

Section 7 of the officers' issues report deals with the question of the LSH brochure.

In that report it is stated that LSH advised that the LSH brochure was not publicised or made available to others. However, it is an inescapable fact that the brochure was sufficiently available for it to come into the hands of the *Guardian* newspaper.

It is highly improbable that a sales brochure with so much detail would be prepared without the client's knowledge or approval. We note the sales brochure contains information on a detailed corporate structure of Renewal – the very same structure that was redacted in the 2013 PWC report and remained so until the belated disclosure by the Council in the context of FoI proceedings in October 2016. We can only presume that that structure was deemed highly confidential by Renewal and the Council when it was evidently disclosed to LSH.

Has the Council verified the terms of engagement between IHL and LSH?

### **The inability of the Club to bid for freehold of the land they leased**

In Mr Holmans' letter to Demos Kouvaris of the Club's parent company dated 29 January 2013, he stated, at paragraph 8, that the Council envisaged retaining its freehold interest in respect of the land leased to the Club and MCT.

However, without any communication to the Club between January and September 2013, Mayor and Cabinet resolved at its September 2013 meeting to dispose of those freehold interests to Renewal. This unexplained reversal was made in the teeth of officers' full knowledge of the Club's interest and concerns.

CBRE, on behalf of the Club, on 6 November 2013 stated that it wished to bid for those freehold interests. However, the Council, through Mr Holmans' letter of 13 November 2013 did not provide any terms or basis for which a bid could be made. In those circumstances, it was impossible for CBRE to advise the Club to make a bid.

### **Threat to future of MCT and Youth Academy**

MCT has only received a derisory offer, which it has rejected and has not agreed terms to surrender its lease. There have been no further negotiations and we understand that MCT are still awaiting a response from Renewal.

The future of MCT in Lewisham is threatened by Renewal's proposal and will have a direct and serious impact on opportunities for young people in the Borough.

Alongside this threat to the future of the MCT, Millwall's Youth Academy is also threatened by the loss of the Lions Centre's indoor astroturf pitch. It is a mandatory requirement under the Elite Player Performance Plan (EPPP) for a youth academy such as ours to have full time exclusive access to such a facility.

### **Misleading statements about extent of land owned or controlled by Renewal**

Much is made in the report to Mayor and Cabinet that Renewal owns or controls the majority of the interests in the site. This is in fact, far from the case. Very significantly, Renewal only has a conditional contract to acquire the freehold of the Club's and MCT's leasehold land. It therefore cannot deliver the scheme on this land without a compulsory purchase order

expropriating the Club's and MCT's interest. The development area for the scheme is approximately 27.2 acres and the Club's and MCT's leasehold interests together (excluding the stadium) is 11.5 acres. The Club's and MCT's areas therefore amount to fully 42% of the site. Taken with the other interests to be acquired, Renewal has ownership or control of something around only 50% of the land required for the scheme.

Yet, last Friday the Council is quoted in the South London Press as saying: "Lewisham council's Mayor and Cabinet has agreed to proceed with compulsory purchase orders on the remaining 10% of the land at New Bermondsey..."

In view of the above, we would ask that Mayor and Cabinet is recommended not to proceed to make a compulsory purchase order.

Yours faithfully



**Eversheds LLP**