

Nantporth Stadium – City of Bangor Council

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Summary report

Introduction

- 1 This report summarises the findings and conclusions arising from my audit of City of Bangor Council (the Council) for 2018-19. In the course of the audit, matters were brought to my attention indicating deficiencies in financial governance and decision making relating to the lease of Nantporth Stadium to the Nantporth Community Interest Company (Nantporth CIC).
- 2 I have issued this report to draw the Council's attention to these failures in financial governance and decision making. I believe it is important that the Council has a full and proper awareness of the events concerning the Nantporth stadium lease. I have also considered whether these matters should be reported in the public interest under section 22 of the 2004 Act.
- 3 I also believe it appropriate to give the Council an opportunity to demonstrate the steps it has already taken to improve arrangements and to ensure that the risk of such failures recurring is reduced to a minimum. The Council responded positively to a document setting out my initial findings and conclusions.
- 4 In view of the actions already taken by the Council during 2020, I have decided that statutory recommendations will be sufficient.
- 5 Therefore, to assist the Council to avoid similar issues recurring in the future, I am making written recommendations under section 25 of the Public Audit (Wales) Act 2004 (the 2004 Act).

City of Bangor Council

- 6 The Council serves the cathedral city and community of Bangor in Gwynedd with a population of around 16,500. The Council has 20 elected members representing eight wards. In the financial year 2017-18, the Council spent around £600,000 on local services and received income of around £430,000, of which £360,000 was in the form of a precept from Gwynedd Council. Gwynedd Council collects the precept through additional council tax charged to the Council's residents. The Council derives its funding from the public purse and its members are elected by local residents. The Council is, therefore, accountable to the local electorate.
- 7 The Council employs a Town Clerk whose role is to provide advice and administrative support to the Council and take action to implement Council decisions. The Town Clerk is also the Council's Responsible Financial Officer and is responsible for administering the Council's finances.
- 8 During the period covered by this report, the Council employed Mr Gwyn Hughes as Town Clerk until August 2015 and Mr Ian Jones from September 2015. Mr Jones left the Council at the end of 2019. In this report, Mr Hughes is referred to as the then Town Clerk.

My audit work

- 9 My audit work on town and community councils focuses on an annual return completed by the councils and submitted to auditors working on my behalf. The annual return contains the annual accounting statements that the council is required by law to prepare and an annual governance statement which sets out how the council has managed its financial affairs.
- 10 In October 2018 I received correspondence raising concerns about the lease of Nantporth Stadium, specifically that the lease had been made with Nantporth Community Interest Company (Nantporth CIC) without the Council's approval and questioning whether any due diligence had been carried out. I extended the scope of my audit work to examine the lease arrangement for the Nantporth Stadium.
- 11 The Council previously owned the football stadium at Farrar Road, Bangor, which was the home of Bangor City Football Club (the Football Club). The sale of the stadium site to developers was conditional on the developers purchasing land, and funding and constructing a new football stadium for the Council.

Key findings

The Council sold the site of the football stadium at Farrar Road to a developer who funded and constructed a new football stadium for the Council

- 12 In around 2004-05, the Council was approached by a developer with an offer to purchase the site of the football stadium on Farrar Road and, as part of the agreement, construct a new football stadium and facilities within the Council's area. The new facilities would include artificial surface practice and training pitches.
- 13 The then Town Clerk (Mr Hughes) told me that one of the factors that supported the Council's decision to accept the developer's offer was the inclusion of an artificial pitch. This would promote junior and youth football teams as well as football for members of the local community.
- 14 In 2010, the developer sought to re-negotiate the deal with the Council, which involved changes to the existing schedule requirements. A letter from the developers was considered at the Finance and General Purposes Committee (F&GP Committee) on 27 September 2010.
- 15 The new stadium development proposals still included a practice area. The Committee was informed that the Football Club was seeking grant aid to enhance the practice facilities on the site and that this would upgrade the original proposals by the developer. The Committee resolved to involve the Football Club in negotiations with the developers concerning the practice facilities.
- 16 The former Town Clerk (Mr Hughes) has told me that discussions took place between the Council, the developers and the Football Club after the F&GP Committee meeting on 27 September 2010, where the Council's concerns and

ambitions for the new stadium were made clear. I was told that the Council was anxious that there should be stability in the tenancy of the stadium, as it did not want to see a recurrence of a situation that had developed a number of times over the years when the Football Club stopped paying rent to the Council. The Council also wanted an assurance from the Football Club that the practice pitch to be provided on the site would be an asset to the whole community and not be a facility for the sole use of the Football Club as a private company.

- 17 The developer built the new stadium, named Nantporth Stadium, on land purchased by the developer at Holyhead Road, Bangor, and transferred ownership of the land to the Council in January 2012.

On 28 November 2011, Members agreed the lease of Nantporth Stadium to Bangor City Football Club and gave the then Town Clerk authority to draw up and sign the necessary legal documentation for the lease

- 18 The Council's intention was to lease Nantporth Stadium to the Football Club on a long-term basis, as evidenced in committee minutes (**Exhibits 1 and 2**).

Exhibit 1: Planning and Amenities Committee

In April 2011, the Council authorised the then Town Clerk (Mr Hughes) to contact a surveyor to draft terms for a lease to the football club.

Planning and Amenities Committee, 18 April 2011

To give the Town Clerk powers to Act to contact a surveyor to draft out the terms of the lease for letting the site on a long-term basis to the Football Club as previously agreed by the Council.

Source: Council minutes

Exhibit 2: Finance and General Purposes Committee

In September 2011, the then Town Clerk (Mr Hughes) reported he had commissioned the District Valuer to agree the terms of a lease with the Football Club.

Finance and General Purposes Committee, 26 September 2011

The Town Clerk reported that he had recently commissioned the District Valuer to agree the terms of the lease between the City Council and Bangor City Football Club and also to set the annual rental sum.

Source: Council minutes

- 19 Section 50 of the Council's Financial Regulations states that: 'No land or property shall be sold, leased or otherwise disposed of without the authority of the Council.'
- 20 Council Members agreed the lease for Nantporth Stadium to the Football Club at the F&GP Committee meeting on 28 November 2011. Members also gave the then Town Clerk (Mr Hughes) authority to draw up and sign the legal documentation for the lease (**Exhibit 3**).

Exhibit 3: Finance and General Purposes Committee

In November 2011, the Council agreed to lease the stadium to the Football Club.

Finance and General Purposes Committee, 28 November 2011

It was RESOLVED to formally agree the lease for Nantporth Stadium between the City Council and Bangor City Football Club subject to the provisions set out by the District Valuer at the agreed annual rental and to give the Town Clerk, in consultation with the Council's Solicitor, Powers To Act to draw up and sign the legal documentation.

Source: Council minutes

- 21 On 22 December 2011, the Council's solicitor sent the then Town Clerk (Mr Hughes) a lease he had prepared for the Council to lease Nantporth Stadium to the Football Club which took into account the District Valuer's property valuation. This lease agreement was not subsequently used.

Nantporth CIC was formed in December 2011 with the stated intention to lease Nantporth Stadium from the Council and then sub-lease it to Bangor City Football Club

- 22 Community Interest Companies (CICs) are limited companies which operate to benefit the community they serve. A CIC cannot be used solely for the financial advantage of a group of people, for political purposes, or for the benefit of the employees, directors or members of a single organisation.
- 23 Nantporth CIC was incorporated on 30 December 2011. The then Chairman and the Secretary of Bangor City Football Club were listed as the initial directors and shareholders in Nantporth CIC.
- 24 Forming Nantporth CIC required the submission of Form CIC36, 'Declarations on Formation of a Community Interest Company' to the Office of the Regulator of Community Interest Companies. Form CIC36 is the community interest statement and its purpose is to confirm that the CIC will provide benefit to the community. It does this by describing its intended activities, who they will help and how. The information given on Form CIC36 enables the Office of the Regulator of Community Interest Companies to decide a company's eligibility for CIC status.
- 25 Form CIC36 for Nantporth CIC was completed on 8 December 2011. 'Section A: Community Interest Statement – beneficiaries' sets out the intended benefits and beneficiaries (**Exhibit 4**).

Exhibit 4: Nantporth CIC Community Interest Statement – beneficiaries

The community interest statement sets out that the Nantporth Stadium facilities will be available for use by the local community.

Section A: Community Interest Statement – beneficiaries

Through the facilities available in the new Nantporth Stadium, Nantporth CIC will provide sporting, health, wellbeing and exercise benefits to the local community including youngsters, young adults, and older residents in the Bangor and South Anglesey catchment areas.

This includes female participants, team events and those with disabilities and without discrimination.

Nantporth Stadium will be a centre of 'ownership' and availability of leisure facilities for the local community.

Source: Nantporth CIC Form CIC36 Declarations on Formation of a Community Interest Company

- 26 The intention of Nantporth CIC to lease Nantporth Stadium from the Council and then sub-lease it to the Football Club is clearly stated in Form CIC36, 'Section B: Community Interest Statement – Activities & Related Benefit'. Form CIC36 also sets out the benefits of this leasing arrangement to the community (**Exhibit 5**).

Exhibit 5: Nantporth CIC Community Interest Statement – Activities & Related Benefit

The CIC36 form sets out Nantporth CIC's intention to lease the stadium to the Football Club and the advantages of this arrangement.

Section B: Community Interest Statement – Activities & Related Benefit

The new CIC Company is to be set up as a separate entity from Bangor City Football Club Ltd (who will be granted a Sub-lease) to protect the stadium including its facilities and the proposed 3G pitch from any future financial difficulties that the Football Club might experience. The benefit of this action to the community is that it affords protection in the event of Administration/Insolvency of Bangor City Football Club Ltd at any time and, thus, the facilities (present and proposed) will continue for the benefit of the community unaffected.

As stated, Nantporth CIC will grant a sub-lease to Bangor City Football Club Ltd which would revert back to Nantporth CIC in the event of sub-tenant difficulties.

Nantporth CIC will be responsible for collection of agreed rent from the sub-tenant and ensuring payment to Freeholder (Bangor City Council) in accordance with terms and conditions.

Nantporth CIC will be responsible for staffing and running costs of the stadium and 3G pitch, once it is established and trading.

Source: Nantporth CIC CIC36 Declarations on Formation of a Community Interest Company

In January 2012, the Football Club proposed that the lease for Nantporth Stadium be granted to Nantporth CIC, to which the Council's solicitor indicated no objection in principle, and some specific provisions were included in an amended lease to reflect this arrangement

- 27 The Football Club approached the then Town Clerk (Mr Hughes) and the Council's solicitor in January 2012 proposing that the lease of Nantporth Stadium be granted to Nantporth CIC, who would then grant a sub-lease to the Football Club.
- 28 In exercising any statutory powers, the Council must ensure that it acts reasonably and exercises due diligence when considering a decision. The Council's due

diligence process for leasing Nantporth Stadium to Nantporth CIC was the then Town Clerk (Mr Hughes) seeking legal advice from its solicitor, which led to specific provisions being included in the lease to protect the Council's interests regarding a sub-leasing arrangement and requesting a guarantee agreement.

29 The solicitor indicated no particular objections to granting the lease to Nantporth CIC, and no objections in principle to Nantporth CIC granting a sub-lease to the Football Club, provided that the sub-lease was of the whole property.

30 The following specific provisions were included in the lease to reflect the sub-leasing arrangement:

- to allow for sub-leasing of the whole property only, with the Council's consent in writing (Clause 2.15.1 and Clause 2.15.2);
- to provide for the Council to receive rental payments monthly in advance, not annually (Clause 1.1);
- to require the CIC to lodge the sum of £17,250.00 (a sum equivalent to the annual rental charge) in a bank deposit account for the term of the lease (Clause 2.22).

31 The request for a guarantee agreement in the lease was to secure the rent because Nantporth CIC had no substantial assets other than the lease, and historically there had sometimes been difficulties in the Council obtaining payment for the rent from the Football Club.

32 The request for a guarantee agreement was sent by the Council's solicitor to the Football Club's solicitor. The request was rejected and neither the Football Club's directors nor the CIC's directors were prepared to act as guarantors. The lease proceeded without this guarantee.

Although the Council has stated that Members were fully aware of the changes to the lease arrangement originally approved in November 2011, there is no documented evidence to support this view

33 The Council's solicitor emailed the then Town Clerk (Mr Hughes) on 16 January 2012 stating that the Football Club 'are now proposing that the Lease should be granted to the Nantporth Community Interest Company'.

34 The only formal meeting held by the Council between 16 January 2012 and the signing of the lease on 27 January 2012 was a Special Meeting of the Planning and Amenities Committee on 25 January 2012. The purpose of this meeting was to consider the Local Development Plan consultation, and the minutes make no reference to the leasing of Nantporth Stadium.

35 On 27 January 2012, two Members, including the then Chair of the Finance and General Purposes Committee, signed a 30-year lease of Nantporth Stadium between the Council and Nantporth CIC, in the presence of the then Town Clerk (Mr Hughes).

- 36 This is in line with the Council's current Standing Orders which require that two Members of the Council authorise relevant documents such as leases.
- 37 The former Town Clerk (Mr Hughes) has told me that the proposed lease arrangement with Nantporth CIC would overcome the Council's concerns about non-payment of rent from the Football Club and also ensure that all the facilities on the site, including the conference/entertainment facilities and the artificial pitches, would be safeguarded and protected for use by the local community. The Council's perspective is that this arrangement was economically prudent, as it protected the Council from the impact of the economic dangers of running a Football Club.
- 38 The Council has stated that the majority of existing Members, who were Members at this time, claim that they were aware of the changes to the leasing arrangement, that the matters had been debated and that Members approved of the awarding of the lease to Nantporth CIC.
- 39 However, there is no documented evidence that Members were given the opportunity to debate whether the lease should be granted to Nantporth CIC or to seek assurances that a robust and thorough due diligence process had been carried out that comprehensively assessed and evaluated the benefits, liabilities, risks and opportunities of the proposed lease arrangements. The Council accepts that its written records on this matter are not clear and did not detail the situation as it unfolded.
- 40 Furthermore, the then Chair of the F&GP Committee has stated: 'I have a recollection of the City Clerk at the time asking me to sign a document that was a Lease between the Council and Bangor City Football Club.'
- 41 The Council has the statutory authority to enter into lease arrangements, but it must exercise that authority reasonably, and this means following proper process in negotiating and approving the lease. Although the intention of the Council was to lease Nantporth Stadium to the Football Club, in my view, because the leasing arrangement entered into is materially different to that approved by the Council in November 2011, Members should not have signed the lease without it being formally re-approved by the Council.

Subsequent reporting of the lease arrangements lacked transparency and was misleading because it did not refer to Nantporth CIC or the sub-leasing arrangement with the Football Club

- 42 An update on the new football stadium was provided in the **Budget for 2012-13 – Town Clerk's Report** that was presented to the Special F&GP Committee meeting on 13 February 2012.
- 43 The report makes no reference to Nantporth CIC or the sub-leasing arrangement with the Football Club. The report states that the Football Club is leasing Nantporth Stadium directly from the Council and that the Council receives monthly rental payments direct from the Football Club and not Nantporth CIC.

Exhibit 6: Nantporth Town Council Town Clerk's Budget Report 2012-13

The Town Clerk's Budget Report 2012-13 inaccurately states that the Council had leased the football stadium to Bangor City Football Club.

Town Clerk's report item 4 – New football stadium

4) New Football Stadium

I am very glad to report that the Nantporth Stadium project is now complete, with the Farrar Road site now being re-developed for food retail purposes, thereby transforming a semi-derelict run-down part of the City and boosting the economy of the upper part of the High Street.

The new stadium was officially handed over to the Council on 30 January 2012. At the same time a 30 year lease of the property was given to the Bangor City FC with the City Council receiving monthly rental payments from them from that date onwards. This arrangement will enable the Football Club, as long term tenants, to gain grant aid from various sources so that they can invest in additional covered seating provision and a full size artificial pitch, thereby improving the facilities at the new ground. Clearly this will be of benefit to the City of Bangor, since sporting facilities for the local community as well as for the Football Club will be enhanced. As far as the City Council, as landlord, is concerned, it will also enhance the value of its asset.

Source: Town Clerk's Report presented to Special F&GP Committee meeting, 13 February 2012

- 44 Although the Council tells me that Members were aware of the lease to Nantporth CIC and sub-lease to the Football Club, and that Members were of the view that this arrangement was established to protect the Council's interests and the public purse, in my view this report misleads the public; it does not accurately describe the arrangements in place.

The Council's arrangements for monitoring the lease and managing the relationship with Nantporth CIC are insufficiently robust

Some of the terms and conditions of the lease between the Council and Nantporth CIC are not being fully adhered to or monitored by the Council

- 45 Under clause 2.22 of the lease, Nantporth CIC covenants with the Council to hold the sum of £17,250 in a bank deposit account for the term of the lease, and to produce to the Council on demand evidence of the existence of the said account.

- 46 Review of Nantporth CIC's financial statements suggests breaches of the lease for the financial years ending 31 December 2013, 31 December 2014 and 31 December 2017, as the sum of 'cash at bank' reported in their financial statements was below £17,250.
- 47 The former Town Clerk (Mr Jones) informed me that the Council has never asked Nantporth CIC to produce evidence that the sum of £17,250 is being held in a bank deposit account.
- 48 Furthermore, I understand that the Council did not formally carry out a rent review after the first five years of the Term of the lease, in accordance with clause 1.2 of the lease, and that the rent due to the Council on 27 January 2019 was not paid until March 2019.

The Council did not give consent for Nantporth CIC to sub-lease Nantporth Stadium to the Football Club until October 2013

- 49 Clause 2.15.2 of the lease agreement requires Nantporth CIC to obtain consent from the Council before it enters into any sub-lease arrangement with a third party.

Exhibit 7: Lease terms related to sub-leasing the Nantporth Stadium

The lease between the Council and Nantporth CIC requires Nantporth CIC to obtain approval from the Council before it sub-leases the Nantporth Stadium to a third party.

Lease clause 2.15.2

Not to assign, underlet or part with or share possession of the Property as a whole without the Council's consent in writing (such consent not to be unreasonably withheld).

Source: Lease between the Council and Nantporth CIC

- 50 The lease between Nantporth CIC and the Football Club for 'thirty years less thirty days' was made on 22 February 2012. However, it was not until October 2013 that, in accordance with Clause 2.15.2 of the lease between the Council and Nantporth CIC, the then Town Clerk (Mr Hughes) confirmed the Council's consent to the lease between the Nantporth CIC and the Football Club.
- 51 In addition, the lease between the Council and Nantporth CIC and the lease between Nantporth CIC and the Football Club were registered at HM Land Registry until October 2013. It is unclear why there was a significant delay in registering the leases. However, in an email to the Council in October 2013, the Council's solicitor states:

'Mea culper [through my fault]! The application for registration has never been completed. The Land Registry had raised some requisitions and I had not realised we had not dealt with these! The application has now been resubmitted.'

- 52 The Council's solicitor was provided with an opportunity to respond to a document setting out my initial findings. He did not provide a substantive response.
- 53 The failures to provide this consent and register the leases with HM Land Registry were identified during the grant funding application process to construct a 3G training pitch at the stadium. If the Council had been monitoring the lease, then these issues could have been identified at an earlier stage. I do not consider that retrospective approval by the Council of consent for the lease is inappropriate.

The Council was not aware that it became a shareholder in Nantporth CIC in 2017

- 54 Nantporth CIC allocated a shareholding to the Council in May 2017. However, the Council has stated that it was not aware that it became a shareholder in Nantporth CIC until 2019 when I carried out my review.
- 55 During the course of my work I have been told that there was provision for shares in Nantporth CIC to be given to any community group or concern having an active or financial interest in Nantporth CIC (eg a funder). The then Chairman of Bangor City Football Club in 2011 has provided me with a copy of a letter he states was provided to the Council on 25 November 2011. This letter states that: 'There will be provision for each funder or nominated director to become a shareholder (in Nantporth CIC) in turn.'
- 56 In July 2013, the Council agreed to make a £58,000 contribution to Nantporth CIC towards the construction of a 3G pitch at the stadium. The Council's minutes record that 'Representation on the Community Interest Company would be offered to the City Council.'
- 57 This contribution thereby entitled the Council to a share in Nantporth CIC. The CIC proceeded to make arrangements for the shareholding to be registered and the share was vested in the Council in May 2017.
- 58 Notwithstanding the reference to 'representation' in the minutes of the Council's July 2013 meeting, the Council has stated to me that it was not aware of this provision to become a shareholder. It has also stated that there is no reference to the shareholding in any of the Council's records. Given the conflicting documents and explanations provided, I have not been able to establish the extent of the Council's knowledge of this arrangement.

The Council's minutes do not clearly evidence the decision made by the Council to provide a loan to Nantporth CIC in 2018

- 59 Council minutes are a legal record of the business conducted and decisions made by the Council. Whilst minutes do not need to be a verbatim record of what is discussed, they must adequately summarise discussions and precisely record decisions that are made. The Council may, by resolution, exclude the public and press (whether during the whole or part of the proceedings) from meetings when sensitive issues are discussed, such as legal, contractual or personnel matters. However, minutes must still be prepared covering all matters discussed and decisions made, while the public and press are excluded.
- 60 Under the arrangements of the sub-lease between Nantporth CIC and the Football Club, the Football Club remained the account holder for the electricity supply, including responsibility for paying the bills. The entire electricity supply was controlled by the Football Club. Nantporth CIC required access to the building to switch the electricity on and off for the artificial pitch.
- 61 In February 2018, Nantporth CIC requested a loan or donation from the Council to meet the costs of installing a separate electrical supply between the Football Club and Nantporth CIC.
- 62 The request was made because of some difficulties between Nantporth CIC and the Football Club, leading to community projects being cancelled. Nantporth CIC wanted to separate the supply so that it could operate independently of the Football Club.
- 63 The former Town Clerk (Mr Jones) told me that Members approved the granting of a loan at the Council meeting on 12 March 2018 (**Exhibit 8**). This discussion took place during Part 2 of the meeting that excluded the press and public.
- 64 In July 2018, the Council made a five-year loan to Nantporth CIC for £5,259.81. The loan agreement was signed on behalf of the Council by the then Town Clerk (Mr Jones). The loan was advanced to Nantporth CIC via a direct payment to the meter supplier and is repayable in full within five years. Interest will not be payable on the loan if it is repaid in full on or before the expiration of five years from the date of payment. The loan is recorded in the Council's Income and Expenditure report as 'BID Loan' under 'Town Centre:- Indirect Expenditure'.

Exhibit 8: Council Meeting

In March 2018, the Council agreed to make a loan to Nantporth CIC.

Council Meeting, 12 March 2018

200/17 FINANCIAL MATTERS

The Town Clerk reported details upon a request that had been made to the City Council. Members reviewed all the particulars of the matter and considered that there was a community issue of significant importance to this matter.

RESOLVED: that the request be acceded to, subject to the further detail as outlined in the meeting and that the Mayor, Deputy Mayor together with the Town Clerk make further enquiries and be given the Power to Act.

Source: Council minutes

- 65 In my view, and for the reasons set out below, the Council minutes do not precisely or sufficiently record the decision to grant the loan to Nantporth CIC.
- 66 The minutes of the Council meeting on 12 March 2018 make no specific reference to a loan or the reason it is being requested. There are no other minutes that provide details of discussions and decisions made in Part 2 of the Council meeting.
- 67 The former Town Clerk (Mr Jones) has informed me that during the Council meeting he read out a letter from Nantporth CIC, dated 13 February 2019, requesting the loan or donation. He has provided me with his handwritten notes of the meeting.
- 68 The handwritten notes do suggest the Mayor, Deputy Mayor and Town Clerk are given the 'Power to Act' with regards to the loan. However, the 'Power to Act' is not defined and it is unclear whether it relates to negotiating a loan or entering into a loan.
- 69 The Council minutes state that the 'request be acceded to, subject to the further detail as outlined in the meeting'. This further detail has not been recorded and it is unclear if it has been satisfied before the loan was made.
- 70 In my opinion, the Council's minutes are deficient because they:
- do not provide sufficient evidence that justifies approval of the loan request;
 - do not confirm the value, or a maximum value, of the loan to be given;
 - do not set out the rationale for not charging interest during the loan period;
 - do not confirm the loan period.

Statutory recommendations and next steps

Statutory recommendations

- 71 I consider that the issues reported above highlight significant deficiencies in the Council's decision making and governance arrangements. I have considered whether these matters should be reported in the public interest under section 22 of the 2004 Act.
- 72 The Council has responded positively to a document setting out my initial conclusions. It has prepared and publicly considered a report setting out the lease arrangements for the stadium including the potential risks and has committed to improving the quality of its record keeping.
- 73 In view of the actions already taken by the Council during 2020, I have decided that statutory recommendations will be sufficient and that a report in the public interest is not required.
- 74 Therefore, I am making three recommendations to assist the Council to prevent any further recurrence of these deficiencies. In my opinion, these recommendations should be considered in accordance with section 25 of the 2004 Act.

Exhibit 9: statutory recommendations made under section 25 of the 2004 Act

I make three statutory recommendations to address the deficiencies identified during the audit.

Recommendations

Explanation of the Nantporth Stadium leasing arrangements and other agreements with Nantporth CIC

- R1 The Council should receive a report that fully explains the leasing arrangements of Nantporth Stadium and the shareholding and loan agreements the Council has entered into with Nantporth CIC. The report should set out the benefits, potential liabilities and risks that these arrangements and agreements bring to the Council.

Recording of decisions in the minutes of council meetings

- R2 All decisions of significant matters should be discussed by the Council so that it can ensure it has received appropriate advice, including legal advice, prior to making decisions and entering legal agreements.

Recommendations

Recording of decisions in the minutes of council meetings

- R3 Decisions made by the Council or its committees where members of the public and press are excluded from the meeting should be properly minuted and precisely recorded.

Next steps

- 75 Section 25 of the 2004 Act requires the Council to take certain steps in order to respond to my recommendations.
- 76 The Council must now arrange a meeting within 30 days of the issuing of my recommendations. The meeting must be advertised by placing a notice in a local newspaper. This notice must set out the date and time of the meeting and the purpose of the meeting, ie to consider the statutory recommendations.
- 77 The Council should note that The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020 have recently been amended. As a result of the amendments, it is not permissible for the public to be excluded from a meeting held under the requirements of section 25 of the 2004 Act. The notice of the meeting, if held remotely, will need to state how the public may access the meeting.
- 78 At the meeting, the Council will need to decide:
- whether the report requires it to take any action;
 - whether the recommendations in the report are to be accepted; and
 - what action (if any) to take in response to the report and recommendations.
- 79 The Council will then need to prepare a written response and agree the wording of that response with me. It will then need to publish its response in a local newspaper.

Adrian Crompton
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December 2020



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.