

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton

**SG1**

**Member Code of Conduct  
Coventry City Council**

I ..... **being a duly elected Councillor/Co-opted Member for Coventry City Council hereby declare that I will undertake my duties as follows:**

1. I will represent the community and work constructively with our staff and partner organisations to secure better social, economic and environmental outcomes for all.
2. **As a holder of public office** and as required by law I will behave in a manner that is consistent with the following principles to achieve best value for our residents and maintain public confidence in the Council:
  - a. **SELFLESSNESS:** I will act solely in terms of the public interest. I will not act in such a way as to gain financial or other material benefits for myself, my family, or my friends.
  - b. **INTEGRITY:** I will not place myself under any financial or other obligation to outside individuals or organisations that might seek to influence me in the performance of my official duties.
  - c. **OBJECTIVITY:** I will make choices on merit, in carrying out public business, including when making public appointments, awarding contracts, or recommending individuals for rewards and benefits.
  - d. **ACCOUNTABILITY:** I am accountable for my decisions and actions to the public and must submit myself to whatever scrutiny is appropriate to my office.
  - e. **OPENNESS:** I will be as open as possible about all the decisions and actions I take. I will give reasons for my decisions and restrict information only when the wider public interest or the law clearly demands.
  - f. **HONESTY:** I will declare any private interests relating to my public duties and take steps to resolve any conflicts arising in a way that protects the public interests.
  - g. **LEADERSHIP:** I will promote and support these principles by leadership and example.
3. As a Member of Coventry City Council I will act in accordance with the principles in paragraph 2 and, in particular, I will
  - a. Champion the needs of residents - the whole community and all my constituents, including those who did not vote for me - and put the public interest first.
  - b. Deal with representations or enquiries from residents, members of our communities and visitors fairly, appropriately and impartially.
  - c. Not allow other pressures, including the financial interests of myself or others connected to me, to deter me from pursuing constituents' casework, the interests of the City of Coventry or the good governance of the Council in a proper manner.

- d. Exercise independent judgement and not compromise my position by placing myself under obligations to outside individuals or organisations who might seek to influence the way I perform my duties as a Member/Co-opted Member of this Authority.
- e. Listen to the interests of all parties, including relevant advice from statutory and other professional officers, take all relevant information into consideration, remain objective and make decisions on merit.
- f. Be accountable for my decisions and cooperate when scrutinised internally and externally, including by local residents.
- g. Contribute to making the City Council's decision-making processes as open and transparent as possible to ensure residents understand the reasoning behind those decisions and are informed when holding me and other Members to account but restricting access to information when the wider public interest or the law requires it.
- h. Behave in accordance with all my legal obligations, alongside any requirements contained within the Council's policies, protocols and procedures, including on the use of the Council's resources.
- i. Value my colleagues and staff and engage with them in an appropriate manner and one that underpins the mutual respect between us that is essential to good local government.
- j. Always treat people with respect, including the organisations and public I engage with and those I work alongside.
- k. Provide leadership through behaving in accordance with these principles when championing the interests of the community with other organisations as well as within this Council.

#### **4. Gifts and Hospitality**

- 4.1. I will, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £25 which I have accepted as a member from any person or body other than the authority.
- 4.2 I acknowledge that the Monitoring Officer will place my notification on a public register of gifts and hospitality.
- 4.3 I am aware that this duty to notify the Monitoring Officer does not apply where the gift, benefit or hospitality comes within any description approved by the Council for this purpose.

#### **5. Register of Interests**

##### **5.1 I will:**

- a. register and, where appropriate, disclose those disclosable pecuniary interests that I am obliged to declare under the Localism Act and associated regulations; and

- b. register details of my membership of any organisation or body whose rules or requirements of membership could be regarded as suggesting a degree of loyalty to that organisation or body. I acknowledge that this could arise by reason of an organisation having an obligation of secrecy about its rules, its membership or conduct and/or a commitment of allegiance or support to that organisation or body. I understand that such organisations or bodies may or may not be charitable concerns and they may also have a local, regional, national or international aspect. And
- c. register details of my membership of any trade union within the meaning of Section 1 of the Trade Union and Labour Relations (Consolidation) Act 1992.

I will do this by completing, signing and submitting the prescribed form to the Monitoring Officer at Coventry City Council. I will keep the register updated and acknowledge that its contents will be published on the Council's website and will be open to the public to inspect.

## **6. Disclosable Pecuniary Interests Entered on the Register**

6.1 I understand that if I am present at a meeting of the Council and

- a. I am aware that I have a disclosable pecuniary interest under paragraph 5.1.a above in any matter to be considered or being considered at the meeting; and
- b. the interest is entered in the Council's register

I may not participate in any discussion or further discussion of an item of business or in any vote or further vote taken on that item which affects or relates to the subject matter in which I have such an interest ; and I will leave the room where the meeting is held while any discussion or voting takes place.

## **7. Disclosable Pecuniary Interests NOT Entered on the Register**

7.1 I understand that if I am present at a meeting of the Council and

- a. I am aware that I have a disclosable pecuniary interest under paragraph 5.1.a above in any matter to be considered or being considered at the meeting; **and**
- b. the interest is not entered in the Council's register,

I must disclose the interest to the meeting. Furthermore, I may not participate or further participate in any discussion of the matter at the meeting or participate in any vote or further vote taken on the matter at the meeting and I will leave the room where the meeting is held while any discussion or voting takes place.

7.2 I also understand that if an interest referred to in 7.1 above is not entered on the Council's register and is not the subject of a pending registration, I must notify the Council's Monitoring Officer of the interest within 28 days of the date of the disclosure.

7.3 If I am a member who has the power to discharge a council function acting alone, I understand that if I am aware that I have a disclosable pecuniary interest in any matter to be dealt with or being dealt with by me in the course of discharging that function:

- a. I may not take any steps, or any further steps, in relation to the matter (except for the purpose of enabling the matter to be dealt with otherwise than by me); **and**
- b. If the interest is not entered on the Council's register and is not the subject of a pending registration, I must notify the Council's Monitoring Officer of the interest within 28 days of becoming aware of the interest.

**8. Other Relevant Interests**

8.1 I understand that I have an Other Relevant Interest (which is not a disclosable pecuniary interest) in any matter to be considered or being considered at the meeting) where:

- a. a decision in relation to that matter might reasonably be regarded as affecting the well-being or financial standing of me or a member of my family or a person with whom I have a close association, or an organisation or body under paragraph 5.1.b or 5.1.c above, to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which I have been elected or otherwise of the authority's administrative area; and
- b. the interest is one that a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest.

8.2 I acknowledge that if I have an Other Relevant Interest as described in 8.1. above,—

- a. I will make a verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent; **and**
- b. I will not participate in any discussion or further discussion of an item of business or in any vote or further vote taken on that item which affects or relates to the subject matter in which I have an Other Relevant Interest at any meeting at which I am present and I will leave the room where the meeting is held while any discussion or voting takes place.

Signed:.....

Full name:

Date:

**Coventry City Council**

**Weightmans reference: SG/62030/6**

**Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton**

**SG2**

## Complaints Protocol

### **1. Introduction and Background**

- 1.1 This Complaints Protocol has been developed and adopted by Coventry City Council to deal with complaints that an elected or co-opted member of the City Council or an elected or co-opted member of Allesley Parish Council or Keresley Parish Council has failed to comply with the Code of Conduct for their authority.
- 1.2 Under Section 28(6) and (7) of the Localism Act 2011, the Council must have in place "arrangements" under which allegations that an elected or co-opted member of the authority, or of a parish council within the authority's area, has failed to comply with that authority's Code of Conduct can be investigated and decisions made on such allegations.
- 1.3 Such arrangements must provide for the authority to appoint at least one Independent Person, whose views must be sought by the authority before it takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the authority at any other stage, or by an elected or co-opted member against whom an allegation has been made.
- 1.4 Complaints will be dealt with as quickly as possible taking into account the detailed requirements of this Complaints Protocol.
- 1.5 In this Protocol the words and phrases used have the following meanings:
- |                    |  |
|--------------------|--|
| "Complainant"      | Means the person who makes the complaint that a member has failed to comply with the Code of Conduct                       |
| "Code of Conduct " | means the Code of Conduct of either Coventry City Council or a Parish Council, as the context allows.                      |
| "the Council"      | means Coventry City Council  |
| "Ethics Committee" | means the Ethics Committee of Coventry City Council  |
| "IO"               | means an Investigating Officer appointed by the Monitoring Officer to investigate an alleged breach of the Code of Conduct |
| "IP"               | means an Independent Person appointed by the Council under Section 28(7) of the Localism Act 2011.                         |
| "Malicious"        | means motivated by spite or ill will   |



|                         |   |
|-------------------------|---|
| "member"                | includes a co-opted member as well as an elected member.  |
| "MO"                    | means the Monitoring Officer of Coventry City Council.  |
| "Parish Council"        | means Allesley Parish Council and/or Keresley Parish Council.   |
| "Politically Motivated" | means calculated to cause political embarrassment and injury to reputation of the party concerned   |
| "Subject Member"        | means the elected or co-opted member against whom an allegation has been made that the Code of Conduct has been breached  |
| "Unreasonable"          | means brought without any firm factual basis, for underhand motive, duplicating an earlier complaint (whether or not that complaint was determined), containing abuse or inappropriate content, being wholly or partly irrational or immoderate |

## **2. Initial Filter by Monitoring Officer**

- 2.1 When the MO receives a complaint alleging that a member has breached the Code of Conduct, they will first check the complaint to see if it identifies any potential criminal offence under Section 34 of the Localism Act 2011. If so, the MO will refer the matter as a first step, to the police and will not take any action on the complaint without prior discussion with the police.
- 2.2 If a complaint is received by the MO which contains both the above and an allegation which, whilst not identifying any potential criminal offence under Section 34 of the Localism Act 2011, is still potentially a breach of the Code of Conduct, the MO will not take any action on the complaint as a whole, without prior discussion with the police.
- 2.3 In the event the initial test is met, the complaint will be reviewed under Stage 1 of the Complaints Protocol.
- 2.4 The MO will acknowledge receipt of the complaint within 5 working days.
- 2.5 The Subject Member will be informed of the complaint when the MO determines it appropriate but without causing prejudice to the Subject Member.

### **3 Stage 1: Determining how the Complaint should be dealt with**

3.1 Stage 1 of the Protocol is a review to decide how the complaint should be dealt with. Such a review will be undertaken by the MO and Chief Executive of the Council (or their respective nominees) as appropriate in consultation with the Group Leader of the Subject Member's party (if the complaint relates to a Council member and the Subject Member belongs to a political group), the Parish Clerk (if the complaint relates to a Parish Council member) and the IP where appropriate.

3.2 The options for dealing with a complaint are:-

- (i) referring the matter to an internal/external IO for investigation;
- (ii) taking no further action on the complaint; or
- (iii) resolving the matter by informal resolution; or
- (iv) any other way deemed appropriate

3.3 The factors to be taken into account when determining how to deal with a complaint may include (but are not limited to):-

- (i) Whether the complaint relates to an existing member of the Council or Parish Council;
- (ii) Whether the member was in office at the time and bound by the Code of Conduct at the time;
- (iii) Whether the member was acting in his or her official capacity;
- (iv) Whether the complaint is considered serious or significant in substance
- (v) Whether the complaint would be in the public interest to pursue
- (vi) Whether the complaint is vexatious, malicious, Politically Motivated or inappropriate;
- (vii) Whether the complaint is substantially similar to a complaint already made to Standards for England, the Ethics Committee (or its predecessor the Standards Committee) or any other regulatory authority;
- (viii) Whether the complaint is unreasonable;

- (ix) Whether the complaint is about something that happened so long ago that those involved are unlikely to remember it clearly enough to provide credible evidence, or where the lapse of time means there would be little benefit or point in taking action now;
- (x) Whether the allegation discloses a potential breach of the Code of Conduct, but the complaint is not serious enough to merit any action and:-
  - (a) the resources needed to investigate and determine the complaint are wholly disproportionate to the allegation(s); or
  - (b) whether, in all the circumstances, there is no overriding public benefit in carrying out an investigation;
- (xi) Whether the complaint suggests that there is a wider problem throughout the authority;
- (xii) Whether it is apparent that the complaint arises from the Subject Member's relative inexperience as a member,
- (xiii) Where the Subject Member has admitted making an error;
- (xiv) Whether training or conciliation would be the appropriate response;
- (xv) Whether or not the member has been the subject of previous complaints that have been upheld

3.4 After consideration of the above factors, and any others the MO and/or the Chief Executive considers reasonable, the complaint will move to Stage 2.

#### **4 Stage 2: Outcomes and Investigations**

4.1 If following consultation the MO decides that no further action is to be taken, then the MO will write to the Subject Member and the complainant setting out the reasons for the decision.

4.2 If following consultation the MO decides that the matter should be resolved by informal methods then one or more of the methods set out in the Alternative Resolution Procedure will be followed. This can be found at **Appendix 1** to this Protocol.

- 4.3 If following consultation the MO decides that the complaint should be investigated, then an IO will be appointed by the MO to conduct the investigation. The IO will deliver a written report to the MO and will appear at any future Hearings Panel if required. **N.B. Only those complaints that are considered serious or significant will be investigated.**
- 4.4 When the IO's report is received, it will be considered by the MO in consultation with the Chief Executive and IP as appropriate. The report will then be finalised by the MO and referred to the Ethics Committee (see Stage 3 below)

### **5. Stage 3 : The Ethics Committee and Sanctions**

- 5.1 The Ethics Committee will conduct a local hearing before deciding whether the member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the member.
- 5.2 The Council has agreed a procedure for local hearings, which is attached as **Appendix 2** to this Protocol. The hearing will be conducted in accordance with that procedure.
- 5.3 If the Ethics Committee concludes that the Subject Member did not fail to comply with the Code of Conduct, it will dismiss the complaint. If the Ethics Committee concludes that the Subject Member did fail to comply with the Code of Conduct, the Committee will then consider what action, if any, it should take as a result of the Subject Member's failure. In doing this, the Ethics Committee will consider and take into account the views of the IP before coming to a decision.
- 5.4 In the case of a complaint against a Parish Council member, the Committee can only recommend to the Parish Council what action it should take in respect of a breach from the list of possible sanctions set out in paragraph 5(5) below.
- 5.5 In the case of complaints against Council members, the Council has delegated to the Ethics Committee such of its powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct. Accordingly the Ethics Committee may—
- (i) Decide to take no action;
  - (ii) Publish its findings in respect of the member's conduct;
  - (iii) Send a formal letter of censure to the member;
  - (iv) Report its findings to the Council either for information [or to recommend censure of the member;
  
  - (v) Recommend to the member's Group Leader that the member be removed from any or all Committees or Sub-Committees of

- the Council.
- (vi) Recommend to the Leader of the Council that the member be removed from the Cabinet, or removed from particular portfolio responsibilities;
- (vii) Recommend the MO to arrange training for the member;

5.6 Any recommendation made under (v) to (vii) above will require the cooperation of all parties.

5.7 Where a Subject Member does not accept a sanction which has been imposed upon him/her by the Ethics Committee, the MO shall submit a report to full Council which will then consider what action, if any, it should take as a result of the Subject Member's failure.

## **6 General Provisions**

The Monitoring Officer will have the discretion to manage the complaints process in a reasonable and flexible way. This may require the MO to deviate from the agreed process or requirements where the circumstances of a particular case warrant it.

**Alternative Resolution Procedure of a Member Complaint**

**1. Purpose of an Informal Resolution**

The aim of an informal resolution is to ensure that the balance between the interests of the Complainant and the rights of the Subject Member are correctly addressed, in a situation where the MO at Stage 1 of the Complaints Protocol has decided this is the manner in which the complaint should be dealt with. It recognises the need for both parties involved to be brought to the table and to have the opportunity to have their point of view considered by the other party.

**2. Consequences of an Informal Resolution**

- (1) If having been submitted, a complaint is referred by the MO at Stage 1 of the Complaints Protocol for an informal resolution, it shall be a binding decision for both parties, and at its conclusion, will result in the closure of the complaint.
- (2) The Council recognises that it has no power to force the parties to submit to an informal resolution, but action may be taken by the Subject Member's Political Group (where applicable) if the Subject Member does not engage with the process.
- (3) Informal resolution is intended to be a flexible, conciliatory process, which can be adapted to be suitable for the particular circumstances of the complaint.

**3. Examples of Informal Resolution**

Examples of informal resolution are as follows, but these are purely for guidance and are not an exhaustive list of options:-

- (i) Specialist training on the Code of Conduct or other parts of the Constitution as may be deemed necessary by the MO
- (ii) Mediation by the MO between the parties, either by face to face meeting or in the form of one to one meetings
- (iii) Mediation by the Independent Person or Chair of Ethics Committee, with the assistance of the MO
- (iv) Mediation by the Political Group Leaders, with the assistance of the MO
- (v) Delivery of personal apologies, either in writing or verbally, in private or in public
- (vi) Relinquishing of a role on a voluntary basis for a period of time

#### **4. Factors to be taken into Account when considering whether Informal Resolution is Appropriate**

Informal resolution may be especially suitable where, in the opinion of the MO, the complaint has arisen out of a set of circumstances where it is likely that-

- (i) the parties may reach an amicable agreement if direction is given; or
- (ii) the complaint was the result of a simple confusion or misunderstanding of the principles or rules governing the Code of Conduct either by the Subject Member or the Complainant; or
- (iii) where there is another non-complex explanation for the alleged misconduct; or
- (iv) either or both of the parties would be satisfied if an explanation and apology were offered and delivered; or
- (v) where it is apparent that the complaint arises from the Subject Member's relative inexperience as a member; or
- (vi) where the Subject Member has admitted the alleged misconduct and expressed a willingness to engage in specialist training or other conciliation with the complainant.; or
- (vii) where both the Complainant and the Subject Member are members of the Council and need to continue an effective working relationship for the benefit of their constituents; or
- (viii) where the Complainant is an officer of the Council and there is therefore a necessity to continue an effective working relationship

#### **5. Monitoring Officer's Discretion**

- (1) The MO will have absolute discretion over the proposed informal resolution, and may at any stage bring the process to a close if the resolution is not achieving the expected result. In these circumstances the MO will refer the matter back to Stage 1 of the Complaints Protocol and a decision will be made as to whether the complaint should instead proceed to an investigation, take different action or whether no further action should be taken.
- (2) The MO will liaise with the Chair of the Ethics Committee to determine administration and process for the informal resolution as required.
- (3) Informal resolution will take place in private, but the outcome when achieved, will be reported to the Ethics Committee where appropriate.

**Ethics Committee Hearings Procedures**

**1. Introduction and General Notes**

- (1) The aim of the Ethics Committee Hearings Procedures is to ensure that complaints against members are dealt with fairly and efficiently for both the Complainant and the Subject Member.
- (2) All hearings before the Ethics Committee will be in public, unless the MO advises the Committee it must retire to consider an item in private.
- (3) Given the relative informality of proceedings, it is not envisaged that legal representatives will be required, and it should be regarded as the exception. The Chair of the Ethics Committee will have the discretion to allow legal representatives to take part in the proceedings.
- (4) All decisions of the Ethics Committee are binding, and there are no rights of appeal through the Council process.
- (5) A hearing before the Ethics Committee will only be convened where an Investigating Officer's report has been delivered to the parties and either the Complainant or Subject Member do not accept the IO's recommendations.
- (6) If the Ethics Committee concludes that the member did fail to comply with the Code of Conduct, the Committee will then consider what action, if any, it should take as a result of the member's failure. In doing this, the Ethics Committee will consult the IP before coming to a decision. In the case of a complaint against a Parish Council member, the Committee can only recommend to the Parish Council what action it should take in respect of a breach from the list of possible sanctions set out in paragraph 5(5) below.
- (7) The decision will then be communicated in writing to both parties and published on the council's website or elsewhere where the Committee considers it appropriate.
- (8) If the IO finds that no breach has occurred, and both parties accept this, no further action will be taken.



## **2. Purpose of Pre Hearings Procedure**

(1) In order for the Ethics Committee to be effective, the parties must follow the Pre Hearings procedure. The procedure is intended to encourage: -

- The early identification of what is agreed and not agreed by the parties
- The parts of the IO report which are in dispute and which may therefore require the attendance of the IO and any witnesses he has utilised in drawing up his report
- A speedy and efficient disposal of the complaint on the day of the hearing
- The overriding objective of ensuring complaints are dealt with fairly, expeditiously and with due regard to the costs involved

(2) The following procedures have been agreed as a guide for the fair disposal of a complaint, following an investigation. They are intended to assist all parties in understanding the process and preparing for the Ethics Committee. The MO, in consultation with the Chair of the Committee may alter these procedures for a single complaint, either at the start of or during the Pre Hearing Procedure or during the Ethics Committee itself.

## **3. Pre Hearings Procedure**

(1) The MO will circulate the final version of the IO's report to the Complainant and the Subject Member.

(2) Each party must produce a Response to the IO's report and deliver a copy to the MO and each other. The response must: -

- Identify any areas of disagreement by reference to the paragraph number
- State what it is the party says the correct case should be instead of what the IO says
- Attach any evidence the party wishes the Ethics Committee to take into account when determining the case
- State whether or not the party wishes to attend the Ethics Committee together with reasons why this is necessary
- Attach a copy of the submissions the party wishes to make to the Ethics Committee

(3) The MO must receive the above document within 21 days of the final version of the IO's report having been sent out to all the parties. Only in exceptional circumstances will any late documentation be considered as determined appropriate by the Chair of the Committee or the Ethics Committee as appropriate in consultation with the MO and/or IP as appropriate.

- (4) If either or both parties submits a Response, and there are areas of disagreement which in the view of the MO merit a Ethics Committee meeting, then the MO will arrange for the Committee to meet.
- (5) Only those matters referred to in the Response will be considered by the Ethics Committee, save in exceptional circumstances. It is vital that each party states their areas of disagreement and sets out their case, **as the matter will only proceed to an Ethics Committee where there are real areas of dispute. It will be exceptional for the Ethics Committee to allow a party to raise a new issue which they have not already referred to in their Response.**
- (6) Once the MO has received the Response from both parties, a case summary and a chronology will be prepared for the benefit of the Ethics Committee if the MO considers this would be helpful.
- (7) The MO will also request a response in writing from the Independent Person, to the IO's report, which will be added to the documents for the Ethics Committee (see below)

#### 4. Timetable

- (1) The Ethics Committee will be convened to consider the complaint within 2 months of the IO's final report being delivered to the parties in accordance with paragraph 3(1) above.
- (2) The Ethics Committee will have a Hearings Bundle, which will contain: -
  - The Investigating Officer's report
  - The response of the complainant
  - The response of the elected member
  - The MO's case summary and a Chronology (if the facts are complicated)
  - The views of the Independent Person
- (3) The Hearings Bundle will be delivered to the members of the Committee when the agenda for the meeting is published.
- (4) The Chair of the Committee may, on receipt of the documents, set out a draft agenda for the day's events and circulate this to all parties.
- (5) All documents will be published subject to the requirements of Freedom of Information and Data Protection.

## **5. Procedure at the meeting of the Ethics Committee**

- (1) The procedure for the day will be in the discretion of the Chair, and may be adapted either before the day, from the agenda sent out, or on the day itself.
- (2) Oral evidence at the hearing will not generally be allowed. The Chair of the Ethics Committee will have the discretion to allow oral evidence.
- (3) Where either the Complainant or Subject Member is not present at the hearing, the Ethics Committee will have the option to continue to consider and make a decision on the complaint where they have all the necessary information needed or adjourn to a further date.
- (4) The Committee will review the Hearings Bundle and may adopt the following procedure: -
  - Preliminary matters such as declarations of interest, quorum, public nature of proceeding etc
  - Introduction of the IO's report by the IO or MO and statement of areas of dispute (if any)
  - Consideration of Complainant's submissions any witnesses/evidence allowed
  - Consideration of Subject Member's submissions and any witnesses/ evidence allowed
  - Consideration of the views of the Independent Person
  - Advice from the MO on any legal issues raised
  - Consideration of whether or not the disputed areas of the report are accepted by the Ethics Committee or not
  - Determination of breach of Code or not
- (5) In the event the Ethics Committee considers a breach has occurred, it may adjourn to consider what action it should take from the list of possible sanctions set out in paragraph 5(5) of the Complaints Protocol.
- (6) It may review any documents sent in by the Subject Member, or hear from the Subject Member on a case of 'mitigation' if it considers appropriate.
- (7) It may adjourn to require the Subject Member's attendance, if it considers it would be just to do so in advance of any censure/ sanction.
- (8) In the case of a complaint against a Parish Council member, the Committee can only recommend to the Parish Council what action it should take in respect of a breach from the list of possible sanctions set out in paragraph 5(5) below.
- (9) In the event the Ethics Committee determines there has not been a breach of the Code, then it shall announce the decision accordingly and direct

that the MO will inform both the Complainant and the Subject Member as soon as possible after the meeting.

(10) In both cases of breach and non breach, the MO will send out a note of the decision (called the Full Decision), and the reasons for it, within 14 days of the determination, The Full Decisions must be agreed with the Chair, prior to dispatch to the parties. The Full Decision will also be published on the authority's website, on the same date that it is dispatched to the parties.

(11) In exceptional circumstances the Ethics Committee may adjourn the hearing to later the same day or a future date.

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton

**SG3**

**PRIVATE & CONFIDENTIAL**

**ACL Shareholders Meeting with CCFC and Sisu  
19 April 2012**

**Areas of agreement:**

- We all want a successful, sustainable football club – competing towards the top of the Championship or bouncing back from Division 1.
- We all want a growing, aspirational operating environment at the Ricoh Arena.
- We all acknowledge that the football club has been extremely poorly managed in the recent past and although communications are now improved and costs more under control – it remains a commercial nightmare.
- We all acknowledge that for any potential funder/partner, the only viable pathway in the future is to link the football club to the operating environment and hence any relevant revenue flows of the Ricoh Arena.
- We all recognise that the Ricoh Arena without a professional sports franchise is operationally, commercially and psychologically poorer (and to varying degrees vulnerable).
- We all understand that for more bridging finance to be pumped into the football club to sustain this status quo is unacceptable.
- We are all therefore committed to finding a solution to this incredibly 'wicked' problem.
- We all accept that to find a way through this pretty dire scenario is going to mean all 'partners' are going to have to take their share of the pain – this should be understood and wherever possible be a fair share!
- We all need to exhaust all possible options to deliver a mutually satisfactory short-term plan in order that a sustainable and coherent medium/long-term plan for the football club and Ricoh Arena can be secured.

**Coventry City Council**

**Weightmans reference: SG/62030/6**

**Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton**

**SG4**



Coventry City Council

**SUBJECT TO CONTRACT**

**DRAFT HEADS OF TERMS FOR THE PROPERTY AND COMMERCIAL SHARE TRANSFER  
IN THE RICOH ARENA AND ARENA COVENTRY LIMITED**

**Parties**

Shareholder and Landlord to ACL 2006: Coventry City Council ("CCC")

Vendor of Shares : The Alan Edward Higgs Charity ("the Trustees")

Purchaser : SISU Capital Limited for and on behalf of [•]<sup>1</sup> ("SISU")

Property : the Ricoh Arena described in the Lease

Lease : the lease dated 19<sup>th</sup> December 2003 made between CCC and Coventry North Regeneration Limited and assigned to Arena Coventry (2006) Limited ("ACL 2006")

Football Club : Coventry City Football Club ("CCFC")

**Details**

- (A) With the exception of paragraph 9 which shall be legally binding, these heads of terms are not intended to create any legally binding obligations. Save for paragraph 9 they are subject to contract, and approval of the Shareholders of Arena Coventry Limited (ACL) and Member approval of CCC
- (B) CCC owns the freehold interest of the Property and is landlord to ACL 2006 under the Lease and CCC intends to grant a long lease to ACL 2006 as the existing tenant of the Property for a term of 125 years, provided the Conditions Precedent set out in paragraph 6 below are satisfied.
- (C) CCFC pays rent to Arena Coventry Limited for the use of part of the Property
- (D) It has been proposed that SISU shall purchase all of the shares in Arena Coventry Limited currently held by the Trustees (the "Proposed Sale and Purchase")
- (E) These heads of terms are confidential to the intended parties here meaning SISU, the Trustees and CCC to the Proposed Sale and Purchase and to their professional advisors
- (F) The documentation for the Proposed Sale and Purchase will contain further terms as CCC may reasonably require, including additional detailed terms on matters that are covered in this document

1 Shareholder in ACL/Landlord to ACL 2006

<sup>1</sup> Please note we are in the process of discussing the optimal structure with our tax advisors. Purchasing entity will be known as soon as structuring review completed



CCC

The Council House Coventry CV1 5RR

2 Buyer

SISU CAPITAL LIMITED

Country of incorporation/registration: United Kingdom

Company number: 03413843

Registered office address: 4<sup>th</sup> Floor 1 Red Place London W1K 6PL

3 Property

The grant of a further lease on the Ricoh Arena Coventry registered under title number WM 821429

4 Purchase Price

The purchase price for the further lease will be the discharge of the loan secured against the Property and the under leases dated 19<sup>th</sup> December 2003 and 26<sup>th</sup> January 2006 in favour of Clydesdale Bank PLC dated 16<sup>th</sup> November 2011 (the "Mortgage Loan").

5 Title

5.1 The further lease of the Property will be leased subject to the matters referred to in title number WM 796974 and subject to the following leases and the Mortgage Loan:

19<sup>th</sup> December 2003

26<sup>th</sup> January 2006

5.2 CCC will retain land adjoining the Property known as the leisure land in title WM 796974.

6 Conditions precedent to further Lease and consent from CCC to the Proposed Sale and Purchase

Complete negotiations and implement:

- the completion of the negotiation of the Proposed Share Sale and Purchase, including full approval from CCC
- agreement with the Clydesdale Bank PLC and repayment of the Mortgage Loan and the release of all Clydesdale Bank PLC's security over the Property
- agreement to AEG and/or another stadium operator's proposal for income generation and growth of the commercial activities carried on the Property
- 100% discharge of all outstanding rent payable for CCFC's use of the Property
- Provision of a detailed funding plan and 3 year future cash flow in CCFC by SISU and other co-investors outside of ACL resources and cash flows
- agreement on minimum rent payable by Football Club for use of Property

- detailed regeneration proposals for the further development of Car park C within the Property to include but not limited to an 85 bed hotel as proposed by the current board of ACL. Any subsequent funding of the hotel project by SISU as shareholder would be conditional on receiving a detailed investment proposition and associated plan for review, comment and input
- proof of funds from SISU and any stadium operator as required
- restructured business plan for ACL incorporating impact of all of the above
- the completion of a shareholder's agreement to the satisfaction of both parties with agreed veto rights for both parties including as a minimum the binding agreement of both shareholders for any securitisation of any new future debt onto ACL's balance sheet and also that neither shareholder can use any of the company's assets or (save for any exceptions specifically agreed between both shareholders) their shareholding in Arena Coventry Limited as security
- confirmation that the legal entities of CCFC and ACL 2006 and ACL continue to remain separate legal entities
- the tax structure and proposed purchaser intended by SISU is not detrimental to or unlawful to CCC from a public sector perspective including state aid

## 7 Miscellaneous

### Due diligence by the parties

CCC: to include member approval; valuation and SDLT advice; financial appraisal of SISU (including any intended tax structure) AEG or any other stadium operator that may become a part of this transaction. Consideration of any state aid and governance issues for CCC as the public sector entity.

SISU: due diligence on ACL and any related corporate entities.

End date for negotiations both parties recognise that time is of the essence and each covenant with the other to provide such information and assistance to the other and to make such attendances and/or appearances as the other shall reasonably request in connection with their efforts to reach agreement on the matters contained in these heads of terms.

## 8 CCC declaration

Nothing contained or implied in these heads of terms or any other document will prejudice affect or restrict CCC's rights powers duties and obligations in the exercise of its functions in any statutory capacity including (without limitation) local planning authority and highways authority or the relevant local housing authority and the rights powers duties and obligations of CCC under all public and private law statutes bye laws orders and regulations may be as fully and effectually exercised without any liability on the part of the CCC as if it were not a party to these heads of terms or any other document referred to in these heads of terms.

## 9 Confidentiality

Given that this work will involve CCC and SISU incurring costs, this paragraph 9 will comprise legally binding obligations. Each of CCC and SISU will keep and maintain in strictest confidence (a) the existence and contents of this letter, (b) the fact that

discussions are taking place in relation to the matters referred to in this document (and the fact and content of the discussions and related communications) and (c) all and any information that they may receive from the other pursuant to this document either in relation to either one of them or in relation to the matters referred to in this document, in strictest confidence and (in each case) shall not use such information other than to fulfil the purpose set out in this document. CCC and SISU may disclose such information in confidence to their respective advisers but shall procure that such advisers shall respect and adhere to this obligation of confidentiality in respect of such information. Furthermore each of CCC and SISU may with the prior written consent of the other disclose such information in confidence to third parties consulted by them respectively in the context of this letter.

The restrictions set out in this paragraph 9 do not apply to information which either of us receives from the other and which:

- (a) is disclosed between us on a non-confidential basis, is public knowledge or is already known to the receiving party at the time of disclosure; or
- (b) subsequently becomes public knowledge other than by breach of this letter agreement; or
- (c) subsequently becomes lawfully into the receiving party's possession from a third party or resource; or
- (d) is required to be disclosed by a court of competent jurisdiction or governmental or regulatory authority including the Freedom of Information Act 2000 with which CCC must comply, provided that where such disclosure requirement arises we shall co-operate in good faith regarding the timing and content of any such disclosure wherever legally possible.

Dated ..... 2nd August 2012 .....

Signed for and on behalf of CCC..... *[Signature]* .....

Signed for and on behalf of SISU..... *[Signature]* .....

**Coventry City Council**

**Weightmans reference: SG/62030/6**

**Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton**

**SG5**

Schedule of Comments

| Date of Publication | Publication                | Article Title  | Councillor/MP                            | Comment   | Context of Publication  |
|---------------------|----------------------------|--|--|---|---|
| 15.12.11            | Daily Mirror               | Spent to Coventry; Sky Blues Club on the Brink Fans Fear Club will Go Bust as Owners Look to Slash Costs | Bob Ainsworth (MP Coventry North East) * | "We are all desperate to see the club turned around, but wonder whether or not the present owners are really the right people to be able to do this"  | 25.10.11<br>Meeting between CCC Members and ACL Shareholders on shareholder principles including an attempt to rule out CCFC's current owners from future ownership of ACL      |
| 21.04.12            | The Independent            | Dark clouds hover menacingly over fading Sky Blues   | John Mutton                              | "I don't think we will be able to help while there is a hedge fund involved. They won't sell even though there has been interest, because no one will pay the money they want to offset their losses. That's their own fault, there is no sympathy from local people. We won't consider selling our shares to Sisu. If we had a company we thought would take it forward we might."   | April 2012<br>CCFC relegation to League One<br><br>19.04.12<br>Series of meetings between CCFC, ACL and shareholders in relation to buy out proposal and disposal of ACL's debt |
| 23.04.12            | Coventry Evening Telegraph | No Talks over Ricoh Rent Cut   | John Mutton                              | "At the moment, there seems to be more threats than negotiation – the threat to put the club into liquidation. It really is time for Sisu to realise Coventry doesn't bow at the knee to threats."<br><br>"I blame Sisu. When the fans were chanting "Sisu out" I was on my feet singing it with them. Sisu have destroyed the club. I've supported for 57 years, since I was seven... They don't give a damn about the football club or the city. They simply saw it as a way to make money. The | On-going negotiations between council officers, CCFC, and CCC re rent and disposal of ACL's debt on-going   |

| Date of publication | Publication                | Article title  | Councillor/MP | Comment  | Context of Publication  |
|---------------------|----------------------------|--|---------------|--|---|
| 26.04.12            | Coventry Observer          | Former Arena chief – give SISU the Ricoh   | John Mutton   | <p>sooner they go, the better."</p> <p>"John Mutton added the Council would never sell its stake to SISU and said they were threatening liquidation to because of that [sic].</p> <p>"Its been a shambles ever since SISU took over" said the lifelong Sky Blues fan."</p>   | Negotiations re rent and disposal of ACL's debt on-going  |
| 27.04.12            | The Guardian               | Coventry's decade of decline leaves them dicing with death as relegation sets out a bleak future | John Mutton   | <p>"Sisu have allowed experienced players to leave, losing the backbone of the team, there is constant change of executives running the club, they say that they are losing £500,000 a month yet identify the £100,000 a month rent as the root of their problems ... If they cannot return Coventry City into a successful club, they should go now and let others pick up the pieces."</p> | Negotiations re rent and disposal of ACL's debt on-going  |
| 23.05.12            | Coventry Evening Telegraph | We have concerns about Sisu's levels of transparency over the last five years                    | John Mutton   | <p>"We've got concerns anyway about Sisu's level of transparency over the last five years."</p>  | 18.05.12<br>Meeting between CCC, Sisu negotiating purchase of 50% share in ACL and write off debt         |
| 26.05.12            | Coventry Evening Telegraph | Sisu: our focus is to find a solution  | John Mutton   | <p>"John Mutton had told us it underlined his concerns Sisu might be wanting to acquire a half-stake in the part council – owned Ricoh stadium to use it as collateral, or reimburse investors in the event of the Sky Blues' administration or liquidation"</p>   | Scaremongering in response to Sisu's public transparency about intentions to engage in constructive talks |

| Date of publication | Publication                | Article Title   | Councillor/MP  | Comment  | Context of Publication   |
|---------------------|----------------------------|---|----------------|--|--|
| 09.06.12            | Coventry Evening Telegraph | Sky Blues' Ricoh Bid is Rejected  | George Duggins | "There is nothing new to say. There are no further meetings planned.... People can read into that what they like. We want a successful football club, and we're as frustrated by what has happened as anyone else"         | On-going talks about the future of CCFC and part ownership of the stadium  |
| 30.08.12            | Coventry Telegraph         | Sky Blues Boss Wants Massive Ricoh Rent Cut   | John Mutton    | "Coventry City Council leader John Mutton is among those who have pointed out any movement on rent would not make a major impression on the club's deficit."   | 02.08.12<br>Heads of Agreement signed between ACL, CCC and Sisu<br><br>Private negotiations on rent value  |
| 12.12.12            | The Guardian               | Coventry City rent stand-off threatens League One club's existence                  | John Mutton    | "The council fully supports ACL's action; CCFC has a legal obligation to pay its rent and ACL's financial position should not be undermined by CCFC's owners failing to do the right thing by the club, ACL and the city." | 02.08.12<br>Heads of Agreement signed between ACL, CCC and Sisu<br><br>10.12.12<br>Accepted by CCC and ACL that debt due from ACL to Bank was "distressed" and could be purchased from the bank at a discount. |
| 16.01.13            | Coventry Telegraph         | Game Changer: Council's dramatic £14 million intervention to safeguard city stadium | John Mutton    | "We're now effectively acting as a banker to ACL."   | 02.08.12<br>Heads of Agreement signed between ACL, CCC and Sisu<br><br>10.12.12<br>Accepted by CCC and ACL that debt due from ACL to Bank was "distressed" and could be purchased from the bank at a discount. |
| 17.01.13            | Coventry Telegraph         | Let's talk, say Sky Blues after Ricoh   | John Mutton    | "He urged Sisu yesterday to "get their heads   | 02.08.12<br>Heads of Agreement signed between ACL,   |

| Date of Publication | Publication         | Article Title   | Councillor/MP                                  | Comment  | Context of Publication  |
|---------------------|---------------------|---|--|--|---|
|                     |                     | Rescue  |  | out of their backside"   | CCC and Sisu<br>10.12.12<br>Accepted by CCC and ACL that debt due from ACL to Bank was "distressed" and could be purchased from the bank at a discount<br>15.01.13<br>Full CCC meeting at which decision was taken re the Loan<br>March 2013<br>Identified that rate rebate in the sum of £339,265.91 was due |
| 13.03.13            | Coventry Observer   | Sky Blues director calls for arbitration in Ricoh row | Bob Ainsworth (MP Coventry North East) *       | "Mr Ainsworth branded Sisu "cheeky beyond belief" because of their hopes to hold the meeting in public. "This from a company deliberately structured to prevent anybody from seeing what its business is, where the money is moved and who the eventual beneficiaries are" |   |
| 13.03.13            | Radio Interview     |   | John Mutton                                    | "It is absolutely true that Sisu [is] a predator with greed running through its DNA"   |   |
| 12.06.13            | Press Statement     |   | Ann Lucas                                      | "I'm delighted that ACL's offer today gives us the opportunity to see our team play in its home at the Ricoh Arena next season."   | ACL - 50% owned by CCC put in bid to acquire CCFC Ltd. (in administration) against Sisu to whom CCFC Ltd. owed in the region of £45 million   |
| 13.08.13            | Hearing on 10.06.14 | Submissions by Mr Thompson on behalf of the Claimants | Ann Lucas/ some other Councillor called "Anne" | "Deal with Sisu when hell freezes over."<br>"Could Sisu sell on to another shyster?"   | 12.04.13<br>CCC accepted that value of the lease is lower than the debt outstanding to the bank   |



| Date of publication | Publication        | Article title  | Councillor/MP  | Comment  | Context of Publication  |
|---------------------|--------------------|--|----------------|--|---|
| 02.12.13            | The Guardian       | Coventry City owners lead club to Northampton and towards the abyss                  | Ann Lucas      | "The council leader, Ann Lucas has said that although they want City back, she will not allow "paralysis" to continue. The suggestion is that if Sisu maintains its refusal, in the new year ACL will seriously consider a Ricoh Arena future without Coventry's football club." | 23.09.13<br>ACL accounts for year ended 31.01.13 record CCC's shareholding in ACL as having a net value of "nil"      |
| 21.08.14            | Coventry Telegraph | Council chief: We need time to rebuild trust before we discuss Ricoh Arena ownership | Phil Townshend | "Time [is] needed for trust to be rebuilt before looking at the potential of the council agreeing a deal for ownership of the Ricoh Arena with the club"   | CCC and ACL conducting negotiations with WASPS whilst stating to the public that CCFC could still own the Ricoh Arena |
| 27.11.14            | Coventry Telegraph | Who's taking the pitch at Coventry City?   | Ann Lucas      | "According to the leader of Coventry City Council, Ann Lucas, the sale of the Ricoh is "the best deal for taxpayers, football fans, rugby supporters"  |   |
| 15.01.15            | Coventry Telegraph | Council admits Ricoh Arena 'not sustainable' without Coventry City FC                | Ann Lucas      | "Coun Lucas said, "We said that ACL was profitable without the football club, the accounts show different. I fully accept that. The actual reality of not having the football club there for that year meant ACL couldn't wash its face."  |   |

| Date of publication | Publication       | Article Title  | Councillor/MP | Comment  | Context of Publication |
|---------------------|-------------------|--|---------------|--|------------------------|
| 19.01.15            | Coventry Observer | More false Coventry council claims exposed over Ricoh Wasps deal | Ann Lucas     | "courts heard claims that she [Coun-Ann Lucas] had said "hell would freeze over" before a deal was done with Sisui." |                        |

\*Included to demonstrate general tenor of political communications

**Coventry City Council**

**Weightmans reference: SG/62030/6**

**Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton**

**SG6**

Ref 62030/6

## Complaint about Councillors John Mutton and Ann Lucas, Coventry City Council

### Note of interview with Joy Seppala and Laura Deering also present Fiona Laurence and Ramona Mehta. 12 June 2015

1. The interview was conducted by Simon Goacher, Weightmans LLP (SG).
2. SG outlined the process that would follow and explained that, although ultimately if the matter reached the Ethics Committee it could decide to hear the evidence in public, the investigation should be treated as confidential.
3. Joy Seppala (JS) is the founder and Chief Executive of SISU Capital Limited (SISU). Laura Deering (LD) is an Investment Manager employed by SISU. JS and LD were accompanied at the meeting by Fiona Laurence (FL) and Ramona Mehta (RM). FL and RM are Legal Director and Partner respectively in law firm Mishcon De Reya (MdR). MdR act as solicitors for SISU and the other complainants and have submitted the complaint on its behalf (and that of other associated companies). The complaint has been submitted to Christine Ford (CF), the Monitoring Officer for Coventry City Council ("the Council") about the conduct of Councillors John Mutton (JM) and Ann Lucas (AL). SG explained that he had been appointed to investigate the complaint. SG explained the procedure that would be followed.
4. Prior to the meeting MdR had supplied SG with the following documents:
  - a) Email exchanges emanating from Weber Shandwick (WS) a PR company employed by Arena Coventry Limited (ACL). The emails had been supplied to MdR in response to a subject access request (SAR) made by MdR on behalf of JS.
  - b) An email from Lisa Commane (LC), Assistant Director Special Projects Finance for the Council to Chris West (CW), Director of Resources for the Council and CF dated 7 December 2012.
  - c) Letter from Yorkshire Bank (YB) to ACL dated 17 December 2012.
  - d) Slides from a presentation to the Labour Group of the Council dated 13 August 2012.
  - e) An article from the Coventry Telegraph (CT) dated 13 May 2015 about the complaint.
5. FL explained that documents at b), c) and d) above had been provided to MdR in the disclosure for the judicial review proceedings (JR) which had been brought against the Council – *Sky Blue Sports & Leisure Ltd & Ors, R (On the Application Of) v Coventry City Council* [2014] EWHC 2089. FL explained that MdR had only supplied copies of documents to SG which had been referred to in open court during the JR hearing.
6. RM went through the timeline of the matters which were the subject of the complaint and explained the context. RM went through the WS documents in detail, highlighting various points and in particular the references to JS. FL went through the documents which had been supplied highlighting particular issues of concern about the way in which the Council had dealt with JS. FL stated that the information obtained from WS showed that there was

a deliberate strategy to target JS personally. JS stated that her home had been broken into at one stage and on another occasion sky blue ribbons had been left close to her home which clearly suggested that it was linked to Coventry City Football Club (CCFC). FL highlighted that one of the emails from WS referred to the fact that JS's home address could be found via 192.com.

7. JS and LD confirmed that the contents of the complaint submitted by MdR on 12 May 2015 were true to the best of their knowledge and belief. JS also confirmed that her statement dated 8 May 2015 which was attached to the complaint was true to the best of her knowledge and belief.
8. JS stated that she was concerned at the way the Council had behaved throughout its dealings with SISU. JS stated that the Council had constantly sought to deal with issues through the media. As an example of this JS referred to a meeting which she had agreed to attend with AL. She stated that AL had written to JS requesting a quiet meeting "away from the glare of the media." JS stated that the CT then reported that a meeting would take place. JS stated that because of this she advised AL that she would not attend the meeting.
9. RM stated that the complaint had been sent by email to the Council on 12 May 2015 and on 13 May 2015 an article about it appeared in the CT. RM and FL stated that the only people who knew about the complaint other than the Council were MdR and JS and LD. They stated that the leak to the CT must have come from the Council.
10. RM stated that they were surprised at the way in which the Council had used the media throughout the course of the negotiations between SISU and the Council. She stated that they had thought that dealing with a public authority, not a large aggressive multi-national company, the negotiations would be conducted in a friendly and collaborative way. She stated that the interests of all parties were the same, namely to achieve a positive outcome for CCFC and the City of Coventry. She stated that this is what SISU were trying to achieve.
11. LD stated that what SISU were trying to achieve was a win for all parties. A successful stadium which would bring money into the city and help to build a successful football team.
12. JS stated that at the beginning of 2012 CCFC were on the brink of relegation to League 1. She explained that CCFC received none of the match day revenues from their home games. JS explained that ACL owned the Ricoh Arena which is where CCFC play their home games. At the time ACL was owned by the Council (which owned 50% of the shares) and the Alan Higgs Charity Trust (AHT) which owned the other 50%. SISU believed that it had an option to purchase the AHT share of ACL which would mean it would gain access to other revenues from the stadium. JS explained that after acquiring CCFC they found out that the Council had not only a veto (of which SISU were aware), but also that the Council had a pre-emption right over any sale of the AHT share in ACL. She stated that they did not initially think that the veto would prove controversial because they believed that there was an acceptance that CCFC and the Ricoh Arena were inextricably linked and that the club should have a stake in the stadium. JS stated that it had been the original intention that CCFC would own 50% of the company which ran the stadium but CCFC had sold its share to ACL prior to SISU acquiring CCFC.

13. JS explained that SISU presented a proposal to the Council which would involve SISU clearing ACL's debt; in return the Council would grant a longer lease to ACL, also that SISU would acquire at least a 50% share in ACL and they would bring in AEG as stadium operator. JS explained that AEG were interested in a proposal to make the Ricoh Arena their Midlands base which would see fantastic events brought to the stadium. JS explained that at the time the Council was investing very little in events at the stadium.
14. JS stated that SISU had invested a considerable amount in CCFC. LD pointed out that SISU had continued to fund a "CAT 2 Academy" which was not a requirement in League 1. JS stated that at the meetings with the Council, the Council representatives always referred to the need to build trust. At a meeting in early 2012 the Council's Chief Executive Martin Reeves (MR) asked JS to continue to fund the club "as a gesture of good will" and that if she did JM (who was then leader of the Council) would meet with her. JS stated that SISU did continue to invest money into the club.
15. FL stated that the SAR response and JR disclosure shows that at the time when the Council were talking about trust and goodwill there were meetings taking place which suggested that the Council were engaging in a media war with SISU and were not truly interested in doing a deal with SISU. FL referred to the slides from a presentation to the Labour Group which had been supplied. She stated that they did not know exactly when the meeting had taken place but the date printed on the slides was 13 August 2012. They believed that the presentation had been made by MR (or possibly Chris West) but they were not sure. The slides disclosed include hand written notes. FL stated that they did not know who had made the notes. She pointed to a note which stated, "Anne – deal with SISU when hell freezes over." She pointed to another note which said, "could SISU sell on to another Shister (sic)?" FL stated that they believed that the "Anne" referred to in the note was AL. They stated that this demonstrated that the private attitude of the Council was completely at odds with their dealings with SISU and that the Council clearly never had any intention of doing a deal with SISU.
16. FL pointed to the fact that AL and JM are both admitted lifelong CCFC fans. She stated that whilst this may not be a disclosable pecuniary interest it does give rise to potential conflict in their dealings with SISU.
17. FL pointed out that the final point on the final slide of the presentation was "public perception."
18. FL then referred to the email of LC of 7 December 2012. She stated that this email referred to an informal cabinet briefing. JS pointed out that this came after SISU had met with Deloittes (acting on behalf of YB) and provided cashflows for CCFC and data on comparable rent levels for League 1 and the Championship. Subsequently a deal for the rent which CCFC would pay to ACL and which the bank was comfortable with was agreed. JS stated that contrary to what had been said by the Council SISU never, ever bid for the YB debt. She stated that SISU had had a conversation with ACL about the debt and the chairman of ACL encouraged SISU to contact YB in April 2012, but that there had been no further contact with YB before Deloittes contacted SISU in November and that the debt was not the subject of their conversation with Deloittes.

19. FL pointed out that the email stated that there was an endorsement to, "have the media war and go on the attack with SISU." The email stated that JS had made a counter offer to YB for the debt and stated that the members gave authority to MR to tell YB that the council would never do a deal with SISU. FL pointed out that this was at a time when the Council was supposedly negotiating with SISU. LD stated that the Council were the freeholders of the Ricoh Arena so they would have the right of entry on any administration anyway so they did not do all of this.
20. JS stated that she had two to three meetings with JM. LD stated there were two face to face meetings on 1 and 18 May 2012 and there was a further meeting on 24 July 2012 which JS did not attend in person as she was in the USA but she "dialled in". JS stated that JM was rude and bullying at those meetings. She stated that the first 40 minutes were taken up with JM and Councillor George Duggins (GD), the Deputy Leader of the Council at the time, berating her for the performance of CCFC. JS stated that they also said that SISU could not be trusted.
21. LD explained that she had attended these meetings and had taken notes which she would provide to SG. She stated that they listened to all of the comments about CCFC politely and apologised, saying that they had trusted the wrong people. She stated that they were not actually picking the players or managing the team. She stated that the issue of honesty was constantly being raised which she found strange because she had not met either of them before the meeting on 1 May 2012. JS stated that she asked GD why he felt that they could not be trusted. She explained that he replied by saying that SISU had said that it would invest £20 million on the pitch (i.e. on players). She stated that she replied that they had invested £40 million in the club as a whole and they had not said that £20million would all be spent on players straight away.
22. JS stated that at the meeting on 18 May she had invited Brian Kabatznick from AEG to attend the meeting. She stated that after the meeting he said that he had never witnessed such a lack of respect as that showed by JM to JS. He stated that JS should not put up with it. JS stated that the proposals which SISU were putting forward would have brought significant added value but they were misrepresented by the Council. JS stated that this had followed the press reporting of JM's statement that he had been chanting, "SISU out" with the CCFC supporters at a game. JS stated that when this was raised by Paul Barber (PB) with Chris West (CW), the response was that CW was proud of the leader's actions as he was a leader who was a man of the people. JS explained that PB was advising ARVO as an investor in CCFC at the time, he has since become the Chief Executive of Brighton and Hove Albion FC.
23. JS stated that she also offered JM the opportunity to contact Chris Roberts, the Leader of the London Borough of Greenwich. She stated that she did this because AEG did a lot of work with Greenwich because the O2 Arena is in the borough. JS stated that this offer was never taken up. JS stated that SISU told the Council about the accomplishments AEG had executed in Greenwich including a Technical College for 18-25 year olds, support for the local community and significant other activities which had helped to regenerate the area and could also be applied in a similar fashion to the Ricoh Arena.
24. JS and LD stated that JS was not present at the meeting of 24 July 2012 but joined it via telephone. LD stated that the Heads of Terms were signed shortly after that meeting.

25. JS stated that her big concern with the Council's behaviour was that they seemed to be going down one path with SISU, agreeing the Heads of Terms, but in reality they were pursuing a completely different agenda.
26. LD stated that she thought at the time that JM was just venting his frustration as a fan in the meetings and in the press. The club had been relegated. LD stated that they did not believe that what was being said in the press was actually what the Council believed.
27. JS stated that she could not believe how calculated, nasty and vindictive the Council had been. She explained that she had been in business for over 25 years and had never experienced anything like it. She stated that she could not believe that they would rubbish someone's reputation like that without a second thought. She stated that she believed that they had viewed her like a political opponent not just someone to be beaten but to be crushed. JS stated that at the time she thought that maybe some of the comments were just political games. They were saying one thing in the media because they felt that was what needed to be said publically whilst negotiating with SISU – they had signed the Heads of Terms which suggested they were interesting in pursuing a deal with SISU.
28. JS stated that they asked the Council on a number of occasions why they did not trust them but there were never any specific reasons cited.
29. FL stated that she believed that the Council had been unable to distinguish the general interest from the public interest and the interest of CCFC. FL stated that there was a clear course of conduct demonstrated from the press coverage which was part of an ongoing campaign against SISU and JS in particular. JS stated that the personal vendetta to crush SISU was not something they could understand.
30. LD stated that they thought that they were working together with the Council on a deal which would be for the good of all.
31. JS stated that she thought that the Council were driven by a communications strategy. She stated that she met with Geoffrey Robinson one of the MPs for Coventry. She stated that he tried to act as an honest broker. She explained that she met with him in the spring of 2013 and she asked him what she had done to the people at the Council to make them behave in this way. She stated that he said that it was simple; it was sexism and jealousy. JS stated that this had not dawned on her previously.
32. LD stated that SISU had been told they would need a period to rebuild trust before discussing ownership following the rent deal for the stadium to return to the Ricoh Arena, having moved to play at Northampton. LD explained that this was shortly before the Council agreed a deal for the sale of ACL to London Wasps Rugby Union Club.
33. JS stated that in August 2012 ACL and the Council did not want to agree an interim rent because they wanted to be able to present a negative picture to YB. She stated that they (the Council) had not told Deloitte in November 2012 that CCFC were paying £10,000 per match to ACL. JS stated that the Council were shocked that SISU showed CCFC's cash flow figures to YB. JS stated that SISU wanted to move a rent deal forward.
34. She explained that back April 2012, the rent was astronomical, it was higher than most Championship teams and CCFC had been relegated to League 1. The Financial Fair Play



rules that were being introduced, in conjunction with the halving of the revenues from relegation, the cost of player restructuring (following relegation) and the lack of matchday revenues meant that the rent deal was not sustainable. She stated that they told the Council that they could not keep funding the club indefinitely. She explained that MR had asked if SISU would continue to meet the club's costs in April/May and JS had replied that they would.

35. JS stated that at that time SISU had pumped millions into CCFC and liquidation was a very real threat given the expected cost of player restructuring and compromises that would need to be funded. However, after SISU had funded millions of pounds more from March onwards liquidation was not mentioned further. She stated that there was an expectation that following relegation there would be investment to enable CCFC to challenge for promotion.
36. JS stated that when ACL put CCFC into administration in March 2013 the club were challenging for a play off place but that cost a ten point deduction, and a further ten point deduction followed the following season after ACL voted against the CVA.
37. JS stated that liquidation was a very real threat in March 2012 prior to having committed significant funds to compromise players in the restructuring. She stated that the reality was that a football club needs access to match day revenues in order to compete. She stated that Financial Fair Play rules allow 60% of net match day revenue from sale of food and drinks to be used for player wages. She stated that CCFC had made £1 million from match day revenue in its last season at Highfield Road before moving to play at the Ricoh Arena. JS stated that bringing AEG in was all about bringing in additional revenue which could be invested in players on the pitch.
38. JS explained that a non-aspirational football club might be able to cope without match day revenues but a team which wanted to be promoted and aspired to play in the Premier League needed access to those funds to have any hope of competing. She explained that the Financial Fair Play rules meant that football clubs needed to maximise their revenues if they were to invest in the playing side.
39. JS explained that CCFC had continued to pay ACL albeit less than the £1.3 million rent specified in the contract but that level of rent had been unsustainable. She stated that they had paid £900,000. JS stated that the last thing they had wanted to do was to take CCFC to play at Northampton but they had been trying to progress a realistic strategy on rent and match day revenues.
40. LD stated that JM appeared to confuse his roles with the Council and the Alan Higgs Centre Trust. She stated that at the meeting on 24 July 2012 he had stated that CCFC/SISU should be paying for a new pitch at the centre. She explained that CCFC rented some pitches at the centre for use by its academy but CCFC did not own it and were not responsible for paying for new pitches there.
41. FL stated that JM and Council officers were wearing a number of different hats and it was unclear in what capacity they were acting at times. She pointed out the concern expressed by YB in their letter of 17 December 2012 to ACL about the potential conflict of interests for Council employees who were also directors of ACL.

by YB in their letter of 17 December 2012 to ACL about the potential conflict of interests for Council employees who were also directors of ACL.

- 42. JS stated that their plan was to go together with the Council, ACL and AHT to the YB. She stated that their intention was they, the Council and ACL would work together on a package to agree a reasonable rent, clear the debt and ensure that CCFC had access to match day revenues. She stated that the deal which they proposed would have seen them clear the YB debt. She stated that they were willing to pay between £2-5 million to pay off YB. She stated that they had agreed heads of terms to purchase the AHT share of ACL for approximately £6million; this would have given them access to at least some of the match day revenues. She stated that they had also suggested that the lease be increased to 125 years.
- 43. JS stated that in conclusion their complaint was that the Council officers and members had pursued an agenda in which they had clear conflicts of interest, that they had never been open to doing a deal with SISU and that whilst they negotiated with SISU they were pursuing an alternative agenda. JS stated that the Council had acted in a way which was not open, transparent or accountable and that as the Leaders of the Council over the relevant period JM and AL were responsible for this.
- 44. SG outlined the process that would follow including the possibility that the agreed note of the interview would be made public by the Council's Ethics Committee.

Simon Goacher, Weightmans LLP  
21 June 2015

I agree that this is a true and accurate record of the interview.

Signed ..... Date .....

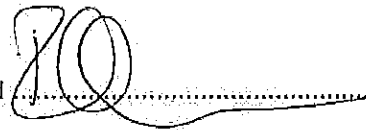
Joy Seppala

Signed ..... Date .....

Laura Deering

Signed  ..... Date 15/7/15

Fiona Laurence

Signed  ..... Date 21/7/15

Ramona Mehta

by YB in their letter of 17 December 2012 to ACL about the potential conflict of interests for Council employees who were also directors of ACL.

42. JS stated that their plan was to go together with the Council, ACL and AHT to the YB. She stated that their intention was they, the Council and ACL would work together on a package to agree a reasonable rent, clear the debt and ensure that CCFC had access to match day revenues. She stated that the deal which they proposed would have seen them clear the YB debt. She stated that they were willing to pay between £2-5 million to pay off YB. She stated that they had agreed heads of terms to purchase the AHT share of ACL for approximately £6million; this would have given them access to at least some of the match day revenues. She stated that they had also suggested that the lease be increased to 125 years.
43. JS stated that in conclusion their complaint was that the Council officers and members had pursued an agenda in which they had clear conflicts of interest, that they had never been open to doing a deal with SISU and that whilst they negotiated with SISU they were pursuing an alternative agenda. JS stated that the Council had acted in a way which was not open, transparent or accountable and that as the Leaders of the Council over the relevant period JM and AL were responsible for this.
44. SG outlined the process that would follow including the possibility that the agreed note of the interview would be made public by the Council's Ethics Committee.

Simon Goacher, Weightmans LLP  
21 June 2015

I agree that this is a true and accurate record of the interview.

Signed ..... Date 15/7/15

Joy Seppala

Signed ..... Date .....

Laura Deering

Signed *M.A. Lawrence* ..... Date 15/7/15

Hona Lawrence

Signed ..... Date .....

Ramona Mehta

by YB in their letter of 17 December 2012 to ACL about the potential conflict of interests for Council employees who were also directors of ACL.

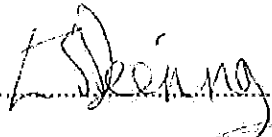
42. JS stated that their plan was to go together with the Council, ACL and AHT to the YB. She stated that their intention was they, the Council and ACL would work together on a package to agree a reasonable rent, clear the debt and ensure that CCFC had access to match day revenues. She stated that the deal which they proposed would have seen them clear the YB debt. She stated that they were willing to pay between £2-5 million to pay off YB. She stated that they had agreed heads of terms to purchase the AHT share of ACL for approximately £6million; this would have given them access to at least some of the match day revenues. She stated that they had also suggested that the lease be increased to 125 years.
43. JS stated that in conclusion their complaint was that the Council officers and members had pursued an agenda in which they had clear conflicts of interest, that they had never been open to doing a deal with SISU and that whilst they negotiated with SISU they were pursuing an alternative agenda. JS stated that the Council had acted in a way which was not open, transparent or accountable and that as the Leaders of the Council over the relevant period JM and AL were responsible for this.
44. SG outlined the process that would follow including the possibility that the agreed note of the interview would be made public by the Council's Ethics Committee.

Simon Goacher, Weightmans LLP  
21 June 2015

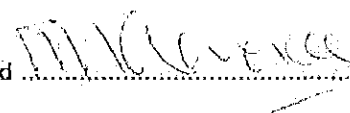
I agree that this is a true and accurate record of the interview.

Signed ..... Date .....

Joy Seppala

Signed  ..... Date 17/7/15 .....

Laura Deering

Signed  ..... Date 15/7/15 .....

Fiona Laurence

Signed ..... Date .....

Ramona Mehta

**Coventry City Council**

**Weightmans reference: SG/62030/6**

**Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton**

**SG7**

Ref 62030/6

## Complaint about Councillors John Mutton and Ann Lucas, Coventry City Council

### Note of interview with Lisa Commane. 3 July 2015

1. The interview was conducted by Simon Goacher, Weightmans LLP (SG).
2. SG outlined the process that would follow and explained that, although ultimately if the matter reached the Ethics Committee it could decide to hear the evidence in public, the investigation should be treated as confidential.
3. Lisa Commane (LS) is employed by Coventry City Council (the Council) as Assistant Director for ICT, Transformation and Customer Services. LC explained that she moved into her current role recently as a result of a restructure within the Council. She explained that she was previously the Assistant Director for Special Projects Finance which was a post she had held since 2009 and in that role she had been the lead finance representative for major projects, regeneration schemes and the companies owned by the Council. She explained that as part of that role she provided strategic advice and was the lead finance advisor on the projects. She stated that she originally began working for the Council in 2006 as a Finance Manager.
4. LC stated that in 2012 she was providing professional advice to the Council on its interests in Arena Coventry Limited (ACL). She stated that at that time the Council was progressing negotiations with SISU on the Heads of Terms and the ownership of the Arena. She stated that she was providing advice and support to the Council's directors, the s151 officer and members on the strategic options for the Ricoh Arena. She stated that she also provided technical advice to the Council on business plans and commissioning specialist external advisers when they were required.
5. LC stated that in late 2012 members were being kept advised regularly on an informal and formal basis. She stated that the relevant officers tried to get together with the Labour Cabinet members (or as many as were available) on a weekly basis. She stated that these meetings often took place at the end of the formal Cabinet meetings. LC stated that at the time Chris West (CW), the Director of Resources, was her line manager (and he still is). She stated that Barry Hastie (BH) was acting as section 151 officer on ACL issues as CW was a Director of ACL. It was BH who made the recommendation to the Council about the loan to ACL.
6. SG asked LC about the email which she sent to CW, BH and Christine Ford (CF), the Council's Monitoring Officer on 7 December 2012. LC stated that she could not remember exactly the context for the meeting which is referred to in the email. She stated that she believed that 7 December 2012 was a Friday. She stated that at that time discussions over ACL were at a critical point. She stated that there was a key meeting with ACL's bank, Yorkshire Bank and SISU on 10 December 2012.
7. LC stated that at the end of November 2012 there had been some press coverage about ACL. She stated that Tim Fisher (TF), the CEO of Coventry City Football Club (CCFC) had made some comments in the Coventry Telegraph (CT) and on the radio which divulged confidential information about ACL and cast doubt on its ability to trade. LC stated that ACL wanted to get its point across in the media, to make people aware that it had offered a new rent deal to CCFC and

as shareholders the Council were mindful of this issue too. She stated that part of the discussion was about the public in Coventry being made aware that a new rent deal had been offered.

8. LC stated that CW was meeting with the Bank on 10 December 2012 and it was important that members understood the context of the meeting. She explained that it was important the members understood what the consequences might be if the Council took over the debt owed by ACL and what the options and risks were.
9. LC explained that on 3 December 2012 there had been a formal briefing of the full Labour group. This had been more detailed and was about the risks to the Council and agreeing the strategy which should be pursued. She explained that there had been a lot of media interest in the issue. She explained that some people were saying that the Council should be more proactive in the media, but there was an agreed comms strategy in place focussed on protecting the Council's reputation. She stated that Councillor Mutton made comments in the media around that time supporting ACL's position on rent. She stated that SISU had been withholding rent from ACL since April 2012 - which amounted to over £1 million in unpaid rent and this was being pursued through the courts.
10. LC explained that ACL made its rent offer public. She stated that it was difficult because ACL and the Council did not want to get into a war of words with SISU but they wanted the public to get the full story. She stated that this was looked at in a lot of detail in the judicial review (JR) proceedings and the judgment of Hickinbotham J speaks for itself.
11. LC stated that she believed that the behaviour of members and officers had been entirely appropriate throughout. She stated that there is an audit trail shown from the briefing of Councillors on 3 December 2012 through to the report to Council in January 2013 which demonstrates what the Council did and why.
12. LC stated that the Council had signed Heads of Terms with SISU in August 2012. She stated that it was becoming very clear by December 2012 that SISU were not going to be able to meet the conditions precedent set out in the Heads of Terms. She stated that SISU had not agreed terms with the Alan Higgs Charity Trust (AHCT) to purchase its share of ACL and had not agreed a deal with ACL on the rent and SISU had not produced a credible, funded business plan for CCFC and ACL as required. She stated that the Council did a lot of due diligence and they never came close to being in a position to recommend to members that they should do a deal with SISU. She stated that the Council were open to doing a deal with SISU but it had become clear by December 2012 that this was very unlikely to happen.
13. SG outlined the process that would follow including the possibility that the agreed note of the interview would be made public by the Council's Ethics Committee.

Simon Goacher, Weightmans LLP  
12 July 2015

I agree that this is a true and accurate record of the interview.

Signed .....  ..... Date ..... 20 July 2015 .....

Lisa Commare

**Coventry City Council**

**Weightmans reference: SG/62030/6**

**Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton**

**SG8**



Ref 62030/6

## Complaint about Councillors John Mutton and Ann Lucas, Coventry City Council

### Note of interview with Chris West. 3 July 2015

1. The interview was conducted by Simon Goacher, Weightmans LLP (SG).
2. SG outlined the process that would follow and explained that, although ultimately if the matter reached the Ethics Committee it could decide to hear the evidence in public, the investigation should be treated as confidential
3. Chris West (CW) is employed by Coventry City Council (the Council) as its Director of Resources. He said that prior to taking up that role he had been Director of Finance and Legal Services between September 2007 and August 2013. He said that he had been employed by the Council since 1985. He was also a Director of ACL from 2007 until 2014, covering the period relevant to the complaint.
4. CW stated that he felt that the complaint by SISU was very weak. He stated that he felt that it was heavily reliant on very little information which was taken out of context. He said that the information which they had focussed on did not prove very much and certainly did not amount to a breach of the code of conduct by the councillors. He stated that the judgment of Mr Justice Hickinbotham in the judicial review (JR) proceedings brought by SISU against the Council validated what the Council had done. He said that subsequent events had also validated what the Council had done.
5. CW stated that Tim Fisher (TF) the CEO of Coventry City Football Club (CCFC) had told the Council and ACL that SISU use legal proceedings to batter its opponents into submission. He said that he thought that it was surprising that they were able to make complaints of this nature so long after the incidents which gave rise to the complaint had occurred. He said that the timing was not surprising just before SISU's application for permission to appeal in the JR was due to be heard.
6. CW stated that Councillor John Mutton (JM) is a very robust individual. CW stated that JM had been prepared to have discussions with SISU as a demonstration of the Council's good faith. CW explained that at one meeting he had attended Joy Seppala (JS) embraced JM which suggested that JM cannot have been that rude to her. CW stated that there were some fairly grumpy exchanges in those meetings but not just from JM. He stated that at the second meeting JS said to JM, "It's good to see you again." He stated that again this suggested that the meeting had not been as bad as was being suggested in the complaint.
7. CW stated that at the time the meetings had taken place the Council and ACL were trying to find a way forward with SISU. He stated that ACL only began to talk to the Yorkshire Bank (YB) when it became clear that negotiations with SISU were not going anywhere. He stated that it seemed odd that ACL were being criticised for talking to YB, who were their own bankers. Given the financial pressure on ACL as a consequence of the CCFC rent strike, it was entirely appropriate for ACL to talk to its bank.
8. CW said that looking back it was obvious from mid- August 2012 that SISU were not going to be able to deliver on the conditions which they had agreed with the Council and ACL. He referred to

the judgment of Mr Justice Leggatt in litigation which the Alan Higgs Charity Trust (AHCT) had brought against SISU after negotiations for SISU to purchase AHCT's share in ACL had broken down. CW stated that it was clear from this judgment that SISU never came close to buying AHCT's share. This was the first component of the overall arrangement that SISU were suggesting. He said maybe with hindsight the price which AHCT were trying to get was unreasonable but nevertheless it meant that SISU and AHCT were never going to do a deal.

9. CW stated that he never saw anything at the meetings which he attended to suggest that JM had been rude or unfair at meetings with SISU and JS. He stated that there had been robust exchanges on both sides. He stated that he could not recall any specific complaints or references being made to JM's behaviour at these meetings at the time and nothing was said until a long time afterwards.
10. CW stated that SISU needed to get ownership of the stadium (the Ricoh arena) and/or get the team back in to the Premier League if they were going to get any return on their investment. He stated that the Council only wanted to do what was best for the people of Coventry.
11. CW stated that much later in January or February 2013 he had shaken hands with CCFC on a new rent deal but they reneged on it the next day.
12. CW stated the decision to build the Ricoh Arena was an act of enormous political courage. He said that it transformed a derelict part of the north east of Coventry. He said that this was not just about the stadium but the retail park. He explained that the Tesco store is one of the most profitable in Europe. He said that everything had gone well on the Council side but CCFC had failed to keep its side of the bargain which was hugely frustrating. He said that the Council's elected members were very cross about this. He said that the ACL directors would always have negotiated with CCFC on rent. He said that had that been the issue they could have come to an accommodation. He said that CCFC are still threatening to build its own stadium.
13. SG asked CW about the email which Lisa Commane had sent to him on 7 December 2012. He stated that he had no recollection of receiving the email. He stated that he would have read it at the time but he could not remember it. He said that it was not a stand out piece of evidence in the thousands of pages of evidence which had been filed in the JR proceedings. CW stated that the email needed to be understood in context. He said at the time ACL were going to YB to talk about its debt. ACL was unable to service the debt because of the CCFC rent strike. He said that this "lit a fuse". He said that YB, against ACL's express wishes, had spoken to SISU and SISU knew all about ACL's financial position. He stated that TF had gone on the attack against ACL in the press. He stated that TF had also disclosed confidential commercial information about ACL which had been provided to him under a non-disclosure agreement. He explained that the reference in LC's email to a "media war" was about responding to the media attack by TF. He stated that the email was written in shorthand by an officer with a lot on. He said that no-one expected it to have been scrutinised in such detail as it subsequently had been at the time it was written. He stated that ACL at the time had served a statutory demand on CCFC for non-payment of rent and had made public its offer to reduce the rent due from CCFC from £1.3 million pa to £400,000 pa.
14. CW stated that the media response resulted from the attack by TF. He said that with the benefit of hindsight using the word "war" was maybe not a good word to use but there had been an attack on ACL by SISU. CW stated that ACL did not want to get involved in a tit for tat argument with SISU in the press. He explained that fans and citizens did not respond well to that. He stated that up until that point ACL had adopted a strategy of minimalistic response because arguing back made them lose credibility. He said that by this point though things were coming to a head and they

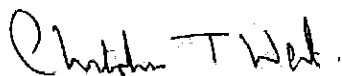
needed to make sure they got their point across. He stated that this was effective as the Coventry Telegraph ran a vox pop at the time and there was overwhelming support for CCFC accepting the ACL rent offer.

15. CW stated that he could not remember whether he was at the briefing which was referred to in LC's email.
16. SG asked CW about the extracts from the subject access request which had been made to Weber Shandwick (WS), the PR advisers to ACL. CW stated that this was a partial lift from the email exchanges. He stated that WS were monitoring a blog called Skyblue Talk for ACL. He said that this was a way to monitor opinion amongst CCFC fans. He said that a lot of what is in the emails was WS summarising what was on Skyblue Talk. He said that the contract with WS was co-ordinated and managed by the ACL board. He said that they would want to co-ordinate PR strategy with the Council as a major shareholder in ACL but the relationship with WS was managed by ACL. He said that he did not believe that there was a suggestion that elected members had been copied in to emails. He said that he could not categorically state that elected members had never met with WS but he did not believe that they had. He stated that only some of the emails were copied to council email addresses sometimes there were two council email addresses and there were never more than three. He said that he believed that those council email addresses would have been his and those of Martin Reeves (the Council's Chief Executive and also a director of ACL) and Fran Collingham, the Council's Head of Communications.
17. CW stated that at the time of the emails the ACL board was pondering the best media strategy. He stated that there was no evidence that ACL sought to adopt a strategy of targeting JS. He said that they did want to put JS in the spotlight as the person making the decisions.
18. CW stated that after the refinancing of the debt was done between the Council and ACL, ACL recognised that it must continue to try to do a deal with CCFC on the rent. CW stated that he and Paul Harris (an AHCT appointed Director of ACL) met with TF and Mark Labovitch (another CCFC director) at a CCFC home game in January 2013. He said that they missed almost the whole game because the negotiations were protracted. He said that they had a lengthy discussion which developed into an embryonic rent deal, but at the end of the meeting TF said, "of course I don't know if JS will ever do a deal with the Council because of the vicious personal media campaign against her."
19. CW stated that he asked TF what he meant by this remark. He stated that TF had said that there had been an article in a feature in the local paper called "red button" which is a satirical piece poking fun at local issues. CW stated the previous Thursday there had been some mention in it of the general where JS lived and the house prices there and made some reference to another website, from which TF claimed JS's home address could be discovered. CW explained that TF had stated that this was a deliberate attempt to expose JS's address in the media. CW stated that he told TF that he knew nothing about this. He said that he rang WS after this and said that they knew nothing about it. CW stated that he did not believe that WS would do that sort of thing. He said that he thought it was a conspiracy theory held by SISU.
20. SG asked CW about the comment made by JM on local radio that SISU had greed running through its DNA. CW stated that was a statement which JM had made and there was not anything he could say about it.

21. SG asked CW about the presentation to the Labour group and the slides which had been provided to SISU in the JR proceedings. CW confirmed that the slides were his and the handwritten notes on the slides were made by him. CW explained that at such meetings the Chair invited groups of three members to ask questions of officers at a time and then the officer would have to answer the three questions before the Chair invited the next three. He stated that his notes were not an attempt to take a note of the meeting but merely to take the down the gist of the questions so that he could remember what they were. He stated that they were just an aide memoire for him.
22. CW stated that in relation to the note that hell would freeze over before dealing with SISU Ann Lucas did say that otherwise he would not have written it down but he could not recall the context in which she had said it. He stated that he could not remember whether she had said that it was her view that hell would freeze over before she agreed to deal with SISU or whether she was saying that was what other people were saying to her.
23. CW stated that this had to be seen in the context of what was happening at the time. He said that in the Council's view SISU were trying to "screw the bank" by paying off ACL's debt for much less than it was worth while putting pressure on ACL via a rent strike.. He said that this was all well outside of their comfort zone and not the sort of thing that happens in the local government world. He said that SISU were threatening liquidation and it felt like they were trying to hold a gun to ACL and the Council's heads. CW stated that the Council was willing to continue talking to SISU but it was becoming increasingly clear that relations were breaking down probably irrevocably - particularly on the key issue of SISU agreeing a price to buy the AHCT shares in ACL. CW stated that the Council would have done a deal with SISU if it had been possible. He stated that he did not take the hell freezes over comment literally. He said that the decision at the end of the meeting was to continue talking. He said that Council were always prepared to a deal with SISU on the right terms.
24. CW stated that he could not recall who had made the comment "could SISU sell on to another shister?"
25. SG outlined the process that would follow including the possibility that the agreed note of the interview would be made public by the Council's Ethics Committee.

Simon Goacher, Weightmans LLP  
12 July 2015

I agree that this is a true and accurate record of the interview.



Signed

Date .....21<sup>st</sup> July 2015

Chris West

**Coventry City Council**

**Weightmans reference: SG/62030/6**

**Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton**

**SG9**

## Complaint about Councillors John Mutton and Ann Lucas, Coventry City Council

### Note of interview with Fran Collingham. 7 July 2015

1. The interview was conducted by Simon Goacher, Weightmans LLP (SG).
2. SG outlined the process that would follow and explained that, although ultimately if the matter reached the Ethics Committee it could decide to hear the evidence in public, the investigation should be treated as confidential.
3. Fran Collingham (FC) is employed by Coventry City Council (the Council) as its Head of Communications. She stated that she had been employed in that role since September 2003. She explained that in her role she is responsible for internal and external communications and marketing, council publications and digital and social media.
4. FC stated that she had always been very clear that there were separate communications strategies for the Council and Arena Coventry Limited (ACL) in relation to dealings with SISU and Coventry City Football Club (CCFC). She stated that those strategies were tied together because of the links between the two but the Council did not necessarily follow the same strategy as ACL. She explained that for quite a lot of the period covered by the complaint the Council were in litigation with SISU and so were making no comment for much of that time.
5. FC stated that the Council's strategy was largely responsive, responding to issues as and when they were raised and responding to requests for interviews rather than proactively issuing media releases. She stated that they had issued press releases at various key points such as after the Council meeting in January 2013 which agreed to provide a loan to ACL but generally they reacted to events.
6. FC stated that the Council's approach to communications is to be honest, upfront and transparent. She explained that the Council was seeking to explain what had happened and what it was doing. She stated that there was no extra campaigning and they were merely responding to media queries on what was a high profile issue.
7. FC explained that Weber Shandwick (WS) were engaged by ACL as PR consultants. She stated that the Council do not use PR consultants. She explained that she was kept updated on what WS were doing and she talked to them and met them a couple of times. She stated that they had not issued any joint media releases or done any joint publicity. She stated that she did not believe that WS would have had any direct contact with elected members.
8. FC stated that Councillor John Mutton (JM) was comfortable talking to the media. She stated that some of his comments are made off the cuff in interviews and the majority of those quoted in the schedule to the complaint fall into this category. FC stated that she could provide all of the press releases which were issued by the Council about CCFC/SISU.
9. FC stated that the whole issue of the Ricoh Arena and dealings with SISU/CCFC was massively difficult for the Council. She explained that there was very strong public feeling locally about the issue. She stated that football fans are not necessarily rationale about issues they are driven by

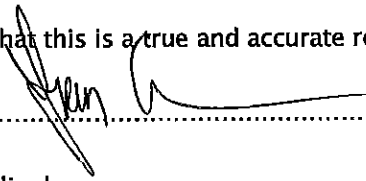
emotions. She stated that the Council tried to stay clam and make measured responses to issues. She stated that individuals did have strong feelings though, including councillors.

10. SG had provided extracts from the subject access request made by Joy Seppala (JS) to WS. FC stated that she did not recognise a lot of it or the issues mentioned in the emails.
11. FC stated that the Council categorically did not have a strategy of targeting JS personally in the media. She stated that was absolutely not the way that the Council did things. She stated that she was hurt and taken aback that SISU could even imply that the Council would do such a thing. FC stated that honesty and transparency within the context of commerciality is what they are all about.
12. FC stated that people found SISU very difficult to deal with. She stated that people felt let down by SISU, for example there had been a hand shake on a revised rent agreement but SISU did not stick to it. She stated that there had always been a desire on the part of the Council to sort things out and have a sustainable football club. She stated that Council officers and members tried to work with SISU but found them very difficult to deal with but if they could have reached a solution with them they would have done.
13. SG outlined the process that would follow including the possibility that the agreed note of the interview would be made public by the Council's Ethics Committee.

Simon Goacher, Weightmans LLP  
14 July 2015

I agree that this is a true and accurate record of the interview.

Signed .....



Date .....

23 July 2015

Fran Collingham

**Coventry City Council**

**Weightmans reference: SG/62030/6**

**Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton**

**SG10**



Ref 62030/6

## Complaint about Councillors John Mutton and Ann Lucas, Coventry City Council

### Note of interview with Councillor George Duggins. 3 July 2015

1. The interview was conducted by Simon Goacher, Weightmans LLP (SG).
2. SG outlined the process that would follow and explained that, although ultimately if the matter reached the Ethics Committee it could decide to hear the evidence in public, the investigation should be treated as confidential.
3. George Duggins (GD) is a member of Coventry City Council (the Council). He explained that he has been a councillor for 22 years. He stated that he was previously the deputy leader of the Council on two occasions, firstly from 2003–2004 and more recently from 2010–2013.
4. SG asked the GD about the meetings which he had attended with Councillor John Mutton (JM) and SISU and Joy Seppala (JS) in May and July 2012. GD stated that he had not been very keen to meet with SISU at the time. He explained that SISU were in the middle of a "rent strike" at the time and he did not believe in rewarding what he saw as "outrageous behaviour". He stated that he only agreed to meet because Tim Fisher (TF) had taken over as CEO of Coventry City Football Club (CCFC) and this was supposed to be a new broom at CCFC with a fresh start.
5. GD explained that in April 2011 a person called Ken Dulieu (KD) had been the Chairman of CCFC and he had held a press conference in which he stated that he would be having meetings with the Council that week. GD stated that he was in his office when Council officers advised him that the press conference was taking place and what had been said. He stated that the Council officers checked all relevant diaries and there was no record of any such meeting. GD explained that the Council issued a press release whilst the press conference was taking place saying that it was unaware of any meeting. GD explained that KD was asked about this in the press conference and stated that he meant that CCFC "intended" to meet with the Council.
6. GD explained that SISU had then gone on a rent strike in order to distress Arena Coventry Limited (ACL), the company which was partially owned by the Council which owned the Ricoh Arena. He said that he reluctantly agreed to meet with SISU.
7. GD stated that he did not remember JM being rude to JS. He said that he did remember JS and JM hugging when they met for the second time. GD stated that he and JM were challenging of JS and SISU but there was a need for them to challenge them. GD stated that he and JM were "straight talking" but he said TF was also a straight talking person. GD stated that TF said that people had to take "hair cuts" such as a reduction in rent for ACL. GD stated that he did not believe that JM had ever been rude to JS.
8. SG asked GD about the suggestion in the complaint that JM had berated JS and SISU at the meetings about the performance of CCFC. GD stated that at that time CCFC had just been relegated from the Championship. He said that there had been a dereliction of duty by the owners of CCFC (SISU). He stated that he is a proud Coventry person and CCFC fan and he and others in the city felt very strongly about the position of CCFC. He stated that he felt that he had a right to make comments about the situation at CCFC at the meetings.

9. GD stated that the 2011/12 close season was a disaster for CCFC. He stated that nine players had left the club and been replaced by two goalkeepers and a striker. He stated that everyone knew that they would be relegated. He stated that CCFC said they would bring in loan players but that only happened in January which was too late. He stated that there was major mismanagement of CCFC and that was accepted in the judgment of Mr Justice Hickinbotham in the judicial review (JR) brought by SISU against the Council.

10. GD stated that he did make reference to the poor management of CCFC and the promise that £20 million would be invested in players. He stated that JS had challenged him on this and he had stated that he had the article where Chris Coleman (the former manager of CCFC) had referred to this. GD stated that councillors are accountable for what they do and to the public. He stated that he believed that they were entitled to challenge SISU about what they had done to CCFC.

11. GD stated that he was at the game against Doncaster when CCFC were relegated and there was a lot of bad feeling towards SISU at that game. GD stated that he refused to go to Northampton when SISU took CCFC to play there but he had since gone back to watching CCFC at the Ricoh Arena. He stated that he was angry when SISU moved CCFC to Northampton, not just as a CCFC fan, but because of the economic impact which it had on the city.

12. GD stated that TF had spoken to them in very strong terms and he felt that they should be able to challenge in response. GD said that if they had been so rude to JS why would they have wanted another meeting and why did they then invite him and JM to meet with the CCFC management team and then invite them to visit the training ground? GD stated that this took place a week before the 2012/13 season started.

13. GD stated that all of the issues were dealt with in the JR. He stated that the Council had every reason to be sceptical about SISU. He said that the Council never came close to doing a deal with SISU over the Ricoh Arena. He said that after SISU's attempt to buy the Alan Higgs Charity Trust (AHCT) share in ACL failed in August 2012 any chance of a deal was over.

14. GD stated that JM asked SISU if they had a business plan for the Ricoh Arena, they stated that they didn't but they were working on one. GD stated that at the next meeting SISU submitted a business plan but all it contained was details of what the CCFC players earned. GD stated that this was not a business plan. GD stated that his view was that SISU could not run CCFC how could they be trusted to run ACL? He explained that ACL was a much more complex business than CCFC. GD stated that SISU wanted the freehold of the Ricoh Arena. He stated that the Council wanted to be sure that they could "cut the mustard" but he said that he did not think that they even "had a knife".

15. GD stated that the "nitty gritty" of negotiations would be dealt with by officers but in his view the Council never got close to doing a deal with SISU.

16. GD stated that a lot has happened in the last three years and he would have thought that they would have made a complaint about the councillors some time ago if the behaviour had been that bad. He stated that he would have thought that they would have complained straight away.

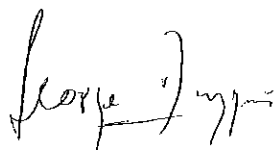
17. GD stated that SISU had been battered in court in the JR and he would have thought that they would have left the city. He stated that TF said that SISU use the courts to batter people into submission. He said that the complaint needed to be viewed against that background.

18. GD stated that he did not remember the comment which Councillor Ann Lucas (AL) had allegedly said at a briefing about "hell freezing over" before the Council would deal with SISU. GD stated that members had to be able to talk frankly in private meetings before decisions were made to ensure that all issues are properly explored to make sure proper decisions are made.
19. GD stated that it takes something for a football club to take on a Council and the public to be on the Council's side. He said that it was an achievement for 95% of the population to be against CCFC. He said that they are aggressive and they had no plan other than to get back into the Premier League but that failed because they did not invest in players. He stated that they then tried to distress ACL through the rent strike. He said that the rent was a contract which they had taken on.
20. SG outlined the process that would follow including the possibility that the agreed note of the interview would be made public by the Council's Ethics Committee.

Simon Goacher, Weightmans LLP  
16 July 2015

I agree that this is a true and accurate record of the interview.

Signed:



Date: 30/07/2015

George Duggins

**Coventry City Council**

**Weightmans reference: SG/62030/6**

**Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton**

**SG11**

Ref 62030/6

## Complaint about Councillors John Mutton and Ann Lucas, Coventry City Council

### Note of interview with Councillor Ann Lucas. 15 June 2015

1. The interview was conducted by Simon Goacher, Weightmans LLP (SG).
2. SG outlined the process that would follow and explained that, although ultimately if the matter reached the Ethics Committee it could decide to hear the evidence in public, the investigation should be treated as confidential.
3. Ann Lucas (AL) is a member of Coventry City Council (the Council). She explained that she has been a councillor since May 1995, with a break between May 1999 and May 2000. She stated that she has been the leader of the Council since May 2013. She stated that prior to becoming leader she was a member of the cabinet with responsibility for Adults Services.
4. AL stated that she thought she had attended some training by officers on the code of conduct but she could not remember specifically when. AL confirmed that she understood that she was obliged to comply with the Council's code of conduct for members at all times when she was acting as a councillor.
5. AL provided SG with correspondence between her and Joy Seppala (JS) at SISU Capital Ltd between July and November 2013. This correspondence related to a meeting to explore possible solutions to issues affecting Coventry City Football Club (CCFC) and the Ricoh Arena at that time. AL referred SG to the letter from JS of 13 November 2013 which stated, "It was a pleasure to meet and to cut through the media hype. I do believe that you genuinely want to the best for the city of Coventry..." AL stated that if the situation was as set out in the complaint JS would not have written to her in those terms after they had met. AL stated that the letters show a very different situation to that described in the complaint. She stated that they showed that exchanges were courteous and cordial.
6. AL stated that a lot has been said about her comment that "hell would freeze over" before a deal would be done with SISU. AL stated that this comment was highlighted in the judgment of the judicial review (JR) claim brought against the Council. She stated that it came from a handwritten note which Chris West (CW), the Council's Director of Resources had made on the presentation handout for a Labour Group meeting. AL explained that CW was taking a number of questions and he was writing down the questions as he went along to remind himself and then answering a number at a time. She explained that she is a lifelong fan of CCFC and speaks to a lot of other fans. She stated that part of her role as a councillor was to report back the views of the public on issues. She stated that she told CW at the meeting that there was a strong feeling against SISU amongst CCFC fans and many were saying to her that hell would freeze over before the Council should do a deal with SISU. She stated that the note was not setting out her views but her question to CW when she had referred to the views of the CCFC fans generally.
7. AL stated that there was also reference in the JR judgement that she had asked whether SISU could sell on to, "another shyster." She stated that she did not say that and in any case that is not the sort of thing which she would say.

8. AL stated that the decision which was made at the end of that Labour Group meeting was that the Council should continue to talking to SISU. She stated that it was never her view that hell would freeze over before the Council should deal with SISU. She stated that she had begged JS to, "come back to the table" to discuss the situation when CCFC were playing at Northampton because she wanted what was best for CCFC and the city of Coventry.
9. AL stated that in discussions with JS, JS had always stated that she wanted the unfettered freehold of the Ricoh Arena. AL stated that was simply not deliverable because of the other interests in the Arena. AL stated that there are interests in the Arena held by Compass Catering, the Casino Operator and the hotel operator. She stated that, as a result, the request of SISU for the freehold or a, "clean restriction free" long leasehold were simply not possible.
10. AL looked through the comments in the media attributed to her in the schedule attached to the complaint. She stated that she accepted that she said all of those things. She stated that she stood by the comments and all of them had been made following advice and input from the Council's press office and legal officers.
11. AL stated that the judge in the JR proceedings, "got it." She stated that by this she meant that he realised that CCFC stopping paying Arena Coventry Limited (ACL) the rent for the stadium was a deliberate tactic to distress ACL so that CCFC/SISU could get their hands on the Ricoh Arena.
12. AL stated that as far as she was concerned the door had always been open to SISU. AL stated that she had always been straight down the line and made it clear that an unrestricted freehold was not something the Council could deliver. AL stated that she believed that hedge funds are run by very clever people who are often litigious. She stated that it was worrying for councillors when they heard about lawyers and as a result they made sure they took advice every time they said everything. She said that the threat of legal action from SISU was such that they were frightened to say anything.
13. AL explained that she was also the Chair of the ACL Shareholder Panel. She stated that this came into being about six months before she became leader of the Council. She stated that the Panel received regular briefings about what was happening and with the JR. She stated that it also considered the financial aspects of ACL. She stated that officers would report back and the councillors would give a view on the political issues.
14. AL stated that she did not recall meeting Weber Shandwick (WS) who were PR advisers to ACL. She stated that she received briefings from council officers. She stated that she dealt directly with the Council's press officers and that they probably had dealings with WS though she later found that was incorrect. The contract for services was between the Council and ACL and WS and at no time between the Council and WS. She stated that as far as she was concerned the communications strategy was to say nothing because it was all subject to the JR and legal action and she was frightened to say anything which could prejudice that or cause SISU to take further legal action.
15. SG referred AL to an email from Lisa Commane, (LC), Assistant Director Special Projects Finance for the Council to CW and Christine Ford, the Council's Monitoring Officer dated 7 December 2012. The email referred to a Cabinet Briefing and stated, "Endorsement to have the media war and go on the attack with SISU." AL stated that she did not recall that being discussed at any cabinet briefing but that if that is what the email said that must be what it meant. AL stated that she recalled that there was a lot of frustration at that time about what was appearing in the press. She stated that the councillors had obeyed the instruction not to comment but they felt that meant

that the public were getting a one sided story. She stated that if there had been agreement to a "media war" it would have been agreed that John Mutton or George Duggins as leader and deputy leader at the time would have made any press comments. She stated that this is reflected in the comments in the schedule attached to the complaint. She said that no other councillors would have said anything at the time because they were all terrified of being sued.

16. AL stated that any leaking to the press of her proposed meeting with JS had not come from her. AL stated that she does not leak to the press. AL stated that she did not tell the press about the complaint against her and Councillor Mutton which had appeared in the Coventry Telegraph on 13 May 2015. She said she would not tell the press about a complaint made about her. She stated that she was contacted by the newspaper and made no comment.
17. AL stated that all members who were season ticket holders of CCFC were granted a dispensation which covered decisions affecting the club made in Cabinet and the Council. She stated that it would be impossible to make decisions without such a dispensation because so many councillors were fans of the club.
18. AL stated that the complaint was "balderdash". She stated that if the Council could have found any way within reason to stop CCFC moving away from the city then they would have found it. She said that if they could have found a solution with SISU they would have done. She referred to the judgment in the JR which found that SISU's solution was never achievable or realistic.
19. SG outlined the process that would follow including the possibility that the agreed note of the interview would be made public by the Council's Ethics Committee.

Simon Goacher, Weightmans LLP  
25 June 2015

I agree that this is a true and accurate record of the interview.

Signed ..... Date .....

Ann Lucas

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors  
Ann Lucas and John Mutton

**SG12**



Ref 62030/6

## Complaint about Councillors John Mutton and Ann Lucas, Coventry City Council

### Note of interview with Councillor John Mutton. 15 June 2015

1. The interview was conducted by Simon Goacher, Weightmans LLP (SG).
2. SG outlined the process that would follow and explained that, although ultimately if the matter reached the Ethics Committee it could decide to hear the evidence in public, the investigation should be treated as confidential.
3. John Mutton (JM) is a member of Coventry City Council (the Council). He explained that he has been a councillor since 1984. He stated that he was previously the leader of the Council but ceased to be the leader in May 2013. He stated that he is now Chair of Scrutiny Board 1. He explained that this scrutinises a number of different areas of activity but particularly financial matters.
4. JM stated that he thought he had attended some training by officers on the code of conduct but he could not remember specifically when. He confirmed that he understood that he was obliged to comply with the Council's code of conduct for members at all times when he was acting as a councillor.
5. JM stated that he is a trustee of the Alan Higgs Centre Trust (AHCT). He stated that AHCT is entirely separate from the Alan Higgs Charity Trust (AHT). He produced a letter dated 6 December 2006 signed by P.W. Knatchbull-Hugessen, a Trustee, which stated that the trustees of AHT, "have no government over the Trustees [of the AHCT]. There are no commitments between the two charities [save for a loan made by AHT to AHCT to construct the centre]." JM explained that he has been very careful to identify the correct position regarding his role as a trustee of the AHCT. He stated that he had always sought the appropriate advice and he had specifically asked for the position to be clarified which led to the letter of 6 December 2006 being sent. He stated that he received no remuneration at all from his role as a trustee, it was a purely voluntary position.
6. JM stated that he believed that the complaint against him was motivated purely by vindictiveness. He stated that there have been a series of legal cases brought by SISU. He referred to comments made in the judgement of Hickinbotham J in *Sky Blue Sports & Leisure Ltd & Ors, R (On the Application Of) v Coventry City Council* [2014] EWHC 2089. JM stated that the judgment made it clear that the judge agreed with the Council that SISU had been intent on getting their hands on the Ricoh Arena at a rock bottom price by getting Arena Coventry Limited (ACL), the owners of the Arena wound up.
7. JM stated that he had quite liked Joy Seppala (JS) when he first met her and was amazed that she claimed that he had been rude to her. JM stated that if you speak to any business person in Coventry they would say that even if he disagreed with them he would always be civil.
8. JM stated that he believed that others who attended the meeting he had with JS would say that it was productive. He stated that at the end of the meeting JS had said to him, "come and give me a hug." He stated that she would not have done that if she felt that he had been rude to her. JM stated that he could only remember meeting with JS on *two or three* occasions. He stated that the

first occasion was in his office. He stated that on the second occasion Laura Deering attended with JS. *He started that at the end of one of the meetings, Steve Waggott and Tim Fisher (Sisu) invited him and the deputy leader of the council at the time George Duggins (GD) to visit the Coventry City (CCFC) training ground. He explained that he could not definitely say that these were the only times when he had met JS but he could not recall any others.*

9. JM stated that he did not believe that *Sisu* would have invited him and GD to visit the CCFC training ground if there had been a bad relationship between them. JM explained that JS knew that he and GD were CCFC fans and *they were* introduced to the manager and the players when they visited. He stated that after the visit parcels arrived addressed to him and GD and they contained CCFC replica *shirts*. He stated that he and GD returned them to SISU thanking them for the gift but saying that it would be inappropriate to accept them whilst they were in negotiations.
10. JM stated that it was shortly after this that the relations between the Council and SISU fell apart. He stated that this was because it was clear that SISU were not going to acquire the AHT shares in ACL. He stated that SISU and AHT had agreed a value for the shares but SISU wanted to spread the payments over years and that was never going to be acceptable. He stated that he also lost all respect for SISU when he found out that they had been negotiating with Yorkshire Bank secretly. He stated that SISU were trying to persuade YB that ACL were in trouble so that ACL would go into liquidation and they could buy ACL cheaply. He stated that when the Council found out what SISU were doing any chance of an amicable agreement became impossible.
11. JM stated that it was completely untrue to say that he had berated JS at the meetings about the performance of CCFC. He stated that some comments were made about CCFC, mainly by GD, but no-one was berated and they were not rude. He stated that all they wanted to do was obtain a business plan for CCFC. He stated that the Council were concerned whether, if the AHT share in ACL was sold to SISU, CCFC would be uppermost in their thoughts. JM stated that JS did promise to bring a business plan to the second meeting but what was produced was not what he would call a business plan, it merely stated what the managers *budget* would be and which players would be released. JM stated that his and the Council's concerns throughout were probity and protecting the public finances.
12. JM stated that as far as he could recall he had never met with Weber Shandwick (WS). WS were PR advisers retained to provide PR advice to ACL. JM stated that he did recall receiving briefings and advice from Council officers on PR issues. He stated that he did not recall receiving emails from WS, he thought that any emails he would have received on PR would have come from Chris West (CW), Director of Resources. He stated that this was all some time ago so he could not say for definite but the officers of the Council would be able to check.
13. SG referred JM to the contents of an email sent by Lisa Commane (LC), Assistant Director Special Projects Finance for the Council to CW and Christine Ford, the Council's Monitoring Officer dated 7 December 2012. The email referred to a Cabinet Briefing and stated, "Endorsement to have the media war and go on the attack with SISU." JM stated that he did not recall that being discussed at any cabinet briefing. He stated that, if that is what the email said then that discussion must have taken place but he did not recall it. JM explained that he did recall discussing the need to keep the people of Coventry informed because a lot of things were being said by SISU/CCFC which had been left unchallenged and this gave a one sided view of things. JM stated that he was aware of WS and the PR advice that ACL and the Council had to, "fight their corner."

14. JM looked through the schedule of comments which had been attached to the complaint. He stated that there was nothing in that schedule which he would deny having said. He stated that the comments were made in the context of CCFC illegally withholding rent payments. He explained that he had supported ACL in taking legal action to recover the rent.
15. JM stated that once SISU began talking to YB the advice which he had been receiving had been that they could force ACL into administration and then get their hands on the assets.
16. JM stated that the comments in the Coventry Telegraph (CT) on 23 April 2012 were true and represented his belief. He stated that there was an awful lot of anger in the city at the time. He stated that there was a demonstration by the fans at every game against SISU. He was speaking as a season ticket holder of CCFC not as leader of the council.
17. SG asked JM about his comments in the CT of 23 May 2012 about SISU's transparency. JM stated that they had genuine concerns about the lack of transparency about everything that SISU did at the time. He stated that no-one knew who the actual owners of CCFC were. He stated that SISU got the club for *next to* nothing. He stated that Geoffrey Robinson MP wrote off about £20million of debt, other shareholders also wrote off considerable amounts of debt. He stated that the only thing that SISU actually paid for was some debt owed by CCFC to the Co-op Bank which amounted to only a few million pounds. He stated that SISU then said that the club had £16million of debt. He stated that accounts were not supplied to the Football League which was why the club were not allowed to make transfers. JM stated that he felt that these comments were fairly made.
18. JM stated that the comments he made on 13 March 2013 on BBC Radio Coventry and Warwickshire about SISU being a predator and having greed running through its DNA were made in response to a fairly leading question about the nature of hedge funds and whether they should be involved in running football clubs. JM stated that he felt that the comments were justified giving the dealings which he had with SISU. He stated that SISU knew that they could not make money from CCFC. He stated that they wanted to get hold of the Arena to make money. He stated that the Council had no problem in SISU acquiring the AHT share in ACL but they had years to do that and failed to do so.
19. JM stated that he has been a lifelong CCFC fan but he liked to think that this did not have an impact on the decisions which he made as a councillor over the Ricoh Arena and ACL. He stated that he always took appropriate legal and financial advice. He stated that when the decision was made at the full council meeting on 15 January 2013 to make the loan to ACL he declared an interest as a season ticket holder. He explained that a dispensation had been granted by the old standards committee enabling members to speak and vote even when they had such an interest and he had been advised that this dispensation still applied.
20. JM stated that he completed his declaration of interest form every year. He stated that for some reason his position as a trustee of AHCT was not included on the previous year's form but it should have been. He stated that because AHCT was entirely separate from AHT he did not believe that his role as a trustee of AHT had any effect on the decision to make a loan to ACL. He stated that he sought legal advice on this.
21. JM stated that he did not believe that he had done anything wrong or should have done anything differently. He stated that he has a reputation in the city for being honest and saying what he means and what he believes. He stated that even people who disagree with him say that at least they can believe what he says. He stated that he is 67 years old and too old to change his ways

now. He also stated that he believes that this is why he is now entering his 32<sup>nd</sup> year as a councillor.

22. SG outlined the process that would follow including the possibility that the agreed note of the interview would be made public by the Council's Ethics Committee.

Simon Goacher, Weightmans LLP  
22 June 2015

I agree that this is a true and accurate record of the interview.

A handwritten signature in black ink that reads "J.R. Mutton". The signature is written in a cursive style and is positioned above a solid horizontal line that serves as a signature line.

Signed ...

..... Date .....23<sup>rd</sup> June 2015.....

John Mutton