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GOVERNMENT STEPS IN TO INSPECT 'GRAVE CONCERNS' OVER COUNCIL FINANCES

Thurrock Council leader resigns as repercussions of Bureau investigation gather pace

The leader of Thurrock Council has resigned after the government announced it is sending in inspectors following an investment [scandal uncovered by the](#)

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Bureau.

In July, our three-year investigation revealed that at least £138m of public money was unaccounted for following deals between the Conservative-run council and businessman Liam Kavanagh.

The Department for Levelling Up, Housing and Communities announced on Friday afternoon that Essex County Council had been appointed as a commissioner and would be given total control of Thurrock Council's finances, due to "grave concerns about the exceptional level of financial risk and debt incurred by the council".

Greg Clark, the levelling up, housing and communities secretary, said: "Given the serious financial situation at Thurrock Council and its potential impact on local services, I believe it is necessary for [the] government to intervene."

In response, council leader Rob Gledhill announced that he had resigned.

"Whilst I welcome this news and the support of Her Majesty's government it has become clear over the past few months that the situation regarding council investments, and subsequently its finances, has not been as reported," he said.

"As leader of the council, the political buck stops with me and as such it would only be right, and expected, that I resign."

In a statement released at the same time, a spokesman for Thurrock Conservatives said: "We, including the former leader, have become deeply concerned over the past few months at the way investments have been made and handled by officers despite questions from across the council.

"We know the coming weeks will see more come into the



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'It's now time for openness and honesty, the people of Thurrock have a right to know what has been

public domain and we will ensure that all that is possible is in the public domain.”

Thurrock will now be required to work with Essex to prepare an improvement plan within the next three months and also provide a “best value” inspection report to Clark as secretary of state in the same time frame.

John Kent, leader of Thurrock’s Labour group, welcomed Gledhill’s resignation but said other senior cabinet members should also consider their positions.

“It’s now time for openness and honesty, the people of Thurrock have a right to know what has been going on and where their missing millions are,” he added.

Over the space of four years, Kavanagh’s businesses received £655m from Thurrock Council. The companies bought 53 solar farms and the council generated extra income from the interest on the loans.

But an investigation by the Bureau revealed gaping holes in the investments that threatened to cost the public hundreds of millions of pounds. In response to our findings, the council admitted it had kept the public and councillors in the dark, prompting calls for a government investigation.

The deals were overseen by Thurrock Council’s director of finance Sean Clark and were funded by borrowing from more than 150 local authorities across the UK.

Our latest story revealed that Clark repeatedly met with Kavanagh at the five-star May Fair Hotel. It was after these meetings, between late 2018 and early 2019, that Thurrock put a further £138m into Kavanagh’s companies. Nearly four years later, the council has not been able to establish where this money ended up. Kavanagh denies any wrongdoing.

The total shortfall of public finances could be even larger after investment experts valued the solar farms the council had helped to purchase was up to £200m less than would be required for it to recoup all its investment.

going on and where their missing millions are’

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The Bureau also obtained a recording of Kavanagh describing how he would “get rid” of businesses that owed the public purse £655m. He then did just that, putting key companies into liquidation as part of a restructure that the council did not formally consent to. This ultimately led to his companies being unable to pay a £12.6m interest payment in February of this year – missing millions that were not disclosed to councillors or the public.

In response to our findings, Thurrock Council said the issues we raised “have been known for some time and are being actively managed, mitigated and resolved through that oversight with significant external advisors”. Clark, Gledhill and other senior figures declined interview requests and opposition members were refused permission to ask about the investments at the next full council meeting.

Following our reporting, legal campaign group the Good Law Project is supporting Kent, of Thurrock’s Labour group, to launch a legal challenge on the basis that the council breached its fiduciary duties to taxpayers and failed to comply with transparency standards.

Jo Maugham QC, director of the Good Law Project, said: “Rob Gledhill’s resignation is a necessary – but not a sufficient – step to answer the extraordinary questions raised by the Bureau’s reporting.

“As matters stand we intend to continue with our judicial review, along with Councillor John Kent, of its profoundly troubling investment decisions.”

The council has repeatedly hampered our investigation, including rejecting freedom of information requests asking exactly what it invested in and from which local authorities it borrowed the money. The council claims disclosing the information would be commercially damaging and put off potential business partners.

The Bureau took the case to an information rights tribunal, which has twice ruled that it is strongly in the public interest for the details to be released.

‘Rob Gledhill’s resignation is a necessary – but not a sufficient – step to answer the extraordinary questions raised by the Bureau’s reporting’

Unfortunately, an administrative error by the court has meant this process has effectively had to be restarted. A [new hearing was held in August](#), with a decision due imminently.

A spokesperson for Thurrock Council said: “Thurrock Council is treating this situation extremely seriously and has been working with the Government in recent weeks, as well as independent financial and legal experts to fully understand how the situation has arisen and establish a comprehensive resolution plan to safeguard the council’s financial position.

“We are grateful to the government for the support they have given us and welcome the action to instigate intervention and provide additional assistance. The council will cooperate fully with the appointed Commissioners to work to protect the interests of and services for the people of Thurrock.”

Leader of Essex County Council, Kevin Bentley, said: “We have a track record of providing help, support and advice to other councils in times of difficulty.

“The secretary of State has clearly recognised our work in this field and now we stand ready to support our neighbours in Thurrock.”

About The Author

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Gareth is an award-winning journalist specialising in local government. He previously worked for the Croydon Advertiser

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