



www.stadiumwatch.co.uk

[An independent user group monitoring the
Lakeside Stadium Complex Doncaster]

Press Release: PR005 14 February 2007 18:00

StadiumWatch prompt Charity Commission probe into Doncaster Stadium Management Partnership

The Dearne Valley Leisure Trust (DVLТ), a partner, with Doncaster Council, in the organisation that runs the new Keepmoat Stadium Complex, is to be investigated by the Charity Commission due to “irregularities” in the charity’s latest accounts.

In particular the Commission is to review the secret partnership agreement the DVLТ has with the Council by which the financing and management structure of the Doncaster Lakeside Sports Complex LLP is organised.

While the DVLТ saw fit to declare at Note 26 to their 2006 accounts that they received a “Stadium management fee of £5,000” from the Lakeside Sports Complex LLP, they failed to disclose that they are also a designated partner in the LLP. This status could make the charity jointly liable for any losses that the LLP generate in the early years of operating the stadium complex. The extent of their liability will be determined by the secret agreement with the DMBC which will be investigated by a special unit at the Charity Commission.

StadiumWatch wrote to the DVLТ in January 2007 asking them to explain how their partnership agreement with the DMBC to run a commercial enterprise and assume the risks of so doing beyond their geographical boundaries is consistent with their status as a registered charity. They and the Trust’s auditors were also asked to explain the serious omission of this information from their statutory accounts.

The Trust and their auditors have failed to satisfactorily explain these matters to StadiumWatch.

Doncaster Mayor, Martin Winter saw fit to break an officially minuted agreement for the DMBC to run the complex in partnership with the sporting clubs (who then became tenants at the stadium), and instead joined with the DVLТ in the Lakeside Sports Complex LLP. This arrangement came to be seen by many sports fans as a ruse to put the management of the LLP theoretically beyond the reach of the Freedom of Information Act (FOI) 2000.

Ian Spowart, a long-time ally of Mayor Winter, became the chairman of the SMC, the trading name of the LLP, and when pressed by StadiumWatch to furnish information under FOI regulations, refused, declaring his belief that the LLP is not covered by FOI.

The Information Commissioner, set up by the FOI Act 2000, is currently reviewing a StadiumWatch request to “lift the veil” on the secret partnership agreement between the DVLТ and the DMBC, which will force Spowart and his executive board to

www.stadiumwatch.co.uk

[An independent user group monitoring the Lakeside Stadium Complex Doncaster]

explain the financing and spending plans of the SMC, and in particular to disclose if there are any arrangements afoot, such as a management buy-out, to allow the executives or their families to benefit personally from the community stadium complex, now or in the future.

Nigel Wroe, StadiumWatch spokesman stated, “I have asked the Finance Director of the LLP to justify the extraordinary payment made to the DVLT and to indicate if any part of the million pound sponsorship monies recently received by the SMC have been allocated to the DVLT, whether this is within the formal agreement establishing the LLP, and who exactly authorised it”.

“In particular, we just don’t see the necessity for a secret agreement between two publicly funded bodies to manage a community asset”, he continued, “If the complex is a commercial enterprise it should be run by the clubs themselves and be subject to company law, and put beyond the interference of the council and its placemen”.

StadiumWatch doubts whether the DVLT, which operates out of council premises, has its insurances paid for by the council, and has a councillor on the board of trustees, is truly independent of the council. According to their accounts, the DVLT has been in receipt of £950K of Council funds in the past four years, with up to £400K payable in the next two years, The DVLT explicitly state their dependence on the council to continue in operation.

StadiumWatch are very concerned to know if monies raised by the SMC from sponsorship, rents, hospitality and other commercial ventures, particularly those monies being levied from sports fans on match days, and from community use of the facilities, are being distributed for “general purposes” to a partner in the LLP, rather than retained for the avowed purpose of funding stadium repair and maintenance.

StadiumWatch welcomes the probe by the Charity Commission, and warns that this could be the first of many such investigations which will expose the inner workings and funding of the SMC-LLP.

Notes:

StadiumWatch resources are available from <http://www.stadiumwatch.co.uk> including recent DVLT accounts and council minutes.

Since being handed the stadium complex by the DMBC in December of last year, the executive board of the LLP, that is the SMC, have been lambasted by sports fans for excessive secrecy, high prices, poor service, broken promises, in-fighting over club use of facilities, ticketing gaffes (including, double selling and misreporting of attendances), heavy stewarding, and heavy handed treatment of club officials.

Limited Liability Partnerships are a new form of legal entity created by the Limited Liability Partnerships Act 2000. Put simply the partners agree in a confidential document their relative shares in contributions to assets in a winding up, and their participation in any profits. The disclosure requirements are less onerous than the more familiar limited company model. LLP’s are registered at Companies House, and are taxed in the same way as regular partnerships.

The DMBC and the DVLT are designated partners in the Lakeside Sports Complex LLP.

www.stadiumwatch.co.uk

[An independent user group monitoring the Lakeside Stadium Complex Doncaster]