

11th August 2023

Councillor John Cotton
Leader of Birmingham City Council
Council House
Victoria Square
Birmingham
B1 1BB

Dear Councillor John Cotton

Guardian 21 November 2018 – ‘Berkeley Group bosses were accused of engaging in years of bribery’

Your promise to be transparent is very welcome. I was interested to read in the Birmingham Mail 2 August 2023 that the extent of the financial crisis facing Birmingham was a shock to you and to other members of the Cabinet.

This made me wonder if you and the Cabinet are aware of the out-of-court settlement of £9.5 million made by Berkeley Group to ex-finance director reported in several tabloids November 2018? The Guardian 21 November 2018 stated:

Berkeley Group bosses were accused of engaging in years of bribery Ex-finance director's allegations withdrawn after £9.5m out-of-court settlement

According to Finance Uncovered 22 November 2018 bosses of Berkeley Group:

.....were accused by their own former finance director of repeatedly bribing a partner at a major estate agent, of corporate tax evasion and of unlawfully disclosing price sensitive information..... reached a £9.5m out of court settlement, a deal mentioned briefly in the company's latest annual report. It says the allegations were withdrawn as part of the deal. As the cases were settled, none of the allegations were ever tested and they remain unproven

There is a wealth of information on this case. I have used two sources in this letter (please see links below). From the information provided by these sources it would appear that Berkeley Homes were involved in a £9.5 million out of court settlement with an ex-employee. I know residents of Central Ladywood are concerned by these articles. Perhaps you could shed some light on your thinking and the thinking of the Cabinet:

- As Leader of the Birmingham City Council were you aware of these allegations as outlined in various tabloids November 2018 and from an ethical perspective how do you feel about being in partnership with a developer who has paid out a £9.5m out-of-court settlement to a former employee?
- I note that in the Cabinet meeting on 27 June 2023 there was no mention of Berkeley Group being involved in such a high stakes litigation? Why was this the case? What are the views of the Cabinet and of the councillors? Could this be discussed in the next Cabinet meeting 5 September?
- What due diligent procedures were put in place when deciding on the preferred bidder? Is this a public document that can be shared and if not why not? Please forward me a copy
- What risk assessments are in place to mitigate any potential issues in the future in relation to the preferred bidder?

These are serious concerns that the public needs answers to.

On another note please note, as far as I am aware, that no one involved in Ladywood Unite of which there over 260 member has received any responses from queries emailed to ladywoodregeneration@birmingham.gov.uk For instance, I emailed a query to this email address over five weeks ago and still awaiting a response.

I look forward to hearing from you at your earliest convenience.

Yours sincerely

George Smith

Sources used in this letter:

<https://www.theguardian.com/business/2018/nov/21/berkeley-group-bosses-were-accused-of-engaging-in-years-of-bribery-allegations-withdrawn-court-settlement>

<https://www.financeuncovered.org/stories/berkeley-group-bribery-allegations-court-papers>