

NHDC 's relationship with HTH Ltd was fraught from the start and not "partnership working". I made this Confidential Note on 10-Oct-13 which is computer date stamped.

"Extremely concerned, in spite of signing the DA, that Mr Robinson will continue to be unreasonable and will use his ability to quote process and tick boxing (i.e. hiding behind his interpretation or rules to the detriment of the overall Project) in order to cause such serious problems that it will force HTH to declare that the contract is breached and that ACF will not support the final "fit for purpose" Town Hall.

From past experience this is of real concern and history demonstrates his ability to report inaccuracies and untruths to Elected members. Some examples are given below:

- No Heads of Terms permitted
- Operating contract rather than 125yr lease
- State Aid
- TUPE
- Guarantee from NHDC to ACF (should NHDC walk away and money lent)
- Specification of deliverables (50 documents!)
- Last Full Council meeting - a sham and not required (final attempt to kill the Project)
- 11 month delay to bring in 15 Brand Street
- Directing NHDC legal process
- Arrogance and intransigence when dealing with HTH
- Use of HTH copyright material without permission

Going forward there are issues with which HTH have had to accept will form part of the Building Contract although this has never been provided.

- Hoarding & Stage extension
- Adjustable sprung floor
- Café covers - 40 required
- Balcony (already being designed for fit-out!)
- Ability to black out high windows remotely

HTH are obliged to advise ACF of the dates of future Project Board and Design meetings, none have been set or at least advised to HTH."

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I wish to make it absolutely clear that ACF/SIB funding was NOT withdrawn as stated by NHDC representatives, it was the choice of HTH to request termination to exit the loan following Material Breaches by NHDC, the concrete wall being but one breach. In fact there was provision for such an event in the DA with a 'Put Option' of £440,000 but NHDC refused to exercise it. HTH had many meetings with ACF/SIB concerning the numerous breaches by NHDC and advised HTH did not wish to continue as the original Business Plan & Financial Model had been compromised by NHDC's actions. (See formal breach notice). Indeed ACF/SIB gave permission for formal notice of Material Breaches to be issued to NHDC, which had been confirmed by two independent lawyers; this in itself triggered breaches in the Financial Agreement. It should have not been a surprise to NHDC that ACF/SIB contacted them in August 2014. From February to July there were numerous exchanges between HTH and NHDC concerning the events; Yes, of course there were multiple breaches, such a major event triggers pretty much all loan conditions, ask any banker.

What has not been made clear is that separately NHDC caused breaches of the HTH Loan agreement by "not giving two weeks' notice of 1. Updates of the tender process, 2. Monthly Project Board meetings, 3. Design and other tender/contract meetings with architects and other experts, to enable a representative of ACF to attend." NHDC had been advised of the Loan Agreement so were fully versed on the detail but chose to keep all tender negotiations to themselves and refused to involve HTH in any way. It was only after many exchanges that NHDC gave a copy of the tender documents to ACF/SIB but still refused to let HTH have a copy.

This was NOT partnership working but one individual, Mr Robinson controlling everything. Unfortunately the then Leader Mrs Needham did not understand the details which made matters worse, at one point she thought NHDC were guaranteeing the loans to HTH, whereas it was a clause inserted by ACF/SIB should NHDC withdraw from the Project, not unreasonable. In Mrs Needham's evidence she was not aware that NHDC had built on land it did not own. Finally as well as the Project Board, all decisions had to be agreed by an Executive Committee which included Mrs Needham, so there was close involvement. In future I would strongly suggest that elected members receive independent advice on such projects so that they are not influenced by officers who may have their own agenda.