

Council

15 October 2026

Medway Commercial Group - Investigation

Portfolio Holder: Vince Maple, Leader of the Council

Report from: Bhupinder Gill, Monitoring Officer

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Summary

In 2015 the Council established Medway Commercial Group (MCG), a Local Authority Trading Company (LATCO), the purpose of which was to deliver services on behalf of the Council with a view to making a profit. The Council was the 100% shareholder, and a number of Council officers and Councillors were appointed to formal roles in the company.

In October 2018 a whistleblower raised concerns with the Council's Monitoring Officer that some senior staff and board members within MCG were invoicing the company for works carried out on projects linked to companies owned by individuals appointed by the Council and as a result were receiving a personal benefit.

In March 2019, following an initial investigation by the Council's Head of Internal Audit & Counter Fraud, the matter was referred to the police for investigation.

In August 2026 Kent Police informed the Council that they were closing their investigation of the matter.

1. Recommendation

- 1.1. The Council instructs the Chief Executive to make a formal complaint about the efficacy of the investigation to the Independent Office for Police Conduct (Appendix 7).

2. Budget and policy framework

- 2.1. Individuals holding public office, both councillors and officers are required conduct their duties in good faith to the highest standards as encompassed by the Nolan principles and their respective codes of conduct. They are required to be transparent when conflicts of interest may arise and not use their positions to secure a personal advantage.

- 2.2. Following the receipt of a whistleblowing allegation, initial investigations conducted by the Head of Internal Audit and Counter Fraud uncovered prima facie evidence of potential criminal activity.

3. Background

- 3.1 In November 2015, the Cabinet agreed to create a new Local Authority Parent Trading Company (LATCo), Medway Commercial Group (MCG) Limited as an alternative delivery model for the Medway Control Centre Service. Minutes of the meeting on 24 November 2015 and decision number 155/2015 refer.
- 3.2 Medway Commercial Group was incorporated in December 2015. The purpose of the company was to deliver services on behalf of the Council, with a view to making a profit, which the Council could not do. Medway Council was the 100% shareholder and any profits from the company would be transferred to the Council.
- 3.3 The Council appointed the company's CEO and non-executive directors to the company board to protect the Council's interests. Those appointments and any relevant changes are listed in the Chronology detailed in **Appendix 1**.
- 3.4 In October 2018 a company contractor made contact with the then Council's Chief Legal Officer (Monitoring Officer) under the Council's whistleblowing procedures to report concerns that some officers within the company and members of the board were potentially using the company for personal benefit and also mismanaging the funds of the company through fraudulent activity. The concerns related to:
 - (i) Senior staff and board members within the company, namely the CEO Ian Price, Vikram Sahdev and the Chairman Andrew Mackness (a member of the Medway Council Cabinet).
 - (ii) MCG being invoiced by companies connected to Ian Price and Vikram Sahdev
 - (iii) Works being carried out on projects linked to a company owned by Andrew Mackness, that had not been recharged, thus providing a personal benefit.
- 3.5 The Council's Head of Internal Audit and Counter Fraud undertook preliminary enquiries in order to establish whether there was substance to the allegations. In or around November 2018, the Council's then Chief Executive and Council Leader, were advised of the outcome of those preliminary enquiries and recommended to authorise referral of the matter to the police. This declined until the internal investigation was completed.
- 3.6 In December 2018 Councillor Mackness announced that he would not be standing for re-election in the 2019 Local Elections but remained a member of the Cabinet until May 2019.

- 3.7 A report detailing the findings of the internal investigation was produced in February 2019, a copy of which can be found at **Appendix 2**. Referral to the police was authorised in March 2019.

4. Police Investigation

- 4.1 The Council has supported the police investigation by providing documentation as and when it was requested, however the scope and pace of the investigation was a matter for the police to determine. A timeline for the Police investigation can be found at **Appendix 3**.
- 4.2 Since the referral, Council officers were periodically informed that police officers investigating the matter had changed, notably in 2020, 2021, 2022, 2024, 2025.
- 4.3 Throughout the period of the investigation the police verbally advised officers that the investigation was progressing and that advice from the Crown Prosecution Service was being obtained.
- 4.4 In December 2024, Council Officers were provided with a list of around 70 pieces of information/documents that were required in order to address evidential gaps and disclosure requirements, which increased to more than 120 by late January 2025.
- 4.5 Significant work was undertaken to respond to these enquiries, including efforts to identify documentation and emails from the company's records and this addressed all but 17 of the enquiries.
- 4.6 Council officers had regularly raised concerns in relation to the passage of time and the associated potential prejudice to a fair trial. The police work was paused in July 2025 when a new team of police officers took over the investigation.
- 4.7 Prior to the penultimate meeting with the police, they emailed Council officers setting out documentation they required following a comprehensive review by the new investigating team. The email is reproduced at **Appendix 4**.
- 4.8 The list of documentation and the nature of the documents requested, shocked officers, as it reads as an initiation document for an investigation and not one which had commenced seven years earlier. Due to the passage of time, many documents were no longer available and matters which were reliant on the memory of specific officers, some of whom no longer worked for the Council, meant that it was not possible to provide all the information requested.
- 4.9 The police subsequently concluded that the investigation would not proceed further due to the non-availability of relevant material, the age of the matters under investigation and the realistic prospect of achieving a successful criminal justice outcome.

- 4.10 However, senior officers are of the opinion that had this information been requested at a much earlier stage, it is likely that the Council would have been able to respond more positively, which in turn may have led to a more effective investigation. A copy of the notification can be found at **Appendix 5**.

5. Police and Crime Commissioner

- 5.1 A complaint about the police can be submitted to the police force about whom it is or the Police and Crime Commissioner.
- 5.2 The Kent Police and Crime commissioner is Mr Matthew Scott, who according to the Office's website was first elected to the post in 2016 and re-elected in 2021 and 2024. In 2016 his election agent was Andrew Mackness.
- 5.3 Due to potential conflicts of interest it is advised that in submitting a complaint, the Council request that the IOPC request another police force to investigate and not refer the matter to Kent Police nor the Kent Police and Crime Commissioner. Copy of the draft letter of complaint is attached as **Appendix 7**.

6. Changes to Company Governance

- 6.1 Since 2023 there have been a number of changes to strengthen the governance arrangements for Medway Council LATCos. A full list of those changes can be found at **Appendix 6**.

7. Risk management

- 7.1 Key risks are set out below.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Delay in referral	Delayed complaint to IPOC	There is no limitation period in making a complaint to the IOPC	C4
Secondary claims	Named individuals may seek legal redress	The report benefits from qualified privilege	C4
Members make comments of named individuals	Personal liability of elected members	Members only discuss complaint to IOPC	C4

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	1 Critical 2 Major 3 Moderate 4 Minor

8. Consultation

8.1 No consultation required.

9. Climate change implications

9.1. There are no climate change implications to this report.

10. Local Government Reorganisation (LGR) implications

10.1 There are no LGR implications linked to this report.

11. Legal & Financial implications

11.1 The Council has fiduciary and legal duty to make sure that public funds are spent appropriately and legitimately in discharging its functions. Where potentially criminal activity is discovered, those matters are properly referred to the police promptly.

11.2 When considering this report and making comment, Members need to be careful. This report's focus is the efficacy of the investigation conducted by the police and not any potential misconduct by named individuals. Whilst the investigation by internal audit revealed areas of concern, no criminal charges have been brought, no convictions have resulted and the law mandates that all persons are assumed innocent until proven guilty.

11.3 From time to time the Council will receive and consider reports that may not be neutral about individuals. In limited circumstances a defence of qualified privilege may be available. The publication of this report is likely to be protected from a defamation claim by the defence of qualified privilege. Qualified privilege is a defence to a defamation claim where potentially defamatory statements are made in the context of a privileged relationship.

11.4 The information published in the Report is in the mutual interest of the authors and the full Council, and is published in the context of an existing relationship between the two. There is no malice behind the statements and as such the disclosure is privileged. The Report constitutes a justified interference with the Article 8 ECHR rights of the individuals named above.

11.5 The making of a complaint to the IOPC would also likely be a protected disclosure.

11.6 In instructing the Chief Executive to make a formal complaint to the IOPC, there is a risk that Members defame any persons identified. Members should ensure they only communicate known and undisputed facts and are aware that no criminal charges have been brought and no convictions have resulted. The focus of this report is the efficacy of the police investigation. Subjective evaluations as to the events or speculation must be avoided. Caution must be exercised when members make comments (in person or social media) or exchange emails.

Lead officer contact

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Appendices

Appendix 1 - Chronology

Appendix 2 - HIACF Investigation Report

Appendix 3 - Police Investigation Timeline

Appendix 4 - Email to the Council 1 June 2026

Appendix 5 - Closure of Investigation Notification

Appendix 6 - Changes to LATCo Governance

Appendix 7 - Letter of complaint

Background papers

None