



Liverpool  
City Council

Mayor Joanne Anderson  
Cunard Building  
Liverpool  
L3 1AH

**Tony Reeves**  
Chief Executive

26 August 2021

Dear Mayor Joanne

### **ACC Liverpool Group**

I am writing to you on behalf of the City Council Statutory Officers Group to set out the City Council position following your discussions with me querying whether the City Council can take action to prevent the AOC Europe event going ahead at ACCL.

You have made your own strength of feeling, and that of those people who have contacted you, very clear in our discussions and, as agreed, I am now responding to set out the limitations upon the City Council in these circumstances. My colleagues and myself fully acknowledge the genuine concerns which people hold on this subject and that they are acting in all good faith, but it is our role to set this in the context of duties and powers of both ACCL and Liverpool City Council.

ACCL is a separate legal entity from Liverpool City Council and the Council cannot control the actions of the Company. The directors of ACCL owe their primary duty to the Company pursuant to Companies Law and, in furtherance of that duty, they are requested to act in the best interest of the Company at all times. Acting in the best interest of the company will include minimising risk to the Company of legal actions and potential financial loss.

There have been calls from a number of quarters for ACCL to cancel this event. The ACCL Group has a contractual obligation in relation to the event and advises that it has no legitimate grounds upon which it could lawfully terminate that contract. If ACCL were to terminate the contract there would be a considerable litigation risk to ACCL with a potential requirement for them to pay substantial sums of money by way of compensation. There would also be a reputational and commercial risk if ACCL were to be seen as an organisation that breaches contractual obligations for no valid reason and months after accepting an event booking.

I understand that you have been challenged to the effect that Mayor Joe Anderson caused previous events to be cancelled. That is not the case. There is no power vested in the Elected Mayor which enables that elected official to direct events at ACCL. It should be noted that there is a history of this, or similar events, taking place in Liverpool in recent years. In 2014 the International Business Festival included the Undersea Defence Technology Event hosted by Clarion Defence and Security. That

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Cunard Building, Water Street, Liverpool, L3 1AH



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event was well received with no objections and, with full knowledge of the City Council, ACCL and Clarion entered into discussions to host another of Clarions events, Electronic Warfare Europe (since renamed AOC Europe). The event was contracted in May 2019 and was due to take place in June 2020 but was postponed due to the Covid19 pandemic. It is now due to take place on 12-13 October 2021. That evidences a contractual relationship of over two years standing, upon which Clarion would say they are entitled to rely.

As Statutory Officers we also need to be clear that we cannot allow the City Council to be put at risk. The Council cannot, in contravention of Companies law, attempt to unduly influence a separate legal entity nor should it encourage a separate legal entity to act unlawfully itself. For the City Council to promote the suggestion that ACCL act unlawfully in breaching contractual obligations is not a position which Statutory Officers could countenance and, indeed, they would be failing in their own statutory duties, with potential personal consequences, if they allowed that to happen. You will be aware that the Councils relationship with, and governance arrangements for, its wholly owned companies is of sufficient significance to constitute a specific strand of the City Council Improvement Plan in response to the directions of the Secretary of State.

I re-iterate our full appreciation of the views which are being expressed but there is no way within which ACCL and / or LCC could seek to cancel this event without risk of litigation and consequent financial loss. There is of course work ongoing towards the adoption of an Ethical Charter so that LCC and ACCL can work together in promoting ACCL and the City as a place to hold events in a way which meets the vision and principles of the City Council.

Yours sincerely

A handwritten signature in black ink that reads "Tony Reeves". The signature is written in a cursive, slightly slanted style.

Tony Reeves  
**Chief Executive**