

Eyes wide



■ The scandal of the Presidents Club has shone a spotlight on the way businessmen, particularly those from the world of property, treat women. **David Parsley** talks to some of those who were there and asks what the ramifications for the industry are

What a mess. “The boys tucked into the girls,’ confesses my man on the inside, before adding swiftly: ‘after I’d left.’ Naturally.”

No, this is not an extract from a newspaper report from the past week or so. Nor are they the words of a person speaking to this publication.

This is the final paragraph of a final item of a tucked-away diary column in the *Independent* way back in 2010.

Yes, the *Independent*. The liberal media outlet, or newspaper as it was. Why point this out? The *Financial Times* was not the first publication to make allegations of sordid goings on at the now notorious, and defunct, Presidents Club bash. But in 2010, it was not considered newsworthy enough to merit more than the final item in a diary column that contained five other stories including one about Sir Stuart Rose driving a hydrogen-powered BMW, and another on former HBOS chief Andy Hornby considering hiring an executive coach to

help sharpen his Harvard-educated mind. These two earth-shattering items got higher billing than “the bevy of hostesses dressed in short black or red dresses, who entered the ballroom after dinner, to the fanfare of Shania Twain’s ‘Man! I Feel Like a Woman’”.

The outpourings of righteous indignation and moral repugnance generated by the *FT* undercover investigation show just how much times have changed, particularly in the months since the Harvey Weinstein scandal broke.

Now, such behaviour - such events - appear utterly anachronistic and unacceptable. The question is: why on earth didn’t the people involved realise that? *Property Week* interviewed some of those who attended the dinner as well as sources close to them to get their side of the story. We also asked senior industry figures - male and female - what they think the ramifications are for the industry and whether they believe the scandal will prompt real change.



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« When *Property Week* shone the spotlight on property's 'Weinstein issue' (p27, 20.10.17) and 'The Ugly Truth' (p28, 03.11.17), little did we think that just a few months later, the issue would be writ large once again, this time for the whole world to see.

There were no shades of grey in the *FT*'s coverage, which presented the dinner as only a couple of steps removed from a bacchanalian orgy and the men who attended as at best complicit in the lewd behaviour, at worst involved and shamelessly revelling in it.

What made the revelations all the more shocking was the realisation that so many men at the fundraising bash were from or connected to the property industry, which was swiftly painted as the last bastion of sexual impropriety and worse.

According to the *FT*, 10 of the 21 tables at the dinner, or "gropers' gala" as one property source labelled it, were sponsored by property groups. Of the 338 guests 39 were reported to be from the property industry, and another 151 of those attending were guests of the industry.

Of the three trustees of the event listed on the Charity Commission website, two are big names from the property world - Residential Land's Bruce Ritchie and James Andrew International's Harvey Soning. The third is David Meller, who resigned from his position on the Department for Education's board in the wake of media reports on the event. Their names, with many others in the industry, were listed among those attending the men-only event, at which some of the all-female staff, dressed in skimpy black dresses and sexy black shoes, were allegedly groped. Then there are the reports of women in red, assumed by many to be prostitutes, who arrived at The Dorchester after the main event had ended.

'Caught in a time warp'

Those we spoke to who were at the event or close to those who were claim that the allegations have been grossly exaggerated and that the event was nowhere near as debauched as has been painted.

A source close to Ritchie, who has been a trustee of the charity for 13 months, says: "We're in a post-Weinstein era and the old fogeys that have run this establishment for 33 years are out of touch with that world. We're all caught in a bit of a time warp where you're so focused on trying to raise money for good causes that you lose focus on the way that it's being done."

He maintains that to date, the organisers have had no communication from any authority of any formal complaints from staff. "If there are complaints, we will take them very seriously," he says. "We don't condone bad behaviour from any man towards any woman."

The organisation will help and support anyone wishing to make a complaint, he continues. "From our perspective, we need to do what we can do, if it arises, to support anyone that wants to complain. But so far it hasn't arisen. If it does, we can probably identify which table and which guest is the culprit."

The source concedes that the Presidents Club had no choice but to close its doors. "The model is dead," he admits. "It's been going for 33 years but it's clearly been destroyed by all this, so we had no choice but to close it."

Despite the opprobrium that has been heaped on all who were there, some guests continue to play down what happened.

"Everyone was sitting down talking to the people next to them, enjoying the meal and the entertainment. As far as I could see, when people left the table I was on, they returned very quickly," says Gary Hershman, founder of Beauchamp Estates. "There were two reported cases of impropriety. One cannot condone such behaviour. However, neither case was verified, nor am I aware that the police were called, which speaks for itself.

"Even if these incidents occurred, and bearing in mind there were 338 men there, that means 0.5% of them behaved inappropriately, and the rest acted normally. What is a great shame is that some of the charities have refused to accept donations from the £2.5m raised on the evening. If even only one child's life was saved because of a donation from the Presidents Club, what moral right does that charity have to reject these funds?"

The 'few bad apples' comment was also forthcoming from many other men who spoke to us on the condition of anonymity. These men remain unapologetic and in some instances in denial.

One attendee says: "It's a very enjoyable event. It's attended by refined elegant people. It may be a little bit vulgar, and some of the auction lots were a little cheeky, but this fuss is bloody stupid. It raised at least £2.5m for charities. It's raised tens of millions for charities over the years. Who else can raise that sort of money in one evening?"

Others have been quick to try and distance themselves from the event, however. Some attendees claim that they did not realise the true nature of the event and say they felt uncomfortable so left early. These included

children and families minister Nadhim Zahawi.

There is, of course, the argument that the mere fact it was a men-only event should have been reason enough not to attend. Stephen Conway, the executive chairman and co-founder of Galliard, was named as an attendee in many newspapers, but knew this was an event to steer clear of as soon as he received his invitation.

"The listing of his attendance is an administrative error by the organisers and he was not at the event," confirms a spokesman for Galliard. "Mr Conway is invited to virtually everything in the property sector. As a rule he does not attend these events and this type of event is certainly not his thing."

The spokesman adds: "He declined the event months and months ago and no one from Galliard attended in his place."

Mark Quinn, chairman and chief executive of Quinn Estates, did attend the dinner. He wishes he had not, says a spokesman.

"This is the first and clearly last time we will associate ourselves with the event or any other iteration in the future and welcome the decision of the organisers to call time," he says, adding he "unreservedly condemns the kind of behaviour that has been described in the media over recent days".

Another senior property player admits he had heard of the club but says he had never been, adding "everything I had heard about it had a distasteful and chauvinistic twist to it".

Describing the dinner as a "gropers' gala", another man who did not attend the event says: "It's dreadful what has been reported. I have never gone thank goodness."

The backlash

Some of the strongest opposition to the event comes from one of the industry's most senior figures, who also spoke on the condition of anonymity. Commenting on both the guests and the organisers of the event, he says: "They're f***ing hypocrites. I was invited to one in the last 10 years, and I swore I would never go back."

"You go into the room at The Dorchester and put on a black tie. At some time in the evening, the hostesses come in. It's filthy and disgusting. Later in the evening, it's well known what goes on when the ladies in red dresses arrive."

To those who claim not to know acts of sexual harassment against women take place during the evening, he says: "Don't pretend you don't know what's going on. You're lying. I'm afraid it's reflective of the industry. It's a misogynists' carnival. There's a reason there are so few women in senior jobs."

"It is a charitable event and they raise good money. But, it has been a sexists' den for 20 years. It's just like Vegas on speed for an evening. They think the behaviour is acceptable.

They don't live in the real world. They don't live in the modern world."

While many in the industry have been working hard for years to change its culture, depressingly, he believes they have had little success. "It's just as bad as it ever was," he says bluntly.

Becky Fatemi, managing director of Rokstone agrees. "The sector remains dominated by men, especially at director level," she says. "Ninety-five per cent of the property industry at senior level is a male-dominated club. Senior women like myself are extremely few and far between."

"The industry is divided between a younger generation who behave correctly, support development of women and do not tolerate sexism, homophobia and racism, and sadly an older generation where some hold views and tolerate behaviour which is totally inappropriate in the modern business world and society. These male-only dinners and events and the lads'-night-out drinking and partying that goes on around the edges of Mipim, the annual property event in Cannes, really do the sector and profession no favours in the eyes of the general public."

However, she goes on to suggest there is reason to feel more optimistic about the future.

"What's good about the events in Hollywood and the fallout from them is that people will be pushed to change and stop the unacceptable behaviour in the workplace and business sectors towards women, ethnic minorities and the LGBT community."

"All of this now means a good future for the forthcoming generations of women and people from minority backgrounds entering what have historically been sectors dominated by powerful middle-aged males."

Melanie Leech, chief executive of the British Property Federation, says: "It is disappointing that so many people from the property industry were at the Presidents Club dinner."

She adds that it is clear the industry has a lot of work to do to promote a culture of greater equality and inclusion.

"That's why the BPF launched its Statement of Principles for a diverse and inclusive real estate industry in May 2017," she says, adding that over the next few weeks the BPF, with its members, will be "challenging ourselves on what more we could be doing to drive change across the industry as a whole, building on the good practice that already exists within many of our member companies". "I am sure other organisations will be doing the same and that a number of interesting ideas will come forward as a result," she adds.

Brenda Jones, the national chair of the Women in Property (WiP) group, also attempts to strike a positive note. "We utterly condemn the behaviour exhibited by some at the Presidents Club but it >>

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Brenda Jones, national chair of WiP:

"We utterly condemn the behaviour exhibited by some at the Presidents Club but it is really important that the industry focuses on the positive progress that is being made, because that should be the bigger story."

"There is a range of unacceptable behaviours and the Presidents Club was one extreme. The event highlights the need for companies to create a work culture where everyone is respected and ensure that people have the confidence to speak up, if that is not the case. Once again the spotlight is on the issues of sexual harassment, disrespect and abuse of power, which the vast majority of men working in our industry would in no way tolerate. In our experience, they are understanding the need for change and are going about instilling this in their own organisations."

"Women in Property has been supporting women working in property and construction for over 30 years, as well as advising businesses, helping them create a culture that is respectful, honest and balanced. Culture change is not a swift process but, over the last few years, we have noticed a genuine will to make a difference."

"Business leaders are recognising unconscious bias; they are aware of the 'mid-career' issues that affect so many women, addressing career development and agile working, all of which when implemented correctly encourage a positive, productive work environment for all, irrespective of gender, sexuality or ethnicity."

"However, we also know that misogynist and homophobic attitudes exist and that support is still needed. Women in Property has an acclaimed Mentoring programme, which offers members one-to-one career guidance and gives women a confidential outlet to discuss issues such as this."

"Businesses must make sure they have measures in place, a safe place to report, where their staff will be taken seriously. Many larger organisations already have a similar process in place for whistleblowing, so perhaps they should extend this to sexual harassment."

"Time has been called on the disrespectful treatment of women and it is now widely accepted that this is no longer an acceptable part of business life."



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Nicola Barclay, who is a member of WiP and chief executive of Homes for Scotland, is equally hopeful that something good will come out of the scandal: "Could this be a 'watershed moment' for the industry? The strength of feeling in the aftermath of the Presidents Club has added weight to the discussion on sexual harassment, abuse of power and, critically, the way in which the industry must now actively engender balance and diversity. Both men and women who have spoken to me since last week's revelations lead me to believe that the time is up on this outmoded behaviour. I therefore endorse WiP's stance - this negative can, and will, become a positive."

The hope is that the incident will prompt the introduction of stronger policies to prevent such unsavoury behaviour, whether at organised events or in the workplace. In the meantime, the industry continues to count the cost and not just

in terms of the damage done to the reputations of those associated with the event.

As a result of the allegations, many charities such as Great Ormond Street, the Evelina children's hospital and the Royal Academy of Music are refusing to accept any money raised at the dinner. *Property Week* has also learned that there may not be any cash to give them in any case. The source close to Ritchie reveals that many of those who won auction lots have withdrawn their bids in an effort to distance themselves from the organisation.

The source says: "If there's one child in this country that doesn't get the treatment or the operation they need because of this, then that's a disgrace."

The impact has also been felt by the businesses of those at the dinner. As *Property Week* revealed last weekend, Canadian investment giant Ivanhoé Cambridge, which entered into a £650m joint venture deal with Residential Land in February 2015, told this publication it has halted further investments with Ritchie's Residential Land following the reports of sexual harassment and inappropriate behaviour at the Presidents Club dinner.

The spotlight will now inevitably be focused on what occurs on the fringes of Mipim, memorably described by *Private Eye* as a "booze and hooker fest". Last week, the organisation behind Mipim

vowed to make delegates more aware of the event's policies on inappropriate behaviour.

"The safety and security of our clients is Mipim's top priority," says Mipim director Ronan Vaspart. "Mipim has a Code of Conduct applicable to everyone attending the event. We will increase communications to all Mipim delegates on the Code of Conduct. If we are informed of inappropriate behaviour, we will take action."

What now?

As for the Presidents Club, the attorney general for England and Wales Jeremy Wright has said that women who were sexually harassed should not be afraid to ignore the non-disclosure agreements they were asked to sign before being offered a glass of wine and sent out to serve the men at their tables. Wright believes possible criminal offences were committed, although little if nothing of what has been written and broadcast has been substantiated by allegations against any individuals. There is little doubt that some, maybe many, attendees at the Presidents Club knew about the bad behaviour associated with the event.

And such behaviour is simply not acceptable in this day and age - if it ever was. In six weeks, the industry will again gather in Cannes for the annual Mipim jamboree. Be in no doubt the eyes of the media world will be watching. ■