

PRESS RELEASE

7 July 2015 for immediate use

The Charity Commission is satisfied that the HCCT trustees, in entering into the Stevenage Road Option Agreement, were motivated by trying to secure the best interests of the charity and has closed the case over the Top Field redevelopment.

A point was raised about how the proposed new site had been valued but it was explained to the Charity Commission that a 'red book valuation' was not possible for the proposed new site as the current value (subject to a lease to Celeriter Ltd) was very low and it was not in the best interest of The Trust to sell subject to that lease.

The extraordinary offer made by New Road (Clifton) Ltd for an Option to purchase the land by way of land swap and balancing payment at no financial risk to The Trust was discussed at length by all the Trustees and it was unanimously agreed that the offer should be progressed.

The Trustees checked the relevant requirements of the Charities Act 2011 and appointed an independent firm of Chartered Surveyors to prepare a valuation but it was clear that a 'red book valuation' was not possible as the Option Agreement was subject to planning consent on both sites. The Chartered Surveyors would have been happy to advise further and provide a 'red book valuation' once terms of the proposed transaction had been finalised.

The Stevenage Road site would be built and ready for occupation before any land swap could happen. This would be done at cost and any positive difference in profit from Top Field over cost of Stevenage Road be shared. Additionally the new facility at Stevenage Road included a brand new ground suitable for HTFC (and at a standard more than acceptable to the FA) as well as other facilities for the Town.

This was all at the risk of the developer and so the Trust, after taking full legal advice, was of the view that the Option Agreement was hugely beneficial to the town of Hitchin and the objects of the Trust.

It became clear that the citizens of the town did not want the new facilities and so the proposal never reached the planning process.

A lease at Top Field has been renewed for a further 25 years.

Ends

Reference: Letter to Mr Izzard from the Charity Commission

Dear Mr Izzard

Thank you for all the information you have provided in respect of the charity and the proposals relating to the Top Field.

I have now had an opportunity to fully consider all of the information we have received on this case and, whilst I do have some comments regarding the trustees' decision making process I am satisfied that there is no further regulatory interest for the Charity Commission and our case will be closed.

The main reason for my decision not to take any further action is that the proposed land swap transaction is no longer going ahead. I understand that planning consent was not provided within the time scale required and that the deadline specified in the option agreement has expired.

Whilst I am satisfied that the trustees, in entering into the option agreement, were motivated by trying to secure the best interests of the charity, the fact that a full survey was not carried out means that the trustees breached the requirements of the Charities Act 2011. I have provided the trustees with guidance regarding the requirements of the Act and about robust decision making.

However, I am not satisfied that these issues you have outlined in your various, detailed emails, amount to mismanagement or warrant any further regulatory action. As I have said, I am satisfied that the trustees have acted in good faith and have been motivated by trying to secure the best future for the charity.

It is important to remember that the purposes of the charity are to provide recreational facilities for the benefit of the public in Hitchin. The Football Club itself is not charitable and does not further the charity's purpose. Therefore, any lease to the Club must be on a commercial basis and the relationship between the Club and the charity is that of landlord and tenant. It is for the charity, as the land owner to determine what is in the best interests of the charity regarding the use of the land. I appreciate that the trustees have been forced to enter into a new lease to the Club and I am satisfied that the actions the trustees have taken to explore possible alternative uses for the land were in furtherance of their duties as trustees to act in the best interests of the charity.

I hope I have explained clearly why the Commission will not be taking any further action in this case.

Yours Sincerely

Senior Case Officer

Charity Commission

Notes for editor:

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