

By email

7 July 2022

Councillor Jonathan Nunn
Leader, West Northamptonshire Council
One Angel Square
Angel Street
Northampton
NN1 1ED

Dear Councillor Nunn,

The Trust's board has received a full report from its representatives of the discussions which took place on 27 June 2022 with the Council's Leader and officers via Zoom at which the Trust explained its reasons for expressing interest in acquiring the ACV land concerned, its proposed joint venture including the introduction of our partner and what it plans to do with the land in the medium term and the use to which its share of profits earned will be deployed.

The Trust thanks the Council's representatives for their time and attendance. The Trust regrets that our representatives were unable to deliver a report of the meeting that gave grounds for any encouragement or optimism that the Council will support any offer which it may make for the land and the proposal behind it. Despite the barriers and obstacles standing in its way the Trust intends to pursue its plans vigorously and transparently.

As a matter of record the Trust board wishes to make various comments on the situation facing it as it seeks to find a way forward which it firmly believes will be for the benefit of the football club, its supporters, visitors to Sixfields Stadium and the residents of Northampton.

The underlying reason for the Trust invoking its rights under the Localism Act 2011 is to seek to safeguard for the club the original footprint of NTFC's original leasehold land. The 3.61 acres of land has been sitting idle for many years, including the period since 2015 being the tenure of NTFC's current owners. The Trust in partnership with Goodwill Solutions CIC will deliver to the infrastructure fund it is establishing an estimated £250,000 per annum which in turn will be utilised in improving Sixfields Stadium and all its facilities, a stadium which is community owned but under resourced and in respect of which the Council is the ultimate owner.

The Council mentioned at the meeting that it would be necessary for the Trust to show that community benefit would derive from the land. The Trust submits that in addition to the community benefit that will arise from the facilities planned for the land and outlined to you at the meeting the long-term benefits for the publicly owned stadium are considerable. We are also able to advise you that Goodwill Solutions CIC has informed the Trust since the date of the meeting with the Council that all the profits it earns from the joint venture will go to its charitable arm, Goodwill Solutions CIO.

Quite rightly the Council reminded the meeting that with the long leases held by NTFC and CDNL over the land an accommodation would need to be reached with the club's owners. The Trust is mindful that if such an accommodation is to be achieved the context must be right for any meaningful discussions to take place and that would mean that the support and backing of the Council would be necessary.

We are lacking that support and it seems that for reasons that the Trust board finds unconvincing the Council is keen to support the proposals of the club's owners which will almost certainly result in the sale of the ACV land less the still unspecified area to be retained for a car-park. The club, as distinct from its owners, is unlikely to benefit from the sale of this land and implicitly this sale is being approved by the Council.

One of our representatives asked why was it necessary for the Council to sell the ACV land when there are another 17 acres of land available for sale, from the proceeds of which the East Stand could be completed with still plenty of surplus remaining from the sale. The responses were less than persuasive. No doubt, the club's owners see the Running Track Lease land and Main Site Lease land as one area of land because it is plainly in their interests to do so in order to maximise returns.

It was explained for the Council that there was concern that the CDNL offer of £2,050,000 accepted by the Council would be withdrawn if the ACV land was excluded from the sale. Against the CDNL offer, Cillardara bid £3 million and a higher amount of overage for the Main Site Lease land and submitted no offer for the ACV land.

The Leader of the Council reportedly commented that whilst there was no doubting Cillardara's financial ability there were other considerations. He explained that there remains a 2-year period until the break clause in the CDNL lease, which he referred to as "ill defined" (a clause drafted by NBC), could be invoked and that there was a likelihood of a long running legal battle ensuing. That may or may not be so but it would not involve the Council. It has been reported in the media that Cillardara's £3 million offer was unconditional with the full consideration to be paid on completion. The offer also provided for a full indemnity from Cillardara in favour of the Council. This would mean that that transaction would have been risk free for the Council. Therefore, the Trust board considers these comments are inaccurate.

It is not for the Trust board to comment on Cillardara's offer and the Trust's observations are not to be construed in any other way than in the context of its genuine concern to safeguard the ACV land from ceasing to be a club asset.

In response to the question put as to whether an offer for the ACV land could be on a per acre basis our representatives were perturbed to be told that this would not be acceptable in itself and that any offer would need to be "attractive" and to bear in mind that the sale of the freehold title to the Trust would or could mean the loss of CDNL's £2,050,000 offer and result in the Council being "stuck" with the Main Site Lease land. Our comments in the preceding paragraph apply. The implication of the Council's comments appears to be that in order to achieve its goal of protecting the club's original footprint of land the Trust must make an acceptable bid for all the land on offer. If that is so we would question the lawfulness of the Council adopting such a position.

We note that only last November the Leader of the Council was advocating acceptance of an agreement with CDNL to purchase all 21 acres for £890,000 which equates to £42,380 per acre. The completion of that agreement would have resulted in the ACV land being sold for £152,995 within that recommended figure of £890,000. Due to the intervention of the rival bidder CDNL's bid was subsequently raised to £2,050,000 which is £98,086 per acre and which would mean a figure of £354,090 for the ACV land.

We do not consider that we are being presented with a level playing field. The conclusion reached by the Trust board is that the Council has already decided that the ACV land will go to CDNL if and when the Council is able to sell that land to its preferred bidder. The Trust is obligated to be concerned with wider issues than the completion of the East Stand and, vitally important though its completion is to all supporters, recognises that a large number of supporters cannot and will not look beyond this particular matter.

On that subject, our letter of 7 April 2022 to the Council remains unanswered. Mentions of "handcuffs" for CDNL in the sale contract are meaningless in isolation and our concerns remain unaltered. We note that whilst the negotiations and legal work in relation to the sale to CDNL have come to a halt pending the outcome of Cillarda's legal action the Council is still proceeding with the ACV process. We have to query what will be the Council's position regarding the ACV land if the Cillarda claim goes the full distance and a decision is made in favour of the claimant.

There was talk from the Council's representatives at the meeting of the need for sporting excellence and with 3 professional clubs in the town – football, rugby and cricket plus the pre-eminence of Silverstone in motor sport the town has a unique and advantageous position. There was also talk about bidding for national sporting events to promote Northampton and put the town "on the map."

The Trust fully agrees but would point out that selling 21 acres of land between the football stadium and the rugby stadium for probable development as warehousing and logistics depots hardly endorses that sporting message.

Regards,

John

John Morgan
Legal adviser to NTFC Supporters Ltd

Cc

Anna Earnshaw, Stuart Timmiss, Simon Bowers, James Aldridge