

Press release: Charity Commission finds 'basic and serious mismanagement' in selling land at charity

The Charity Commission, the regulator of charities in England and Wales, has concluded that the trustees of the Spiritualist Association of Great Britain ([see 'Notes to editors'](#)) were responsible for serious mismanagement in the way they disposed of the charity's London property in 2010.

The regulator has today (30 March 2017) published a [report of its statutory inquiry](#) into concerns about the sale of the charity's property at Belgrave Square. The Commission received information that the property was sold on for £21 million by its new owners, shortly after the charity had disposed of it for £6 million in December 2010.

The Commission first became aware of this in 2013, over 4 years after some of the events took place. The Commission's report concludes that the trustees failed to fulfil their legal duties and responsibilities towards the charity, and that 'the failures and breaches were not minor or technical in nature' but 'amount to basic and serious mismanagement'.

The report criticises the failure by the trustees to obtain a report from a surveyor who was suitably qualified as required under charity law for a disposal of this type. It finds that the trustees failed to seek independent specialist advice about how to ensure the charity would benefit from a possible post-sale increase in the value of the property if a change in the use of the property and/or enfranchisement was secured, as happened here. The inquiry's view was that the charity should have known that a commercial company would only purchase the property if it had good reason to believe it would secure enfranchisement or successfully negotiate a change of use. The inquiry also concluded that the trustees failed to take proper account of concerns raised by the charity's solicitor before the sale was completed.

Although the trustees told the inquiry that there was a financial imperative to dispose of the property and there was only one prospective purchaser, the report concludes that the trustees failed to conduct proper due diligence into the buyer of the property, a shell company with no assets.

There were mitigating factors as to why further regulatory action in the case was not appropriate, including a retrospective valuation of the property subsequently obtained by the charity that could be argued as being supportive of the 2010 sale price. Also, the Commission did not find evidence that the trustees, or anyone associated with the charity, derived unauthorised private benefit from the sale or any indication of bad faith on the part of the buyer, and the main person who authorised the disposal is now deceased.

Harvey Grenville, Head of Investigations and Enforcement at the Charity Commission, said:

One of the purposes of publishing inquiry reports is to ensure other charities have the opportunity to learn the wider lessons.

This case highlights that disposing of charity land can involve complex arrangements, which charities need to be careful about and obtain proper professional advice on. But even for simpler deals, it's a reminder of why it is so crucial that all charities and trustees understand the basic duties set out in our guidance, '[The essential trustee](#)'.

These duties include trying to get the best deal for your charity and complying with the specific legal requirements that apply in charity law when selling or leasing charity land or property. The law in this area is designed to ensure that a charity's assets are protected and that when disposing of charity assets it is only in the best interests of the charity. We have developed more detailed [guidance on disposing of land](#), which we strongly recommend charities refer to and use.

The Commission's report sets out wider lessons for charities to learn from the case. The [full report](#) is available on GOV.UK.

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Notes to editors

1. The charity's full name is [The Spiritualist Association of Great Britain \(formerly The Marylebone Spiritualist Association\) Limited](#) (registered charity number 225455).
 2. [The Charity Commission](#) is the independent regulator of charities in England and Wales. To find out more about our work, see our [annual report](#).
 3. Search for charities on our [online register](#).
 4. Details of how the Commission reports on its regulatory work can be found on [GOV.UK](#).
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News story: Help to Buy used by over a million

The government has now supported more than one million people through its [Help to Buy](#) schemes, including 868,240 who have opened [Help to Buy: ISAs](#) offering government bonuses of up to £3000 for those buying their first home.

[Help to Buy statistics](#) released today (Thursday 30 March) show that:

- over 259,000 completions have taken place using one or more of the Help to Buy schemes, the majority of these are first-time buyers
- more than 215,000 (84% of total completions) first-time buyers are now on the housing ladder thanks to Help to Buy
- the average house price across the schemes is £192,854, which is below the national average of £220,000

Philip Hammond, Chancellor of the Exchequer said:

This government is committed to helping working people get on the housing ladder. Our Help to Buy schemes are proving hugely popular across the country. More than a million people are now using them to help achieve home ownership, particularly first time buyers.

Gavin Barwell, Housing and Planning Minister, said:

As our Housing White Paper sets out, we're committed to helping more people find a home of their own with the support of a range of low-cost home ownership products.

Our Help to Buy: Equity Loan scheme continues to make home ownership a reality for thousands of people, especially first time buyers right across the country.

Home Builders Federation Executive Chairman Stewart Baseley said:

Help to buy is absolutely central to the big increases in housing supply we have seen over the past few years.

Helping people who otherwise would not be able to purchase a home provides the confidence builders need to invest in recruiting and training new staff to ramp up production and bring forward new sites.

More than 112,000 completions have now taken place through the Help to Buy Equity Loan scheme, which offers buyers up to 20% of a newly built home's

costs and 40% in London so they only need to provide a 5% deposit.

The North West, Yorkshire and The Humber, and the South West have seen the highest number of property completions using the Help to Buy: ISA. In total, 45,098 completions have taken place across the UK using the ISA bonus have taken place since launch in December 2015.

2,381 buyers in the capital across 31 boroughs also benefited from the London Help to Buy scheme between 1 February 2016 and to 31 December 2016.

The Government provides support via three schemes:

1. The Help to Buy: ISA is specifically for first-time buyers. For every £200 you save, the government will provide a bonus of £50. The maximum bonus you can receive on completion of a property purchase is £3,000.
2. The Help to Buy Equity Loan scheme offers buyers up to 20% of the cost of a new build home so they only need to provide a 5% deposit. It is open to both first-time buyers and those looking to step up the housing ladder.
3. The London Help to Buy scheme provides an equity loan of up to 40% for buyers in the capital with a 5% deposit. It is open to both first time buyers and those looking to step up the housing ladder.

[Press release: UK energy statistics: statistical press release – March 2017](#)

[Energy Trends](#) and [Energy Prices](#) publications are published today 30 March 2017 by the Department for Business, Energy and Industrial Strategy. The publications cover new data for the fourth quarter of 2016.

Energy Trends covers statistics on energy production and consumption, in total and by fuel, and provides an analysis of the year on year changes. Energy Prices covers prices to domestic and industrial consumers, prices of oil products and comparisons of international fuel prices.

[News story: Promoting economic growth alongside public protection](#)

The growth duty, which came into statutory effect on 29 March 2017 under the [Deregulation Act 2015](#), requires regulators to have regard to the desirability of promoting economic growth, alongside protecting the public.

It applies to most national regulators but not local authorities or fire and rescue authorities. The [growth duty statutory guidance](#) clarifies how regulators can work in accordance with the growth duty.

The guidance will help regulators fulfil their new responsibilities, including the proper consideration before allocating resources, setting enforcement policies and making sanctioning decisions.

Minister for Small Business, Consumers and Corporate Responsibility Margot James said:

I believe that the growth duty will encourage regulators to develop more mature and productive relationships with those sectors and businesses that they regulate, driving up the accountability of regulators to the business community.

And we are asking regulators to consider how legislation and enforcement frameworks could adapt to emerging technologies and innovative business models. Our expectation is that this will help to deliver our aspirations for greater productivity and growth in our economy.

The regulators and regulatory functions to which the growth duty applies are specified in the [Economic Growth \(Regulatory Functions\) Order 2017](#).

The Deregulation Act 2015 was extended by the Enterprise Act 2016, requiring regulators to formally report on the effect that the growth duty has on the way they exercise their regulatory functions and the impacts of this on business. However, this additional obligation is not yet in force, and BEIS will engage with regulators before it is introduced.

[Press release: Guidelines on reducing](#)

sugar in food published for industry

[unable to retrieve full-text content]Reduction programme could see 200,000 tonnes of sugar removed from the UK market per year by 2020.