

Summary of Recommendations and Executive Responses [Review of Lease Restructuring with Hereford United (1939) Ltd]

Recommendation No. 1	That there should be proper assessment of whether it would be beneficial, in any future leases, for the council to retain a right to exercise a break clause in the event of (1) a change of ownership / change of control; and/or (2) professional football ceases to be played at the ground. And that any lease should include appropriate safeguards in the event of a hostile takeover of a corporate tenant.			
Executive Response	ACCEPTED – (1) This clause is included in the current five season lease, but such terms do not usually form part of a lease especially when it covers such a short term. It is unusual for such a term to be accepted by the tenant. (2) the lease only permits use of the ground for football with the tenant to be a member of the FA. Breach of these obligations will render the lease liable to forfeiture.			
Action	Owner	By When	Target/Success Criteria	Progress
Terms incorporated into current lease	D of ECC	27/03/2015	Completion of lease	Lease completed.

Recommendation No. 2	That the primary objective when considering proposals for the football ground should be to secure the continuation of professional football.			
Executive Response	ACCEPTED – In relation to existing 5 season lease, However, it is suggested that this proposal be subject to a further report to Cabinet and GOSC in Autumn 2015 as this needs to be considered by a new administration.			
Action	Owner	By When	Target/Success Criteria	Progress
Further report in Autumn	D of ECC	TBC	TBC	TBC

Recommendation No. 3	That compelling and exceptional justification should be required to persuade the council to relinquish development rights and that the new lease should only extend to the football pitch with use of the stands and other facilities.			
Executive Response	ACCEPTED – the new lease does not include any development rights for the tenant.			
Action	Owner	By When	Target/Success Criteria	Progress
Terms incorporated into current lease	D of ECC	27/03/2015	Completion of lease	Lease completed.

Recommendation No. 4	That any profits generated by the development of the Ground (whether by the Council or another) should be invested for the benefit of the County and, in particular, to support football and sport in the County.				
Executive Response	It is suggested that this proposal be subject to a further report to Cabinet and GOSC in Autumn 2015 as this needs to be considered by a new administration.				
Action	Owner	By When	Target/Success Criteria	Progress	
Further report in Autumn	D of ECC	TBC	TBC	TBC	

Recommendation No. 5	That assurance be provided that any new long term tenant would be subject to full and proper due diligence.				
Executive Response	ACCEPTED – further, although the new tenant will only take a short term lease a full due diligence exercise was undertaken.				
Action	Owner	By When	Target/Success Criteria	Progress	
Due diligence exercise undertaken	D of ECC	09/03/2015	Club meet criteria issued by Council	Criteria met on 09/03/2015 and lease completed on 27/03/15.	

Recommendation No. 6	That the Executive ensures that any leases relating to football meet Football Association requirements.				
Executive Response	ACCEPTED – the FA has not specified any requirements.				
Action	Owner	By When	Target/Success Criteria	Progress	
Incorporated in lease	D of ECC	27/03/2015	Completion of lease	Lease completed.	

Recommendation No. 7	That the Executive look favourably on proposals that include for the provision of education and training for young people.				
Executive Response	PARTIALLY ACCEPTED – This is not a condition that would normally be contained within the provisions of a lease. However this recommendation was adopted by the inclusion of this provision into the selection criteria for a new tenant.				
Action	Owner	By When	Target/Success Criteria	Progress	
Incorporate into the selection criteria of a new tenant	D of ECC	19/02/2015	Proposed tenant satisfies selection criteria	Complete	

Recommendation No. 8	That if more than one lease is to be granted that consideration should be given to them all having a consistent end date.				
Executive Response	ACCEPTED – there is only one lease.				
Action	Owner	By When	Target/Success Criteria	Progress	
Incorporated within existing five season lease	D of ECC	27/03/2015	Completion of lease	Lease completed.	

Recommendation No. 9	That in advance of any longer term decisions, the scrutiny committee be invited to consider future arrangements as part of its work programme for 2015/16.				
Executive Response	ACCEPTED – Programmed for September 2015				
Action	Owner	By When	Target/Success Criteria	Progress	
Further report	D of ECC	Sept 2015	TBC	TBC	