

Everton paid more than £500,000 in goodwill gesture over Bramley Moore project

More than £500,000 was paid by Everton FC in a goodwill gesture in relation to fees associated with their Bramley Moore stadium project, it has been revealed.

It was announced earlier this year that the Premier league club would hand over £502,000 of the £841,000 incurred by Liverpool Council because of the scheme.

A joint statement released on behalf of the council and the club at the time read: "In recognition of the council having incurred fees undertaking due diligence in respect of the potential funding, the club has agreed to meet those costs which were reasonably incurred and attributable to the funding project."

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However, letters now seen by the Liverpool ECHO have revealed that Everton had no legal obligation to pay the money.

Correspondence seen by the ECHO shows that Everton made an offer to pay a share of the fees in October 2019.

A letter from club chief executive Denise Barrett-Baxendale to the council revealed EFC agreed to pay £502,325 in October 2019, on the condition that the council would provide a loan to assist the Bramley Moore scheme.

A second letter from Ms Barrett-Baxendale revealed that Everton was no longer legally obliged to pay the money because the council had not delivered finance to the Bramley Moore scheme.

The letter reads: "Everton made a without prejudice, goodwill offer to make a contribution to LCC in respect of the professional fees, prior to the loan being in place. The offer cannot however be construed as having any contractual force given that it was made on a without prejudice basis; it was never accepted; and, in any event, was conditional on a loan being advanced by LCC."

A letter sent from Ms Barratt – Baxendale to Mr Reeves in November last year reveals that the club had agreed to make a contribution to the fees.

The letter states that the club agreed to make a financial contribution after fees associated with the Commonwealth Games bid were removed.

The above correspondence was released by Liverpool Council recently in relation to a Freedom of Information Act request.

The council has been involved in complex negotiations with Everton in relation to the fees. The negotiations took place during a series of meetings and letters.

There is no suggestion of wrongdoing in relation to Everton's involvement in this matter. In May a cabinet report revealed that government-appointed commissioners accused the council of "failure of governance" in relation to the fees.

The local authority was ordered to conduct an investigation into how it incurred "significant expenditure" to investigate the possibility of a loan to Everton FC as the club sought funding options for its new ground over a three-year period.

The commissioners identified a 'failure of governance' and found the council acted 'without any formal council approval and without any budget provision approval.'

In May the local authority referred to the matter as a "legacy issue which had been amicably resolved by both parties."

Everton agreed to pay £502,000 of the £841,000 incurred by the council.

Both parties said it was “reasonable and proportionate” for the Premier League club to pay more than £500,000 given that the work done was “solely for the benefit of Everton.”

A proportion of the fees incurred related to Liverpool Council exploring the use of any future stadium in its bid for the 2022 Commonwealth Games.

The ECHO understands that Everton has remained consistent in that there was no agreement reached on the liability of the due diligence fees incurred in setting up the funding deal.

Once Everton chose to seek funding from elsewhere the club entered into negotiations and reached an amicable settlement to meet costs which were reasonably incurred and attributable to the project funding.

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