



## Urgent Non-Executive Decisions Made by the Chief Executive

### RECOMMENDATION

- 1.1 To note the report.

### SUPPORTING INFORMATION

- 2.1 In the Council's Constitution the Chief Executive has delegated authority to make decisions on behalf of the Council, in cases of urgency, in the discharge of any non-executive function of the Council other than those delegated to another officer or those which by law can be discharged only by full Council.

- 2.2 This report advises Council of the following decisions taken by the Chief Executive in accordance with this delegated authority:

2.3 **World Cup Bid 2018 ( or 2022) – Host City Submission; Stadium Agreement**

Council, on 18 November 2009, approved the submission of Derby's application to the Football Association (FA) to be a host city for the World Cup 2018 (or 2022). This included all of the legal agreements that required the Council's signature.

On 26 November 2009 the Council formally submitted to the FA Derby's Bid, including the host city agreement and agreements relating to the five training grounds. However, to be fully compliant the bids needed to include the Stadium Agreement signed by Derby County Football Club (DCFC).

As described in the Council report on 18 November 2009, DCFC had asked the Council to underwrite the £26.2m estimated costs of extending and enhancing the stadium and to do this in the form of a legal agreement between DCFC and the Council.

The Council did not feel it appropriate to agree to this underwriting proposal but authorised the Chief Executive to issue a letter of comfort to DCFC regarding the Stadium Agreement. That letter was issued on 23 November 2009 but the Club did not consider it gave them the required comfort necessary to sign the Stadium Agreement.

Detailed discussions had continued with DCFC and in particular both parties had assessed the risk of the Club signing the Stadium Agreement but withdrawing prior to 31 March 2010. It was agreed that the risks of the Club being sued by the FA or FIFA for breach of contract in such circumstances were relatively low and even if

they did so that any potential damages would be relatively small.

On this basis it had been provisionally agreed with DCFC that the Council would indemnify the Club against any liability it incurred prior to 31 March 2010 as a result of the Club withdrawing from or otherwise breaching the terms of the Stadium Agreement, subject to the Club bearing equally any such loss up to £200,000, the Council being solely liable for any sum above that amount.

The period from now until 31 March 2010 would allow the Club and Council to further investigate the means by which they could hopefully jointly fund the works required to bring Pride Park up to the standard required by the FA.

**Reason for urgency:** The FA had told us that the signed Stadium Agreement must be with them by 5pm on Friday 4 December 2009. Failure to meet this deadline would make Derby's bid non-compliant and we would no longer be considered as a host city.

**For more information contact:** Karen Squires 01332 255467 e-mail [karen.squires@derby.gov.uk](mailto:karen.squires@derby.gov.uk)

**Background papers:**

Report to Chief Executive of an Urgent Non-Executive Matter Requiring a Decision of the Council

**List of appendices:**

Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial**

1. None directly from this report.

**Legal**

2. None directly from this report.

**Personnel**

3. None directly from this report.

**Equalities Impact**

4. None directly from this report.

**Corporate objectives and priorities for change**

5. None directly from this report.