

Hearts ask staff to take 50% pay cut

Hearts have tonight announced they are to ask all staff to take a 50% pay cut from April in order to help the club cope with a lack of income due to the suspension of football as a result of the coronavirus pandemic.

Chief Executive Ann Budge made the following statement on the club's official website:

"We are living through unprecedented and challenging times at the moment. As you will appreciate my priority is the health and well-being of our people and in addition to this, as Chairman and CEO of the Club, I must also do everything in my power to ensure that we keep our Club safe and financially sound.

The Scottish FA has now suspended football for the foreseeable future and, whilst there is no specified end date to this, it is most likely that the game will not resume until July/early August at the earliest. In addition, the latest Government measures regarding social distancing and restrictions on large gatherings, mean that the impacts of this will be

felt across our entire business.

This has two main consequences for the Club:

(i)

There will be no income from matches and all associated business streams whilst football is suspended;

(ii)

There is unlikely to be any income from our non-matchday business streams (e.g. events/bar).

This reduction in income is not sustainable without taking immediate action to cut staff costs and overheads. As such, I need to act swiftly and take steps now to ensure that we, as a Club, can weather this storm while trying to ensure we are ready to resume operations as and when we move into calmer waters and football restarts. I cannot achieve this without the full cooperation and support of all of our key stakeholders, namely staff, coaches, players and supporters. I cannot stress strongly enough that we need everyone to get behind the Club to help us through this.

STAFFING COST REDUCTIONS

In order to try to prevent a staff redundancy programme and to protect as many jobs as possible, I am proposing to implement a Club-wide salary reduction programme.

We have asked all full-time employees, managers, coaches, players and player back-room staff, with effect from

the beginning of April, to accept a 50% cut in their monthly salary, with the following caveats:

- No-one's full-time salary will fall below the Living Wage. In other words, if the 50% reduction would take anyone's salary below this threshold, the full-time salary will be set at £18,135.

- Given the uncertainty of the whole situation with which we have been presented, we cannot say how long these measures will be in place. We will, of course, be continuously reviewing the situation.

- Staff and players alike, who feel unable or unwilling to accept this revision to their contracts, will, of course, be offered the option of contract termination.

Departments which will be closed / non-operational during the Suspension Period and while Social Contact is being restricted are as follows:

- Supporters Bar

- Match-day Operations

- Museum

- Innovation Centre

. Community
Department

Academy Operation

Some departments will still be required to operate albeit on a reduced staffing / as needed basis. Should Social Contact restrictions become more severe, we will have to consider closing our Club Shop and our Hospitality business. Full details will be provided if/when that has to happen.

In summary... I want to assure everyone that these decisions have not been taken lightly. If I was not absolutely convinced that this is necessary for the future sustainability of our business, I would not be asking our employees to face these cuts.

Never has it been more important that we stand together as colleagues, and I'd like to thank the staff for their understanding. Similarly, we would ask our fans and our FOH pledgers to continue to support us in any way they can, during this very difficult time.

I thank you all and give you my personal assurance that I will do everything in my power to try to guide us safely through the next few months."

Ann Budge