

Ann Budge warns Hearts players over contracts

Hearts owner

Ann Budge has reiterated the club may suspend players contracts if they do not accept a reduction in wages. Mrs Budge released the following statement on the club's official website last night:

"In recent weeks, I have had to make some of the toughest decisions during my time at the club and in my professional career.

I have already spoken of my admiration for our people at Heart of Midlothian; the staff who have remained steadfast throughout the turbulence experienced by the club in past years. They have again shown their commitment and selflessness by making sacrifices, not least financially, to preserve the long-term sustainability of the club they – like the hundreds of thousands of supporters – hold dear.

The same applies to the playing staff, all of whom I have spoken to on an individual basis in the past few weeks to discuss the impact of COVID-19 on the club and the potential

implications for themselves.

Unanimously, they understand the unprecedented circumstances caused by the pandemic and the challenging position the club finds itself in as a consequence of the lockdown and enforced suspension by the football authorities. Equally, I appreciate and empathise with the fact that the players will have different personal circumstances to consider and are at different stages of their careers.

It is no secret that clubs are having to take significant steps in order to safeguard their financial health, both short term and for the foreseeable future. Our business model and our commitment to fan ownership is arguably unique to Scottish football, and for all of the many positives that brings, in the current climate it also presents us with distinct challenges.



Steven Naismith and Andy Irving

Credit: Ian Jacobs

As Chair I have to plan to protect the club by looking at the specific issues as they affect us and address them accordingly: there is no one-size-fits-all approach to emerging intact from the impact of the virus. I love the club as much as any other supporter, but we are only custodians with a duty to the generations that will follow us to pass on a strong football club.

In my conversations with the playing squad, I outlined that the most judicious approach for the club – considering all available information – would be to implement a temporary reduction in player salary, with a proposed percentage based on earnings ranging from 10% to 30%.

In those same conversations, and subsequent discussions with PFA Scotland, I outlined the rationale and also explained why a deferral is simply not an option for the club. To reiterate, I cannot – and will not, in good conscience – leave the club in a position again where football debt is left as a ‘legacy’ for those who follow.

I know too well the perils of that scenario, having arrived at the club to be immediately presented with a bill of almost £1m worth of football debt. I am an owner and supporter who is committed to the journey of full fan ownership and it is imperative that the handover takes place without that future financial burden. This was my promise to the fans who helped rescue the club in its hour of need and who continue to pledge their support monthly.

Furthermore, even in light of recent announcements from UEFA’s Executive Committee and the Scottish Government, there remains – completely understandably given the nature of the virus – no certainty or accurate forecast on when football may return and what form it will take when it resumes, from the perspective of spectator

attendance.

I wish there were an option other than a temporary wage cut but after careful consideration it is the only way for the club to proceed with financial certainty.

Having paid the players' wages in full for March, I have written to them today to request the formal notification of their acceptance of the temporary wage cut proposed in order that we can process salaries next week. I remain hopeful that the players will accept for the reasons outlined above, as the only viable alternative is that their contracts remain suspended under Clause 12 of the standard SPFL contract which means that they will not receive any wages during the period of suspension.

To reiterate, this is the least palatable of the viable options available to us and even if this is ultimately the route we have to take, we would continue to be open to dialogue with individual players on a month-by-month basis. As a fan-owned club we are unable to take on a substantial amount of player debt, which the club might not be in a position to honour, or which might significantly damage the club's ability to recover quickly from this crisis situation.

The board and I bear the privilege and responsibility of being custodians of a proud institution, one that we are all in unanimous agreement must be handed on to future generations

in good health
and with a bright future. I say this in the midst of a health,
social and
economic crisis, the likes of which we have never known and,
hopefully, will
never see again.

For many clubs, businesses and institutions,
this is a matter now of survival and in time, recovery and
revival. I hope
everyone connected with Heart of Midlothian appreciates that
this is the
over-riding objective in any and all decisions taken
throughout this period. By
working together, we stand the best chance of emerging
stronger.”