

In 2014 Green Circle was appointed as Liverpool City Council's golf operating partner. This followed an open and transparent procurement process. Our bid drew upon our experience in establishing and operating the successful Formby Hall Golf Resort and Spa.

Prior to our appointment both Allerton Golf Course and Kirkby Golf course were significant loss-making financial liabilities to Liverpool City Council and its taxpayers.

The initial structure provided for a 25-year operating lease with an annual rental payable to our landlord, Liverpool City Council.

In the initial phase of operation Green Circle committed major capital investment to upgrade playing and hospitality facilities at both courses. To date Green Circle has invested approximately £8m of its own funds into upgrading both courses, and now that planning has been granted for a hotel and other facilities at Allerton Manor the investment over the next 3 years will be a further £15m. We have also created in excess of 100 new jobs and several meaningful apprenticeships to date.

This investment and the massive improvement of the facilities was welcomed by the City Council, with whom we have always enjoyed a positive and collaborative relationship. Similarly, the enhanced facilities were welcomed and enjoyed by golf patrons and local residents alike.

In 2016 we began dialogue with the City Council, through the then Director of Community Services, about larger scale transformational investment at both courses. The aim was to realise the potential of these assets to create vibrant golf and family leisure destinations underpinning the provision of affordable pay and play golf for all.

Following lengthy discussions and negotiations with the responsible City Council Officers in October 2017 Heads of Terms were agreed for new 150-year leases on both courses. At this point, lawyers were appointed by both parties to negotiate and agree the detailed contents of the new leases. Both parties (and their lawyers) thereafter engaged in a robust and proper negotiation and consideration of the contents of those documents which needed to meet institutional requirements for delivery of the next stage of large-scale capital investment.

Initially, it had been hoped to conclude the new lease structure for Allerton Manor within a two month timeframe however, ultimately the new lease was not concluded until October 2018. As is often the case, during this period various target dates had been set and missed whilst the negotiations continued.

It was against the context of these long-running negotiations that a specific legal point arose which, had it been accepted, would have rendered the leases unfit for purpose i.e. unable to unlock the funding necessary to deliver the next stage of investment and regeneration.

Throughout this period, we were in regular communication with the Director of Community Services, both about the progress of the initial phase of investment at Allerton Manor, and the lease negotiations. Indeed the City Council was itself becoming concerned that the lease agreement had not yet been concluded, and we were being specifically asked for updates, and to report on outstanding issues relating to the legal negotiations.

The hospitality referred to in the Caller Report was in fact a site meeting organised at the behest of the Director of Community Services to appraise himself and the Mayor on the completed improvements at Allerton Manor.

We absolutely refute the suggestion that the single email communication which has been referred to was, or could reasonably be construed as "an implied threat". We would reiterate that this was a lengthy and robust negotiation of a significant legal document with both parties being fully represented by their respective legal advisors. We remain of the opinion that the process was carried out fully, fairly and properly. Our view is echoed from our ongoing and regular dialogue with the City Council, in that they continue to see the upgrading of these facilities to be highly successful both in terms of commercial returns to the authority and wider community benefits.

We can confirm that at no stage have we been contacted by Mr Caller or his team to discuss the transaction and we and our legal advisors remain available to assist with any queries which they may have.