Experts fear Hampden rescue deal is not enough

ANDREW DENHOLM and ALISON HARDIE

THE future of Hampden remained mired in uncertainty last night as financial experts warned that the only rescue deal on offer may not be enough to save the football stadium.

Financial analysts said that, even if the £4.4 million package is approved, Hampden faces a troubled future without the involvement of specialist firms experienced in stadium management.

The warning came as internal dissent flared at Queen's Park FC, the owner of the stadium, which has been at the centre of the debacle surrounding the refurbished ground.

The talks came hours after a government spokesman claimed that the club had backed out of the rescue package after an unnamed creditor demanded full repayment.

The management of Queen's Park was said to have withdrawn from the government-backed deal at the 11th hour and filed for voluntary administration to protect its assets from the aggressive creditor.

The move put the stadium on the brink of receivership and prompted an angry response from ministers who believed the club was trying to wring more public money from the government to pay its debts.

David Whitton, the spokesman for the First Minister, Donald Dewar, said: "One of the club's creditors was pressing them for payment. In order to protect themselves as directors, the management felt they had to make this interim arrangement and get a manager to sort things out. It is fair to say the club has not been up-front with details on this."

Mr Whitton said the club had a fortnight to come to a decision about the £4.4 million rescue package offer – which includes £2.2 million of public money – or the deal would be scrapped.

At the stadium, members of Queen's Park called crisis talks with the nine directors after they called in interim administrators earlier this week and raised the possibility of the £65.7 million development being sold off by receivers.

One club member said: "We are very angry at what is going on at the club and at the fact we have been left totally in the dark over what has gone wrong.

"We need to find out what has precipitated this crisis and we want to know who or what is to blame."

Despite the criticism, Austin Reilly, a club director who leads the National Stadium company, set up by Queen's Park to steer the refit of the stadium, insisted that the decision to seek interim administration was in the best interests of the club.

He said: "The club were dismayed to be accused of being greedy. We are not seeking additional funding and we moved into additional administration to allow a settlement to be made under the protection of the courts."

A club source claimed the main concern was over unreasonable guarantees demanded by the Scottish Football Association. "They want Queen's Park to underwrite outstanding funding from BT for over £1 million which is due in September and, while that funding is not thought to be under threat, we don't see why we should underwrite the payment when we will not be managing the stadium."

BT, the main sponsor of the stadium, said last night that its third payment of funding, worth £1.2 million, was not in jeopardy. The SFA refused to comment on the claims.

Despite the wrangles, those involved in the talks voiced cautious optimism. Sam Galbraith, the sports minister, insisted that the rescue deal, which he had billed as virtually sealed before the club suddenly sought interim administration, was still achievable. In a statement to the parliament, he said negotiations between the co-funders of the stadium project and interim managers for Queen's Park FC had gone "reasonably well".

A spokesman for the interim managers Arthur Andersen said: "An early resolution is potentially possible, though certainly not within the next day or two."

The SFA's chief executive, David Taylor, said: "We look forward to a speedy resolution of the difficulties that have arisen this week."

However, Stephen Morrow, a management lecturer at Heriot-Watt University, warned that Hampden Park could face a troubled future whatever the outcome of the talks. He said: "This should either have been built and run as a commercial enterprise with private money or as a state asset entirely paid for out of public money.

"What we have is neither, which has left a state of confusion with problems of management, finance, control and accountability.

"It still isn't clear where the ultimate responsibility lies and we could see the government having to put its hand in its pocket again and again in the future."

Tom Burton, the head of corporate restructuring at Ernst & Young, believes there is a future for the stadium, but only if Queen's Park sells it. He said: "I am convinced there would be a number of very interested parties who already operate stadiums as a business."

Under the terms of the rescue deal, the SFA would lease the stadium and pay the club £200,000 a year in rent, index-linked, for 20 years.

The owner of Rangers Football Club, David Murray, has thrown his weight behind moves to put the commercial activities out to tender to attract bids from expert firms including his own events management company.

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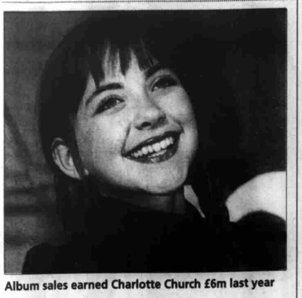
SNAPSHOTS



Album sales earned Charlotte Church £6m last year

'Angel' clips wings of her manager

THE teenage singing star Charlotte Church has split from the manager who guided her career to make her one of the UK's highest earning musical stars.

Jonathan Shalit, who discovered the singer in August 1997, learned he had been dropped this week after receiving a letter from solicitors acting on her behalf.

Church, 13 – who fronted a worldwide campaign for Ford last year in a deal thought to be worth £500,000 – made around £6 million last year.

Shalit, 37, is taking legal advice on his contract with the star which is due to run until 2002. It is believed that her family may try to have a greater input in guiding her career. He said: "I'm in the process of taking legal advice. As far as I'm concerned I remain Charlotte's manager for the time being. Naturally I wish Charlotte continuing success in her remarkable career. I shall always be proud of being the man who discovered her and guided her through every stage of her early career."

Earlier this week Church was named as one of the top 10 pop earners in the pop music world during 1999 in a survey by *Heat* magazine.

She is thought to have been the biggest-selling UK act in the US last year, selling two million copies of her albums, *Voice of an Angel* and her eponymous second release.

Violence at leisure complex

A MULTI-MILLION pound Edinburgh leisure centre has been plagued by dozens of violent incidents in its first two months. Police have recorded 75 incidents at the Fountainpark complex since mid November, with 30 of those taking place at the Eros-Elite nightclub. Police said that crisis meetings had been held with the owner of the premises. Other club owners in the city also warned that a number of incidents had gone unreported. Each weekend, about 4,000 people visit the centre, which also includes a 13-screen cinema, restaurants, health club and pubs. Supt Iain Burnside, of Lothian and Borders Police, said there had been a significant number of incidents, but Kevin Marshall, the manager of Eros-Elite nightclub, said: "There have been just six allegations of assault and six of violence."

Female QC joins legal elite

THE second woman to be elevated to the bench of Scotland's supreme courts was sworn in yesterday at a ceremony in Parliament House, Edinburgh.

Ann Paton, QC, right, was given the title Lady Paton as she took up her appointment as successor to Lord McCluskey, who has retired.

The audience at the installation ceremony included Lady Cosgrove, a High Court and Court of Session judge since 1996 and the first woman to break the centuries-old male stranglehold on the judiciary. Lady Paton, 47, graduated from Glasgow University and has been a member of the Faculty of Advocates for 22 years. She is married to a respiratory paediatrician. They have no children.

Record rush for jackpot

HUGE queues formed throughout Scotland yesterday as hopeful punters bought lottery tickets for the biggest ever mid-week jackpot.

Camelot revealed that £12.5 million worth of tickets were sold between 6am and 1pm yesterday for the double-rollover draw – the first for more than two years.

Ticket sales were £64,102,613 – easily beating the previous £41.65 million sales record for a Wednesday draw.

The £30 million jackpot was eventually shared by nine winners who each received £3,394,909.

Twenty-nine winners matched five balls plus the bonus to win £76,825.

Meanwhile, a Mintel survey showed that half of all lottery players believe their money is donated to the wrong causes.

About 50 per cent of players had not gambled regularly before the lottery was launched in 1994, and more men than women play.

Regional breakdowns show that people living in Scotland and the north-west are the most enthusiastic lottery players – with 83 per cent of them participating – and London the least enthusiastic, with 73 per cent regularly buying tickets.

National Lottery numbers

3	10	14	17	19	27	Bonus ball 49

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M&S in line for £80m profit on Gyle sale

JILL STEVENSON

EDINBURGH'S Gyle shopping centre could be sold for as much as £200 million, it was revealed yesterday.

The 300,000 sq ft retail centre's future will be clearer after 26 January, the last day for bids.

News of its potential sale has angered the city's opposition councillors after it was revealed that the owner, Marks & Spencer, looks set to make an £80 million profit from the deal. The building was sold by the city council to M&S in 1997 for £133 million.

The economic development spokesman for the council's Conservative group, Alisdair Paisley, said the sale was handled "very ineptly".

He added: "I am concerned we may not have taken professional advice before disposing of this very valuable asset. Perhaps in future the council should call in the experts before making any major decisions."

Property experts are confident the Gyle will far outstrip its original price tag of £122 million. This is despite unrest from traders who are angry that their rents have doubled following the M&S takeover.

One trader said: "Whoever purchases this centre will not be buying into a happy ship and may have some unrest on his or her hands."

Peter Smolka, the investment director of Edinburgh-based CB Hillier Parker, which is handling the sale, said that up to 20 companies had inquired about the property, which has an asking price of £190 million.

"We would not be surprised were the final figure far in excess of the asking price. The Gyle centre is a trophy holding and one of the best in Scotland. The bidders come from a very wide field including Europe, America and the Far East."

Ford Swanson, the investment partner for the property consultant Ryden, said: "The £200 million price tag is expensive. However, I do understand there has been significant interest in it and it may well result in a special price being paid for it."

Most of the big UK institutions are believed to have shown interest in the property, including insurance leaders Prudential and Commercial General Union.

The council leader, Donald Anderson defended the decision to sell the site. He said: "The Gyle was sold on the open market and we had to accept the highest bid available at the time. I understand the market has improved since then.

"We were facing a fairly substantial cutback in funds and had no other resources available. As a result of selling the centre we have made improvements in the city's facilities."

A Liberal Democrat group spokesman, John Barrett, agreed that the council was in desperate need of financing. He said: "There were a lot of other things the council could do with the money made from the sale. We were sitting with an impressive shopping complex but our schools had leaking roofs and we were in desperate need of money to spend on them.

"Lack of government funds meant we were, in effect, forced to sell the family silver."

M&S sales slide, Page 23

Major name game

JAMES MAJOR, the son of the former prime minister, and Emma Noble are drawing up a list of names for their first baby – and Maggie, William and Tony have not been ruled out for John Major's grandchild. James, 24, and his wife, a former television game-show hostess, who have been married since May, said the pregnancy was slightly unexpected but that they were "thrilled". They told reporters at home in Chislehurst, Kent, that they found out a few weeks ago. Ms Noble, 28, said: "We are delighted. Everyone's very happy, it is fantastic news." She added: "I wouldn't rule out any names – no, not even Maggie, William or Tony."

What's in a name, Page 16

Holocaust gas chambers 'big lie' says Irving

JAN COLLEY and CATHY GORDON

THE historian David Irving yesterday denied that millions of Jews were systematically killed by the Nazis in concentration camp gas chambers.

Irving, 62, the author of *Hitler's War* and *Goebbels: Mastermind of the Third Reich*, told Mr Justice Gray at the High Court in London that the "gas chambers holocaust" was "a big lie".

Mr Irving is suing Professor Deborah Lipstadt and Penguin Books for libel over the "evil" claim in her book, *Denying the Holocaust: the Growing Assault on Truth and Memory* that he was a "holocaust denier".

He alleges that they were part of "an organised international endeavour" to destroy his career and that the "waves of hatred" they had generated had robbed him of financial security for the future.

Prof Lipstadt, holder of the Dorot Chair in modern Jewish and Holocaust studies at Emory University in Atlanta, Georgia, and the publishers deny libel and plead justification.

Giving evidence, Irving said that the defendants would find it very difficult to suggest that the systematic extermination of the Jews "was a Third Reich decision, a Hitler decision".

He was asked if he accepted or denied there was any systematic gassing of Jews in concentration camps, at Auschwitz or elsewhere.

Mr Irving said: "If we can leave out the word systematic I do not deny that there was some kind of gassing at Birkenau. It is highly likely that there was."

Cross-examined by Richard Rampton, QC, Mr Irving said: "I deny the gas chambers. I deny that the Germans killed millions in gas chambers."

He also denied that the killings were carried out in "purpose-built" establishments.

He said that a million people weighed 100,000 tonnes which presented a "major logistical problem".

He added: "I'm denying that any kind of multiple of millions of people were killed in the gas chambers at Birkenau."

Asked if he accepted that the Nazis killed millions by violent means and not just by disease, overwork or starvation, Mr Irving said that he did.

He added: "Whether it was in the order of millions or not, I would hesitate to specify. Perhaps one million. Less than four million."

He said that he had removed the word "holocaust" from the second edition of his biography of Hitler because it was imprecise. He said: "I found it misleading, offensive and untruthful because it's too vague and unscientific, and should be avoided like the plague."

The hearing continues.

Judge asked to halt St Andrews project

DAVE FINLAY

CAMPAIGNERS have launched a court battle to halt a £50 million hotel and leisure complex in the home of golf.

Work has already begun on the development which features two new golf courses, a clubhouse and hotel and conference centre on the outskirts of St Andrews in Fife.

But six residents have now asked a judge at the Court of Session to set aside the decision by Fife Council to grant planning permission.

Their counsel, Lord Mackay of Drumadoon, QC, told the court yesterday he was seeking to have the planning consent by the local authority last July reduced in the judicial review.

He told Lord Bonomy that the protesters relied on a number of issues to challenge the decision.

Lord Mackay argued that in dealing with the application for planning permission, the local authority did not order the developer, Glenrothes-based St Andrews Bay Development, to prepare an environmental impact statement as set out in 1988 regulations.

Before granting the application the council did not notify the Scottish Secretary or First Minister of the scheme.

He also argued that the local authority failed in its duty to provide intelligible reasons for the decision to give the plan the go-ahead.

It is claimed that the council acted illegally in granting the application and that the decision should be overturned.

Fife Council is contesting the challenge brought by Penelope Uprichard, of Hepburn Gardens, Elizabeth Baxter, of South Street, Emeritus Professor Terence Lee, of Brownhill Gardens, Sheila Scott, of Hepburn Gardens, Margaret Adam, of Strathkinness Low Road, all St Andrews, and Deborah Moffat, of Torrie House, Kingsbarns.

They claim that the development will adversely affect them as it lies within an area of great landscape value and that traffic generated by it will impact on them.

The campaigners said they have all used the Fife Coastal Path which will be affected by the proposed development.

They also contend that Fife Council failed to consider whether, in granting planning permission, it would involve a departure from its own development plan, which it did.

The council said the six residents were neither owners nor occupiers of land neighbouring the development site at Kingask Estate.

It maintains that they have not been materially prejudiced by the decision to grant permission for the golf complex.

The council said "more than sufficient environmental information" was before it when the decision was made and that the coastal footpath lies outside the site.

It pointed out that the developer began work on the site immediately after securing planning permission, as it was entitled to do.

Fife Council maintains that it fulfilled all the statutory duties required of it when considering the plan.

Lord Bonomy is expected to give a decision at a later date.