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Éilis Fallon
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2
D02 XR20

18th February 2021

Dear Éilis

I refer to your letter of 17th February 2021 regarding correspondence received by the Committee in relation to concerns regarding the use of public funds by Rásaíocht Con Éireann (RCÉ).

I set out below detailed responses to the questions raised. For ease of reference, I have included the question in each of the responses:

- 1. *Is RCÉ in dispute with the leaseholder of the Clonmel greyhound stadium, Davis Road Greyhound Stadium (DRGS), around financial matters? If so, please explain briefly what the dispute is about, how long the matter has been ongoing, and how it is planned that it will be resolved.***

RCÉ has been engaging for some considerable time with Davis Road Greyhound Stadium PLC (DRGS) in relation to monies outstanding by DRGS to RCÉ in relation to Clonmel Greyhound Stadium. The debt outstanding generally falls into stadium development costs and stadium operating activities. A number of arrangements were agreed since 2013 in relation to debts outstanding by DRGS.

In January 2016 arrangements were made whereby DRGS would reduce the debt outstanding by assigning to RCÉ the lease relating to a telecommunications mast on the property at Clonmel. The intention was that the ongoing lease payments would be converted to a capital sum and this sum would be taken from the overall capital debt. This would deal with a significant element of the debt. RCÉ agreed to park €250,000 of the capital debt and DRGS is aware of this decision. Arrangements were also made at that time for the phased ongoing reduction in the operational debt for the stadium.

In June 2018 DRGS, assigned the lease on the telecommunications mast to RCÉ and the capital debt was reduced by an agreed sum of €180,000. Despite ongoing and regular engagement with DRGS progress has not been made in relation to the balance of the debt outstanding. The operational account for Clonmel stadium has not been satisfactorily maintained with RCÉ and has been the subject of ongoing engagement with DRGS.

In 2020 DRGS took the position that since RCÉ were the owners of the asset at Clonmel Greyhound Stadium that all monies invested were not (as had been the case up to then) a debt due by DRGS but rather that this money was now owed by RCÉ to DRGS. DRGS further advised that they would be changing their statutory company accounts which up to then had reflected the correct position of a debt outstanding by DRGS to RCÉ. In the new circumstances, RCÉ would now be a debtor of the company. The DRGS rationale at that point was that since the asset was owned by RCÉ then all costs associated with the asset were a liability for RCÉ and not DRGS. Statements forwarded by DRGS in July 2020 showed, for the first time, an alleged debt of €510,617 outstanding by RCÉ.

RCÉ does not accept the suggested reconfiguration of DRGS accounts but has not, to date, had sight of the audited accounts for DRGS for 2019. RCÉ is fully satisfied that the debts outstanding by DRGS are due to RCÉ and remain willing to engage with DRGS on repayment terms.

RCÉ is of the view that any issues arising can only be resolved through engagement. DRGS suggested in July 2020 that a third party might be appointed to assess any matters between the parties. RCÉ agreed to such an approach and invited DRGS to submit suggested nominees for the mediator role. Despite a number of reminders to DRGS since that time no nominees have been put forward.

2. *What is the term of the current lease in place with DRGS? When the current lease ends, how does RCE plan to use the assets comprising the Clonmel greyhound stadium?*

The lease in place with DRGS was signed on 31st March 2003 and runs for a period of 20 years to 1st February 2023. Lease rent is not charged by RCÉ in respect of the property. In February 2015, DRGS sought, and the Board of RCÉ agreed, an extension of the lease for a further 12 years to accommodate the lease which was at that time being entered into by DRGS with the telecommunications company. The extension of the lease was never put in place and is now moot in that the lease on the telecommunications mast was assigned by DRGS to RCÉ in 2018. Consequently, it is RCÉ's position, at this point, that the lease now expires on 1st February 2023. No application has been made to RCÉ for an extension of the lease.

RCÉ has given no consideration to the use of Clonmel greyhound stadium other than its current use as a greyhound track and stadium. RCÉ did commission Indecon in 2018 to undertake an *Independent Strategic Review of Irish Greyhound Racing Stadia* to underpin a viable long term sustainable industry. The Indecon report was published in 2019. The recommendations of that report suggested that funding would cease in respect of four greyhound tracks (Clonmel was not one of the tracks). Indecon also recommended that RCE would at the end of 2022 *'review support for all remaining stadia based on performance including financial outturns and attendance levels and make decisions regarding finding for potentially a further three stadia'*.

RCÉ would view the future use of all tracks and stadia as being part of an assessment to be undertaken in 2023.

3. What amounts, if any, were owed by DRGS to RCE at end 2019? How and over what period of time did the various elements of the debt arise? When and how does RCE expect to recover the various debt amounts from DRGS?

The position in RCÉ's accounts at 31st December 2019 relating to DRGS comprised the following:

a) Capital debt - €250,000

As referenced above this debt has been parked by RCÉ and DRGS had been notified of same. RCÉ has made provision in terms of a bad debt provision for this debt in its statutory accounts.

b) Capital debt transferred to mast lease - €162,000

This represents the value attributed to the mast lease (€180,000) less lease payments received by RCÉ to 31st December 2019. This balance will be further reduced each year by way of lease payments from the telecommunications company. Accordingly this debt is now the responsibility of RCÉ and is no longer of relevance to DRGS.

c) Operational debt at 31st December 2019 of €124,093

The arrangement in place for all privately operated greyhound tracks is for the relevant track to transfer to RCÉ all race entry fees and sponsorship collected. RCÉ in turn pays directly to owners and trainers all prize money related to the particular track as well as providing an operating grant and other supports towards incidental costs to the relevant tracks.

The operational account relating to Clonmel greyhound stadium has deteriorated each year for the last number of years. The debt primarily arises from income being collected by DRGS on behalf of RCÉ not being paid over to RCÉ. The various attempts made by RCÉ including the arrangements envisaged in January 2016 envisaged the reduction of this debt over a period of time.

4. At end 2019, were there any amounts due from RCE to DRGS? If so, what do these amounts relate to? Have they been settled, and when?

At 31st December 2019 the only amounts due from RCÉ to DRGS would relate to minor claims for incidental costs such as veterinary fees. These are only paid on receipt of the relevant documentation from the individual track. An account assessment at the end of 2019 would indicate that the sum of €9,035 was due to DRGS at that point.



The primary focus of RCÉ at all times has been to ensure the continuance of greyhound racing at its tracks but it must do so having regard to its obligations in relation to accountability, the use of public funds and to ensure the appropriate corporate governance is in place at all times.

I have not provided any supporting documentation in relation to the items raised above but am happy to do so if the Committee feels that it would be of assistance in dealing with the correspondence that has been received.

RCÉ is also available at any stage to provide any further information in relation to any aspect of the operations of Clonmel greyhound stadium insofar as they relate to RCÉ.

Yours sincerely

Gerard Dollard

Gerard Dollard
Chief Executive Officer