



Fan Ownership Forum: Ask the Experts

15 January, 7.30 – 9.30, Champion Hill Bar

The Experts: Jo Collins (Pompey Trust); Nigel Higgs (AFC Wimbledon); James Mathie (Supporters Direct); Paul Millington (Enfield Town); Dan York (Fisher FC).

Chair: Fiona Scurlock (DHST).

The experts introduced by FS. Experts asked to outline the background to their involvement in the football club and how it functions as a supporter-owned club.

James Mathie (JM)

Summarises work of Supporters Direct. Supports the work of the many supporter owned clubs. Work in 23 other countries, many with more developed supporter-owned models than the UK.

Here to discuss if supporters can take ownership of the club here. Four different categories: reformation, acquisition, new starts and club development – where the club decides to become supporter owned – which is the most applicable to DH.

40 clubs in the UK that follow this model. Clubs from League 2 to step 6 and 7, all of which follow an almost identical model.

We can consider some of the questions you might consider around where the finance comes from; who is going to be making the decisions; whether the club will be competitive; if it is possible for the trust do this; how this relates to the ground development; and is 100% ownership by supporters the best way?

Paul Millington (PM)

Dug out some old programmes and found his first visit to the ground was in December 1974. Dulwich were second in the league and recollection was that Enfield won 3-2 that day. In 1999 the owner sold the ground, club was in admin. In 2001, the supporters voted to start again. Started in level 5 and now compete with Dulwich in this league. Importantly, you need to be organised off the field as well. Structured as a community benefit society. We have secured the ground for future generations. We have a limited company under that.

How do we fund that club? We had the major expense of securing the stadium. We have had to take out loans. We have found that supporters are much more willing to contribute financially and to volunteer as well. As a supporter owned club we have found the council look more favourably on us. We have been able to secure a 99 year lease and we have been able to secure finance on that basis. Securing the long lease has been very important and brings stability.

We work as a Board to run the club, with separate committees looking after different areas such as the ground, etc. We don't pick the team!

Supporter ownership is a way to secure the future of the football club and the ground.

Dan York (DY)

In 2003 the club was bought by a business man, a developer, a guy called Sami Muduroglu and convinced the council to sell him the stadium. In 2004, Sami moved us to Champion Hill and we have never played in Bermondsey since. The land was mortgaged and the club overspent on players. All was 'fine' until the money ran out in 2009, when the club went bankrupt and we reformed that year. The biggest issue for us is loss of the ground and playing away from our home for 5 years. There is no work in the community and it's not possible to expand the fan base.

Now have planning permission for a new ground. Our status as a not-for-profit community owned club has been significant in getting the club a hearing with the council. It has taken time to convince the council that we are a different club to Fisher Athletic. It is about building a community club.

The opportunity for Dulwich is much greater due to all the work done by you guys with the community, so I would urge you to vote for it.

Jo Collins (NH)

It may be obvious to you that I am not a Southampton fan! The present situation at Pompey can be summarised at Pompey thus. In 2008 we went into financial meltdown. Since then we have successfully got ownership of the club, the ground, and the land around the ground.

We are structured similarly to Enfield. We have the Trust. We allowed Trust members to buy shares for £1000 each, and the Trust then bought 2600 shares in

Portsmouth Football Club. PCFC Ltd is about 5,600 shares in total. We do have a proportion of group shares, i.e. groups of fans got together to buy one share for £1000 with a named leader. The Trust Board chooses 3 members to sit on the PCFC board as Directors. The Trust holds approx. 48% control. At one point did hold 52%. Holding 51% is in many respects symbolic, as no major decisions can be taken without 75% of the votes. We have 16 “Presidents” who have injected minimum of £50,000 and up to £600,000. So that is from 50 to 600 shares each. 14 of the 16 are Pompey fans. It is not the Trust that makes day-to-day decisions, that is done by the CEO. Pompey is the biggest example in the league of trust ownership.

Nigel Higgs (NH)

Fond memories of coming to this ground. The old ground Wimbledon FC became subject of a property snatch. The fans became more radicalised. We had some good fortune in how we formed. In the year before the club moved we met the inspirational Brian Lomax and also Dave Boyle and we formed a supporters trust in 2001. Eventually we decided to create our own club. We formed a limited company and went to the FA to form the club. The Dons Trust voted unanimously to take ownership of the club. Our good fortune was to come across Supporters Direct. The other positive element was that we found a ground to play on. We bought the ground. We formed a limited company and had a share issue that raised £1.2 million. One of the issues is to gain revenue. We are very much volunteer based. We have a paid Operations Officer and Secretary, but largely volunteer run. CEO is paid one sovereign a year and puts in 65-70 hours. So one of the challenges is to balance volunteers and paid employees. Share structure of one and three voting shares. We have a number of reserved actions written into the constitution that require more than 75% to vote for such as selling the ground, changing the club name.

There is no reason why any club cannot grow and be successful as a fan-owned club. You do require a lot of dedicated people to devote a lot of their time over many years to make it work.

Q and A

Q Difficulties encountered by Pompey in transition to supporter owned?

JC Endless list we found difficult. It’s a learning curve. We found a lot of internal Pompey opposition. We had to raise a lot of money. We paid off Mr Chainrai £3 million. The Trust raised approx £3 million and the rest from the Presidents. Believe in what you are doing.

Q To Fisher and Enfield, how was the money raised for the ground purchase.

DY There is something to be said for property developers. Fairview Homes bought the land on which the old stadium was. Section 106 funds of £750 000 were then available for the ground, plus further funding that was made available from the council through additional 106 deals and further funds being raised.

PM Our contribution was £350,000. We got some funding from the FA and also had to take out the loans.

Q What would be the Trust's bottom line in the least element of supporter ownership? If you are handed the whole thing over, do you think we are professional enough to take this over?

JB Its up to our members and we need to be guided by them and other supporters.

Q Do you represent the supporters that are not members of the trust?

JM The ideal is to get as many people, supporters, local businesses, behind the idea. If the majority ultimately don't want it, you are storing up problems. E.g. Portsmouth there were about 50 supporter groups at the first meeting. You do the engagement and consult outside the membership and if you get it right you will fly.

The per cent thing comes up every time. You are in a fantastic position. The starting point I always say is supporter owned 100%. What we want to do is get collective responsibility rather than relying on one or two people. There are also other dull, boring reasons such as tax advantages, that I can discuss in more detail at a later date.

Q How are each of the Trusts organised?

NH We are an Industrial Provident Society. In terms of a business model that works it needs a mix of volunteers and time and love. We are effectively 100% supporter owned. The plc is just a device.

JC I think you are probably better off following the Enfield or Fisher models. I think we are out of your league. The umbrella is the Trust. Think carefully about how much you expect to raise through shares.

DY We are in industrial provident society. I think as a supporter owned club you get more people volunteering.

PM We are an industrial and provident society and we have a 100 per cent owned company underneath that. You have an opportunity here. This is known as a well-run club. You need to keep the expertise that exists and to continue that.

FS To Paul and Dan, did you have any specific training in running clubs?

DY We had a number of people come forward. I would echo the point about not losing the expertise that you have got. We had Martin Eade who you know and he was very helpful about knowing the way around the FA.

PM Other than bar staff and the players, we do not pay anyone else. However, as the club grows we are looking to employ a stadium manager.

Q What would you have done differently?

PM You learn from the mistakes. You will make mistakes, but as long as you keep the existing expertise you will minimise them.

DY Some decisions you wish had gone better; such as for our managers.

JC Letting people know that I was a lawyer was a bad move.

NH I recommend that you do it. Volunteers come in all shapes and sizes and you need to be able to ensure that you are in control of situations, but also encourage people.

Twitter question: How have managers felt about working for fan-owned clubs?

JM You do need to make it clear to managers that the club can be different and that may bound around budgets. There are some great examples where managers and players really buy into the idea.

JC The current manager is very passionate about the Trust ownership structure.

Andy Greig Apologies from Gavin who would have liked to attend but had to take training this evening. How do you get people to invest if there is no return? How do you generate the revenue? And what about a CIC, what is the SD view of this?

JM It is about how you use the model. There are business advantages to running the club as supporter owned. Volunteers are more likely and this is valuable. If it is a community owned club you have a bit extra to offer to local businesses. There are opportunities for sponsorships. If a community owned body, more likely to be open to partnerships with local councils and other such bodies.

Community Investment Company. Can achieve same values as an IPS. There are a few technical reasons for using the Trust model. I see a CIC as being in between. There are locks on some of the investments. Easier to raise money as an IPS, as not part of the FSAM Act. I can go into this in a lot more detail on these points.

Q The transition. I'd like to see the positions of people on the current committee secured. One of my concerns is that it could go 'badly'. The new people involved in the trust; it has been a breath of fresh air, its been brilliant. Concerned that the Trust have shared the Chair over three people during the year. Concerns over views expressed by Jonathan Hunt in Camberwell Quarterly.

AG Reason for rotating Chair is not a weakness, but a strength. There are great diverse strengths within the Trust and we are evolving and learning.

JC One thing we struggle with is finding people that want to be on the Trust board. Apart from the first year, we have struggled to get people to come forward. The problem is not people staying interested, but getting new people to come forward.

JM I think there's a lot positive going on here. I've been to one board meeting of the trust and was extremely impressed with the calibre of people in that meeting. There was no mint and lime in my water at the first Pompey Trust meeting. I feel there is a lot of will and a lot of brains. It's about working together and finding a structure that you can all work together in.

DF This is an incredible turn out for a club that is not in crisis. It's a long way to Margate on Saturday and Fisher are at home and I'd just like to invite you all

PM When you come along to Enfield, do speak to our supporters.

Raffle drawn. £105 raised, split between the Trust and the 12th Man.

END