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# **SUSTAINABILITY IN FOOTBALL: THE COMMUNITY OWNERSHIP MODEL**

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**Thesis submitted in partial fulfilment of the requirements of the degree of Doctor of  
Philosophy**

## **DECLARATION**

I hereby declare that this thesis entitled “Sustainability in Football: The Community Ownership Model” represents the results of my own work except where specified in the thesis.

Richard Irving

## **ABSTRACT**

In 2000, when football clubs in England and Wales faced an unprecedented number of administrations, the New Labour government set up the organisation Supporters Direct to oversee the formation of supporters' trusts with the ultimate aim of taking over football clubs and running them for and on behalf of fans. Since then, almost fifty clubs have entered into such community ownership.

This study furthers our understanding by examining whether the community model of ownership in football is sustainable. By using sustainability as its key criteria, it examines the model's place in the mutual and co-operative movement, constructs a multi-level framework using macro, meso and micro-level factors to better understand the sustainability of the model and frame the analysis of the impediments to the model's future development.

Through thematic analysis of the interview data and secondary documents, the thesis discovered that the sustainability of the model depends on a number of factors relating to those societal, organisational and individual levels identified from the interviews carried out which, if satisfied, should lead to its further development in the game.

The work covers a series of events within the supporters' movement, including the merger of its two main organisations and key events in the governance of the game including the demise of Bury FC and the proposals by the "Big Six" clubs for a breakaway from the top of the game to form a European Super League.

With the timely establishment of the UK government's Fan-Led Review of the governance of football, the study highlights the need for greater regulation to assist the community owned model which, at the start of the project, appeared to be extremely unlikely and concludes that with the addition of government regulation in the sport, the supporters' trust model is undoubtedly a way forward for the game.

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**A note on terminology:**

The phrases supporter ownership, fan ownership and community ownership are used interchangeably in the text. In addition, the “supporters’ trust model” is also used to describe supporter ownership.

The term “English Football” covers clubs in the English football pyramid, a number of whom are based in Wales.

## **CHAPTER 1 – INTRODUCTION**

### **1.1. Introduction**

This thesis explores the history, development and current state of the arguments surrounding the sustainability of the supporters' trust ownership model in football via a number of theoretical perspectives relevant to the football supporters' movement and its place within the co-operative and mutual models.

Writing on the subject of community ownership of football clubs, a relatively new phenomena in the long history of football in England and Wales, has generally been positive, contrasting the successes of community ownership with the regular failures of privately owned clubs in an ever more hyper capitalist environment. Whilst much has been written on those failures, there has, however, been little in the way of study around the sustainability of community owned clubs as more attention has been paid to the establishment of those clubs and their work in the early stages of their existence (e.g. Conn 1997, Hamil et al 1999). By contrast, this study seeks to investigate whether, in the long term, the community ownership model in football is sustainable. Sustainability, the operation of the football club as a viable business in the long term, is one of the objects of all community owned football clubs as detailed in their rules as Community Benefit Societies. In an era where, between 1992 and 2012, over half of all professional football clubs entered administration, this is a key aim, and differential, between community owned football clubs and their privately owned counterparts.

The theoretical foundations for this thesis are democratic theory and stakeholder theory. The study of democratic theory has developed with a focus primarily on the political arena with stakeholder theory as a practical application of democracy in the business world. These are relevant theories to examine the supporter ownership movement. Democratic theory underpins the values of the supporters' trust and supporter ownership model, with democratic one person—one vote principles at both trusts and at supporter-owned clubs. Furthermore, the political environment in which supporters' trusts exist can be explained by democratic theory where, in many cases, there is the development of democracy after the hegemony of private ownership at clubs that has often resulted in financial difficulties. The values of the wider movement are clearly also influenced by the stakeholder theory of Freeman (1984), for example, emphasising the need for key stakeholders such as a club's fans to be involved in order for a business to be successful both in financial and sustainability terms. Stakeholder theory gives the movement the basis to challenge such hegemony when ownership is not a possibility but also, when ownership is achieved, the platform to become an inclusive organisation that engages with all its stakeholders, starting with the club's fans, but also developing links with the local community and others affected by its presence. Both theories provide explanations for the development of the movement and for the criticisms and potential problems the supporter ownership model has faced and will face in the future.

As we will see throughout the thesis, the model that, in terms of the history of football, is very much in its infancy, has developed as an alternative to the private ownership model and with democracy at its heart has brought fan involvement in the game to a new level where, previously, voice had been

extremely difficult to achieve. This thesis contends that, as a key stakeholder, fans are a legitimate voice in the running of their football clubs and, where private ownership has either excluded them, or ultimately led to the collapse of clubs into administration, the alternative, fan-led model has provided the opportunity not only for fans, but their football clubs' wider community, to become involved. The values and theoretical underpinning of both democratic theory and stakeholder theory can therefore be seen to have been at play during this development of the model.

By looking at the history of supporter involvement and ownership of clubs via the lens of both democratic theory and stakeholder theory, the thesis contributes specifically to the development of knowledge in the area of stakeholder theory application in the community ownership model of football. It explores areas hitherto uninvestigated around the relationship between football clubs and their supporters and develops a framework for examining the impediments to supporter ownership. The framework used, based on the work of Cunningham (2010), was developed to examine the factors that have, to date, largely limited the success of the model to the lower reaches of the professional game and the semi-professional game in England and Wales. Cunningham's (2010) study of the involvement of African American coaches in American Football showed the interaction between the macro, meso and micro factors and how that interaction helps to explain how the environment in which the subject being studied is working. This three-tier analysis therefore provides the tool to explain how the model is working by identifying all those impediments and the interrelationship between them thereby identifying all the hurdles required to be overcome in order for the model to function more effectively. The research also draws heavily on the work of Hirschmann (1970) and his work on the concepts of exit, voice and loyalty in terms of the actions of football supporters and the setting up of community owned football clubs.

Interviews were carried out with key stakeholders within the game with knowledge of the supporters' trust and community ownership models and, as a result of those interviews, the research sought to identify, through thematic analysis of the interview data and secondary documents, relevant issues relating to each factor that can help to understand the sustainability of the supporters' trust model. This particular way of framing our understanding of the supporters' trust model is a new way to conceptualise the sustainability of the model. For example, as it became clear that major macro events, government intervention in the governance of football, meso events including the merger of the two main supporters' organisations and micro factors, such as recruiting the right volunteers to clubs, those developments justified its use. As a result of the many changes occurring in football during its lifespan, the study clearly shows how knowledge in this area is swiftly changing and evolving. It concludes with the government's generation-defining June 2021 Fan-Led Review of the governance of football which came about as a result of the actions of six of the largest Premier League clubs who acted, in a common theme across this thesis, without consultation with their supporters.

By examining the history of fan ownership and the current state of the co-operative movement, the research sought to answer the question of whether, in the light of those theories and the practical evidence available, the model is currently working, whether it is the ideal way of running a football club and sought evidence to ascertain whether it is actually sustainable in the long term.

The work specifically highlights the stakeholder salience approach adopted by Mitchell, Agle and Wood (1997) and examines their theoretical contribution by applying the concepts of power, legitimacy and urgency. During the lifespan of the research, many developments within the supporter ownership movement occurred culminating with the aforementioned Fan-Led Review which began in June 2021 which ultimately showed that legitimacy had been joined by power and urgency to establish the review. The sustainability that the thesis examines was thrown into a starker light by the actions of those clubs seeking a breakaway European Super League which, given the findings of the interviews carried out, confirmed the need for government intervention to assist clubs outside the highest echelons of the game in order for them to continue to compete and, indeed, survive.

The thesis firstly examines the history of the supporters' trust movement before explaining the mutual model and tracing the history of the co-operative movement and its various entities from which the principles of the supporter ownership model are drawn and finally examines those theories that underpin the model, democratic theory and stakeholder theory. From there it looks specifically at the football business, with its particular differences to other businesses and the development of Supporters Direct, the organisation set up in the UK in 2000 to provide a framework model for the setting up of mutually owned football clubs, before examining the literature that has evolved as the model has developed.

In the second section, the findings of interviews with key stakeholders in the game with knowledge of supporter ownership including activists, academics, journalists and members of the game's governing bodies are examined and rationalised in the context of the aforementioned theories and histories providing an answer to the questions as to whether mutual ownership of football clubs is sustainable and asks what developments are required for it to work even more successfully in the future.

Having explored those theoretical perspectives and the history of the model both in the wider business world and in football terms the study is able to provide a discernible contrast between the future longevity of community ownership and those clubs in private ownership and concludes, with some certainty, that the model is, indeed, sustainable in the long term.

The study focuses specifically on the model of supporter ownership in England and Wales since, as stated above, the model is in its relatively early stages of development given that the first supporter owned club was only established at Enfield Town some twenty years ago. Whilst fan involvement in the running of football clubs is not unique in Europe, given the 50+1 models prevalent in both Germany and Sweden, for example, the study did not seek to make comparisons with those well-established models but chose instead to look at the development of the model purely in terms of its establishment within English football. The model's development, as we will see, has come at a time when mutual ownership of many aspects of British society has diminished and can be seen as a unique player in the world of co-operative working at present in the UK.

In order to set the scene around the ownership of football clubs, the thesis begins with an analysis of the mutual model and a history of the co-operative movement in the UK and Europe then explores the

benefits of co-operation before introducing the concept of mutuality in football and the theme of sustainability of football clubs.

## **1.2. The Mutual model**

### **1.2.1. Mutuality**

The mutual model describes an umbrella of organisations that are established and run for the benefit of their members. They are defined by the UK's Department for Business Innovation and Skills (2011) as "characterised by the extent to which members have democratic control of the business and share in its profits and contrasted with 'investor controlled' companies" (2011:2). They are also distinguished by the fact that those members are directly involved in the business, either as managers or workers, as opposed to the shareholder model where outside investors often have ownership and control.

From the original Building Society, in Birmingham in 1775, when Richard Ketley's (Building Societies Association 2015) was set up to house its members and the societies were "terminating" when all of their members were actually housed, to today's permanent societies, the model has had a mixed history, covering boom times and times of difficulty right through to facing the spectre of demutualisation in the 1990s.

Looking deeper into specific ownership structures in the UK, and with particular reference to the types of ownership in football, the mutual model has various alternatives to offer. The model is actually able to accommodate limited companies under its umbrella, as well as such entities as partnerships, however, the one purely mutual model was (until 2014) the Industrial and Provident Society of which there were two different types, Cooperative or Community Benefit Societies (Department for Business Innovation and Skills 2011:2) which are further broken down (in the BIS guide) into worker, consumer, producer and community cooperatives.

Following the Co-operative and Community Benefits Society Act of 2014, entities that were previously Industrial and Provident Societies (such as football supporters' trusts and community owned clubs) became Community Benefit Societies. Other models that can also be considered as employee-owned (a company where more than 50% of the shares are owned by employees) can take the form of either indirect ownership via a trust or with share incentive schemes for employees (2011:3). To be recognised as a cooperative, the International Co-operative Alliance (ICA) values (see below) have to be adhered to. As the guide tells us, the benefits of the mutual model are "engagement and participation" and "meeting the needs of their members" (2011:4) which, ultimately, should lead to all members contributing to and benefitting from the business' success. The fact that mutualisation entails the business being owned by its customers invariably means it can produce what the customer wants at the lowest possible price.

The mutual model, however, came under severe pressure in the UK throughout the 1990s after the first demutualisation, at the Abbey National Building Society, in 1989. Reflecting pressures in other areas of

the co-operative movement, there were a number of reasons why the model faced encouragement to change with four major reasons for demutualisation put forward. Firstly, for example, the plc's greater ability to raise capital, secondly, the greater ability to merge or acquire and consolidate the business, thirdly, the ability to take advantage of less regulation as such a constituted company and, finally, (although the rules have subsequently been tightened) to provide windfalls to investors thereby releasing value to them. The counter arguments for the mutual model, as noted by Carlisle (2002), surround many people's interest in democratic engagement, the opposite argument to the dividend paying plc i.e. the fact that money is not paid out and that interest rates are higher for savers and better for borrowers. Carlisle (2002) goes on to note four more reasons in favour of the mutual; democratic engagement with members, the interest in delivering the benefits of the mutual, particularly in the light of extensive bank closures, a perception of fairness (as opposed to that of the banks) and their culture of customer service or not "rapacious and unsympathetic, like the banks" (Brown-Humes 1998). Johnstone (2012) quotes Iain Hasdell from the Employee Ownership Association (and a member of the UK government's Mutuels Task Force) as saying that the main problem lies in a "lack of working capital" and that more "seed funding to pump prime mutuals" is required (Johnstone 2012:7), particularly at the start of a mutual's operation or if it is dependent on one contract for its existence.

Aside from the Abbey National in 1989, Building Societies were initially slow to demutualise but a further eight followed between 1995 and 2000 leading to a massive rush to demutualise aided by investors opening accounts and acting as "carpetbaggers", in the hope of attracting the aforementioned windfalls. Demutualisations, described by Michie (1999) as "an orgy of cake-eating" (1999:28) saw investors receive windfalls exemplifying what he describes as the short-termism in the British economy. Michie stated that "Mutuals are a sensible and efficient method of corporate ownership and governance" (1999:28) but the fact remains that people are tempted to sell out and cash in. The rush to demutualise saw numbers of mutual organisations diminish from 59 in 2008 to 45 in 2016.

The model has also suffered a variety of other setbacks from the mis-selling of pensions in the UK by, amongst others, Sun Life of Canada and Friends Provident, which further damaged its credibility (FT 1998) to, in the US, criticism levelled at the model where Lehman Brothers, despite having a quarter of its ownership in staff hands, were unable to prevent the company's collapse in 2008. The scandal at Enron in 2001 also brought to light the fact that many employees, encouraged to put their savings and pension into Enron stocks, saw their entire fortunes erased (The Economist 2012). These are, despite only loose association with the model, difficult situations from which to recover, particularly given the view of such pieces as The Economist's (2012) article that mutuality is a "cuddly" form of capitalism despite their generally positive assertions towards it.

In further developments for the model in the UK, the 2012 report of the UK's aforementioned Mutuels Task Force (Mutuals Task Force 2012) concluded, in line with many other writings on the subject (UN 2012b), that the major advantages with the mutual model lay with lower absenteeism and less turnover of staff than at non-mutual organisations. An ability to pay higher wages, deliver greater customer satisfaction and to develop innovative approaches whilst remaining profitable and sustainable even in

times of economic difficulty (2012:6) were also cited as advantages. This confirms the view that led the Economist (2012) to conclude that with staff turnover low and the inclusive nature of such organisations (they cite the retailer, John Lewis and the engineering organisation, Arup) mutuals are, in fact, excellent employers. As a Cass Business School study in 2010 said (The Economist 2012) there is a consensus that "employee-owned companies are more productive and hardier in a recession". Such views were further confirmed in the UK's Department of Business Innovation and Skills report (2011) when they said "it is clear that mutual models can form the basis for high performing, profitable businesses – and deliver genuine business advantage" (2011:4).

The Mutuals Task Force (2012) was set up seeking to "spin out" public services to employee-owned mutuals and was inspired "by the experience of employee-owned John Lewis in this country and of the co-operative experiments abroad" (2012:3). The report stated that employees' commitment to the organisation affects their value systems and "the centrality of democratic, employee-led governance within mutuals embeds these values and practices at a deep level within the identity and culture of the organisation" (2012:11). However, they did point out that, in line with Macleod and Clarke (2009), employees will not engage if they feel their involvement is a form of tokenism.

Explaining the intrinsic (for the employee) and instrumental (improving service provision) benefits of employee engagement the report also recognised the value of having public sector professionals managing their own destinies by stating "the argument for mutuals is that this can be more readily achieved in organisations where the ownership and direction of practice is with the professionals themselves" (2012:12). Ultimately, this new mutualism was extolled for three major virtues, the pride that employees feel for the organisation, their improved attitude as a result and the fact that they become advocates for the cause where the "virtuous circle" (Macleod and Clarke 2009:9) of benefits exemplify both those intrinsic and instrumental benefits. The report further explained that "well-designed mutualisation in the public services has the potential for yielding considerable benefits in a wide variety of contexts" (2012:20) leading to what one member of the Task Force described, in a contemporary article, as a "quiet revolution" in the public sector (Hasdell 2012).

The Task Force did, however, in the final conclusion of the report, sound a note of caution by saying that whilst the above virtues are present in many examples of research into the sector, they "may not be superior in every respect at all times. Nor are they the answer to everything" (2012:20). This cautious tone was not the only negative when it came to the scenario that played out in the sector where, according to Ed Mayo of Cooperatives UK (Johnstone 2013:7), poor practice meant that employees were not being given a "genuine voice". He believed some mutualisations were "forced through" without the consent of employees and that, in one case in particular, employees were given just a 25% stake with a private organisation becoming the major stakeholder. To justify some of the caution voiced at the end of the Task Force report, Mayo went on to confirm that the UK government became somewhat "out on a limb in terms of what it includes as mutual businesses" before warning that "We don't want to be tainted with government getting this wrong" (Johnstone 2013:7).

In the wake of this report, in a 2013 analysis of the model, Cooper and Robinson (2013) examined the development of NHS Trusts and Cooperative schools as part of their view that "in the United Kingdom, mutuals are enjoying a renaissance" (2013:49) pointing to six major advantages of a mutual in this scenario; better employee engagement, improved growth, reduced staff turnover, resilience during recession, better productivity and reduced overheads. They did, however, also admit that, in common with other cooperatives, their major problem is the raising of capital, although here this has as much to do with banks' reluctance to look at new business models as with their failure to provide funds for the transfer of formerly government-owned assets. They also indicate other areas where new mutuals, such as those in the NHS and schools, may struggle, with the lack of entrepreneurs within their ranks and the competitive environment they subsequently find themselves in. As the Economist (2012) also pointed out once again, "Companies that are wholly-owned by their staff may face barriers to growth. Many firms need a flexible capital base to expand—one reason the partnership model in banking declined".

Further examination of the benefits of a mutual organisation within the National Health Service was encouraged by the Labour MP, Frank Field, when, in December 2016, he indicated that he felt the service should be run as a mutual thereby enhancing the public's "affection" for it (Elliott 2016). When advocating this move he said, "A John Lewis model would not allow members to overturn the whole system but they would have a decisive say on expenditure levels and the culture of the organisation". He hoped that a rise in National Insurance contributions would be seen as justified and that the public would back the proposal to give them more say in the way the service is run.

Cooper and Robinson (2013) refer to another perceived fundamental flaw in the model, that when the initial entrepreneurs are no longer able or willing to continue in the business, the next generation required to take on the management of the organisation, with the same enlightened principles, are notoriously difficult to find or, as they term it, "institutionalising individual drive" (2013:53). As we will see in examples below in football, this is not an uncommon scenario in a mutual.

Such arguments are, however, countered by a study by the Cass Business School (2015) when examining the state of mutuals in comparison to banks. It concludes that not only have they seen a better recovery than the banks from the financial crisis of 2008 but also have better capitalisation and therefore the ability to provide significantly improved deals to customers with more stable returns in general. It summarised by saying that, given the aforementioned factors and this faster recovery, "overall, building societies are just as efficient as banks" (2015:6).

The model does, however, continue to face pressures with the announcement in April 2016 that one of the smaller UK mutuals (with just one branch), Manchester Building Society was at risk of closing due to a £4.9M loss during the preceding year (Monaghan and Osborne 2016). Several previous instances saw the Derbyshire and Cheshire Building Societies rescued in 2008 by the Nationwide Building Society and the Yorkshire Building Society respectively, following previous deals to take on the accounts of the Norwich and Peterborough, Chelsea and Barnsley Building Societies during the same year. It will



therefore be very interesting to see how those Building Societies fare when the effects of the 2020-21 COVID-19 pandemic are assessed.

Furthermore, at that time, the proposed move towards more worker owned organisations in the UK saw some backtracking by the incumbent Conservative government having previously implied that their implementation would be forthcoming they would now, in the words of the then Prime Minister, Theresa May, in November 2016, be looking at “other routes” such as advisory councils and panels and not full representation on the board of directors (BBC 2016a, Watts 2016). In football terms, however, the Fan-Led Review, commenced by government in June 2021 and to be carried out under the auspices of the Department of Culture, Media and Sport will no doubt lead not only to an independent regulator for the game but also a higher degree of fan involvement than ever before.

### **1.3. The History of the Co-operative Movement in the UK and Europe**

#### **1.3.1. Definition**

In the UK, the use of the terms co-operative and mutual can be confusing and, indeed, they are often used interchangeably. However, the fundamental difference is that a co-operative has to have signed up to the principles of the International Co-operative Alliance (see details below) whereas a mutual, often in the case of Building Societies, for example, will not have done so (UK Parliament 2012). In the past, mutual organisations prevalent within the UK were predominantly mutually owned insurance companies, where the organisation was owned by its policyholders, (Liverpool Victoria and Friends Provident, for example) and those policyholders were able to elect management in the same way as other co-operatives. As stated above, the more common form of mutual in the UK, particularly until their demutualisation in the 1990s, were Building Societies where, as with the insurance mutuals, the account holders within the Society also own the business and are able to elect management, a process that continues to this day in such societies as the Nationwide and Yorkshire Building Societies.

A Co-operative is defined by the International Co-operative Alliance as an “autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise” (International Co-operative Alliance 2018). In the UK, the 2014 Co-operative and Community Benefit Society Act served to make the definitions in the area studied in this research, Community Benefit Societies, clearer: “The purpose of a community benefit society is to serve the broader interests of the community, in contrast to co-operative societies that serve the interests of members” (Co-op UK 2020). This defines them separately from co-operatives and means that, whilst they mirror the workings of a co-operative, because they do not *only* work on behalf of their members they cannot be termed co-operative and are, therefore, mutuals.

### **1.3.2. Co-operation**

Whilst the area of study, football supporters' trusts and community owned clubs are not considered to be co-operative in terms of their definition, co-operation as a concept remains a key element in their role and is therefore worthy of further exploration in this regard.

As Schmitter and Karl (1991:79) say, "Co-operation has always been a central feature of democracy" and, to them, co-operation is now, effectively, what is called "civil society". It contributes towards "forming better citizens" (1991:80) and makes them "more civic minded in their willingness to sacrifice for the common good" (1991:80). This civil society actually provides an additional layer of governance between the individual and the state which can resolve conflicts and control members without coercion. A viable civil society can mitigate conflicts and improve its citizens. Tolstoy, in his many works, was also a keen proponent of cooperation, particularly when it came to the working of the land in Russia when saying "Whatever cooperation such communities required would be supplied locally and agreed upon by all" (Tussing Orwin 2002:53). Rousseau (1762), in his seminal work "The Social Contract", observes that every citizen would be powerless without the cooperation of others, or of the majority, meaning that they are inevitably "excessively dependent on the republic" (1762 reprinted 1968 bk 2 p99). There are, undoubtedly, key parallels here with football in that, whilst the area of study is around the use of the mutual model at trusts and clubs, in a wider sense, without the cooperation of other clubs, there would be no league or cup competitions.

### **1.3.3. History**

The International Co-operative Alliance (ICA) defines cooperatives as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise" (ICA 2005-2015). They are very much about wider aims and the pursuit of success, not just purely financial, and this is coupled with broader socio-economic and altruistic aims.

The early history of the Co-operative movement in Europe centred around the early to mid-eighteenth century when the first co-operative principles were seen to be applied to an insurance company in the UK (Williams 2007:10), groups of cheesemakers in around 1750, and credit institutions in Germany. In the latter days of the industrial revolution, in 1844, 28 weavers in Rochdale formed a co-operative to provide supplies to the local mill, leading to the start of the Co-operative stores and the eventual "Rochdale Principles of Cooperation" which led directly to the "Principles of the International Cooperative Alliance (ICA) (see below) that we see today (Williams 2007:10). In Belgium and Germany this led to similar establishments, with the movement perhaps at its peak in northern Europe in the 1930s.

The Rochdale Pioneers (as they became known) were responsible for the spread of co-operatives across Lancashire into the 1860s, and were robust enough to withstand rumours of their imminent demise due to a lack of capital and the blockade of cotton associated with the slave trade (exemplifying

the movement's association with wider political ideals as they declared their support for the north in the US Civil War) as shown in the 1944 film, *Men of Rochdale* (Groves and Holyoake 1944) and its successor, *The Rochdale Pioneers* (Hamilton and Montegrando 2012).

In the UK, membership of co-operative societies increased steadily between 1919 and 1939 rising from 4.1M members to 8.5M members (Rochdale Pioneers Museum 2016). After this peak, a steady decline set in in the UK and Northern Europe, however, in Italy, France and Spain, the movement has gone from strength to strength and continues to flourish to this day with, for example, the Mondragon organisation, founded in the Basque region of Spain in 1956, as an example of the co-operative model working on a huge scale. The organisation is currently the tenth largest employer in Spain with approximately 75,000 people working in its 257 separate co-operatives. More recently, the movement in the UK has also seen something of a renaissance with over 500 new cooperatives in operation at the turn of the 21st century (Williams 2007: 11).

In the US, the series of cooperatives that have grown up around the plywood manufacturing industry in the Pacific North West are worthy of note as well as various examples of the model in a wide range of other diverse industries including investment banking, architecture and medical practice. Millon (2002:114) identified United Airlines as the largest majority employee-owned company in the world at the time purely through its Employee Stock Ownership Plan (ESOP) although, at present, such employees have no formal control over the organisation.

Puusa et al (2016) note that little in the way of study of the co-operative movement has been carried out citing Levi and Davis' (2008) quote that co-operatives are, in fact, the "enfants terrible" of economics. They point to the dual role of the co-operative, the economic and social benefits to be gained from them, as being problematic and this is borne out by their study (Puusa et al 2016) where three co-operatives in Finland (where the world's highest concentration of co-operatives exists) found that, far from the real dual role being between economic and social imperatives but a "new dual nature" (2016:29) is now more noticeable with the dominance of the individual within the co-operative. Such individuals are seemingly unconcerned with the wider good to be gained from co-operation exemplifying the problems identified in much co-operative literature where control is problematic in a joint ownership structure. This goes against the principle expounded by Haynes and Nembhard (1999) that co-operatives allow people, "to become part of something bigger than ourselves but not so big that we lose a sense of ownership and participation". Puusa et al (2016) were not, however, totally disheartened by their findings and concluded that "when members participate equally, the atmosphere will be democratic, empowering and fruitful" (2016:29).

Thompson (2015), in his critique of the co-operative movement, stressed the hostility of the institutional environment in which they operate where the preferred mode of operation is as a traditional capitalistic organisation (2015:10). Such competition, he believed, may lead to problems in maintaining interest in the democratic processes as apathy may set in and a move towards managers having special status (as per Weber's (1905) "iron cage"). This could also manifest itself in the problems co-operatives may find in securing high-quality management staff who may be lured by more lucrative opportunities

elsewhere in capitalistic organisations, however, Thompson's contention is that, despite the critical nature of much of the literature, there are major positives to the role of co-operatives and that they can succeed "both in achieving deep-level cooperation and in maintaining [it] alongside the bureaucratic organisational structures required for coordination" (2015:10).

Gupta (2014) looked at the workings of a small co-operative in Berkeley, California which succeeds using all the principles of the ICA and not merely financial gain as its aim but also Vanek's (1969) "peace of mind" or "broader human values", associated with working collectively. Gupta (2014) does, however, point to the work of Varman and Chakribarti (2004) who identify a "constitutional degeneracy" that sets in at a mature cooperative where, eventually, ownership will lie with an elite minority. Gupta's (2014) research points to this happening in her case study where, when a co-operative expands, it starts to provide its founders with equity claims and subsequent wage-paid workers with no claims. Gulati et al (2002) also identified a problem in that the second generation of workers and managers lack the ideology of the co-operative and therefore agitate for the organisation to head to more capitalistic principles.

Gupta (2014) does, however, provide a compelling case for small co-operatives, further explaining that, in addition to the size, a degree of self-selection of co-operative members and a stable consumer base assists with the longevity and ensures they remain successful "experiments in democracy" (2014:106).

As Martin (2007) said, the modern concept of worker co-operatives in this form in the UK have their root in the Labour Party doctrine of the 1970s revived as the "Third Way" in the late 1990s (Blair 1998). Newman (2001), in her critique of the New Labour modernisation project, argues that, in a broader reframing of policies, it included within its aims a move to more inclusive policies and the development of "what works" in public policy in addition to a general modernisation of the state as a whole, including devolution of power to governments in Scotland and Wales. Here she recognises the New Labour modernisation setting out on a path between the neo-liberal 1980s and 1990s and the state-centred old Labour attitude (Newman 2001: chapter 3).

#### **1.3.4. The Benefits of co-operation**

Williams (2007) discusses the seven principles advocated by the ICA (having added a seventh to the Rochdale Cooperative's six original principles) and summarises them as follows:

1. Voluntary and open membership
2. Democratic member participation (one member, one share, one vote)
3. Equal and "fair" investment by members
4. Free of intervention from governments
5. Education of members about the nature and principles of the cooperative

6. Encouraging cooperation amongst cooperatives
7. Protecting the environment and developing a sustainable community

(Adapted from Williams 2007:12)

Williams (2007) goes on to explain that the co-operative movement is under pressure for two main reasons, its principles are often circumscribed by law in the US where “Every year various corporations and the banking community introduce bills into federal or state legislatures attempting to curtail cooperatives, especially credit unions, claiming that extension of cooperative rights will give them unfair advantages in pricing and market appeal” (Williams 2007:12) and, furthermore, that the major difficulty the co-operatives have is in raising capital which is often overcome by taking loans from members or by the use of large loans. In direct response to big company collapses in the 1990s and early 2000s though, Williams concludes that “At both the beginning and the end of the twentieth century, the co-operative movement has shown the way out of economic disaster” (Williams 2007:34).

In an attempt to exemplify the benefits of co-operation, Johnson and Johnson (1989:29) conducted a major study of competition versus co-operation versus individual effort identifying that “competition can actually become a primary cause of group failure” (Williams 2007:53). They show that competition is not as effective, in terms of motivation, as co-operation and it (and individual effort) cannot be shown to surpass such co-operation. Ultimately, they concluded that, “there is virtually no basis for an argument that competition would be a wise option under any set of circumstances” (Williams 2007:55).

Cheney (in Williams 2007:xiv) describes those organisations looking at “globalization from below” as those seeking “to reconfigure the economy in socially just terms” in his description of the co-operative movement. As Williams (2007) says in the same work, such organisations will share many of the same principles including collective or even equal ownership, democratic principles and a belief in the “viability” of what they and the wider co-operative movement are seeking to achieve.

In a study on co-operative products and the widely held belief in the “co-operative advantage”, Altman (2016) examined perceptions of co-operative products in Canada and revealed that, even amongst those individuals who are not especially pro-co-operative, they would always consider a co-operatively produced product above a similar priced article and would even be prepared to pay more for it to give themselves the “warm glow effect” identified previously by Andreoni (1990). This increase in utility or well-being explains their attitude towards co-operatives and indicates that, in a competitive market place, individuals understand the value of co-operatives and are prepared to pay a price to obtain their products. The research by Altman (2016) also identified the fact that even under-performing co-operatives are somewhat insulated against failure simply because of their products’ origins. Clearly, the co-operative advantage can be identified is a key factor for the movement’s success into the future.

In an example of the wider backing of the movement, in 2012, the United Nations celebrated the International Year of Cooperatives, highlighting the seven principles of the movement (UN 2012a) with

UN Secretary-General, Ban Ki-Moon concluding that "Through their distinctive focus on values, cooperatives have proven themselves a resilient and viable business model that can prosper even during difficult times. This success has helped prevent many families and communities from sliding into poverty" (UN 2012b).

The Co-operative Movement in the UK has also been totally supportive of the aims of supporters' trusts in football and the ambition of fans to own their clubs and reiterated its position in 2016 when preparing for its summer conference. Their re-stated aims were

*We propose the Government legislate to give fans the right to appoint a minimum of two board directors for all football and rugby clubs. Supporters' trusts should be guaranteed the option to buy up to 10 per cent of the shares of a club at the point of transfer of ownership.* The Co-operative Party (2016:7).

### **1.3.5. Criticisms of Co-operatives**

Gulati et al (2002) divide the criticisms of the cooperative principles into seven categories to mirror the seven principles of the Cooperative movement

1. Workers who become the managers are going to be investing their sum wealth in the operation so they will not be prepared to take risky strategic decisions. Individuals are also more likely to stay on since they have a vested interest which happens despite them not necessarily being the best person for the job.
2. They invariably make bad bosses by hiring managers that are dependent upon them for their jobs and, as a result, indulge the owners so that they cannot have their employment terminated.
3. The goals of a co-operative are heterogeneous which invariably leads to conflicts and inefficient decision making.
4. Certain individuals are inclined to hide from work since the work is as a group producer.
5. They cannot compete in the real world.
6. They cannot raise money like more traditional shareholder model organisations.
7. Internal pressures lead to indiscipline and disintegration of members which can lead to managerialism.

(Adapted from Gulati et al (2002)).

Heras-Saizarbitoria and Barrettxea (2016) take this seventh point further by discovering a trend towards managerialism in the modern co-operative in their study of three organisations in the Mondragon co-operative in the Basque country. Whilst the wider corporation continues to espouse the true values of the movement, the individual companies are seeing a drift towards the rhetoric of managerialism and

its “lingua franca” (2106:14) which, ultimately, is leading to the degeneration of the movement. They believe this to be a major setback to what is “industrial democracy in action” (2016:13), as previously Mondragon has proved to be successful in competing in capitalist markets, been a good example of democracy in the workplace and also developed the social environment in which they operate. Cheney (1999 and 2005) also saw this slip towards managerialism with new managers without the co-operative ethos being hired, subsequent top-down management and the eroding of the democratic process in many units of Mondragon being evident.

Increasingly, however, Heras-Saizarbitoria and Barrett (2016) point to much literature (including annual reports) produced by Mondragon organisations seeking to “camouflage” (2016:19) their co-operative and democratic principles when addressing potential investors, thereby weakening the principles the movement is supposed to espouse. The Corporation itself continues to be a “Praetorian guard” (2016:19) of the principles but the subsidiary organisations do not seem to have the same belief in the co-operative principles as the wider corporation. With membership widening to include those without such core values at their heart, a regeneration of the co-operative principles within the organisation is, in their view, undoubtedly required.

Millon (2002) whilst recognising that “not entirely conclusive” (2002:116) evidence exists about the increase in productivity at worker owned organisations, criticises worker ownership based on the fact that the Enron scandal saw large numbers of employees suffer catastrophic financial losses as a result of their investment in company stocks for their retirement funds. His belief is that such stock investment can be construed as worker ownership without any form of control which should, at all costs, be avoided in the future. He does, however, cite examples from the time of large multinational organisations such as Coca-Cola having their retirement funds made up of over 80% of their own stock, an extraordinarily hazardous situation given the Enron scenario. He further justifies his criticisms of worker ownership by stating that the ownership of stocks for retirement funds is, in fact, “a vehicle through which workers can participate in ownership of their employer. As such, they may provide many of the benefits touted by advocates of worker ownership” (2002:119), despite the lack of any form of control that the co-operative movement would recognise. He insisted that the values associated with this involvement form part of those of the worker ownership movement and leads him to conclude that “Despite worker ownership’s many potential benefits in small business, the professions, and elsewhere, claims about its value in the public corporation context deserve skepticism of the highest degree” (2002:124).

### **1.3.6. Recent Criticism**

As with the critical press received by other mutual organisations, often by outlets that would ordinarily be supportive, the Co-operative movement, particularly in the UK, has encountered difficulties not least as the result of the banking arm of the Co-operative Group, the Co-operative Bank, being embroiled in scandal and financial difficulty. In echoes of the way that the press treated senior bankers from other organisations, the Co-operative Bank’s former chairman, Paul Flowers, who, after the bank had already faced enormous pressure after a misguided merger with the Britannia Building Society in 2009, was then hit not only by the revelation that he was not only being questioned regarding his expenses in 2013

but was also at the centre of a drug-taking scandal (Dixon and Wilson 2013). Then, later in 2013, a large hole in the bank's finances was revealed amounting to almost £1.5bn which led to its eventual rescue by a group of US hedge funds in a debt-for-equity swap (Jack 2017). Furthermore, in January 2016, two senior directors of the bank were banned from holding senior banking positions by the Bank of England (Wilson 2017) and this was followed by the Bank of England placing the bank under "intense supervision"

All of the above crises and scandals led to a high degree of reputational damage for the co-operative movement in the UK and a direct loss of business within its banking arm (Goodway 2013). As a result, speculation surrounding the bank's sale continued to circle in early 2017 with the Trustee Savings Bank (TSB) said to be the most likely buyer (Jack 2017a), however, as the chances of a buyer being found receded (Jack 2017b) the Co-operative Group wrote off a 20% investment in the Bank (worth £140M) and consequently added to the Group's losses for the year ending December 2016 (Butler 2017). Shareholders had agreed to the £700M rescue package at their Annual General meeting in August 2017 where those losses were announced as being £135M for the first half of the year and details of issues around their IT systems were also discussed with the UK regulator giving the bank until January 2018 to comply or face the prospect of compensating customers (Co-op News 2017a). The Co-op Group then announced on 1<sup>st</sup> September 2017 that it had reduced its stake in the bank to 1% with the Group's Chief Executive saying that it was up to the Bank to maintain the "ethical stance" that it previously had (Co-op News 2017b).

Further problems within the co-operative movement had already come to the attention of the media in late 2016 when a Co-operative Group member, The Mid-Counties Co-op, was revealed to have had to pay out large sums to workers paid below the minimum wage in the highest single payment ever for such a misdemeanour (Booth 2016), a sign that the formerly supportive left of centre press were also prepared to pressurise the movement with such revelations.

Even the John Lewis Partnership, in March 2017, were reported to be offering a 6% annual bonus to its 86,700 staff who had become accustomed to bonuses of at least 10%. This, the company said, was due to an "increasingly uncertain market this year". Profit, however, was seen to rise some 21.1% to over £370M for the year (BBC News 2017) at that time before falling, once again, in the first six months of 2017 by 53.3% to £26.6M (Co-op News 2017c). At the end of 2018, the bonus was reduced further to 5% the lowest bonus received by staff since its 4% bonus in 1954 (BBC News 2018) with a further reduction to 2% in 2019 (BBC News 2019) and no bonus at all being paid in 2020. (BBC News 2020).

Despite such failings, however, by the time of the Co-operatives UK 2017 report, the movement was able to send a positive message that with 6,815 co-operatives throughout the UK, the movement was now contributing £35.7bn to the UK economy (Co-operatives UK 2017).



## **1.4. The co-operative movement in football: an overview of the supporters' trust model**

### **1.4.1. Community Benefit Societies**

Prior to the founding of Supporters Direct by the New Labour government in 2000, supporter involvement at football clubs in England and Wales had been restricted, primarily, to two forms, Supporters' Clubs which were broadly supportive of the football club and seen as, in effect, their fundraising arm and, from the late 1980s onwards, Independent Supporters' Associations. The former had grown out of the increasing need for transport for supporters to matches away from home and the latter were a natural progression from the fanzines that appeared on the terraces of football grounds from the late 1980s.

Until Supporters Direct's foundation, the idea of any form of supporter ownership was restricted to a handful of individuals wealthy enough to invest in their club (or inherit shares) and a small number of clubs where owners allowed a certain percentage of supporters to buy shares. The idea of mutual ownership until that point was something of a pipedream for supporters but, with clubs falling into administration in the 1990s and a new spirit of community engendered in the early days of the New Labour government, the idea for the establishment of supporters' trusts and an umbrella body to oversee their implementation (with a long-term view leading to supporter ownership of clubs) came to fruition (see Chapter 3 below for a more detailed history).

The model chosen by Supporters Direct, the Industrial & Provident Society, gave supporters a democratic body with one member, one vote principles and an association with the wider co-operative movement in a major diversion from the hitherto collection of unincorporated associations. A national federation, the National Federation of Football Supporters' Clubs had been established as far back as 1921 but real organisation of fans had not substantively occurred until the formation of the Football Supporters' Association (later the Football Supporters' Federation) which was formed in the wake of the Heysel disaster in 1985.

The IPS model first utilised by supporters at Northampton Town in 1992 (Michie 2000a) was adopted upon the foundation of Supporters Direct in 2000 and evolved considerably over the years to produce the model rules that supporters' trusts and community owned clubs use today (see Appendices 1 & 2). The Co-operative and Community Benefit Societies Act of 2014 renamed IPSs as community benefit societies giving a clearer indication in the name as to the purpose of the organisation.

The latest versions of the Football Supporters' Association Model Rules for both supporters' trusts and community owned clubs (Appendices 1 and 2) have clear resonance with the co-operative principles discussed above with five objects covering (in the case of community owned clubs) those principles. These are, the enhancement of the social, cultural and economic value of the club, the upholding of mutual ownership, providing sporting facilities for all, aiming to play at the highest level and, finally, and most importantly for this study, operating with financial responsibility in the long-term interests of the club.

In wider terms, the model provides open membership and, since all CBS's are limited companies, also affords the directors the same protections as those in privately owned companies. The major difference from a regulation perspective is that, whilst the company has an entry at Companies House, the registration body is, in fact, the Financial Conduct Authority (FCA) which is not a regulator and consequently does not enforce its rules quite as stringently as Companies House (or indeed in its other roles as a regulator). Evidence of this can be seen from a number of societies being significantly behind with their Annual Report & Accounts submissions on the FCA's Mutuals Register. (FCA 2021). The rules, however, do provide a basis for the proper functioning of a mutual and have served both trusts and clubs well since their creation in 2000 with few, if any, challenges to their efficacy.

### **1.5. The supporters' "movement"**

To understand the concept of community ownership in football that has evolved in the past twenty years it is important at this stage to set out the background to what is described here as the "movement". Supporter ownership which, as defined above, is used interchangeably with fan ownership and community ownership, is the natural conclusion to the idea of supporter involvement in football clubs. As will be explained below, the movement has evolved over time from little to no supporter interaction with clubs throughout the first half of the twentieth century to the formation of the Football Supporters' Association in 1985 and the fanzine-led change in the relationship between clubs and their fans through to direct government involvement in the running of the game with the creation of the Football Task Force in 1998. Prior to this, the first supporters' trust, at Northampton Town, had been created in 1992 which sought to formalise the relationship between fans and their club and also legitimise the relationship by forming as an Industrial and Provident Society.

As the Football Supporters' Association continued to evolve (becoming the Football Supporters' Federation upon merger with the National Federation of Football Supporters' Clubs in 2002), a new player, Supporters Direct was created as a result of the Football Task Force by the New Labour government in 2000. Supporters Direct was specifically set up to oversee the creation of supporters' trusts as mutual societies with one member, one vote principles with the majority of clubs in the top four divisions of the English pyramid having such representation within the first five years of the organisation's existence.

Alongside this notable change in the relationship between fans and their clubs, a new phenomenon arose, that of the supporter owned football club. Evolving primarily from the collapse of clubs for a variety of different reasons, the first "phoenix" clubs created brought a new fan-led element to the ownership structures traditionally offered by clubs which were, at the time, predominantly privately owned and, in the case of some of the larger clubs at that time, public limited companies (plcs).

Fans, traditionally used to being excluded from board rooms at their clubs, were now the sole occupants of the boardroom and when, in 2001, the first supporter owned club at Enfield Town came into being it was as a direct result of the mismanagement of a well-established, community based, club that a fan-led alternative was required. In a story that became a familiar tale in the history of club administrations

during the low point of such events during the early years of the twenty first century, Enfield Town was created by the established Enfield Supporters' Trust at Enfield FC after trust members challenged the owners of the club on their willingness to return the club to the London Borough of Enfield following their leaving of their home ground at Southbury Road in the borough in 1999. Whilst the existing club continued (and continues to this day playing in Bishop's Stortford, Hertfordshire), the new supporter owned club commenced three divisions below the old club and, over time, overtook them where they now play in step three of non-league football (the 7th level of English football) two levels above the old club whilst playing back in the London Borough of Enfield.

Higher profile clubs such as AFC Wimbledon, created in 2002 as a direct result of the FA moving the original club to Milton Keynes (and now one of the highest placed community owned club playing in League Two, the fourth tier of English football) and FC United of Manchester created by Manchester United fans unhappy with the ownership of the US-based Glazer family have brought the public's attention to the idea of supporter ownership. With 46 clubs (Football Supporters' Association 2022a) in total in England and Wales in majority ownership by their fans (the definition of a community owned club is for the club's fans to own over 50% of the shares) the movement, in terms of supporter ownership can be seen to have made huge progress since the creation of Enfield Town in 2001.

Set alongside this, there are now over 200 supporters' trusts at clubs throughout England and Wales (Football Supporters' Association 2022b) providing a democratically elected body for supporters to join to formalise their relationship with their clubs. High profile trusts such as those at Manchester United (MUST) and Arsenal (the AST) have given the fans the opportunity to challenge the owners of their clubs in a way not previously available to them. As club owners have continued, despite overwhelming evidence to suggest that fans are legitimate stakeholders (possibly the most important stakeholder, in fact), to ignore fans views, they have come under increasing pressure from fans and, in the more extreme cases such as Blackpool (Conn 2019c), even forced the owners out of the club.

This research project comes at an important time in the fan/club relationship and, as we will see, it was concluded as one of the most pivotal events in supporter involvement in England and Wales, the government backed Fan-Led Review was beginning its work.

### **1.6. The sustainability of the community ownership model: key research questions**

The thesis set out to explore, in the light of the development of the supporters' trust community benefit society model, whether the model is a more robust and financially sustainable model of ownership for football clubs. The research questions used therefore, were:

- Is the community ownership model sustainable in English professional football?
- What are the greatest impediments to the sustainability of the model?
- What changes to the governance of the game are required to support the community ownership model?

The first research question identifies sustainability as the key criteria for success for the community ownership model. Having established this it was then pertinent to look at what individuals felt were the greatest impediments to supporter ownership in England and Wales. This provided the basis for the macro, meso and micro framework that was subsequently established. This was further added to by asking more specific questions focusing on what interviewees felt would be the changes required to make the model more successful against its privately owned counterparts.

Moving on, it was important to examine with interviewees exactly what their perception of the wider movement was and whether other clubs and trusts have, in their view, been successful. Furthermore, we needed to ask whether the organisation Supporters Direct (and later the Football Supporters' Association) had fulfilled their obligations as the umbrella body responsible for the development of trusts and supporter-owned clubs in the UK. What were the actual achievements of the movement since Supporters Direct's formation in 2000 and how successful had their work been? To achieve this, we were required to look again at the conceptual foundations of the movement and how they work in the UK in order to assess whether those concepts have led to tangible results.

Alongside this, we needed to examine exactly what are perceived to be the drawbacks affecting wider application of the model at clubs and whether the political climate has some bearing on this, as appears to be the case, in the co-operative and mutual movements that have been explored. It was then important to explore the changes that individuals felt needed to be made to make the model more successful within football in England and Wales.

Beyond this, and taking the lead from democratic theory and stakeholder theory once again, the research needed to ascertain if individuals believed that fan involvement has developed in the way they expected or perhaps whether the supporters' trust movement is engagement merely for the regulatory bodies to satisfy themselves that they are doing something? In questioning this we also needed to look at whether the commercialisation of football means that fan ownership at Premier League level is unattainable and is merely showing that lower league and non-league football as a whole has a shadow cast upon it by the Premier League.

As referred to above and discussed further later, the ever-changing nature of the football world throughout the life of this thesis saw one of the most important events in the history of supporter involvement in the game occur in June 2021 when the UK government's Fan-Led Review commenced following a failed attempt by English football's "Big Six" to break away from the Premier League and establish a European Super League with some of the largest clubs in Europe (BBC Sport 2021). As a result, more attention was then paid to what interviewees had said about, amongst other issues explored by the Fan-Led Review, the idea of an independent regulator which had arisen in many of those interviews.

### **1.7. The structure of the thesis**

Having examined the history of the mutual and co-operative movement and contextualised the involvement of football supporters in the running of their clubs in terms of the co-operative movement, the next chapter explores the theoretical perspectives that underpin the supporters' trust and community ownership model, beginning with democratic theory and moving on through its organisational extension, stakeholder theory.

Once those theories have been explained and a critique provided, Chapter 3 expands upon the history of the supporters' trust movement in football which was briefly discussed in 1.5 above. Furthermore, in the same chapter, a critical analysis is applied to the community ownership model when set against private ownership of clubs in football in England and Wales.

Also in Chapter 3, the framework for analysing the sustainability of the model, the key theme here, is developed in order to analyse the macro, meso and micro factors affecting the implementation of the community ownership model more widely. The research questions developed to examine the model and its sustainability are then explained in more detail.

In Chapter 4 the methods employed, the reasons for semi-structured interviews being carried out and the rationale behind the individuals being interviewed are set out and the thematic analysis techniques used are further explained. With sustainability clearly emerging as the key theme, Chapter 5 defines the term and looks at how it can be achieved and the impediments that currently face it before beginning the examination of the macro, societal, factors at play. Chapters 6 and 7 then look at the meso, organisational level factors and the micro, individual factors respectively.

Summarising the sustainability of the community ownership model is then carried out in Chapter 9 and conclusions, including contributions to new areas of research, are covered where the model receives its final critique in the light of the findings of the research.

With the research questions now defined and the various forms of the mutual model and its application in supporters' trusts and community owned clubs within football examined, the study now looks at the theories underpinning the supporters' movement, the uniqueness of the football business and one of its major stakeholders, the fans, and brings in two key theoretical studies which can be used to explain the development of supporter involvement at the highest levels of English football.

## **CHAPTER 2 – THEORETICAL PERSPECTIVES**

### **2.1. Introduction**

As this chapter will explain, democratic theory as a political theory and its organisational extension, stakeholder theory, undoubtedly underpin the supporters' trust movement and provide explanations for the movement's ideas and its ideology. Here there will be a conceptual discussion of the key writers on democratic theory, its definition of democracy, the conditions required in which democracy can flourish, the process of democratisation and how we can ascertain whether democracy has actually taken place. It will then explore the latest criticisms of the theory before detailing the threats that the democratic process face.

One of the key tenets of the supporter ownership model is then explored by examination of the concepts of exit, voice and loyalty as set out by Hirschmann (1970), one of the most important writers on the subject this research explores. The research can then reflect on whether loyalty is undermined by lack of voice and whether, ultimately, it might lead to supporters seeking an exit.

Furthermore, in this chapter, stakeholder theory is then brought forward to further explain the background to the setting up of trusts and the ethos behind the organisation Supporters Direct that was created in the UK in 2000 to assist with the development of the mutual model as a means of running football clubs. It addresses the criticisms of the theory and the major difficulties that those critics perceive with sustainability of such stakeholder organisations and their operation, particularly in comparison to the much more prevalent (and dominant) shareholder model.

### **2.2. Democratic Theory**

Democratic theory is primarily concerned with defining the meaning of democracy and the concepts that underpin it and is, undoubtedly, a twentieth century phenomenon uniting theorists in their ongoing study of the development of democracy.

According to Dahl (1998), democracy has its roots in Classical Rome and Ancient Greece where the process was not simply political but a part of a wider system of assisting one's fellow man in a spirit of community. According to Parekh (2015) "For the Athenians, democracy represented not just a form of government but a vision of the good life" (Parekh 2015:2) where the community basis of Ancient Athens was all about what each (in this case male-only) member of society could contribute and do for his fellow man. As a result, the system stood or fell by whether those contributing to it continued to believe in it. Political involvement also ensured that everyone remained engaged and, again, so long as that was maintained, the system would flourish. It is most likely that the Athenians coined the term democracy from the Greek *demos*, the people, and *kratos*, to rule (Dahl 1998:11), (Crick, 2002:1) although it is believed a government by the people in Rome also established their "republic" at around the same time.

Crick (2002:9) contends that democracy and liberty may actually be interchangeable terms and cites de Tocqueville's (1835) work (writing on Jacksonian Democracy in the USA) as actually misreading the word democracy as a synonym for equality. He then goes on to explain the different historical stages of democracy from Ancient Greece and Ancient Rome to the eighteenth-century French Revolution and onwards to the American constitution, the spread of democracy across Europe and into Japan during the nineteenth and twentieth centuries. De Tocqueville (1835) wrote that Jacksonian Democracy transformed America as it ended the domination of elites and did not, as Jeffersonians did, use lack of education as a deterrent to involvement but sought to broaden participation. The Stanford Encyclopaedia of Philosophy (Christiano 2006:3) gives its definition of democracy as "a method of group decision making characterized by a kind of equality among the participants at an essential stage of the collective decision making".

Saward (1994) is unsatisfied by defining democracies in terms of features of certain democratic countries and agrees with Sartori (1962) when he says that "there are hosts of characteristics or properties eligible for selection; not only majority rule and participation, but also equality, freedom, consensus, coercion, competition, pluralism, constitutional rule, and more" (Sartori 1987:184). Shapiro (1999) extends the reach of his version of the theory by citing democratic justice as a key tenet. Saward (1994) furthermore agrees with Beetham (1993) that its guiding principles are popular control and political equality for all but that a definition is elusive and any such attempt to define it is actually "a political act" (1994:7). He goes on to discuss the "fallibilism" first mooted by Mill (1859) and to argue that this is a good starting point for a critique of the democratic process and the leaders that are elected. The "equality assumption" on which Saward (1994:13) bases his own version of democratic theory means that all policy and actions "must correspond to the express preferences of a majority of citizens" (1994:13) and is reinforced by reference to May (1978) and the "responsive rule" as opposed to the "tyranny of the majority" (Adams 1788, de Tocqueville 1835 and Mill 1859).

Saward (1994) goes on to explain the conditions needed for democracy to develop including the basic freedoms, citizenship and participation, administrative codes, notifications and social rights required, all backed up by a rigorous judicial system similar to the view first proffered by De Tocqueville (1835). In attempting to define democracy he addresses privilege when saying "None of us deserves privilege in the realm of politics. Responsiveness and equality are - or at least should be - the keys to political legitimacy" (1994:21), before adding that having defined democracy it duly makes demands on citizens and those seeking to democratise across the world.

Schmitter and Karl (1991) state their definition of modern political democracy as "a system of governance in which rulers are held accountable for their actions in the public realm by citizens acting indirectly through the competition and cooperation of their elected representatives" (1991:76) whilst also pointing to the, in their opinion, most common American version, that of Schumpeter (1943) who posits, "that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's vote" (1943:269) as his definition. Here we can see that both definitions stress the importance of competition. At the same time, they emphasise

that there are, in fact, many different types of democracy and that even those that do not satisfy many of the criteria ordinarily considered for a process to be called “democratic” are often quick to be pointed to as democracy. In common parlance, Schmitter and Karl (1991) also believe the meaning of the word democracy is taken to be the holding of regular elections or “electoralism” (1991:78) with no consideration as to how these elections are actually run. They also emphasise that the gap in time between elections is also important for citizens to lobby and influence policymaking thereby ensuring that the democratic process functions and that the “variety of competitive processes and channels for the expression of interests and values” (1991:78) is maintained. Warren (2011), when looking at wider empowerment describes it thus “Democracy is about including those who are potentially affected by collective decisions in making those decisions” (2011:683).

Whitehead (2002) takes a similar view to Schmitter and Karl (1991) but accentuates the fact that the process should be long-term and that the outcomes are always likely to be less than clearly defined when he says “democracy is best understood not as a predetermined end-state but as a long-term and somewhat open-ended outcome, not just as a feasible equilibrium but as a socially desirable and imaginary future” (2002:3) and brings in a “floating but anchored” concept (see explanation p.37) when describing his view of democracy. He contests that with so many different facets of democracy it is, in fact, very difficult to provide one clear meaning. Gastil (2015:6) agrees by stating that democracy will always remain an incomplete process and that a complete democracy will never actually exist.

Whitehead’s (2002) analysis uses the concepts of Dahl’s (1971) “really existing” democracies and Dahl’s further definition of “polyarchies” where government power is divided amongst multiple people. Dahl concludes that there are seven criteria required to be satisfied for democracy to be in place which Whitehead suggests could be seen as too procedural (2002:10) and not actually of a robust enough nature to confirm that democracy is in existence in any particular case. Using Dahl’s (1971) criteria as a basis, Whitehead (2002) suggests the addition of two further conditions as advocated by Schmitter and Karl (1991) where officials should not be overly restricted by unelected officials and the political system should at all times be self-governing (2002:11). Even the Schmitter and Karl definitions are, in Whitehead’s (2002) opinion, too stringent and don’t apply to many democracies and, most crucially of all, should not be used to discourage those who are taking part in or seeking to establish new democracies.

According to Whitehead (2002), democracy will appear different wherever it is in the world and it remains an “abstract and intangible idea” (2002:20) and goes further in quoting Sartori (1962:4) who termed the process “deontological” or simply the normative ethical position. Ultimately, Whitehead concludes that “what democracy is cannot be separated from what democracy should be” (2002:20) and that there is no “single timeless stipulative definition” (2002:21) but, in fact, a “broad stream of meaning” (2002:21). Dahl (1998), however, does state that, to his mind, there are a “hopeless variety of definitions” (1998:37) before going on to set out his standards for democracy. Crick (2002:11) concludes that democracy is a “promiscuous and often purely rhetorical word” and that, ultimately, “all discussions of democracy are inconclusive and never-ending” (2002:116).



### **2.2.1. Democratisation**

Whitehead's (2002) view of the process of democratisation follows his "floating but anchored" (2002:3) principle of democracy and the "two turnover test" (2002:26), the relinquishing of authoritarian power followed by successfully completed democratic elections, is not a sufficient measure for indicating that the process is complete. The floating and anchoring means that the process is likely to be open-ended and is "a process of movement towards an outcome that is neither fully stable nor entirely predetermined" (2002:32). However, it is the process and not the outcome that concerns Whitehead who insists that there are different paths to democracy, citing the UK and France as examples, whilst urging patience in such places as Myanmar where there was (at the time), undoubtedly, an "intention to democratize" (2002:33) and that, no matter how long that process may be and whether the will is considered to be there, it should still be seen to be a democratising nation.

With the "third wave" of democracy that swept western Europe in the early twentieth century and further developments during that century in the Americas, Africa and Asia, by 2011 democracy was the most prevalent form of government in the world (Freedom House 2011 and 2016) with 115 of the 192 countries of the world (in 2011) under some form of democratic rule and over half of the world's population living within them. Freedom House did, however, in their 2016 report, sound a note of caution inasmuch as there had been a decline in freedom globally leading to a situation where only 85 of the world's 195 polities, at that time, could be described as free, with just 40% of the world's people enjoying such democratic freedom. This is a decline which they summarise as "The world in 2015 was battered by overlapping crises ...[that] contributed to the 10<sup>th</sup> consecutive year of decline in global freedom" (2016:1).

### **2.2.2. Criticism of Exponents of Democratic Theory**

Berkowitz (2003) takes issue with many proponents of democratic theory including Sandel (1996), Gutmann and Thompson (1996) and Benhabib (1996) and critiques the work of Shapiro (1999) extensively when explaining his belief in the "demagoguery" of the theory. He criticises the developers of democratic theory for neglecting to appreciate the failings of democracy itself and particularly takes aim at Shapiro's "democratic justice" explaining that the conflation of justice and democracy actually obscures the good cause that democracy is. He goes on to provide his own definition "the real meaning of democracy consists in what people really and truly desire and prefer" (2003:125), further explaining that it comes about as a result of people's "true" interests as opposed to their "apparent" interests which may have been influenced by outside forces.

His criticism of democratic theory also extends to the lack of distinction between theory and practice, again citing Shapiro's (1999) work, explaining that democratic justice actually "embodies a tyrannical tendency" (2003:132). His belief that "democracy is an ethos or way of life" (2003:136) should not allow it to be exempt from criticism for its many failings and democratic theorists should be willing to consider these. He states that "Under democracy's rule, gentler virtues such as benevolence come to life" (2003:140) but he suggests it has a "dark side" (2003:140), as it can "eviscerate virtue, trivialize truth,

subjugate chance, foment a fear of freedom, and routinize romantic love" (2003:140) and that its "despotic tendencies damage democracy itself". He concludes that democracy's problems must be addressed by all theorists who seek to defend it which will, ultimately, make it stronger. He believes all such theorists should ensure that "contrary to the dogmatism and despotism to which democracy is prone, not every tendency of democracy is just, and what is just is not in every respect democratic" (2003:143). Shapiro's (1999) work, however, does criticise the theory, particularly the aspect of US democracy where he is deeply critical of the bicameral system, the presidential veto and the part money has to play in politics creating a "remarkably uncompetitive" system (2003:149).

The main thrust of Shapiro's (1999) argument concerns the limiting of domination and the installation of competitive democracy where he concurs with Schumpeter's (1943) view by saying "the imperative to minimize domination is best realized by competitive democracy" (2003:148). He is also keen to stress the importance of argument over consensus which he sees as key as with Mill's (1859) concern that the growing consensus would stifle debate which could easily lead to a situation "that people generally do not recognize bipartisan agreement for the collusion in restraint of democracy that it actually is" (2003:148). Political systems in both the US and the UK today could certainly be said to fall into the scenario that Mill and Shapiro describe.

Schumpeter (1943) himself criticises democratic theory as addressing both a means and an end whereas he believes that it is unassociated with either but "democracy is a political method...for arriving at political - legislative and administrative - decisions" (1943:242). Pateman (1970) agrees that is the case and that "participation has no special or central role" (1970:5) which she describes as the "classical myth" (1970:1) concurring with Schumpeter that "The electoral mass...is incapable of action other than a stampede" (1943:283) meaning that it is those that lead that should make the decisions and not the general populous. Crick (2002) takes the point further by stating that, in short, the more pejorative term for the majority is, however, the mob. These words have echoes from earlier works by de Tocqueville (1835) and John Stuart Mill (1859), both referenced by Shapiro (2003) who warn of the "tyranny of the majority" which Shapiro counters by arguing that "In short, democracy might lead to tyranny of the majority, but it might also lead to tyranny of a strategically well placed minority or to tyranny of irrational arbitrariness" (2003:11).

Shapiro (2003) also points to the developments in the period 1988–2002 when 81 countries moved from authoritarianism to some form of democracy by saying "The Democratic idea is close to non-negotiable in today's world" (2003:1), but also points out that many scholars since Arrow (1951) have questioned its logic by countering that, in the period before the major changes in the world of the early 1990s when major developments occurred in the former Soviet Union, Latin America, Asia and Africa towards democratisation, democratic theory was actually directionless. His critique of Rousseau's (1762) "sum of individual desires" sees him challenge the assumption of democracy being for the good of all and also defends Schumpeter's (1943) view of competition in democracy and his critics who "usually value agreement and consensus more than competition...". Shapiro (2003) agrees with Arrow (1951) that there is no evidence for Rousseau's (1762) assumption of the public will, but is not especially

“troubled” by that when explaining that there is an argument for majority rule for two main reasons, as with Schumpeter, competition, and the fact that “majority rule can contribute to political stability just because it institutionalizes the perpetual possibility of upsetting the status quo” (2003:14).

Shapiro (2003) goes on to say that “Rather than think of democracy as a mechanism for institutionalizing the general will, we should recognize its claim to our allegiance as the best available system for managing power relations among people who disagree about the nature of the common good, among many other things, but who nonetheless are bound to live together” (2003:146). He further states that removing those with dominant power is, in many cases, what actually brings people to democracy in the first place. Shapiro’s (2003) stated claim is that Schumpeter’s (1943) theory is not necessarily a “panacea” for the problems in the area but clearly finds agreement with many of his ideas.

### **2.2.3. Threats to Democracy**

Dahl (1998) contends that in a market capitalist economy there will inevitably be an “antagonistic cohabitation” (1998:181) with democracy and that, by the same token, this “tempestuous marriage” (1998:166) is, despite some threat to democracy, unlikely to be eliminated from democratic nations. Other than this economic order continuing he sees internationalisation, increased cultural diversity with interest groups collaborating, and the continuing education of the people in democracies as perhaps the biggest threat to it (1998:180-188).

Taking this point further, in the light of the early 2016 release of the “Panama Papers”, Chakraborty (2016) states that the papers reveal what amounts to a “corruption of our democracy” whereby the super-rich actually exit the economic system and are hence not subject to any form of democracy at all. His view is that those with offshore money, the Koch brothers in the US and hedge funds in the UK, for example, are effectively buying power by funding political parties and thereby subverting the democratic system. Referring to the voice or exit argument of Hirschmann (1970) (see pp 33-34 and 40-41 below for further discussion) insisting that the super-rich have, in fact, broken Hirschmann’s law in that “they are at one and the same time exercising economic exit and political voice. They can have their tax-free cake and eat it”. The end result of this is that despite the fact that political theory insists that the UK is a representative democracy what has happened is that “[all] 30 years of plutocracy have brought is an era of un-representative democracy”. Jones (2016) picks up on the same point when referring to the role of Sir Philip Green in the collapse of the UK retailer, British Home Stores, when showing “open contempt” for MPs when questioned over the scandal. As Jones (2016) concludes, once the scandal is away from the front pages of newspapers he will return in the knowledge that “Britain will still be a society rigged in favour of him and his ilk”.

Such opinion also found its way into politics in the US in the period prior to the election of Donald Trump in 2016. Referring to the works of James Burnham (1941) and his acolyte William F. Buckley Jr. (1993), Shenk (2016) set out how democracy in the US is being subverted by the rich and powerful and that what has been created is a world where “politics was an unending war for dominance: democracy was a myth” (Shenk 2016). This was given further credence more recently, according to Shenk (2016) when

the founder of Paypal, Peter Thiel, was recorded as saying that “America is no longer a democracy” – since it has become a country “dominated by very unelected, technocratic agencies” (Shenk 2016).

Taking up this point with one of the most respected voices on such issues, Noam Chomsky, Scott and Nyks (2016) show the interviewee citing Dewey’s (1931) words on business casting a shadow over society and what he calls, at present an “extremely ugly society”. Chomsky says that business, and advertising in particular, creates an “uninformed electorate” controlled by the private interests of business who seek to steer voters away from the real issues and make sure that, and here Chomsky quotes Lippmann (1922), they are as far away as possible from the “roar of a bewildered herd”. The wealthy have done as much as possible to marginalise the poor and have created what Adam Smith (1776, Book 3, Chapter iv:448) called the “masters of mankind” by ensuring that, by removing democracy they have placed it “into the pockets of major corporations” (Scott and Nyks 2016). This theme is also taken up by Monbiot (2016a) whose explanation of Thomas Friedman’s (1999) “golden arches theory of conflict prevention” surrounding the fact that no two countries with a branch of McDonald’s had ever (at the time of writing) fought each other since obtaining a branch of the restaurant, is now under serious threat. The perceived threat is from those very same forces of the corporate world which lead him to conclude that “there is no greater hazard to peace between nations than a corporate model that crushes democratic choice” in a world where international treaties are being subverted by lobbyists and the corporations that employ them.

Achen and Bartels (2016) also looked at the effects of voters making rational decisions and concluded that this seldom works and as Monbiot (2016a) explained, the rise of Trump, the Brexit vote and the election of Rodrigo Duterte in the Philippines are proof that when asked and expected to make good decisions “Voters...can’t possibly live up to these expectations”. In a further article after the election of Donald Trump, Monbiot (2016b) looked at the work of Hayek (1960) and its influence on politicians like Ronald Reagan and Margaret Thatcher and his belief that democracy is, in fact “not an ultimate or absolute value” and that the very majority that Monbiot (2016c) alluded to in his earlier article are prevented at all times from deciding anything due to the power of neoliberal politicians. He concluded that, as with Tony Blair and so with Bill Clinton, the integration of “third way” policies with traditional neoliberal attitudes to competition and outsourcing contributed to their downfall and that, ultimately, “The man who sank Hillary Clinton’s bid for the presidency was not Donald Trump. It was her husband”.

The theme of the threat to democracy by the internet is taken up by Smith (2016) when he says that if the majority of people, in the light of the election of Donald Trump, are obtaining their news knowledge from the internet then “this will go down as the year democracy revealed itself unworkable in the age of the internet” and that if this phenomenon is not confronted, and the internet organisations manipulate the news, it means that the “stark choice is between social networks’ bottom line and democracy”. Additionally, in the same medium and at the same time as a result of Trump’s election, Mason (2016) exemplified the similarities between the fall of the Soviet Union and the potential failure of western democracy and its associated globalisation at the hands of nationalism and xenophobia when he said

“when the country that designed globalisation, imposed it and benefitted from it most votes against it, you have to consider the possibility that it is going to end, and suddenly”.

Continuing on his theme of the recent subversion of democracy, Monbiot (2017a) believes that the companies with most to hide, what he describes as the dirtiest companies, are the ones that then have to pay the most in political donations for influence and calls for an end to political donations in the UK and a democratic system paid for from memberships with a matched payment made from government funds. In other words, “The corruption of our politics by private money costs us hundreds of times more than a funding system for which we would pay directly”. He believes that without this, a form of corruption will continue and asks “is a functioning democracy an outrageous demand?”.

Clark (2017) also picks up this theme, but from the angle of whether democracy should, in fact, continue in the UK when he asks if the current debate is leading us “to discuss the right to vote as if it is something to be handled with wariness, if not disdain” in the wake of the 2016 Brexit and US Election votes whilst claiming “Democracy is suddenly being seen not as a complement for other cherished political virtues, but instead a rival pitted against them”. Despite his concerns as to the current state of democracy he argues against some calls for only those with an educated opinion to be allowed to vote and concludes that people should, with regard to their fellow citizens, “despair at them when they get things wrong, and insist on their right to change their minds in such cases. But always defend their right to have a say”.

With investigations into over-spending by the ruling Conservative Party in UK by-elections in 2014, Crick (2017) argues that elections are, in fact, being “stolen” and is led to conclude, in the absence of little coverage elsewhere in the UK press, that “if we value our democracy it’s vital that the laws that protect it are enforced” (Crick 2017). Monbiot (2017b), however, argues that the Electoral Commission has little power to stop manipulation happening, particularly in the light of his belief that multi-millionaires are “buying” elections. He believes there is an urgent need for reform as there is an “unmet need for laws to defend our democracy”.

Indeed, after the snap UK General Election on 8<sup>th</sup> June 2017, the BBC Home editor (Easton 2017) was moved to state that, when talking to people around the country “democracy...is failing them” citing the power of “distant elites” who take no heed of the people’s wishes. He concludes that “our democratic system has served to expose and deepen social divides”.

#### **2.2.4. Voice and Exit**

Warren (2011), in a critique of the “voice-monopoly model” (2011:683), concurs with the aforementioned Hirschmann (1970) with regard to voice in an organisation whilst simultaneously bringing in his own concept of exit (see also Shapiro 2003, Gastil 2015 and Sorensen 2007) as it is often viewed as an “undesirable alternative to democracy” (2011:684). He states that the concept of exit has been under-theorised due to the dominance of the voice-monopoly model which is merely based on limited exit. Hirschmann (1970) concurs that the economics-based theory of exit has seen little scrutiny and that the

more political element of voice is subsequently overlooked when considered as an option in both a failing organisation and in the political arena.

The possibility of exit should indicate to organisations that they need to “cultivate” (2011:699) voice in an effort not only to lose members or investors but also as a way to attract new ones. Both Warren (2011) and Hirschmann (1970) appreciate the logic of retaining “quality conscious” members as they are, invariably, the future of the organisation. Warren states that the voice-monopoly model is by no means “wrong” (2011:699) but that it is over-generalised in democratic theory. As a consequence, exit-based empowerment requires greater recognition to enable it to “generate and widely distribute usable powers for those who need them most, evoke responsiveness from elites, induce voice, discipline monopoly and underwrite vibrant and pluralistic societies” (2011:699).

Hirschmann (1970) also criticises Friedman’s (1970) view that exit is in fact a “direct” action and contradicts this by stating that voice is not the “cumbrous political” system that Friedman (1970) describes but a necessary part of the democratic process. Furthermore, rejecting the prevailing economists’ view, voice and exit should, in fact, work side by side. Furthermore, he quotes Dahl (1961 and 1966) whose studies of the political landscape in the US led him to identify an apathy that Hirschmann believes makes individuals much more likely to act in a political way if one of their interests is directly threatened (1970:32). He believes such a situation makes people more politically aware. He also points to situations where exit is not a possibility and states “with exit wholly unavailable, voice must carry the entire burden of alerting management to its failings” (1970:34).

Here we can see the first signs of where the theory begins to relate to the position of football fans. Firstly, democracy often comes about after a period of authoritarian (usually privately-run) ownership and, secondly, the concept of exit, voice and loyalty as posited by Hirschmann (1970). To a football fan, exit is seldom a possibility as loyalty is invariably absolute. Therefore, voice becomes the sole medium available which has led in turn to the idea of supporters’ trusts and, ultimately, supporter ownership. When their interests are threatened, however, the supporter is much more likely to become involved, particularly in the fight for more voice or, in its extreme, real democracy.

There are, however, several instances of the absolute loyalty being tested to the point of exit. Two community owned clubs in particular, AFC Wimbledon and FC United of Manchester have seen fans exit from their clubs, the original Wimbledon FC and Manchester United. As shown in the works of Thomas (2021) and O’Neill (2017) at Wimbledon and FC United respectively, supporters have taken the conscious decision to exit following the FA’s decision to allow Wimbledon to move to Milton Keynes and the Glazers’ takeover at Manchester United. Whilst the numbers of Manchester United fans leaving to join FC United was relatively small in terms of the average attendances at Old Trafford, the setting up of AFC Wimbledon in opposition to the establishment of MK Dons was significant in that a new Football League club was able to be sustained by the numbers of members and attendances involved. Whilst the numbers attending AFC Wimbledon matches in the early years after formation were also relatively small, it has to be borne in mind that the team were playing at Step 7 of the non-league pyramid where the majority of their rivals were surviving on attendances of less than 100 every week.

Whilst these cases were the most high-profile instances of fans' exit from Premier League or Football League clubs there were other examples of clubs being set up as alternatives to the commercial enterprises they had become with, for example, the establishment of AFC Liverpool ("Affordable Football Club Liverpool") and Dial Square FC as a counter to the Kroenkes' ownership of Arsenal.

This researcher can also be seen to be an example, unusual despite the many reasons for supporters to exit, of a fan that has exited from their club. Despite a family history of attending matches at Highbury since the late 1940's and over thirty-five years as a season ticket holder at Arsenal, the decision was taken in October 2017 to never attend a game at the Emirates Stadium again. As with others, the decision was taken due not only to a disagreement with the way the club was being run by absentee owners but also because, in terms of a substitute, a suitable non-league alternative had been identified.

### **2.3. Stakeholder Theory**

Democratic theory clearly sets out the political background to the idea of a democratic movement such as the supporter ownership model. In this section, the organisational extension of democratic theory, stakeholder theory, is examined to further explain the theoretical underpinnings of the movement and also to look at the potential failings of such stakeholder organisations.

It will begin with a look at the history of the theory itself, beginning with the work of Freeman (1984) tracing the developments of the theory and the criticisms it faces in the light of a prevailing model (shareholder value maximisation) that has rarely been challenged within the hegemonic system of the current political and organisational environment.

#### **2.3.1. The origins and history of Stakeholder Theory**

Any review of the stakeholder literature has to start with the seminal author on the subject, Edward R. Freeman, whose 1984 book proved to be groundbreaking in this area of management theory. Whilst earlier reference to and use of the term stakeholder came in the works of Barnard (1938), for example, many authors, Freeman included, point to the nascence of the theory and the extensive use of the term stakeholder first appearing in Stanford Research Institute literature in 1963 (Stanford Research Institute 1963. See also Freeman 1984: 31-32 & 49) where the definition of a stakeholder is given as "those groups without whose support the organization would cease to exist". This explanation is developed further by Clarkson (1995) who identifies both involuntary and voluntary stakeholders within the organisation, or those taking a risk, as stakeholders. Freeman (1984) has a different viewpoint inasmuch as it is "those groups which make a difference which underlies the stakeholder concept" (1984:42).

Freeman (1984) also reflects upon the fact that business as a means of social interaction goes further back when stating that "Many have argued, from Adam Smith (1759) onward, that business is a social institution, but that its role can only be realized by an external environment which allows laissez-faire capitalism" (1984:8). He makes further reference to definitions in Ackoff (1974) - who, in turn, references

Ansoff (1965), Abrams (1954) and Cyert and March (1963) as sources of the origin of the term stakeholder, although there are others within this field of strategic management that point to a separate definition altogether, that of Rhenman (1964 and 1968) when identifying its origins.

Preston and Sapienza (1990) also cite the earliest references as Stanford Research Institute (1963) but reference Dill (1958) (quoted in Thompson 1967:27-28) where a Scandinavian field study pointed to “customers, suppliers, competitors and regulatory groups” as a particularly early reference to stakeholders. The works of Dodd (1932) and Robert Wood (quoted in Worthy 1984:64) whose work at General Electric identified shareholders, employees, customers and the general public as equally important in the running of the business, are also amongst the earliest examples of a form of stakeholder management system.

Later writers such as Donaldson and Preston (1995) and Starik (1994) argue that, beyond Freeman, there are few accurate definitions of the term “stake”, although Mansell’s (2015) tracing of the history of the word “stake” gives a clear indication that stakeholders by nature of the word have something “at risk” (2012:24) from the word “*stacum*” from the 9<sup>th</sup> century era of Alfred the Great placing a stake in the ground to mark out territory and the idea of a stake as, effectively, a bet. He traces the term stakeholder to the 1941 Journal of Political Economy where it was used to describe those individuals with interests in an organisation.

Freeman’s widely-used definition (1984:46) “Any group or individual who can affect or is affected by the achievement of the firm’s objectives” is recognised by both exponents of stakeholder theory and its critics as being the definitive explanation of the nature of stakeholders although, over time and on reflection over numerous pieces of writing since that ground-breaking work, the theory has been modified by Freeman in his own work and in works with others such that he concluded in Parmar, Freeman et al (2010) that not only was it an area of concepts i.e. stakeholder theory, but also a mindset, “stakeholder thinking” (2010:404).

Clarkson’s (1995) definition “Stakeholders are persons or groups that have, or claim, ownership rights, or interests in a corporation and its activities, past, present, or future” (1995:106) is clear and all-encompassing and his further drilling down into primary and secondary stakeholders stresses, in the case of primary stakeholders, the “interdependence” between stakeholders and the organisation. “A primary stakeholder group is one without whose continuing participation the corporation cannot survive as a going concern (1995:106). The secondary stakeholders are more loosely tied with the organisation and he describes them as “influenced or affected by” the organisation and any dependence is lacking. In the view of Kochan and Rubinstein (2000), “To qualify as an influential stakeholder a group must bear significant residual risks, contribute valuable resources and have sufficient power to affect organizational outcomes” (2000:370).

According to Branco and Rodrigues (2007), Clarkson’s (1995) categorisation of stakeholders as primary and secondary is the most widely cited but they identify problems with the theory from “mute”



stakeholders including the environment which others, Phillips and Reichart (2000), for example, disagree with since, it is their belief that, only humans can be stakeholders as things currently stand.

Mitchell, Agle and Wood (1997), in their key work on the subject of stakeholder influence, identify three attributes as vital to defining such influence – power, legitimacy and urgency - in a definition that has widely been taken to be the most accurate in this area (1997:865-868). They also follow the theme of primary and secondary stakeholders (Clarkson 1995) and indicate to managers that the stakeholders with power to influence the firm, those that have legitimate interests and those that exist in a state of urgency, are the most likely to be the most influential. Freeman, throughout all his writings, is keen to emphasise, however, that the theory is by no means prescriptive, indeed, in his 1984 work, he states that stakeholder management is by no means perfect and is, in fact, “a beginning rather than a panacea” (1984:27). Freeman is also keen to emphasise that stakeholder theory is about “co-optation”, namely that all stakeholders and those trying to manage them should be working and planning together. As the OECD Principles of Corporate Governance (OECD 2004:11) also note, it involves interaction between the company’s management, the board, shareholders and other stakeholders.

Freeman (1984) identifies the “shareholder activism” of Ralph Nader during the 1980s as a major turning point in the idea of stakeholder involvement, where stakeholders are seeking much more than just a return on their investment but real involvement in the policy making and decision-making of the organisations in which they hold stocks. Miles (2012), also cites activism but, instead, that of the 1960s as where stakeholder theory has its origins. She also makes reference to the loss of traditional industries in favour of imports from foreign markets which, more recently, has evolved into a new breed of management alongside consumer activism that has pushed the consideration of other stakeholders to the fore.

Mansell (2015) takes up this point with his view that corporations should be run for the benefit of society “not merely the shareholders, but employees, lenders, suppliers, the local community and even “society” at large” (2015:2). At the same time, however, he does state that the legitimacy of stakeholders, as mentioned by Mitchell, Agle and Wood (1997), must be scrutinised. His belief is that the issue of stakeholder management leads to a more ethical outlook echoing the views of, for example, Sternberg (1999) and Jensen (2002).

Hemmati (2002) states that in the realm of sustainable development “Many businesses simply don’t see why stakeholders, and not only shareholders, should have a say in their policies” (2002:22) and that there are those in industry who see talking to stakeholders as “solely for the purposes of ‘greenwash’” (2002:22). The multi-stakeholder process advocated by Hemmati, however, takes things “one step beyond” (2002:23) and that the right to be heard “should be based on the value of each stakeholder’s unique perspective and expertise” (2002:23). Preston and Sapienza (1990) still see stakeholder theory as “the current vogue” (1990:361), at that time, citing the NCR Corporation’s advertisements in 1987 as an updated version of the definition of stakeholders as “employees, customers, shareholders and communities”.

### 2.3.2. Criticisms of Stakeholder Theory

Mitchell, Agle and Wood (1997) argue that stakeholder theory has not, as yet, reached full theoretical status and Miles (2012) identifies a huge number of definitions of the term stakeholder whilst also seeking to ascertain whether stakeholder theory is an “essentially contested concept” (Kekes 1977, Miles 2012:286) or whether, indeed, the writings around it are just simply confused. Her previous work (2011) had identified 435 different definitions of the term stakeholder and points out that since there are a multitude of definitions and little common agreement on the exact meaning of the term, the possibilities of developing a rigorous theory are remote. Donaldson and Preston (1995) echo Miles’ view by mention of the plethora of definitions that beset stakeholder theory, mentioning 12 books and over 100 articles on the subject. Fassin (2012) also identifies a large number of possible meanings when showing 18 different definitions which he spreads across five different categories including those with a claim on the firm, those the firm is dependent upon, those with a reciprocal relationship, those with Mitchell, Agle and Wood’s (1997) legitimacy and, finally, those interested in corporate responsibility.

Miles’ (2012) own belief is also that the best definition comes in Mitchell, Agle and Wood (1997) itself where the use of “power, legitimacy and urgency” comes into play and even if it is not an “essentially contested concept” it is, at the very least “radically confused” and “vague”. Clarkson (1995) and Mitchell, Agle and Wood (1997) make much the same point in their works and state that whilst Corporate Social Responsibility and sustainability have a huge amount of literature to support their concepts, stakeholder theory, as such, remains under-researched.

In response to earlier criticisms of the theory, Phillips, Freeman and Wicks (2003) attempt to expand upon Freeman’s earlier (1984) work by explaining their views further and by defining exactly what stakeholder theory is not. They believe that it is such a powerful term as a result of its “conceptual breadth” (2003:479) that its wide-ranging abilities become both its major strength and its major weakness. They are quick to point out that, in their view, this breadth does provide the doubters with plenty of chances to discredit the theory.

Stakeholder theory’s overarching theme, according to Donaldson and Preston (1995) and Jones and Wicks (1999), is its moral advocacy. As Phillips, Freeman and Wicks (2003:480) state, “It addresses morals and values explicitly as a central feature of managing organizations”. Jones and Wicks (1999) confirm this by saying it is without question “explicitly and unabashedly moral” (1999:215).

Philips, Freeman and Wicks (2003) go on to attempt to address the criticisms which they see as fourfold. First, that the theory provides an ideal chance for opportunists within the managerial sphere to make themselves rich at the expense of the organisation and its stakeholders and shareholders. As Sternberg (2000:51) argues “a business that is accountable to all, is actually, accountable to none” and Buchholz and Rosenthal (2004:152) conclude that “The stakeholder model gives management too much unaccountable power” (2004:152), is ultimately not strong enough to counter standard economic theory and cannot replace government in its attempt to regulate business. In response to that criticism Philips,

Freeman and Wicks (2003) state that they can only point to any number of such instances of management opportunism within the shareholder model which led to collapses at Enron, Worldcom etc.

The second criticism Philips, Freeman and Wicks identify from Sternberg (2000) is that the theory “rejects” shareholder value in an attempt to balance its stakeholders and whilst they admit that stakeholder management is not a panacea for all the ills of management - and here they cite the agreement of Donaldson and Preston (1995) and Sternberg (2000) who concede that managers should use it to achieve their targets - in its instrumental form the theory actually works. They respond by saying that managers should not be lured into a “delusion of determinacy” (2003:486) whereby they only seek to achieve profits. The struggle for seeking value maximisation is covered by the theory and that all stakeholders should benefit since conflict lies down the path where only one stakeholder is a beneficiary.

With this factor in mind, the third and fourth criticisms identify that distribution of any outputs is particularly problematic. Some contribute more than others and the stakeholder model unnecessarily complicates such matters. Their conclusion is that the stakeholder model does not promote any form of meritocracy, therefore, in common with Donaldson and Preston (1995), it can only be classed as a theory of strategy and ethics and not a complete and robust political theory.

Sternberg (1997 and 1999) and Jensen (2002) provide further criticisms of the theory. Sternberg (1997) proceeds to produce a critique of the theory that rejects it outright due to its undermining of property rights and the duties of agents as principals but also the idea of wealth creation (1999). Jensen (2002) sees the value maximisation that stakeholder theory, to his mind, rejects and the lack of a single goal in the interests of achieving “balance” is “fundamentally flawed” (Jensen 2002:237). Jensen does, however, propose “enlightened value maximization” and “enlightened stakeholder theory” as counter theories, thereby not completely rejecting its tenets in an attempt to define the idea of “better”. Sternberg (1997), however, is unequivocal when saying “stakeholder theory is incompatible with business and all substantive objectives and undermines accountability and property rights; it subverts the duty of agents to principals, and the wealth-creating capabilities of business strictly understood. Stakeholder theory should, therefore, be firmly resisted” (1997:9).

Sternberg (1999) further builds on the argument by saying that whilst stakeholder theory is “a corrective to perceived defects of business ethics and corporate governance” (1999:9) it has, with no real criticism, become “the new orthodoxy” (1997:3 & 1999:9) which does not stand up to any scrutiny and is in fact “fundamentally misguided, incapable of providing better corporate governance, business performance or business conduct” (1999:10) particularly since there is a huge degree of entitlement on the part of many stakeholders of whom she questions the legitimacy.

Sternberg (1999) also proposes a model for business ethics as an alternative to stakeholder theory, an “ethical decision model” (1999:42-45) that takes into account stakeholders. There is an acceptance here of the important role that stakeholders play but, once again in her opinion, there is a caveat and that is that “business is ethical when it maximises long-term owner value subject to distributive justice

and ordinary decency" (1999:40), basically, the aim of an organisation can never be solely for the good of society it must be about its value maximisation above all other considerations.

Her views on stakeholder involvement also echo those of Fassin (2012) and his discussion of reciprocity and how stakeholders should treat the organisation in a fair and responsible way and that it is, in Fassin's view, the "missing link" (2012:84) in stakeholder theory as it stands. Sternberg (1999), however, whilst criticising stakeholder theory, turns the argument around by saying that social responsibility is not a responsibility to stakeholders it is "the responsibility *of* stakeholders" [her italics] (1999:52).

### **2.3.3. Stakeholder Theory in practice**

One practical implementation of stakeholder theory was examined by Kochan and Rubinstein (2000) at GM's Saturn Partnership offshoot in the US, where a detailed stakeholder management process was put in place with the agreement of senior management and a union.

The doubts about the sustainability of the process were evident from the outset since the partnership between senior management and the UAW union and its senior management was only likely to continue as long as the senior protagonists were still involved and the long-term ulterior motives of both management and union alike became apparent. Their study gives some evidence for the ideological battle that such an arrangement faces, from both sides of the management-labour argument. Entrenched ideas on both sides actually led to its collapse and, despite the production of high-quality, cost-effective cars in North America, it still failed due to this intransigence. These are the battles that such arrangements face and, as Hanna (2010) points out, the ideological landscape that these projects exist within is such that they find it difficult to succeed in the present climate. However, it is his belief that in the longer term the project will be recognised by stating "you can create a different kind of company and a world-class product. That is Saturn's legacy".

Clearly, there have been many blows to the stakeholder model of governance which lead Hilton (2016) to surmise that anything concerning stakeholders other than shareholders are "second order issues". He highlights the views of Guy Jubb formerly of Standard Life when he says that certain companies should be considered to be "significant public interest companies" who should be run in the wider public interest. Such companies would involve stakeholders and be run for long-term benefit with shareholders definitely not the drivers of the plan due to their perceived short-termism and disinterest. As Hilton (2016) concludes, as more corporate failures in governance occur "business is going to have to come up with something".

### **2.4. The uniqueness of the Football Business and its stakeholders**

The unusual economics of professional football (Neale 1964) stem from the need for co-operation between competing clubs in a league to create a more economically viable product and the need to balance between financial and playing success. The competing clubs actually need each other to create

a product and, in fact, the product actually becomes the league itself (Neale 1964:4). In addition, areas such as the peculiar labour market (Michie and Oughton 2005 517-531) add to the difference between football and traditional businesses. Ultimately, though, it is the consumers, that are totally unique in the football business inasmuch as they are loyal and committed. They are also prepared to invest in their clubs should they get into financial difficulties via supporters' trusts, for example, meaning that "football supporters are more than just customers, they are stakeholders" (Michie and Oughton 2005:522).

Morrow (2003:43) states that stakeholder theory has a "greater relevance for football clubs than for conventional businesses because of the particular features of certain football club stakeholders" which is shorthand for the involvement, emotional and financial of the fans of football. One of the closest parallels within stakeholder theory to the identification of the most salient issues as far as football supporters are concerned is within the work mentioned above of Hirschmann (1970) with his model of exit, voice and loyalty, as identified by Freeman (1984:18-19), where football supporters are a captive audience and the only option open to many, due to their lifelong commitment, is loyalty.

Franck (2010) also explores some other theoretical perspectives when citing Adler (1985) who devised "connoisseur theory" which describes a situation where you need to be long-term fan watching with fellow connoisseurs to appreciate it. This he terms as a "beneficial addiction" (2010:119) where such individuals actually enjoy watching more than the casual supporter.

Hirschmann's (1970) theories do, however, look at the opposite side of the coin of beneficial addiction – loyalty. When they are no longer satisfied with a product or service, ordinary customers will exit from other organisations but football fans cannot or will not (Hamil, Michie et al 1999). As Hirschmann (1970) says when referring to football clubs and to political parties "loyalty is at its most functional when it looks most irrational, when loyalty means strong attachment to an organization that does not seem to warrant such attachment because it is so much like another one that is also available" (1970:81). This view is supported by Horton (1997:111) who adds "customers make choices, supporters do not". Hirschmann (1970), however, advocates the lack of exit being replaced by voice – "an instrument to safeguard their specific investments" (Franck 2010: 119) and can therefore vote against undesired projects and people. Kiernan (2015) similarly focuses on the history of FC United of Manchester and exit, voice and loyalty by following Hirschman (1970) listing the reasons for, and some of the reasons against, joining FC United (and the sometimes hostile reaction to them) in their boycott of the Glazer family takeover of Manchester United. Exit for football fans remains hugely problematic and, although in many cases those of long-standing are seeing the increased commercialisation of the game as detrimental to its future, they are still rallying against such an exit. The football supporter is almost unique and the "psychological choice" of exit (Grant 2007:79) is almost impossible and, in many cases, unthinkable.

Franck also believes that, in the future, both owner-dominated and public corporations "can and will probably choose" (2010:119) to have supporters on their boards to manage this "beneficial fan addiction" (Stigler and Becker 1977) as it will be in their best interests to do so. Whilst towards the end of the writing of this thesis, government intervention in the form of the Fan-Led Review saw such recommendations in its first report, how this will manifest itself in such autocratic organisations as

Chelsea under Roman Abramovich and Arsenal where Stan Kroenke presides over the club in a similar fashion with little or no contact with fans of the club remains to be seen. The *verein* model in Germany, also worthy of further study in this context, gives the best chance of having one's voice, or "club-specific consumption capital" (Franck 2010:119) listened to whilst also acting as a control on management.

To exemplify this point, Morrow (2011) points out that ownership in football has problems associated with the types of owners it attracts stating that "Clubs can be bought and sold, managed or mismanaged, by individuals whose only qualification for the role of football club owner is their wealth" (2011:51) whilst also sounding a cautionary note about the stakeholder model being problematic for football in terms of the set-up of the Football Association in England. In his opinion, too many stakeholders, including many in the amateur game, are considered. Prior to the instigation of the Fan-Led Review by the UK government in 2021, the government had stressed on a number of occasions that reform has to occur and, as a result, in 2016, the FA chairman, Greg Dyke, attempted to push through governance reform and was met with such opposition that a key reformist, Heather Rabatts eventually resigned from the FA Board, (Gibson 2016a) in a major blow to the credibility of the organisation. As Healey (2012) points out (although in this case referring to Australian governing bodies), national sporting associations "struggle to cover the whole of the sport with its divergent interests" (2012:41) and the FA Council, with over 120 members, is a prime example of this.

Echoing the theme of stakeholder involvement, Morrow (2011) describes trusts' aims as being to "activate their stakeholder rights and seek to transform the power of their voice from one which can be heard to one which must be listened to" (2011:2). Hoye and Cuskelly (2007) refer to the Football Governance Research Centre (FGRC) (2005:70) stakeholder network concept to show how football clubs are affected by multiple stakeholder influences from supporter groups and shareholders to local government and the media. As they say, this approach "highlights the myriad of stakeholder demands" but "fails to explain the nature, intent or extent of the relationships that might exist or develop between these stakeholders" (2007:61). The FGRC identified at that time that they are by no means simple relationships and at the same time that the clubs themselves are, in general, very poor at "balancing the needs of various stakeholders' with the interests of the organisation itself (FGRC 2005:73).

In a study of corporate governance in football, Dimitropoulos and Tsagkanos (2012) argued that the need for sound corporate governance in line with that in the wider business world has never been more important and in their study of 67 listed or privately owned clubs across Europe they found that "evidence supports the view that the incorporation of efficient corporate governance mechanisms , and specifically increased board size and independence and the separation of the CEO and chairman roles, can lead to greater profitability and viability" (2012:302). Their recommendation that regulators should become more involved in the corporate governance of clubs also rings true in the light of some developments (Conn 2016a) in the Football League in England where tighter financial rules led to a noticeable improvement in clubs' finances and in the longer-term consequences of the Fan-Led Review.

Calls for a new code of governance in British football had been called for over an extended period of years with views on the subject expounded by, for example, for example, Michie and Oughton (2005).

Dimitropoulos and Tsagkanos (2012) also supported the view that there is a need for football clubs to involve all their stakeholders, including their supporters, however, this view was not universally held as Buchholz and Lopatta (2017) counter that supporters are only interested in sporting achievement and, as a consequence, “cannot be seen as appropriate actors to control a club’s economic activities” (2017:5).

This view is evident in the many examples of mistrust between board and owners and the fans at clubs in England, particularly strikingly at Charlton Athletic where the Chief Executive Officer, Katrien Meire described fans’ attitude to their clubs, in December 2015, thus “They say they pay... but they go to the restaurant with their family every week or they go to the cinema, and they’re not satisfied with the product, do they go and scream to the people in charge of it? No, they don’t! But they do with a football club, and that’s very weird” (Chamberlain 2015). This was said, and seized upon by fans before Meire backtracked considerably, in April 2016, by insisting that “Our fans are integral to the success of this club and we want to work together with our supporters...” (Charlton Athletic 2016), although this was quickly contradicted in the following August when the club issued a threat to a protesting fan that his season ticket would be removed unless he signed an agreement to moderate his behaviour in protesting against the ownership of the club on social media (Miller 2016). Here, Charlton Athletic appear to be displaying Hirschmann’s (1970) theory regarding “expulsion” as a tool that management uses to restrict voice, in this case, of the fans (1970:76). As Ronay (2016a) described it, at Charlton, at the time, the club was in the hands of “a semi-detached speculator”, but since any other form of regulation would be seen as “corrupting the market” fans were left simply wishing for “the right kind of monied weirdo” to save the club from inconsequential obscurity. Advocating a form of “protectionism” his view was that to follow the German model of club ownership would go some way to avoiding similar ownership disasters in the future.

Alongside this, Margalit (2008) looked at the protection of the interests of fans and local communities calling their moral ownership of the clubs “the social property interest of fans” (2008:236). He also explored alternative ownership models that may be of benefit to fans and communities previously investigated by, for example, Hamil, Michie and Oughton (1999).

Totten (2016) explained the links between the left-leaning fans of St Pauli in Hamburg and the local community and how the club and its fans are now truly embedded in the local area. He criticised major football clubs by saying that their community efforts are tokenistic and an attempt to ingratiate themselves with a new audience in the name of commercialism when he said, “community outreach work by clubs is often stealthily focused on product placement, good public relations and market development rather than community empowerment” (2016:703). Clubs have often “groped fuzzily” (2016:706) towards any form of community involvement or empowerment. He believed that this “mission creep” (2016:703) has led many fans to clubs such as St. Pauli where they are “exemplifying a never surrender attitude to the inducements of the neo-liberal commodification of football” (2016:704). The situation leads clubs to hijack the popular culture to their own advantage where Totten says “Popular cultural expressions, alternative to dominant hegemonies, can be incorporated through market forces

like commercialization" (2016:705). Grant (2007) was even forced to conclude that "football needs more (and more sophisticated) politics, not less, to counter the strength of economic forces and to ensure that the game is treated as more than a marketable commodity" (2007:87).

## **2.5. Theoretical developments**

As the development of this thesis progressed and in the light of all the reading carried out on democracy, stakeholder involvement and the football business, of all the theoretical writing examined the theory developed by Mitchell, Agle and Wood (1997) began to stand out. The reasons for this became clear as the final major event in football governance covered by the lifespan of the thesis, the UK Department of Culture Media and Sport Fan-Led Review, led by Tracey Crouch, which began in June 2021.

As we have seen above and will see further below, supporters and their communities clearly have legitimacy in their quest for greater voice in the running of their football clubs, a voice that would, in the opinion of many, have created situations where the reckless spending of private owners could have been avoided. Mitchell, Agle and Wood (1997) reference Freeman's (1984) principle of who or what counts as of huge salience within a stakeholder framework where they unpick those that are valid stakeholders and what differentiates them from those that are not.

The clear correlation with the Mitchell, Agle and Wood (1997) theory was exemplified perfectly when, having for many years had just that one of the three elements of stakeholder salience that they highlight, legitimacy, it was joined unexpectedly (as a result of the failed attempt by the "Big Six" clubs in England to be part of a European Super League) by power (BBC Sport 2021). In addition, the Review not only gave fans power (with that government backing identified as required throughout this thesis) but also, as a result of the timeframe announced whereby a full report would be completed by November 2021, the final element of stakeholder salience which has been lacking throughout the whole history of supporter involvement, urgency. This is the "catalytic" (1997:864) component of Mitchell, Agle and Wood's (1997) model that completes the trio of factors required to make managers (in organisational terms) and governing bodies and clubs (in football terms) sit up and pay attention to their most important stakeholder.

Prior to the emergence of this urgency and power added to the legitimacy, perceived by many, to be already in existence, it provided supporters with "authority" (1997:866), borne out by the over 100 hours of evidence given to the review by supporter groups (Crouch 2021), but the opportunity to develop "desirable social good" (1997:867). Power and legitimacy alone, in the opinion of Mitchell, Agle and Wood, and clearly in operation here, do not capture the dynamics, they need the criticality of urgency that the rapidity of government action in this case brought.

The thesis until this point had focussed almost exclusively on the legitimacy of fans and the need for power but was given the third salient element at the very end of its timespan with another key stakeholder, the UK government, adding to the power already held. The FA, the Premier League, the EFL and the clubs themselves are being forced to look at how the game is governed and will, it seems,



not be allowed to continue as they are. In Mitchell, Agle and Wood's (1997) terms, fans started out as "discretionary" stakeholders with no power or urgency, and became "dependent" as they had urgent, legitimate claims (p867). The Fan-Led Review saw the UK government move the supporters from being a marginalised - held at arm's length - stakeholder to one that was, clearly, the most salient, by giving that urgency.

The lead-in to the establishment of the Fan-Led Review is examined in further detail below but it is clear that following previous similar reviews, from the Chester Report (1968) to the Football Task Force (1999) and the Expert Working Group (2016) which were, on reflection, merely led by the governing body, the FA, in the case of the former, or carried out by a parliamentary sub-committee with limited powers, in the case of the latter. Since it was only the governing body and parliamentary sub-committees that had overseen those reports, it was clear that this was a major step change in the way in which government was looking to examine the governance of football. The Fan-Led Review was not only to be carried out by a high-profile former Sports Minister, but also had added legitimacy since the Culture Secretary, Oliver Dowden, had specifically set aside parliamentary time, in the autumn of 2021, to legislate on the subject, presumably, and specifically, on the creation of an independent regulator that so many fans had clamoured for over the preceding years.

Concerns, however, remained that, with the European Super League and at least three of its clubs, Barcelona, Real Madrid and Juventus, still looking to champion and push through the original concept, the project may not have gone away completely given that fans of those clubs had been nowhere near as vociferous in their condemnation of it as their counterparts in England. With the A22 Sport Management agency still advocating the ESL in October 2022, when they appointed Bernd Reichart, a former chief executive at German broadcaster, ZTL, seeking to push for the competition's acceptance in advance of a European Court of Justice (ECJ) ruling, there was genuine cause for trepidation. On 15<sup>th</sup> December 2022, however, the advocate general of the ECJ gave his "opinion" (to be ratified in early 2023) that Uefa and Fifa were working within the realms of European law when arranging their competitions which was widely seen as an effectively final defeat for the concept of the European Super League (Stone 2022). A22 Sport do, however, to fight their cause with an ongoing charm offensive.

Despite the ruling, suspicions therefore remain amongst fans of English clubs that were wholeheartedly behind the original concept, that it has not, by any means, gone away, and that the idea of a closed league with no promotion amongst the elite European clubs is likely to rear its head once again in the not-too-distant future (Football Supporters' Association 2022c). Had the ruling not been clear (and if the final judgment does not go in Uefa and Fifa's favour), it is difficult to comprehend exactly where that leaves fans of the top clubs in England, although this may prove to be the ultimate test of Hirschmann's (1970) theory when fans really may plan an exit.

This thesis also attempts to address the gaps in knowledge around the application of the stakeholder model to the supporters' trust movement, which the Community Benefit Society model of ownership advocates. It contrasts the model with the all-too-dominant model of private, shareholder ownership that proliferates in football in England and Wales. To date, there has been little work that not only

examines the benefits of the community ownership model but also, in turn, examines the consistent failings of the private ownership model in the game which have been particularly accentuated over the past twenty years.

In this regard, it is important to understand the context of the model in the modern history of football in England and Wales and where the game currently stands in terms of supporter involvement and community ownership which is now explained in Chapter 3. It begins to answer the research questions set out in Chapter One by looking at whether the model works given the challenges it has faced and whether, by comparison to the predominant model of choice, private ownership, it can be seen to have been any more successful than that model.

## **CHAPTER 3 - THE HISTORY OF THE SUPPORTERS' TRUST MOVEMENT**

Having examined the theoretical perspectives behind the supporters' trust model and how stakeholder theories can be applied in football in England and Wales, the historical context now has to be explored in order to explain the evolution of supporter involvement in the running of football clubs and the current state of knowledge surrounding the implementation of those theoretical constructs in the game of football today. The aim of the chapter is to explain the development of supporter involvement at all levels of the English game and to examine the challenges that the movement has faced during this time. It goes on further to look at the literature relating to the movement's evolution and the various reviews that have taken place into the governance of the game. It concludes with the aforementioned analysis of the private ownership model versus that of the community benefit society, points to the lessons to be learned from the literature and introduces the key theme of sustainability.

### **3.1. A History of Supporter Involvement**

The need for the greater involvement of fans in the running of their clubs is by no means a new phenomenon. Sir Norman Chester, in his 1968 Report of the Committee on Football (Chester 1968), suggested that wider supporter involvement would be beneficial to the game as a whole. Indeed, harking back to that same era, the term "the People's Game" was, it is believed, first coined by Walvin (1975) in his book of the same name.

Traditionally, clubs had been owned by local businessmen with minimal involvement from supporters except perhaps in the very early days of the game in the UK in the late nineteenth century where shares in clubs were issued before such businessmen took over completely. Even though football was the "People's Game" their involvement continued to be limited but, as Holt (1989) suggests, supporters did maintain "cultural" ownership of the game, a theme that develops much further throughout the history of supporter involvement. In a work reflecting on the disasters to befall the game in the late 1980s, Ian Taylor (1984) mentions "participatory democracy" as a potential means of giving supporters involvement in their clubs although this idea was often doubted as a way forward by the likes of Redhead (1993) who felt that the idea of this "becoming fully-fledged is questionable" (1993:5). Rogan Taylor (1992) takes Holt's theme further by saying that "Football fans have a historical and cultural right – and a right in commonsense justice – to take a real part in the running of the game" (1992:187), a part that he saw as denied to fans by the historical manoeuvrings of both the football authorities and the clubs and owners themselves. Additionally, he cites the weakness of the fans' bodies such as the National Federation of Football Supporters' Clubs who signally failed to achieve anything in this regard, perhaps because they lacked the "personalities" (1992:181) to do so. As a result of the disengagement of the clubs and authorities from the fans, Taylor (1992) believes many of the problems inherent in the game going into the 1980s arose.

The rise of the fanzine movement in the mid to late eighties and the establishment of the Football Supporters' Association (later the Football Supporters' Federation after the amalgamation of the FSA and the National Federation of Football Supporters' Clubs) in 1985 saw a change from a landscape

where “Until the mid-80s the voice of the football supporter was virtually unheard” (Redhead 1993:21) to more engagement of fans. This came about alongside a change in attitudes, from an interest on the part of some in hooliganism to an interest in music and football as a uniting force through humour and it was cultivated by a mistrust of the way in which the game was being governed and the involvement of government in it. Reflecting upon this, Rogan Taylor (1992:2) concluded that fans were, in fact, “the single most important asset the game possesses”. He was, at the time, forced to concede, however, that “the relationship between football and its fans was in terminal decline. It had failed” (1992:3).

It was a situation that was no different in many parts of Europe either. The following year, Portelli (in Redhead 1993) noted, regarding Italian clubs and owners, “Supporters have no voice in the running of the club...nor are the owners in any way responsible to them” (1993:79). There is no doubt that, at that time at least, the fans were what Baudrillard (1983) termed “silent majorities”.

In 1985, when Charlton Athletic decided, against their supporters’ wishes, to close their home ground, The Valley, the motivation of supporters had, however, taken on a whole new, political, dimension. Supporters stood in their local elections as the Valley Party in an attempt to force the local council to agree to their relocation back to their traditional home. As Banks (2002) identified “fan ownership really began with Charlton Athletic” and, as a result the club finally achieved a return to their home at The Valley in 1992. This fan involvement, meant that, for the first time, a supporter was given a permanent place on the board of directors at the club, a situation that Grant (2007) sees from the position of political economics as “co-option and engagement” (2007:83) where the supporter-director is an “ombudsperson” for the fans.

Subsequently, in the mid-to-late-nineties, the supporters of Brighton and Hove Albion took direct action against the directors Bill Archer, Greg Stanley and David Bellotti who had altered the Articles of Association of the club in order for them to sell the club’s Goldstone Ground for profit, a breach of the Football Association’s Rule 34 preventing such actions (North and Hodson 1997). After a long and bitter dispute that led to Brighton playing home games as far away as Gillingham, the owners were ousted and a new, supporter-led, management under Dick Knight was eventually installed.

The above were early examples of fan involvement in the running of their clubs and became a theme that developed throughout the 1990s and 2000s when many clubs fell into administration as fans began to organise and form trusts to help save, or totally reinvent, their clubs. Some examples of the collapses were undoubtedly caused by unscrupulous owners (Wrexham, York City, Darlington) whilst others were more due to incompetence from a business perspective (Leeds United) but, despite this, writers such as Szymanski and Kuypers (1999) still continued to make the business case for the traditional ways of running a football club.

This new type of businessman entering football and the consequent rise in fan involvement led Banks (2002) to conclude that it was “no coincidence that it has occurred as the supporters’ financial influence on the game has diminished”, a particularly resonant statement given what has happened since with club ownership, particularly in the Premier League. The directors of clubs were well aware that the

percentage of income derived from match-going supporters had diminished with commercial income and TV money replacing them as their major source of revenue.

When the New Labour government formed in 1997, almost immediately the Football Task Force (1999) was set up which, in the long term, led to the establishment of Supporters Direct to replace the Football Trust. The Trust had been the body responsible for allocating public money to the redevelopment of football grounds as a result of the Taylor Report (1990) on the Hillsborough Disaster in 1989 (Michie 2000b). The “Third Way” of politics (Giddens 1998, Blair 1998, Newman 2001, Michie 2000b, Mellor 2008), of which this was a part, sought to bring about social inclusion as one of its key tenets and the idea of mutualisation of football clubs (Michie 2000b) was an important pillar of the philosophy. Indeed, the Taylor Report itself had said, “it is legitimate to wonder whether the directors are genuinely interested in the welfare of their grass-roots supporters” as they “are more interested in the personal financial benefits or social status of being a director than of directing the club in the interests of its supporter customers” (Taylor 1990 para 53).

The Football Task Force (1999) set out clear guidelines, indicating that a new Football Audit Commission should “promote best practice amongst clubs in consulting and working with supporters’ groups” (1999:10) and that all clubs should “establish democratic forums through which all fans can be involved in decision-making” (1999:10). Most importantly, it emphasised that all clubs should “recognise and encourage as a collective body supporter trusts and supporter shareholder associations; this could involve promoting a representative from a trust, group or shareholders’ association on to the board in a director or observer capacity” (1999:11) and went on to suggest that clubs should provide financial support for such organisations as trusts or associations, consult with supporters on major decisions, have a board level meeting with supporters at least once a year and set up a system where there is a supporter liaison commission.

### **3.1.1. The Establishment of Supporters Direct**

The first example of a successful Supporters’ Trust taking over a club was in the days before the formation of Supporters Direct itself, and with the involvement of future Supporters Direct Chief Executive, Brian Lomax, at Northampton Town in 1992. This case proved that, with the willing participation of a supportive community, fan ownership could work as a solution to misgovernance, taking the club from administration and forming a trust, liaising closely with the local council and finally achieving a supporter permanently on the club’s board of directors. In this case, (Lomax 1999) a club was not only able to be saved but be sustainable as a mutual. In fact, events at Northampton Town proved that a trust was “a truly mutual instrument” (Michie 1999).

In the early days of writing on the subject of football governance the seminal Hamil et al (1999) study set out the myriad problems facing the game and its governance. Their critique including, amongst others, a Brian Lomax article on Northampton Town, championed the mutual ownership model and proved a watershed in the study of the governance of football. This work was followed by extensive critiques of the failures of the governance of the game including Banks (2002), Bazell (2008), Bower

(2003), and Samuels (2008) and, subsequently, Ridley (2011), Lovejoy (2011) and Bose (2012). The Football Governance Research Centre at Birkbeck College produced the influential annual State of the Game report that ran between 2001 and 2006 (Binns et al 2002, FGRC 2005 etc) and was also recognised as a comprehensive guide to the governance of the game examining, as it did, not only the finances of all Premier League and Football League clubs but also their relationships with their fans.

Conn (1997 and 2004a) also looked extensively at the influence of supporter ownership and the transformation from what was “seen until recently as a combination of wonky detail and pie-in-the-sky idealism” (Conn 2004b) to a serious issue addressed by both government and the governing bodies of football alike. His other work (Conn 2012), for example, tells the story of the governance model of football across a specific timeline with a case study of one particular club, Manchester City, but with governance as a key theme. As many writers observed, football clubs are “cultural and community assets” (Oughton 2003) unlike any other and need to remain so if the current fabric of communities is to be maintained. Supporters, however, are felt to need to relate to their heroes as identified by L’Elefant Blau in Barcelona (L’Elefant Blau in Hamil et al 1999) but this is especially difficult since “commercial pressures threaten to undermine traditional links between football clubs and local communities” (199:203). Clubs even as large as Barcelona, despite employing large numbers of foreign players, continue to be at the heart of their communities and, in the view of L’Elefant Blau at least, needed to remain so if they were not to alienate the average fan.

To date, the greatest successes of the supporters’ trust and fan ownership models have, arguably, been at AFC Wimbledon, Exeter City, FC United of Manchester (Keoghan 2014) and (despite a subsequent return to private ownership), Portsmouth (Conn 2013). Each situation was a different variation on a similar theme. At AFC Wimbledon, the intransigence of the governing body, the Football Association, in allowing the original club to be moved over 60 miles north to Milton Keynes and the formation of a “franchise” led to the club’s disgruntled supporters forming a club at the very lowest level of the football pyramid in England and Wales in 2002. At Manchester United, the takeover of the club by the Glazer family from the US, using a controversial leveraged buyout that effectively made the club pay for the takeover, also led to the formation of a new club, FC United of Manchester (Mitten 2015) in 2005, with clear democratic principles, once again at the lowest level of the football pyramid in England. And at Portsmouth, where the familiar story of a succession of inappropriate owners had led the club into administration and an eventual supporters’ trust takeover in 2013 (Hassan 2013), although as mentioned above, the club has now returned to private ownership (BBC Sport 2017a).

The mission of Supporters Direct, which was established in 2000 as a direct result of the Football Task Force’s report, was, and remained until its merger with the Football Supporters’ Federation in 2018, “To promote good governance in sport and enable the development of sustainable clubs based on supporters’ involvement and community ownership” (Supporters Direct 2000). Their definition of the terms supporter ownership and community ownership clearly stated that for a club to be called supporter owned they needed “A minimum of 50% +1 of the voting rights of the Club to be controlled collectively by a democratic entity which has an open and inclusive membership” with democratic processes (one

member, one vote) and inclusive policies (with no barriers to voting for all who are club supporters). Additionally, Supporters Direct stipulated that all clubs should be run on a sustainable model and all profits should be reinvested into the club.

Supporters Direct further defined supporter involvement or influence as where there is “A position of influence for supporters... most likely achieved by; 1. A structured relationship between supporters and the Club [or] 2. A place on the Board of the Club”. They further defined supporter part-ownership where several conditions are met which may be, 25+1% of “investor shares” in a club, a “golden share” in a club or a shareholders’ agreement explaining the rights of supporters.

At the time of Supporters Direct’s establishment, the work of Michie (2000b) further suggested the development of football as part of Britain’s social and cultural heritage with proper representation for fans (preferably at board level) and consideration of changes to club governance including the idea of mutualisation and legislation concerning the aforementioned “golden shares” (Michie 2000b:189) for either local or national government. Interestingly, this is a theme that has been returned to in the initial findings of the 2021 Fan-Led Review.

Since the economic definition of a club is “a voluntary group of individuals who derive mutual benefits from sharing one or more of the following: production costs, the members’ characteristics, or a good characterised by excludable benefits” (Cornes and Sandler 1996), the idea of mutualisation remains a tangible goal for the supporters’ movement. Clearly, since Michie (2000b) was writing there have been many of the predicted problems surrounding, amongst other things, absentee ownership coming to pass with, for example, an increase in admission prices that have led to the pricing out of fans. The sheer financial size of Premier League football clubs has also meant that the possibility of a fully mutualised club at the highest level is now becoming more and more unlikely and, as Michie stated in 1999, mutualising would be “too difficult for the largest clubs even with a willing sponsor” (1999:19). Several opportunities were missed, however, prior to this period including obtaining loans via the original Football Trust where there was an opportunity to secure ownership rights for supporters in exchange for financial support. The statement that “Mutualisation is an idea whose time has come” (Michie 1999:28) may not have been as prescient as it seemed, given the rampant demutualisation of the time.

### **3.1.2. The challenges supporter ownership faced**

Reviewing the progress of the trust movement in 2009, Conn (2009), summarised the preceding ten years, in the light of Exeter City being the only remaining fan-owned Football League club at that time, thus, “takeovers by millionaires and billionaires have been rather more common than fans’ mutual groups” (2009).

Throughout the history of community ownership in football there have been a number of setbacks for the movement. Taylor (2016) pointed to disharmony at FC United of Manchester quoting several sources stating that, despite the successful opening of their new £6.3M stadium and successive promotions to the Conference North (or sixth division of the Football League pyramid), there were

divisions within the club that saw their general manager step down amid protests and other resignations and accusations of a “fundamental deficit in democracy, transparency and accountability between the club and its members” (Taylor 2016a:4). It appears that there were a number of influential figures keen to destabilise the club which drove the agenda (O'Neill 2017, Porter 2014). Taylor (2016b) and Slater (2016) describe how, in a further development, in April 2016, the resignation of Adam Brown, a founding board member of the club, came during “an increasingly acrimonious period of infighting” at the club.

Whilst a conflict of this scale is extremely rare at community owned clubs, it is not unique, as even the much-vaunted fan involvement at FC St Pauli in Germany has been born out of the over-commercialisation of the club by the board which has seen a situation where "Despite strong fan representation at the football club their shared history is littered with conflict and acrimony" (Totten 2016:704).

In contrast, the AFC Wimbledon case appears to be going from strength to strength with a new ground close to the site of their original Plough Lane base opened in 2020 (BBC Sport 2020a) with a capacity of over 9,000 and with the club continuing to hold its own in League One, the third tier of English football, the highest placed community owned club, as can be seen in Table 1 below. In addition, a long period of stability is in evidence at Exeter City, a tier below AFC Wimbledon, where loans have been paid back to fans and the supporter ownership model is now firmly established.



**Table 1: SUPPORTER OWNED CLUBS IN ENGLAND AND WALES 2022 (46)**

<b>League Step</b>	<b>Non-League Step</b>	<b>League</b>	<b>Club</b>
-----	Step 3	League One	Exeter City
-----	Step 4	League Two	AFC Wimbledon
-----	Step 4	League Two	Newport County
Step 2	Step 6	National League North	Chester
Step 2	Step 6	National League North	Darlington
Step 2	Step 6	National League North	Banbury United
Step 2	Step 6	National League North	Scarborough Athletic
Step 2	Step 6	National League South	Bath City
Step 2	Step 6	National League South	Tonbridge Angels
Step 3	Step 7	Southern Premier South	Hendon
Step 3	Step 7	Southern Premier South	Merthyr Town
Step 3	Step 7	Southern Premier South	Dorchester Town
Step 3	Step 7	Southern Premier Central	AFC Rushden & Diamonds
Step 3	Step 7	Isthmian Premier	Lewes
Step 3	Step 7	Isthmian Premier	Enfield Town
Step 3	Step 7	National League North	FC United of Manchester
Step 3	Step 7	Northern Premier	Hyde United
Step 3	Step 7	Northern Premier	Bamber Bridge

Step 4	Step 8	Isthmian North	Grays Athletic
Step 4	Step 8	Isthmian South Central	Basingstoke Town
Step 4	Step 8	Northern Premier D1 West	1874 Northwich
Step 4	Step 8	Northern Premier D1 West	City of Liverpool
Step 4	Step 8	Northern Premier D1 West	Prescot Cables
Step 4	Step 8	Northern Premier D1 West	Runcorn Linnets
Step 4	Step 8	Southern League D1 Central	Kempston Rovers
Step 5	Step 9	North West Counties Premier	AFC Liverpool
Step 5	Step 9	North West Counties Premier	Bury AFC
Step 5	Step 9	North West Counties Premier	Congleton Town
Step 5	Step 9	North West Counties Premier	Litherland REMYCA
Step 5	Step 9	North West Counties Premier	Northwich Victoria
Step 5	Step 9	Southern Counties East Premier	Fisher
Step 5	Step 9	Southern Combination Premier	Peacehaven & Telscombe
Step 5	Step 9	Essex Senior League	Saffron Walden Town
Step 5	Step 9	Spartan South Midlands Premier	Dunstable Town
Step 6	Step 10	Midland League D1	Hinckley AFC
Step 6	Step 10	Wessex League Division 1	Newport (IOW)
Step 6	Step 10	North West Counties D1 North	Bury AFC
Step 6	Step 10	North West Counties D1 North	Pilkington

Step 6	Step 10	North West Counties D1 South	Wythenshawe Amateurs
Step 6	Step 10	Southern Combination D1	Montpelier Villa
Step 7	Step 11	Central Midlands League North	Newark Town
Step 7	Step 11	Middlesex County League Premier	Clapton CFC
Step 7	Step 11	Humber Premier League	Hull United
Step 8	Step 12	Middlesex County League D1	Camden & Islington United
		Welsh Football League D1	Ton Pentre
		Gwynedd League.	CPD 1876 Bangor FC

As can be seen in Table 1, the successes for the fan ownership model continue to lie at the lower levels of the professional game and in the semi-professional game in the UK. But alongside the aforementioned established and evidently sustainable models at AFC Wimbledon and Exeter City there have been instances where supporter-owned clubs have reverted back to private ownership, primarily in the quest for success on the pitch. At Brentford in 2012, for example, after a period of majority trust ownership of the club, a vote was taken amongst supporters which resulted in an almost unanimous mandate to bring in private investment from one of the club's major shareholders, Matthew Benham, albeit with a significant stake still held in the club by supporters (Brentford FC 2012). A rarity since conversion back to private ownership, the club now finds itself in the Premier League, however, this has come at considerable cost to Benham who has invested over £100M to establish the club at the top level (Moore 2018).

By contrast, at Notts County, in 2009, the lack of success on the pitch at a newly-stabilised trust-owned club and an "unglamorous, fan-owned existence" in which they were "doomed to ethical defeat" (Porter 2014) led to an ultimately disastrous decision to revert back to private ownership where the import of several high-profile players and a former England manager brought short-lived glamour and a total lack of sustainability.

In terms of progress in supporter involvement at Premier League level, the much-praised Fanshare scheme at Arsenal (Arsenal Fanshare 2010) where fans were able to invest in portions of shares as a personal investment in their club ultimately floundered due to a lack of liquidity in the shares and an unwillingness on the part of the majority owner, Stan Kroenke, to release any further shares in order to keep the scheme going (Gibson 2014). This is just another example, even at the very top of the game in England, of a lack of engagement with the idea of fan involvement and fan ownership.

Such examples within the supporters' trust movement also leads to the question of wider fan involvement and just how many supporters are actually interested in the governance of their clubs. A Supporters Direct report in 2010 (Brown 2010) identified the fact that many supporters of clubs are simply not concerned about the supporter-ownership model and merely crave success on the pitch. At trust-owned clubs there is clearly more of an understanding of the models of ownership and exactly how the clubs are run but, with a survey referred to in the Supporters Direct (2010) report indicating, at that time, that 70 per cent of fans are not interested in the way their clubs are governed, there was, and undoubtedly still is, a long way to go for the movement to even convince a majority that fan ownership is the ownership model of the future.

This is an area that Supporters Direct, and now the Football Supporters' Association, have only been too aware of in their quest to keep supporters engaged in club governance. Indeed, many fans appear suspicious of trust boards in that they "have become too close to club personnel" (Dunn 2015:8) and also see a clear conflict between a supporter-director on a club's board as, although the prime duty of a director is to ensure that the organisation is run properly, the role of a trust member as insider is clearly seen as compromised.

The inertia felt by so many fans is coupled with many owners' reactions to fan groups and their disdain for what they can achieve thus perpetuating the view that "some supporters' trusts are like the armies of broom-wielding cleaners volunteering to sweep up all the shattered glass and burnt dustbins after the 2011 London riots: well-meaning, good-hearted, community-spirited and prepared to get stuck in, but bereft of ideas to prevent the situation happening again" (Goldblatt 2015a:150). 80% of club owners (Kennedy 2012) believe that supporters' trusts should be predominantly about fundraising but Supporters Direct always insisted that this is a role best carried out by the more traditional supporters' clubs. Indeed, as stakeholders in their clubs, club owners, as identified by Senaux (2008), clearly value a club's players more as a stakeholder than its fans. There is, however, a tendency to view trusts as best at times of crisis (Conn 1997, 2004) and, by extension, the usefulness of fans in the eyes of club owners too.

In their 2015 critique, Garcia and Welford (2015) point out that the literature regarding fan involvement has focused on two levels, those looking at the policy of national authorities and those looking specifically at fan-owned clubs and supporters' trusts from the perspective of the fans themselves. This leaves a considerable gap in the literature, as there has been little attempt to explain the reasons for fans becoming involved, little correlation between the different individual case studies carried out and no attempt to try to examine the cross-club, cross-national or international perspectives of the movement. The aforementioned problems associated with the movement often being purely reactive as opposed to a proactive body (Garcia and Welford 2015: 522) led them to conclude that fan involvement needed a new "governance turn" (2015: 517) whereby their involvement as stakeholders is taken as read.

As they also pointed out, a distinctly dichotomous approach to the literature where, on the one hand, is the critical view of Kennedy and Kennedy (2014), Kennedy (2012) and Martin (2007) set against many prescriptive case studies by Lomax (1999), Hamil et al (1999) and Conn (1997 and 2004) and whilst disagreeing on many aspects of the movement, most are agreed that clubs will seldom, if ever, be owned by their supporters at the very highest level of the game. Ultimately, it was Garcia and Welford's view that evidence points to the fact that support for fan involvement is, in fact, "limited" (2015: 517).

An interesting comparison in fan literature, a study of South American football and its cultural differences, also alludes to the differences between the socio type arrangement prevalent in Argentina and Colombia (Freeman 2012) with fans there even, perhaps, having too much say in the running of the clubs and the Barra Brava supporter groups actually becoming corrupted by their influence. As Freeman (2012) points out "This level of involvement may sound more attractive than the British system of just turning up and not having a real say on how your club is run...[but] Being in possession of that type of power inevitably led to corruption" (Freeman 2012: 210).

In a contrasting study to that of those finding inertia amongst fans, the idea of supporter involvement by the purchase of club shares was examined by De Ruyter and Wetzels (2000) who, in a survey of a middle-ranking Dutch club, found that 77% of fans would be prepared to invest their money in shares in order to stave off the twin threats of relegation and bankruptcy and save the club. They concluded

that supporters act beyond financial considerations and as Woodford et al (1998) confirm clubs are "inextricably woven into a supporter's life" (1998:62). The need to contribute in a time of both footballing and financial crisis stems from a feeling of "the social norm of reciprocity. As well as the level of attachment and the degree of perceived efficacy instigates fans to feel the personal obligation to provide financial support by means of buying soccer club shares" (De Ruyter and Wetzels 2000:387) they conclude.

As a result of an admission by senior figures at the Football Association that reform of the governance of the game had "hit the buffers" (Gibson 2015), Supporters Direct set out a clear set of beliefs and calls for reform in their manifesto for the UK General Election in May 2015 (Supporters Direct 2015) with the support of similar minded individuals in the national press (Goldblatt 2015b). In it they reiterated their belief that clubs are not simply businesses and that with fans being required to be an integral part of the club, their consultation would lead to better governance. It also served to attract the attention of the country's political parties to the problems in governance that continue to blight the game. The Fans' Manifesto prepared by the Football Supporters' Association for the 2019 General Election (The FSA 2019) was a further example of the interest of political parties in the governance of the game. Previously, the Football Association's governance of the sport had suffered from a series of damning comments culminating in the Sports Minister in 2011, Hugh Robertson, saying ""it is very clear to me that football is the worst governed sport in this country, without a shadow of a doubt" (Gibson 2011) or, in a slightly more pithy tone football, in general, according to Ronay (2016b) "is a wretched hive of scum and villainy, not to mention a vast barfing geyser of greed".

As can be seen at the mutual organisations discussed in section 1.4, one of the major problems is the continuing engagement of fans in supporters' trusts once they have achieved their aims. Despite a return to a board with mutual principles at heart more recently, there were examples, at Exeter City of a subtle erosion of the trust model as those initially involved in the fight for the survival of a club (Treharne 2015), gradually stepped back and were replaced by more pragmatic board members. Treharne (2015) described it thus: "Ten years ago, Exeter City Football Club had the opportunity to shape a future free from the whims, personal preferences and personal machinations of a single owner. To date, that initial surge of hope has been replaced by the stark reality of funding lower league football and also a host of missed opportunities..." (Treharne 2015:11).

Steve Perryman, the club's Director of Football picked up on the theme of supporter ownership at higher levels when speaking before a game against fellow trust-owned club Newport County in April 2017 when he said "I've been working at this level for 14 years now and I think the fan-ownership is a good model for League Two. Whether it works above that level remains to be seen". He then pointed out the restrictions placed on a trust-owned club when he said, "We had two years in League One because of a very good manager but the model means you have to stick to your budget and it's very important that you have a thriving youth policy as well" (Byrom 2017).

Drucker (1990:171-2) also identified problems that, in his case referring to the nursing profession, afflict such supporter organisations, that of "individual burnout due to commitment to a 'cause'" (as quoted in

Hoye and Cuskelly 2007:7). Furthermore, Hoye and Cuskelly, when examining the wider sport context, noted that volunteer numbers (in 2007) had “decreased in the last 5 years”. (2007:17) and that governing bodies and clubs have difficulties recruiting volunteers as existing ones are ageing and finding the bureaucracy troublesome. Since the Covid pandemic there is also evidence to suggest that formal volunteer numbers, across all areas, are continuing to diminish (Whitehead 2021).

Therefore, as seen at many supporter-owned clubs (Treharne 2015, Taylor 2016a) and at supporters’ trusts in general, there is often either burn-out on the part of the initial set of volunteers or a change in the make-up of the board which leads to those joining the clubs or trusts not having the same ethos or history of the supporter movement that the instigators enjoy, as identified at the mutual organisations discussed earlier. These factors coupled with a lack of volunteers generally across clubs serves to often make the retention of the model in its original form more of a challenge.

In addition, we also often see in elections at supporters’ trusts that a relatively small percentage of members vote once the “cause” is seen to have been achieved and, as a result, democracy can, to an extent, be seen to suffer. As in other situations where democracy is achieved, if people are engaged they will undoubtedly participate but when this engagement is lost, participation starts to wane and, a reversion to the old ways can often prevail.

A further reason for the reluctance of supporters to get involved was highlighted in the UK Government’s Department of Media, Culture and Sport (DCMS) Expert Working Group Report (2015) where the loyalty of fans gave rise to the explanation that “The very centrality of a club to many people’s identity, coupled with a fear of undermining the institution rather than a club’s owners, means that market-based approaches such as exit (i.e. withdrawal of financial support) are rarely used as a means of controlling or disciplining behaviour in a football club” (2015:24). This clearly has echoes in the work on exit, voice and loyalty by Hirschmann (1970) referred to above.

In 2016, despite clear evidence to the contrary, there remained the view of a perceived improvement in the finances of clubs in the lower divisions of English football. According to a report by the accountants Begbies Traynor (Conn 2016a), only two clubs from the 72 comprising the Football League show signs of distress due to “the trickle-down effect of football TV money and good housekeeping forced by the Football League and Revenue and Customs” according to Gerald Krasner, a partner at the company. However, there were still warnings that football was never far from the “fiscal cliff” as we see later in the happenings at Bury, Wigan Athletic and Macclesfield Town.

### **3.1.3. The Expert Working Group Report and the Fans Not Numbers campaign**

Following the Football Task Force Report (1999), the next major report on the governance of football was not until the DCMS Expert Working Group Report in 2016, and we can see that, in the years following the task Force Report, the creation of Supporters Direct and the setting up of clubs and trusts aside, very few of the objectives of the report had been achieved, barring the establishment of Supporter Liaison Officers (SLOs) at most clubs. The Expert Working Group Report (2016) was even said to

represent a step back for supporter involvement, championing as it did, only the idea that clubs should be made to engage with their fans on a regular basis. Indeed, following the lukewarm reception given to the Expert Working Group Report, there was a further setback for the supporter ownership movement when Labour MP Clive Efford's proposed Football Governance (Supporter's Participation) Bill (2015) offering supporters a 10% stake in the ownership of clubs was blocked from being legislated for by the government despite Efford pointing to 97% of respondents to a survey being in favour of more representation, with 86% supporting the right to buy a stake and 84% saying they wanted representation on their club boards (Stone 2016). The government's belief that the FA would involve fans once their review was complete, meaning that they did not need to legislate was, as ever at that time, hopeful in the extreme.

In contrast, in Scotland, the Community Empowerment (Scotland) Act (2015) was introduced to set up a framework to develop legislation relating to supporter involvement in the governance of clubs. Its recommendations stated that supporters should have a right to buy, a right to bid, a right to govern or a right to influence their clubs. McLeod (2016) suggests that, in the light of this Act, there are major issues with imposing legislation on clubs. The issues of confidentiality and disruption to the board dynamic are seen as major hindrances and, whilst the individuals he interviewed (many of whom were supporter representatives on club boards) all saw that the "fan-rep model works effectively for their board" (2016:10), there was a feeling that the aforementioned two issues, and a lack of skills on the part of fan representatives to deal with them mean that any legislation is "ill-advised" (2016:8) and a "potentially precarious move" (2016:7).

In England and Wales at the same time, there were a number of successes initiated by Supporters Direct, with their work seeing ten clubs in the top five leagues of English football having at least one supporter director on the board of directors and ten clubs in those divisions having a supporter shareholding of over 10% (Supporters Direct 2016a).

In their review of the 2015-16 season, Supporters Direct (2016a) were forced to concede that "It's fair to say the economics of professional football still favor (sic) owners willing to lose money and take risks, and for some there is a perception that choosing supporter ownership is a choice for sustainability not success. But that doesn't tell the full story" (Supporters Direct 2016a). Their contention was that those clubs that are not successful are more likely to be "resilient" than those privately-owned clubs that suffer in a similar way. Whilst the sustainability argument continued to be the movement's most powerful tool, a more general perception is that supporter-owned clubs, whilst sustainable, are more likely to be unsuccessful than successful on the pitch, a perception the movement is obviously keen to change. As with the belief that they are only relevant and required in times of crisis this became another area of thought that the movement was increasingly having to seek to change (Supporters Direct 2016a).

Also, in late 2016, it was revealed that Swansea City, the Premier League club with the largest shareholding held by a supporters' trust (21.1%, Swansea City 2010) and where previously a cordial relationship had existed, had fallen into a period of hostility between the club and the trust. This occurred as a result of a lack of engagement on the issue of the removal of the club manager, Francesco Guidolin



and his subsequent replacement with Bob Bradley, and the previous negotiations that led to the sale of shares of the club and an eventual takeover (Wathan 2016). All of this was in stark contrast to the previously harmonious relationship between the club and the trust that led Huw Cooze, the club's supporter director, to say in July 2015, "Supporter involvement is probably seen as a distraction to the orderly running of the Club, something which, we at Swansea City have of course proved otherwise" (Swansea City Supporters Trust 2015). As Conn (2016b) observed, the former directors made £75M from the sale of the club and changes were made to the club's articles of association, as at Brighton in the 1990s, without consultation. With the remainder of the directors selling up to the new American owners, the trust was therefore left isolated and with little power or influence and "no security for continued involvement in the club" (Conn 2016b). By late 2016, the Trust were already receiving enquiries about offers for their shareholding with a view to sale and investment in the club at a later date. (Gwilym 2016). However, when Bradley was subsequently sacked after just 85 days in charge, the Trust were, in contrast, "being fully consulted in the decision as to who should be our new manager" by the American owners of the club (BBC Sport 2016a). The club subsequently appointed Paul Clement as club manager in January 2017 with the full backing of the supporters' trust (Gwilym 2017) and relations with the new regime improved markedly as a result.

The appointment of a new Supporters Direct Chief Executive with respect within the supporters' trust movement, Ashley Brown from the Pompey Supporters' Trust, in October 2016 (Supporters Direct 2016b), saw his immediate acknowledgement of the challenges the organisation faced in the short-term. The organisation at the time stood "teetering on the brink" (Gibson 2016b) where, according to Gibson, it "needs to redefine its place in a modern game that is crying out for its influence as much, if not more, than ever". Furthermore, as Gibson (2016b) said, Supporters Direct had "slipped beneath the radar somewhat". Brown acknowledged that the chance for ownership at the top level remained a utopian dream and that engagement must be the goal through the Expert Working Group's (2016) insistence on two meetings between clubs and supporters per annum (Gibson 2016c). Whilst funding for Supporters Direct remained a key issue, he also recognised that "We need to re-energise the trust movement in general" and in seeking to differentiate the organisation from the Football Supporters Federation he was keen to emphasise that "We're looking at governance, at sustainability, at the long-term success of the game at both a national level and clubs at an individual level".

In March 2017, the Portsmouth ownership situation and the possibility of Leyton Orient becoming the latest club to turn to supporter ownership in the face of disastrous ownership, both made newspaper headlines. At Portsmouth, it was revealed that talks between the Supporters' Trust that owns 48% of the club and ex-Disney CEO Michael Eisner and his Tornante Investment Group had taken place with Chief Executive, Mark Catlin expressing "cautious optimism" about their outcome (BBC Sport 2017b). It was stated at the time that shareholders would have the ultimate say in whether the takeover was to be accepted or not and, after a vote in which an initial 64% of Trust members were in favour of talks with Eisner, 94% were insistent that a Trust member should be retained on the board (BBC Sport 2017c). In May 2017, it was agreed by the Pompey Supporters' Trust, where 1825 of 2272 shareholders (or 80%) voted in favour of the move, to sell to Eisner, thereby taking another supporter-owned club

back into private ownership although a “heritage board” would be established to maintain certain safeguards (BBC Sport 2017d). The sale to Eisner and his group finally went through on 3<sup>rd</sup> August 2017 (BBC Sport 2017e). The subsequent sale of Wycombe Wanderers, albeit retaining trust ownership of the football ground, to Rob Couhig, another American businessman, in late 2019 was a further example of the ambitions of fans potentially exceeding the reality at a relatively small club (Wycombe Wanderers 2019).

At Leyton Orient, Francesco Becchetti, who had long been accused by fans of driving the club towards the non-league, was in the High Court on 20<sup>th</sup> March 2017 answering a winding-up petition by HM Revenue and Customs over unpaid tax amounting to having previously been arrested by the London Metropolitan Police’s Extradition unit in October 2015 in connection with money laundering activities in Albania with a procedural hearing taking place in December 2015 (Guardian Sport 2015). The High Court winding-up petition was postponed until 12<sup>th</sup> June 2017 when Becchetti was told to either settle the club’s debts or sell it. (BBC Sport 2017f).

In the meantime, the Leyton Orient Fans’ Trust (LOFT) sought to raise over £100,000 for a fighting fund intended for the possibility of the club reverting to supporter ownership (Muro 2017a) whilst also asking local MP Bob Cryer to table an Early Day motion in parliament to highlight the issue and the failings of the Fit and Proper Person test (later the Owners’ and Directors’ Test) for club directors that allowed Becchetti to be the club’s owner in the first place. All of this came at a time that the club fell to the foot of League Two in a seemingly irretrievable situation that would eventually lead to relegation to the Conference, the fifth tier of English football. Amid further protests about Becchetti’s ownership at the final home game of the season, which led to the premature abandonment of the game, although it was later completed behind closed doors (Dutton 2017), the English Football League (EFL) were forced to consider changes to their Owners and Directors Test that would enable them to challenge incompetent owners and, in extreme cases, even intervene where necessary (Muro 2017b). To the relief of all Leyton Orient fans after such a period of turmoil Becchetti was eventually compelled to sell the club with a consortium led by Nigel Travis, with the backing of the fans, taking over the club on 22<sup>nd</sup> June 2017 (Young 2017).

With Newport County also facing the possibility of selling their ground, the early part of 2017 was not an auspicious time for the supporters’ trust movement with many beginning to question just how supporter-owned clubs were supposed to compete when rich owners can offset losses from other businesses, a point clearly made by the Manchester United Supporters’ Trust (MUST) to the UK government sub-committee on Football Governance which said “If there is not a level playing field, then clubs acting in a sustainable manner, will always struggle against those willing to speculate” (MUST 2017), whilst emphasising that all club directors and owners should always have the interests of the club as a priority above all else.

September 2017 also saw Supporters Direct involved in a high-profile campaign alongside SKINS chairman, Jaimie Fuller, spearheading the Fans Not Numbers campaign at five different locations across England (Supporters Direct 2017) which highlighted the need for change in governance in the

game in England and Wales and a tougher “fit and proper people” test for owners. The majority of the locations - Blackpool, Manchester, Darlington, Coventry and Leyton Orient – were scenes of poor ownership leading to crises at the respective clubs and served to highlight that, far from disappearing, such owners were still very much in the game. With the help of fans at the roadshows, the recommendations agreed were to be written up and presented to the then sports minister, Tracey Crouch (Conn 2017). Here again though, there was only so much enthusiasm, with attendance at the Darlington and Coventry events quite poor and only the Blackpool event (where there was obviously significant contemporary interest) attracting large numbers. As one of the panellists at Leyton Orient, Kevin Rye, was forced to admit in a subsequent article, “world-weariness and scepticism will be a challenge” for the campaign (Rye 2017). On the plus side, however, within days of the completion of the roadshows over 3 million views of the campaign video had been viewed online, a notable achievement for the movement (SKINS 2017).

Unfortunately, with so many looming crises, particularly at EFL clubs, there was little in the way of solace from the EFL Chief Executive, Shaun Harvey, in an interview in the autumn of 2017. Whilst indicating that the League could be forced to step in to help run clubs, he stated there was “a world of difference between guidance and control” and emphasised that the League had a duty to all clubs not just those in what others perceive to be trouble. He believed that there was little “of significance” that the League could have done at Leyton Orient under the rules of the time as a quasi-regulator where they received criticism for not intervening but ultimately, and perhaps most tellingly, he said “it is dog eat dog. That is the principle the Football League has been run effectively on for over 100 years” (Dunn 2017).

Whilst the crises that the Fans Not Numbers (SKiNS 2017, Supporters Direct 2017) campaign drew attention to continued, and in several cases worsened there was some further positive news for fan involvement in October 2017 when it was announced that the Crawley Town Supporters Alliance (the club’s supporters’ trust), was to have a representative attending all the club’s board meetings, a position that was to be reviewed annually. (Dunford 2017). Indeed, such positive developments were backed up by one of the founders of Supporters Direct at a Co-operative exhibition, the mayor of Greater Manchester Andy Burnham, in the same month when he said, “if ever co-op values were needed in football, it is now” (Co-op News, 2017d).

At this time, with the model of supporter ownership and supporters’ trusts in general being seen to be in something of a state of flux, the research was taking shape and was able to come to the question that, as a result of the aforementioned pressures, the research was seeking to answer, whether the model of supporter ownership in football was actually working. Were the pressures that had come to bear so heavily on supporter owned clubs that were held up as a beacon of good governance, at Portsmouth, Brentford and Wycombe Wanderers, for example, compelled to revert back into private ownership and what did this say for the future of the model? Would supporters’ trusts and supporter owned clubs only ever be set up in adversity and never as a willing alternative to the private ownership model? Would they never penetrate the upper echelons of the game and only really flourish at the lower

levels of football in England and Wales where community engagement is evidently easier to achieve? Where, ultimately, did the future for the movement lie, if indeed there was any future at all?

As we will see, from the relative nadir of 2017, the model has, in fact, continued to flourish and, as the research will explain below, has offered a real alternative to the prevailing model of private ownership in football.

### **3.2. The community owned model versus private ownership: An analysis**

#### **3.2.1. The return of supporter owned clubs to private ownership**

As we have seen from the above, the private ownership model in football was facing, and continues to face, challenges, however, in order to counter criticisms of the supporter ownership model not being examined in sufficient detail, we need to look at those clubs that have been taken into community ownership and have, eventually, reverted back to the private ownership model and the reasons for it.

This research concludes that the primary reason is that the club is placed on an even keel by its supporters and is, by its very nature, a more commercially viable proposition. It could almost be considered to be a situation where the model is, in fact, its own worst enemy. Clubs that were previously basket cases are turned around by a period of supporter ownership, stability is brought to the ownership and private investors start to be interested in the clubs once again.

In several instances, at Brentford, Portsmouth and Wycombe Wanderers, for example, those outside investors convince the fans that their investment is needed to take the club to a higher level. There may be some credence in these arguments given that both Brentford and Wycombe were successful very soon after the investment of Matthew Benham and Rob Couhig respectively, however, as ever in such situations the longevity of their involvement given all of the instances we have seen go before has to be questioned. Portsmouth, by contrast, failed in their bid for promotion from League One for two consecutive seasons, with supporters such as Ashley Brown stating that, under supporters' trust ownership the temptation would have been to push harder for promotion and, as a result, achieve the goal (Personal Interview, 4<sup>th</sup> March 2018). Of all the other clubs to enter community ownership and not retain that status, only Stockport County can really be considered to have mismanaged the situation. In that particular case, the mismanagement reached such an extent that, having taken over the club in 2005, by April 2009 the club was placed into administration due to a loan to a creditor of around £300,000, and a tax debt of £250,000 to the HMRC. Within two months, the administrator had agreed terms with a private investor, the Melrose Consortium, for the sale of the club. This bid finally fell through and the club was eventually taken over by another consortium, the 2015 Group, in March 2010.

Of the other clubs that converted back to private ownership, AFC Telford United, Notts County and Chesterfield, only Notts County can be considered to be an unmitigated disaster on the part of the trust who agreed the sale to Munto Finance, an organisation led by a convicted fraudster, Russell King (BBC News 2011). Unfortunately, the trust, who had been the majority shareholder since 2003 agreed the

sale of their 60% stake in the club by voting 814-55 in favour of the sale on an 83% turnout in 2009 (BBC Sport 2009).

Chesterfield were actually the very first professional club to go into community ownership, in March 2001, when the supporters' trust took over from Daren Brown who was eventually imprisoned for four years for fraud associated with his ownership of the club. It was an ownership that lasted some eight years before their sale of their stake to Dave Allen, a director of Sheffield Wednesday, who promised to invest £4M to offset the construction costs of a new stadium. The project did eventually come to fruition, opening in 2010, however, Allen's ownership floundered and he was a willing seller long before eventually handing over control to another new entity, the club's community trust (another first), in July 2020, which was marked by the fact that supporters voted him the "worst club owner".

AFC Telford United, formed in 2004 as a phoenix club following the collapse of Telford United, resisted private investors until 2016 when they voted 118-5 in favour of taking external investment and hence ceding control of the club and, at Rushden & Diamonds, a former League club, the trust was handed the club by the Dr. Martens owner, Max Griggs, in 2005 but was sold on to a private investor, Keith Cousens the following year when it fell into a period of poor ownership before eventually collapsing into administration in 2011.

Fan involvement in ownership was also short-lived at another two clubs, Aylesbury United (in the semi-professional game), who were briefly community owned in 2009 and at another League club, Bury (of which we will see more below) where, in 2002, the club briefly came under a form of supporter ownership following administration when control was split between *Save Our Shakers Trust* (63.8%) and *The Bury F.C. Supporters Society Ltd (Forever Bury)* (11%). Property entrepreneur Stewart Day then bought the fans' stake in 2013 following financial difficulties for the club, which had necessitated taking out a PFA loan to pay players' wages and the club being placed under a transfer embargo and, as we will see below, the club entered another period of severe financial instability.

### **3.2.2. Does the private ownership model work?**

Between 1992 and 2012, over half of the 92 professional clubs in England and Wales entered administration (Deloitte 2012). Although administrations slowed after 2012, events at Bury FC and Wigan Athletic in 2019 and 2020 respectively gave further credence to the argument that the private ownership model in English football was failing. The story of Bury is a particularly good example of the wrong type of individual becoming involved in the club, and the associated failings of the governing body, the EFL, around the vetting of such individuals which forms the Owners' and Directors' Test.

Bury were already in financial difficulty, with a debt of over £1M when Stewart Day, a Blackburn-based businessman paid off the debt and took over the club in May 2013 (Manchester Evening News 2013). The club endured a number of financial difficulties during his tenure, and alongside the collapse of his property business in 2019, he sold the club to another businessman, Steve Dale, in December 2018, allegedly for just £1. Day had overseen a number of extraordinary deals, including the sale of the club's

car park spaces, during his tenure, however, this paled alongside the mismanagement of Dale, a business owner in the construction industry, who rapidly oversaw the decline of the club off the pitch as the club succeeded on the pitch (with promotion during the 2018-19) as a result of massive over investment in players. The catastrophic series of property deals that Dale carried out (Financial Times 2019) finally led to the collapse of the club into administration and the eventual expulsion of the club by the EFL (BBC Sport 2019).

Once again, as Dale struggled to find a way to have Bury reinstated, an idea dealt a severe blow when the FA and the North West Counties League refused their application for a place in the Step 7 league for the 2020-21 season (Bury Times 2019), at the same time, the application for the new fan-owned phoenix club, Bury AFC was accepted (NWCFL.com 2020). Once again, at the time, there was consternation that such a situation had been allowed to happen and, yet again, the governance of football was highlighted as being not fit for purpose (Ronay 2019).

Just as the recession, job losses and company failures that the Covid crisis was inevitably going to lead to was fully being taken in, an interesting piece of research by Co-ops UK arrived pointing out that 76% of co-operatives formed in the previous 5 years were still “flourishing” whilst just 42% of private companies were still in business after the same five-year period (Co-ops UK 2020). Alongside research referred to above (Williams 2007), it is clear that the model itself does promulgate sustainability.

As if to exemplify the mismanagement of the game highlighted by Damian Collins, a Conservative MP and regular commentator on the governance of football in his “A Way Forward for Football” proposals in May 2020 (Collins 2020), Wigan Athletic, just four weeks after being taken over by a Hong Kong based businessman, collapsed into administration despite the owner having promised its financial stability at the time of the takeover (Conn 2020a). The administration was considered, in the words of another Conservative MP, Julian Knight, as “the tip of the iceberg” with “between 10 and 15 clubs” in a similar position. The EFL also announced at the time that they expected their clubs to lose some £250M as a result of the pandemic (BBC Sport 2020b). Almost immediately, Lisa Nandy, a local Labour MP, called the administration a “major global scandal” whilst calling for an inquiry into how it had come about (BBC Sport 2020c). The Greater Manchester mayor, Andy Burnham, also called for an investigation, calling the club “a vital part of our proud footballing heritage in Greater Manchester” (BBC Sport 2020d)

The “brutal and bizarre collapse” (Conn 2020b) became all the more intriguing when it was revealed that on the day that Au Yeung, the new owner, took ownership in a £41M deal, he immediately decided not to fund the club and, as a result, decided to place the club into administration. The EFL response, from chairman Rick Parry, was one of “tremendous shock” with the belief from within the league that it had been “disrespected” by the owners which eventually led to the club suffering a 12-point deduction and subsequent relegation from the Championship to League One of the EFL (BBC Sport 2020e). Once again, the situation highlighted the repeated belief that a purportedly wealthy foreign owner was the

answer to a club's problems and that, with little or no regulation, such situations continue to occur on a seemingly unchecked basis.

Also, during the pandemic, in July and August respectively, two further clubs collapsed, both once again privately owned. FC Oswestry Town of the North West Counties League Division One South (nonleaguedaily.com 2020f) said it was "mainly due to the pandemic" whilst Droylsden FC resigned from the Northern Premier League citing similar problems associated with the pandemic (Droylsden FC 2020).

Sustainability continued to be the theme throughout the outbreak as many clubs began to face up to the reality of not playing in front of fans for some considerable time. Indeed, the non-league game was in the most part insistent that it, in fact, couldn't begin without the entrance of fans as matchday revenue made up the vast majority of their total incomes. The situation eventually led to the curtailment of the 2019-20 season in all but the National League and the same scenario occurring in 2020-21 in all but the National League and its step 2 counterparts in the National Leagues South and North.

Following Collins' (Collins 2020) intervention, the issue of sustainability of clubs continued to be at the forefront of much of the writing about football at that time and, in a much wider ranging set of proposals, the Football Supporters' Association announced its "Sustain the Game" campaign (The FSA 2020). The five proposals surrounding the sustainability of the game were around the protection of clubs, transparency in their behaviour, financial controls, a strengthening of the pyramid and a reiteration that supporter engagement was key to the future of clubs.

One of the signatories to the campaign, David Goldblatt, an outspoken advocate of community ownership, wrote his own piece in an Observer article seeking to find "*21 brilliant ideas to remake the world*" (Goldblatt 2020) in which he expanded on the idea of supporter ownership and how supporters' trusts could be assisted in taking over their clubs. As far as sustainability was concerned, he said, "*Social ownership is no guarantee of good governance or sporting success but, as many clubs can attest, nor is private ownership. At the very least it would put the people who actually make football matter, who make it a commercial success, in charge of their own rituals and money*". The key point being that there is no guarantee of success for supporter ownership, although it greatly increases the likelihood of sustainability where private ownership has tried, and failed in a large number of cases, to own football clubs successfully over the past twenty years.

Until the unfortunate events at Bury FC in 2019, there had, however, been a relative slowing down in the number of clubs going into administration. To lose a club from the league completely, for the first time since the collapse of Maidstone United in 1992, was a first for the twenty-first century but this merely disguised the fact that, as mentioned earlier, between 1992 and 2012, 56 clubs went into administration (some more than once) and that four current members of the Premier League (in 2020-21 season) were among them (Deloitte 2012). This meant that over half of the 92 professional clubs in

England and Wales had entered administration during a twenty-year period, a quite staggering number. However, with clubs making up the 72 clubs below the Premier League making collective losses of £411M in 2019 (Financial Times 2019), it was hardly a surprise, particularly with other clubs such as Bolton Wanderers, Oldham Athletic and Macclesfield Town also in dire financial straits during the same period.

Indeed, the predicted failure at Macclesfield Town came to pass when the EFL won an appeal against a points deduction which relegated the club to the National League (BBC Sport 2020f). Following the club's relegation, in August 2020, the National League confirmed the club's expulsion four days before the start of the new season when the club was wound up in the High Court (on 16th September) with debts amounting to over £500,000 (BBC Sport 2020g). The owner, Amar Alkadhi, had encountered severe difficulties throughout his tenure and, although the expulsion was only effectively a suspension, there was little possibility that the club would be able to resurrect itself thereby becoming the third club to go into administration in a little over a year and the second club to collapse completely. The club was eventually resurrected under new owners in October 2020, including former footballer Robbie Savage, commencing in the North West Counties Premier Division (Step 5 of the non-league pyramid) in August 2021 (BBC Sport 2020h).

Perhaps unsurprisingly during the pandemic, certain speculators saw the opportunity to purchase a football club banking on the effects of the situation making supporters think that the private benefactor model could be a route to success. In two very different cases, albeit involving two very close rivals, Chester and Wrexham faced bids to take their community owned clubs back into private ownership.

In Chester's case, Stuart Murphy, an investor in Chester FC for a number of years, took the chance to not only offer to take the club out of community ownership with a takeover bid, but also to decry the model at the same time. His lack of diplomacy hardened the views of supporters who had seen the club almost destroyed previously by private ownership and his advances were quickly rejected to the point where, in a classic case of petulance, Murphy withdrew his financial support for the club almost immediately. (Nonleaguedaily.com 2020e) and community ownership at Chester was retained.

The situation at Wrexham was a very different one. After many years of struggles, many on the trust board at the club were fatigued by infighting at a club playing in the National League when, historically, it had been a football league club. A bid was received in September 2020 from two Hollywood actors, Ryan Reynolds and Rob McElhenney, who had no known previous connections to the area or the club. The deal was, apparently, set up by Steve Horowitz who had previously been responsible for bringing Michael Eisner to Portsmouth. The supporters' trust members voted overwhelmingly to ask the board to investigate the potential takeover (The Guardian 2020) but were also unaware, at the time, that a rival bid from former footballer, and Wrexham native, Mark Hughes and his son was also being prepared, a fact not revealed by the trust board at the time leading to some speculation about vested



interests on the part of some Wrexham club board members. The deal was completed in February 2021 (BBC Sport 2021b).

Given that, as we have seen, the supporter ownership model and its sustainability is often questioned, it is clearly important to turn the question on its head and ask, does the private ownership model of football club ownership actually work? When you bear in mind that just one of those administration events was of a community owned club, Stockport County, it could easily be argued that, in fact, private ownership of football clubs is a bad idea and that, contrary to popular belief, the mutual model appears to be increasingly more sustainable.

### **3.3. Understanding the sustainability of the community ownership model: A theoretical framework**

#### **3.3.1. Lessons for football from the literature**

From the literature review, it is clear that there are a large number of references from democratic theory, stakeholder theory and the histories of the co-operative and mutual movements that are directly applicable to football and the supporter ownership of clubs in particular.

From democratic theory we saw that Warren (2011) looked at wider empowerment and the fact that his definition of democracy included involving those that are potentially affected by decisions in any form of democratic process. In the democratisation process we can see that the “two turnover test” highlighted by Whitehead (2002) can apply directly in football where the authoritarian power is usually the previous owner of a club who has invariably placed the club in debt and the successfully completed democratic elections that follow are the taking over and election of directors of a trust or the club’s conversion to fan ownership. There are a large number of examples of this happening including such instances as Exeter City, Northampton Town and Portsmouth as referred to above.

In recent writings on democracy we should also be cognisant of the threats to democracy once it is established as exemplified in the writings by, amongst others, Monbiot (2016a and 2017c) and Smith (2016) who identify the dominance of capital, political donations by big business and the internet as real threats to the current state of democracy. Here it is clear that, once again, there is a similarity with the dominance of capital which, ultimately, with millionaire benefactors, for example, dilutes the effectiveness of a fan-owned, sustainable model.

The work of Hirschmann (1970) exemplifies the position of football supporters with his theory of exit, voice and loyalty where, in contrast to many other businesses, despite a lack of voice, loyalty remains and exit, as a result of that lack of voice, is seldom acted out. Warren (2011) evokes this spirit in his work by stating that the induction of voice, to his mind, should bring about a wider impact, that of “vibrant and pluralistic societies” (2011:699) and Hirschmann’s (1970) work clearly resonates with the predicament of the football fan, the loyalty, the lack of voice in general and the spurring towards political involvement because the situation makes “exit wholly unavailable” (1970:34) due to the fans’ loyalty to

the club. It is this, ultimately, that potentially weighs heavily against the fan when confronted with an ambivalent owner.

Stakeholder theory undoubtedly also gives us many correlations with this predicament, particularly with some definitions such as that of Freeman (1984) when he says that a stakeholder, such as a football fan, is one that “without whose support the organisation would cease to exist” (1984:49) and “those groups which make a difference” (1984:42), clearly suitable explanations for the role of a fan. Echoing this view, Clarkson (1995) identifies the “interdependence” of the organisation and its key stakeholders, i.e. clubs and fans and gives further weight to Freeman’s argument by saying that such key stakeholders “without whose participation the corporation cannot survive as a going concern” (1995:106) are critical, a factor seemingly lost on many of today’s club owners as we have seen above. Freeman (1984) further emphasises this by stating that no organisation will succeed if those stakeholders and the organisation do not work together.

We can also see some correlation between the origins of fan involvement and the “shareholder activism” of the 1990s, perhaps with the rise of the fanzine movement, for example, in the UK, the empowering of fans in the 1990s via organised supporter groups and the subsequent creation of Supporters Direct in 2000. Taking up Mansell’s (2015) point, organisations such as football clubs should be run for the benefit of society as a whole and that, with this wider involvement of society at large, there is a greater likelihood that an organisation will be run ethically. This is a theme that is taken up further by Phillips, Freeman and Wicks (2003) who clearly state that stakeholder involvement brings with it “morals and values” (2003:480).

The legitimacy of fan involvement identified as a key factor on influence by Mitchell, Agle and Wood (1997) in the running of clubs is often challenged by club owners who dispute such legitimacy. The work of Hemmati (2002) confirms this view of many club owners once again, in that they see no reason why stakeholders (fans, in this case) should have any involvement in the running of the organisation which concurs with the view of one of stakeholder theory’s harshest critics, Sternberg (2000) when she concludes that “a business that is accountable to all, is actually, accountable to none” (2000:51) and that the model, in the words of Jensen (2002), is “fundamentally flawed” (2002:237). Sternberg (2000) in fact concludes that the shareholders’ interests should be the sole concern of the organisation.

Clearly, even when organisations work out a way in which they can work together, as cited by Kochan and Rubinstein (2000) at the Saturn Partnership, there are always ulterior motives on both sides that can lead to conflict and ultimately collapse. Some board members at supporters’ trusts, and even directors at fan-owned football clubs, do not always buy into the ethos of the mutual movement and, as at Saturn where both senior union leaders and senior management were sceptical about the partnership arrangement, so club boards and supporters’ trusts can also be some way from agreement and ideologically unwilling to see such a partnership work. A prime example of this failing can be seen in the events described above at Swansea City, for example.

The mutual model has, however, in many instances, proven to be successful as it meets the needs of its members and the members themselves reap the benefits of such an organisation's success. But one of the primary criticisms it faces, not just in football, surrounds its perceived inability to raise sufficient capital to compete with traditional privately-owned organisations, a factor the mutual movement is all too aware of. The recent success of a number of community share offers, at Crewe Alexandra, for example (Railwaymen Trust 2021) do, however, go to prove that an almost unique form of fundraising is available to supporters' trusts and supporter owned football clubs that has a growing number of examples (pub purchases, community shops etc) in the wider business world to date.

Additionally, this is where, particularly in football, some form of regulation is required to encourage the model and remove the barriers to its success, particularly since a mutual organisation is most likely to provide longevity and sustainability for a club. Access to government grants in many sectors is available currently but the sector would benefit from further assistance. Mutuals, according to the UK's Department of Business Innovation and Skills (2011) are often "high performing, profitable businesses" and that, as with stakeholder theory referred to above, there is a genuine chance that a mutual will bring with them democracy and a set of values that give people a deep sense of identity with the organisation, further enhanced at football clubs where such identity already exists to some degree.

Here also is the problem of the values of the initial instigators of the trust or mutual not being able to sustain involvement, the second generation not being in tune with the ideology of the co-operative (Gulati et al 2002) and consequently the organisation straying from its core principles.

Ultimately, as shown in the history of the co-operative movement, however, such mutuals contribute to a "civil society" (Schmitter and Karl 1991:79) despite the general hostility of the neoliberal agenda in politics at the present time. The all-pervasive doctrine marginalises mutuals with managers with a mutual ethos easily attracted away to more capitalistic organisations (Thompson 2015).

Furthermore, there are, even within a mutual, problems likely to arise. A perceived lack of voice (Johnstone 2013), the drift into managerialism that can be seen at Mondragon (Heiras-Saizarbitoria and Barretxea 2016) or the moving away from the principles of the mutual, or trust ownership that we can also see in football at Exeter City as described by Treharne (2015).

The rise of supporters' trusts as part of New Labour's "Third Way" in the UK in the early 2000s was, under such pressures, rather short-lived as a doctrine and despite the fact that there is conclusive proof that cooperation outstrips competition (Williams 2007), the current political climate is not favourable towards the movement, a factor surely contributory to the lack of success of supporter ownership at a higher level and that, as per the work of Gupta (2014), small cooperatives remain the most effective.

Gulati et al (2002) set out the seven reasons they believe that co-operatives cannot compete, all of which are valid but could be easily addressed were governments keen to legislate to allow mutual and co-operatives to compete on the aforementioned level playing field. The failure to raise capital is still the most common criticism although others such as Millon (2002) clearly point to the wider failings of

the movement and the fact that worker ownership and the wider movements' objectives "deserve skepticism of the highest degree" (2002:124).

Despite these negative critiques, the successes of mutual, co-operatives, supporters' trusts and fan-owned clubs such as Exeter City and AFC Wimbledon indicate that the movement undoubtedly has strength within it and that, in the words of the UN Secretary-General Ban Ki-Moon they are a "resilient and viable business model that can prosper even during difficult times" (UN 2012a).

In order to build a framework with which to answer the research question it was important to look at the background to the establishment of the mutual model in football by examining the history of the co-operative and mutual movements in which it has its roots and also seeing the movement itself through the respective lenses of democratic theory and stakeholder theory.

From these histories and theoretical constructs we can see a common theme developing that directly affects the mutual model in football, the varying crises that have affected the co-operative movement, particularly in the UK, the demutualisation in the 1980s and 1990s of both building societies and insurance companies and the remarkable correlation with events in the supporters trust movement since the peak of the movement in the late 2000s. Alongside this there is similar resonance in the theoretical constructs around democracy and the stakeholder management system of corporate governance that regularly face criticisms from, in the case of democracy, those only too willing to challenge it to retain their own hegemonic power. This is also evident in stakeholder theory where, similarly, the shareholder model remains dominant, primarily because the opportunities for greater wealth distribution in the stakeholder model goes totally against the shareholder dominance of the former model. Here, therefore, we can use these similarities to show that it is not just the mutual model in football that faces considerable pressures and a battle to survive. In fact, it may be that the movement as a whole can be critiqued via this series of questions that, it is hoped, will answer the question of whether, in the brutal realities of the prevailing neo-liberal politics of today, such a model can actually work or, more pointedly, be allowed to work.

This common theme that we see throughout democratic and stakeholder theories and the practice of supporters' trusts and supporter ownership is further reinforced by this current situation facing the wider mutual model and the co-operative movement in the UK. As can be seen from the preceding chapters which identifies mutuals and co-operatives facing almost identical pressures, it is these criticisms that will be framed to critique the supporters' trust model in greater depth.

### **3.3.2. Sustainability and stakeholder management**

As the research progressed, it was clear that the common theme around the model of supporter ownership in football was that of sustainability. In particular, the sustainability of the model in contrast to the prevailing shareholder model backed up, in many cases, by wealthy benefactors. Stakeholder theory provides many adjuncts to its exponents concerning sustainability which are now examined here.

One particular examination of stakeholder theory and organisational sustainability, that of Garvare and Johansson (2010), was investigated in detail. Their contention, whilst also discussing the importance of global sustainability, is that organisational sustainability is achieved if the organisation “manages to endlessly satisfy or exceed the demands of its stakeholders”. In other words, in a football sense at least, the club will need to please its supporters in any number of different ways, be that success on the pitch, financial performance, community projects etc, in order to retain its fans and to constantly develop and be sustainable. They stress that, should a stakeholder be treated merely as an “interested party” and not as a major stakeholder, the relationship is likely to break down. They also confirm, as do many other exponents of stakeholder theory, that the expectations of key stakeholders should be an “accepted input” to management decisions and that their inputs should be considered on an ongoing basis.

This explanation, that “demands”, “needs” or “wants” are satisfied sets out the difference between stakeholders. It also explains some of the reasoning behind why some supporter owned clubs are more successful in terms of sustainability than others. At AFC Wimbledon and Exeter City, for example, the needs of fans are undoubtedly met as attendances are steady and the expectations of football played at the highest level possible are met. In contrast, we have seen at Wrexham AFC, that the demands of supporters are way in excess of what the community owned football club was able to fulfil, given that the club languishes currently in the fifth tier of professional football in contrast to its highest point, in the second tier. Those demands, given the recent history of the club, are undoubtedly unreasonable given how far the club has fallen and gives some reasoning to the argument that the acceptance of a bid from two Hollywood stars for the club (Rob McElhenney and Ryan Reynolds) was inevitable.

Here, there is a new theme, that of the individual supporter expectations being a key factor behind the sustainability of the football club. In further contrast to Wrexham, their local rivals, Chester City, faced a hostile takeover bid during 2020 but, because the supporter ownership model was understood to be working better, and expectations of the club’s support was, traditionally, somewhat lower, the repulsion of the bid from Stuart Murphy was made easier. The management of expectations, to a realistic and manageable level are, in fact, key to the sustainability of the model.

Stakeholder theory, particularly in its early discussions, was seen to concern the creation of as much value as possible, however, as Tapaninaho and Kujala (2019) identify, there has been a more recent highlighting of sustainability as a key tenet of the theory. In works by Starik and Kanashiro (2013) and Derry (2012), for example. They all pinpoint the need for those using traditional management theories to include sustainability management in their strategic decision-making. Indeed, Starik and Kanashiro (2013) go as far as to say that management needs to examine value creation and its impact on sustainability. They therefore seek to define sustainability, in their case “the development which meets the needs of the present without compromising the ability of future generations to meet their own needs”. Their definition also takes in not only the economic dimensions, but the social and environmental factors too. They conclude that, in their study of management theory literature over a period of thirty years, since sustainability is the single most important factor affecting society in general, “positive solutions”

are required from business to achieve sustainable goals. They conclude that in terms of value creation, sustainability should be at its heart.

The links between stakeholder theory and sustainability management are further illustrated by the foremost exponent of stakeholder theory, Freeman, in his writings on the subject. Citing their similarities in Horisch, Freeman and Schaltegger (2014), the authors argue that both concepts ask the same questions of organisations and that although terminology used by each may be different, “what belongs together grows together”. They further identify that sustainability management demands that companies provide “an important contribution toward sustainable development of the economy and society”. (Schaltegger and Burritt 2005:195) thereby extending the view of organisations merely looking to maximise shareholder value but by making that value creation sustainable. Therefore, both theories look to promote a different form of value creation that has benefits for all stakeholders, with long-term value to all the major consideration.

The authors also expound the ideas of Starik and Kanashiro (2013) and their belief that their theory of sustainability management with its various criteria are clearly set out. Horisch et al (2014) conclude that stakeholder theory can be applied in the context of sustainability management citing Freeman et al (2000:32) and its idea of “values based capitalism” with sustainability as one of its key values and the “durability” it ensures. Whilst Starik and Kanashiro state that sustainability is not prevalent amongst most management theories, Horisch et al (2014) point out that Freeman et al (2010:29) does, however, address “ethics, responsibility and sustainability” as one of the three core problems so the link to stakeholder theory and sustainability is therefore clear. In terms of football and its supporters. Horisch et al (2014) also point out that certain secondary stakeholders will be of “crucial importance”.

Much of the literature on the subject of stakeholder theory including Clarkson (1995) covers the area of social responsibility alongside the implementation of sustainability. Clarkson's findings include:

*Failure to retain the participation of a primary stakeholder group will result in the failure of that corporate system and its inability to continue as a going concern. Failure to retain the participation of a primary stakeholder group will be the result of a. the corporation's inability to create and distribute sufficient wealth or value to satisfy one or more primary stakeholder groups, or b. distribution by the corporation of increased wealth or value to one primary stakeholder group at the expense of one or more other primary stakeholder groups, causing their dissatisfaction and withdrawal from the system.*

It is these very points that relate directly to the sustainability of an organisation. In the football industry if, as Clarkson suggests, the failure to retain a primary stakeholder group, in this case the fans, it will result in the failure of the organisation as a going concern. As he goes on to say, if increased wealth or value, for example the cases of Arsenal and Manchester United, are being given to one stakeholder, in this case the owners themselves, the other major stakeholders will withdraw from the system entirely, as in potentially dwindling crowds at Arsenal and the setting up of FC United of Manchester in protest at the Glazers' behaviour at Manchester United.

With the thesis now having looked at the position of the community ownership model in English football and started to answer the question as to whether the model is sustainable, it will now look at the specifics of the long-term viability of the model. By developing the thoughts around the model's development, the key questions around sustainability of community owned clubs can be answered and the impediments to the model's development can therefore be identified.

The issue of success in the context of a community owned club will be addressed in Chapter 5 and further discussions on the impediments to its development will also be covered in the analysis chapters which will then seek to draw conclusions as to the changes in governance required to make the model more of a success in the English game.

It is interesting to note at this stage the evolution of the movement to date and how the situation changed over the eight-year period of the research. The campaigns referred to above were, despite being high-profile within certain sections of the game, particularly amongst supporter activists, it was not until the very end of the research that fan activism reached the highest levels of the game. Together with the collapse of yet another traditional football club with a long history, the attitude of the "Big Six" clubs towards their fans in seeking a European Super League forced the hand of government and brought about previously inconceivable action. Here, once again, we see the spectre of Hirschmann's (1970) views on the potential exit of fans who with only loyalty, and no voice, were seen, as a result of the machinations around the European Super League, to be considering the ultimate sanction, exit. We can also see the further spectre of Mitchell, Agle and Wood's (1997) themes of power, legitimacy and urgency coming into play as the legitimacy of fans as stakeholders was joined by the power and urgency provided to them by government. Previously, we have seen supporters take over clubs providing the legitimacy (and often as the only willing party on many occasions), adding power and urgency to bring about a takeover when a club has fallen into administration, now we were seeing all three salient factors prevalent for supporters right the way across the game.

These issues will be addressed further in the concluding chapter, however, before the research could progress further a clear methodology around how the research questions could be answered needed to be established. The methods used are therefore now explained in Chapter 4.

## **CHAPTER 4 - METHODOLOGY**

### **4.1. Introduction**

This chapter describes the methods used in the research, gives the justification for their use and examines the ontological and epistemological considerations when designing research methods and the reasons for the selection of qualitative methods to carry out the project.

Once those considerations and methods have been covered, the chapter proceeds to look at data collection methods, including secondary documentation, the reasons for the selection of semi-structured interviews for that data collection and justifications for the selection of interviewees who made up the research sample. Once those have been explained the necessary ethical considerations are also set out.

In the second part of this chapter, the data analysis methods are explained via notes on the coding of the data and on through further explanations for the use of narrative and thematic analysis as the dominant methodological approaches and how this led to the development of the multi-level framework for the analysis that is at its heart.

### **4.2. Epistemological and Ontological Considerations**

Social ontology is the “study of the nature and properties of the social world” (Stanford 2018) in which we live. Furthermore, as Burrell and Morgan (1979) say, the theory of organisations is actually a “theory of society” (1979:1) and the idea of supporter involvement and supporter ownership are clearly examples of existence in this social world. They are, in fact, part of a world in which social interaction is paramount. Indeed, the subject itself exists in its own political environment, an area heavily explored in the research since the political environment that surrounds the subject is key to its understanding, as we will see in Chapter 5 below, where the current political environment is discussed by many of the research interviewees.

The ontology of football, for example, asks us to explore its meaning. Simply, football itself is a game played by twenty-two players at levels from the highest paid professionals to those playing on Sunday morning park pitches. But the meaning of football in the context explored in this research is hugely different. Football here means its clubs as community assets and the social good associated with those clubs which includes everything from camaraderie on the terraces on a Saturday afternoon thereby providing social needs for individuals, to large social programmes within communities that benefit huge numbers of people as a result. Football cannot simply be explained as just a game, it is a much wider subject than that and, as we can see, is often a force for good.

Such ontological considerations allow the researcher to examine the philosophy and theory of the social constructs behind the research and then permit the researcher to design the research in an appropriate manner. In this instance, an Interpretivist approach reflects the variations that are likely to be found in



research of this nature, including the semi-structured interviews which elicit particular views on the subject in question.

Epistemology is defined as “the study of knowledge and justified belief” (Stanford 2005) and therefore, in the context of this research, it is important to ask key questions from epistemology, namely, what are the necessary and sufficient conditions of knowledge and what is it that we actually know? The knowledge we can glean from the extensive literature on the subject leads us to a series of beliefs including the fact that the supporter ownership model is part of the fabric of football in England and Wales now and that, despite differing opinions, it is likely to remain a part of the governance of the game for the foreseeable future. It also reinforces our belief that football clubs are not only businesses but social institutions as well (Hamil et al 1999) and this leads us to the conflict at the very heart of the game, that between private investors and the fans themselves and the reasons behind why many feel that supporter ownership is a vital part of the future of the game.

As a result, the epistemological examinations of the game are undoubtedly in an advanced state and specifically in the area of the governance of the game where a number of seminal texts on the subject (Conn 1997, Hamil et al 1999) have been written. However, the state of the epistemology surrounding community ownership of football clubs and the owning of such clubs via the supporters’ trust model is still relatively unsupported, hence the need for research of this kind.

#### **4.3. Qualitative Research**

Exploring a subject such as this lends itself naturally to the use of qualitative methods as opposed to quantitative methods. Since there is a huge amount of documentary evidence available to the researcher on the subject, a qualitative study needed to be conducted as any form of quantitative study would have been unable to provide sufficient depths to explore individuals’ responses to the questions about supporter ownership and the supporters’ trust model or to take into account individual perceptions, beliefs and interpretations. The research was, in many ways, unique since very few attempts have been made to gauge opinions on the history and successes and failures of the model over the twenty or so years of its existence.

Until what Lincoln (2009:8) describes as the “great paradigm wars from 1981-1982”, bringing a qualitative methods “firestorm”, only research using quantitative methods in academia could be considered to have held any form of authority and it is clear that at that time a major sea change in the way in which the methods were viewed was developing. Lincoln (2009:8) further states that qualitative research in general has proven to be “porous, permeable and highly assimilative” at a time when, perhaps, the scholars defending quantitative methods were not. Her advocacy of a mixed-methods approach may, in future research, fit best with this particular field although the overwhelming argument for the use of interviews in this area is clear.

Examining Creswell’s (2009) “baffling number of choices of approaches” and eliminating those that he advocates that are not suitable one by one, it is clear from the research questions that a narrative

analysis approach, retaining many elements of its tenets, was suited to this project. The research data was unlikely to follow chronologically and, whilst some field research may have been possible, it was never likely to be the mainstay of the project. In this case, interviews within a certain timeframe were a more likely source of information. As individuals were interviewed, their experiences of the supporters' trust movement began to evolve the theory and, through time, the narrative approach appeared as the dominant model for the research.

Interviewing of those involved in this area of the football business became clear as the main method to be utilised since, as Silverman (2013:199) states, carrying out interviews is "the most natural thing in the world", however, whilst this can often be the case, it can also lead to losing focus and pursuing subjects that interest us instead of, as in this case, subjects that are related to the matter at hand. To cast a critical eye back over the questions, therefore, it is clear that they primarily targeted the reasons for study by a series of pre-prepared loosely themed interview questions as opposed to the more formal "research protocol" type questions recommended by Silverman (2013). In this regard, Alvesson (2011) agrees and, furthermore, states that the interview is, in fact, a "complex social event" that, if not carried out correctly, can have a major impact on your research.

Looking further into qualitative methods, the approaches of both Eisenhardt (1989a) and Gioia and Chittipedi (1991) bore some consideration. Whilst examining the methods of the aforementioned authors, Langley and Abdallah (2011) exemplify the approach in Langley's (1991) earlier study where "process data" i.e. data that evolves over time is prepared using a variety of sources, in this case shown as observations, memories and artefacts. As the Gioia and Chittipedi (1991) study shows, the piecing together of information and making sense of them for a theory is a key to this type of work. As Langley and Abdallah (2011) state quite clearly, qualitative methods are by no means "uniform and well-established" and in their work also look at not only the work of Eisenhardt (1989b) and Gioia and Chittipedi (1991) but also exemplify their own thoughts on "practice" and "discourse" "turns" whereby the research focuses on acting rather than merely thinking and, in the case of discourse, the analysis of the themes prevalent within the data. The fact that such methodological approaches are still developing means that there are many avenues open into which such research can develop.

Furthermore, the work of Gobo (2008) points to two key considerations when designing the research. Firstly, that the extreme cases, in this instance where the supporter-owned model has either failed or been voted against in favour of a reversion to private ownership (as at Brentford FC) must be given consideration, particularly in the light of the original research question as to whether the model actually works and the later evolved theoretical theme around sustainability. By the same token, equal emphasis should be placed on the successes of the supporter movement when looking at the case of AFC Wimbledon or Exeter City, for example, where a new club has been created or an existing one taken over and has been extraordinarily successful.

Finally, a critical view of this method of research would always, in the light of the aforementioned "paradigm wars", be prone to attacks from the more positivist elements of quantitative research on its legitimacy and trustworthiness. Seeking to examine as many examples in a certain area was a way of

countering such questioning of the credibility of the work and to increase the chances of a more accurate picture of a situation, thereby contributing significantly to the advancement of knowledge on the subject.

The approach to the research therefore followed this series of semi-structured interviews with key individuals within the supporter-owned realm of football from club board members and supporters' trust board members to academics, governing body employees, journalists, fans and Supporters Direct/Football Supporters' Association employees, both past and present.

#### **4.4. Data Collection**

##### **4.4.1. Secondary Documents**

During the initial stages of the research, many documents were reviewed including those produced by, amongst others, Supporters Direct, the Government's Expert Working Group and historic reports including the Chester Report (1968), the Taylor Report (1990) and the Football Task Force's initial report into football in 1999 (Football Task Force 1999). A detailed examination of the literature on this subject can be found above in Chapter 1. Documents such as these provided essential background to the history of supporter involvement and the governance of football, however, in many cases they are documents of their time and are therefore only a snapshot of that particular moment. It is therefore the researcher's task to set those documents, and the stories they tell, firmly in the context of where the movement currently resides and to emphasise the developments there have been since those documents were published.

My own involvement in the supporters' movement dates back over twenty years when initially attending meetings of the nascent Arsenal Independent Supporters' Association (AISA) and, subsequently, interim board meetings of the Arsenal Supporters' Trust (AST) whereupon I was a founding board member acting as the company secretary between 2003-2009 until my resignation. At that time, I also sat on the board of the recently formed Rooks Trust at Lewes FC until its dissolution in 2010 when the community owned club was formed. During that time, from 2004-2006, I also studied for, and passed with merit, an MSc in Sport Management and the Business of Football at Birkbeck, University of London.

I later took up, in June 2017, a role as, initially, Office Manager and Secretary at Supporters Direct and then, subsequently, as Network Manager for Community Owned Clubs and Secretary at the Football Supporters' Association. As a result, it has been possible to gain access to a vast archive of information surrounding the supporter ownership model. This enabled an ease of access to documentation unlikely to be replicated by other researchers and has also given me the opportunity to attend board meetings of both organisations from June 2017 until the present day. This wealth of information available within the Supporters Direct and Football Supporters' Association files coupled with access on a daily basis to staff working on the front line of supporter engagement and supporter ownership gave a unique insight into the day-to-day challenges faced by supporter owned clubs and supporters' trusts.

Brannick and Coghlan (2007) discuss this phenomenon (terming it “insider research”) which, they believe, has received little in the way of academic attention. They conclude that being “native” is not an issue and that, in fact, insider research is worthy of reaffirming positively. They explain that, in their research, the vast majority of academics advise against insider research as a method or as Morse (1998:61) puts it “the dual roles of investigator and employee are incompatible”. As Brannick and Coghlan (2007) state, however, insider researcher has the benefit of the “lived experience” when shaping theory. The researchers have built up knowledge from being “an actor in the processes being studied” (2007:66) and are hence well placed to understand the subtleties of the organisation or movement being studied.

They do, however, recognise that there can be disadvantages - assuming knowledge and not asking in-depth questions as a result and the fact that the researcher may think they know the answer to a question and do not reframe their own view in the light of what they are being told. Their overall view is nonetheless that, through a process of reflexivity, insider researchers need to be aware of the strengths and limits of their previous knowledge so that they can indeed reframe their understanding of situations to which they are very close (2007:72). As a result, the interviews carried out were conducted on the basis of only a small amount of assumed knowledge and interviewees were asked to explain their roles in football, academia or the supporters’ movement.

The role of an insider working within the main football supporters’ organisation in England and Wales has undoubtedly led to the research initiating from a pro-supporter ownership perspective, however, the role as Network Manager for Community Owned Clubs has brought with it the opportunity, on a regular basis, to see where some of the failings of the model may be thereby creating a more nuanced view on the subject.

From governance issues associated with power being concentrated in the hands of those donating heavily to a club, such as at Lewes FC, to the power struggle at FC United of Manchester that has led to something of a democratic deficit and a small, barely functioning, board, the inner workings of community owned clubs have provided the research with a balance that those without that day-to-day experience may not have been able to bring to the role of researcher. In addition to the aforementioned examples, there have also been opportunities to work on cases (at Chester and Congleton Town, for example) where external investors see the opportunity to take the club into private ownership, in the former case where the approach was ultimately rebuffed and, in the latter case, where the model has not worked as well, primarily due to the lack of sufficient membership numbers to make it sustainable. Throughout the time of employment by the Football Supporters’ Association, there have been other cases where the model has been set up and, for similar reasons to those at Congleton Town, the model has ultimately been rejected in favour of continuing as a private enterprise as at Pilkington FC and Atherton Town.

The advantage of what Fleming (2018) describes as Work-integrated Learning is that it “develop[s] research questions based on rich understandings of the issues” (2018:132) and of the history and culture of the subject. However, at the same time, bias should be avoided to which Fleming provides several strategies to minimise their impact. By being aware of the potential for “implicit coercion” of participants, acknowledging throughout that the need for positive outcomes can sometimes bias the research, ensuring that positions of power (i.e. when interviewing colleagues in senior positions which was the case here) and a constant awareness of the potential conflict between researcher and employee had to be borne in mind at all times.

Ultimately, insider research was, I believe, of more benefit to this research than if it had been carried out by an “outsider” as there was also an implicit understanding of the subject which enabled the data analysis and interpretation to be undertaken with that wealth of knowledge. As long as the potential biases that come, perhaps, with sharing one’s own experiences in interviews and a “trustworthiness (Fleming 2018:319) in the relationship is built up with the interviewees then the real advantage of insider research can be seen. As Fleming (2018:319) says the insider gives a “valuable and potentially different perspective on the research findings than may have been obtained by an outsider” and despite the depth of knowledge occasionally making it difficult to “make the familiar strange (Mercer 2007), with all of the above factors addressed that valuable contribution can be made.

#### **4.4.2. Semi Structured Interviews**

Bernard (2006:212) recommends the use of semi-structured interviews when there is likely to be only one chance to carry out an interview with an individual. They are also particularly suited to situations, such as in this research, where extensive examination of documentation has taken place beforehand and a bank of knowledge on the subject has been created. In the light of the above comments on insider research, it was very important to balance the amount of knowledge already gained with the need to remain impartial about what was being said. In addition, the avoidance of closed questions in such interviews was also a key to their success and, as the interview developed, the semi-structured nature allowed both the interviewer and the interviewee to explore related subjects without the encumbrance of rigidity that a more structured format would have presented.

In this case, the interviews were conducted using a single sheet of between 12 and 15 questions with all interviews recorded (and subsequently transcribed by the researcher) with additional notes made to aid memory and serve as a reminder to develop certain themes. As the interviews progressed, the focus of the discussions changed as the framework for analysis began to crystallise. Success and sustainability, and their interrelationship, became an overriding theme for a large part of the interviews alongside discussions on how that success and sustainability could be achieved, particularly in the light of changes potentially occurring in the movement at that time.

Throughout the interviews there were a number of questions that remained from the first iteration until the last, the seventh version of the list. The question about the definition of success was a constant for the duration of the interviews as it provided the basis for the aforementioned multi-level framework

developed to analyse the responses received. The impediments to supporter ownership were also the subject of a question in all interviews and this too provided the necessary information for the development of the framework.

Hirschmann's (1970) study of exit, voice and loyalty was extensively examined (see p38-39 and p45 above) and was important in explaining where the supporters' trust movement, and the potential exit of fans from big clubs, was heading, a theme explored with a number of interviewees. The primary focus was, however, on the sustainability of the model and the impediments to its success, so the issue of voice played only a partial role in the development of the argument.

The theme of success, that of Supporters Direct as an organisation in particular and of the model in general was also explored throughout the questions, however, once again, as time passed, the more pressing issue in the world of supporter ownership and supporters' trusts became the merger between Supporters Direct and the Football Supporters' Federation which, in some individuals' views, was of potentially catastrophic consequences for the movement. This became a major issue in the interviews with Andy Walsh, Adam Brown, David Goldblatt and Steven Powell (see interviewees list below), for example. It was the subject of a specific question in the fourth iteration of questions but was not an issue in the forefront of the early interviewees' minds as the proposal was in its infancy at that time.

All the interviews covered the subject of government legislation to assist the community ownership model and, without exception, interviewees were sceptical that anything of that nature would ever be done, particularly under a Conservative government, however, as we will see, the passage of time and the addition of urgency to the situation has potentially proven (should legislation indeed come from the Crouch Report 2021) those views to have been incorrect.

#### **4.4.3. The Research Sample**

When selecting the research sample, the intention was to bring as wide ranging a series of views to the project as possible. Unfortunately, and not unsurprisingly, obtaining the time of politicians (in this case Damian Collins and Andy Burnham) proved problematic and those in the governing bodies (the EFL, in particular) were also asked to participate but, after considerable discussion, declined to take part. This problem, however, was countered considerably by the assistance of Nick Vaughan at the FA, not only a political and governance specialist, but also a former board member of a trust at a supporter owned club, Hereford FC.

In addition, those involved in supporters' trusts and community owned clubs at all levels were interviewed to provide a breadth of knowledge of the movement, from the top of the Premier League (Arsenal and Tottenham Hotspur) through the lower leagues (Exeter City) to the non-league (Lewes, FC United of Manchester). The interviewees, and the justification for their selection are set out in the table below:

Name (Interview Date)	Position / Organisation	Reason for interview
Tim Payton  (18 <sup>th</sup> December 2017)	Board Member, Arsenal Supporters' Trust	Tim has been a board member of the trust for over fifteen years and works in political lobbying and public relations, which also includes work for both the Football Association and the England and Wales Cricket Board. This made him an ideal candidate for understanding the politics of the game from both an insider and outsider perspective.
Kat Law  (4 <sup>th</sup> June 2018)	Board Member, Tottenham Supporters' Trust and former FA Council member	Kat also has a long history of work with the trust and was also, for a two-year period, the Supporters Direct representative on the FA Council.
Tim Hillyer  (17 <sup>th</sup> January 2018)	Board member at the Football Supporters' Association, Supporter Liaison officer at AFC Wimbledon, former Dons Trust board member and board member at the Football Supporters' Federation and Supporters Direct.	Tim Hillyer is a former board member of the Dons Trust at AFC Wimbledon and has been involved at the club since its formation in 2002. He is also active within the Football Supporters Europe group of supporters' associations.
Stuart Fuller  (9 <sup>th</sup> April 2018)	Chair of Lewes Community F99ootball Club and board member of the Isthmian Football League.	Stuart has been chair at Lewes Football Club for nearly ten years and has extensive experience in the sports industry working in branding for sports organisations. As a current member of the

		Isthmian League board he gave a wider governance aspect to the interview carried out.
Norm Duncan  (17 <sup>th</sup> November 2017)	Former board member at Lewes FC	Norm was a board member at Lewes for three years before resigning due to the perceived lack of transparency and democracy on the part of the board, which largely remains in place today. His views provided a counter argument to the narrative that community ownership is a panacea for all ills.
Andy Walsh  (19 <sup>th</sup> December 2018)	Head of the National Game and Community Ownership at the Football Supporters' Association	Andy was a founding member of iMUSA, the independent Manchester United Supporters' Association, MUST, the Manchester United Supporters' Trust and was a founding board member and later Chief Executive Officer of FC United of Manchester.
Ashley Brown  (4 <sup>th</sup> March 2018)	Head of Supporter Engagement and Governance at the Football Supporters' Association	Ashley was a driving force behind the takeover of Portsmouth FC as a chair of the Pompey Supporters' Trust. He later became chair of Portsmouth Football Club following the Trust's takeover of the club. When the club was subsequently taken back into private ownership by Michael Eisner, he took up the role of Chief Executive Officer at Supporters Direct.



Dr Adam Brown  (29 <sup>th</sup> June 2018)	Founder and Head of Research at Substance	Adam was formerly a Senior Research Fellow at Manchester Metropolitan University and was responsible for the drafting of the original Supporters Direct constitution. He is also a former board member at FC United of Manchester.
Dr Sara Ward  (17 <sup>th</sup> April 2018)	Chief Executive Officer, Burnley in the Community	Sara is an academic whose works have included examining the challenges of operating as a supporter owned club, a study of football governance structures in Germany and an analysis of women's roles in supporters' trusts.
Dr Borja Garcia  (14 <sup>th</sup> December 2017)	Senior Lecturer in Sport Management and Policy at Loughborough University	Borja Garcia has written extensively on the governance of football. His works have included (with Jo Welford), a study of supporters' roles in the governance of football (Garcia and Welford 2015).
Dr Danny Fitzpatrick  (30 <sup>th</sup> October 2017)	Senior Lecturer in Politics, History and International Relations at Aston University	Danny Fitzpatrick is a board member of the Football Collective group of football academics and has written about the political environment and football. He is also an Everton season ticket holder.
Dr David Treharne	Former board member at the Exeter City Supporters' Trust	David Treharne was an Exeter City board member and Exeter City Supporters' Trust board member

(16 <sup>th</sup> October 2017)		for many years and is also an academic studying in the field of football exemplified by his cited text in this research, on ten years of Supporters' Trust ownership at Exeter City (Treharne 2015).
Dr David Hindley (14 <sup>th</sup> September 2018)	Senior Lecturer in Sports Education at Nottingham Trent University	David is a former board member at the Notts County Supporters' Trust.
Dr Josh McLeod (26 <sup>th</sup> March 2018)	Research Fellow at the Deakin Centre for Sports Research in Melbourne, Australia	Josh has written extensively on supporters' trusts in Scotland and on the role of non-executive directors at football clubs.
Oliver Holtaway (4 <sup>th</sup> October 2018)	Board member at the Bath City Supporters' Trust	Oliver is a board member at the Bath City Supporters' Trust, the owners of Bath City Football Club and a former board member at Supporters Direct. He is currently studying for a PhD examining co-operative organisations at Goldsmiths College, London.
Dave Boyle (12 <sup>th</sup> January 2018)	Director of the Community Shares Company	Dave is the former Chief Executive Officer of Supporters Direct.
Brian Burgess (13 <sup>th</sup> July 2018)	Retired	Brian is a former chair of Supporters Direct and a former board member at the Bees Trust, the owner of Brentford Football Club when they were in community ownership.

Steven Powell  (2 <sup>nd</sup> February 2018)	Former trade union official	Steven is a former board member of the Football Supporters' Federation, Supporters Direct and the Arsenal Supporters' Trust.
James Mathie  (18 <sup>th</sup> April 2018)	Senior Consultant, Sporting Assets	James is the former head of Club Development at Supporters Direct.
Tim Hartley  (5 <sup>th</sup> October 2018)	Journalist	Tim is a journalist, former board member at Supporters Direct and an activist in Welsh football. He follows Cardiff City and Wales and has published two books, Kicking Off in North Korea (2016) and The World at Your Feet (2021) about travel and football.
David Goldblatt  (9 <sup>th</sup> February 2018)	Journalist	David Goldblatt is an award-winning journalist whose books include The Ball is Round (2006) and The Game of Our Lives (2015). He is a regular contributor to the Guardian and the Observer where he writes on the governance of football.
Peter Daykin  (13 <sup>th</sup> October 2017)	Board member, the Football Supporters' Association	Peter is a former board member at the Football Supporters' Federation where he has campaigned for many years in favour of the reinstatement of safe standing at football grounds. He is a season ticket holder at Sunderland.

Nick Vaughan (23 <sup>rd</sup> November 2018)	Former Head of Public Affairs, the FA	Nick was also a former board member at the Hereford United Supporters' Trust.
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#### **4.4.4. Ethical Considerations**

The research naturally required a number of ethical considerations to be taken into account since personal views on the subject were being sought from the above individuals. As a result, beyond the usual consent form provided, interviewees were further asked to consent to their views being used in any interim papers on the subject. The use of Narrative Analysis does run the risk of strongly held opinions inevitably being aired; opinions that conflict directly with others interviewed for the research.

All interviewees indicated that they had no objection to their names being used in the final thesis and that they were happy that any quotes from the interviews attributed to them could be used in the thesis. Therefore, all the necessary criteria for continuing were met since informed consent (participants knowing the reasons for the research) and voluntary participation were key elements here.

In terms of the wider ethical considerations beyond those of the interviewees, it is clear that there are two major factors that required consideration. Firstly, how ethics could serve to validate the research and, secondly, how the integrity of the research could be maintained. In the first case, the ethical considerations applied bring validity to the study by being as open and transparent about the research as possible. Transcribing all of the interviews to ensure no-one was mis-quoted also gave the study the integrity required.

With all those factors considered, and in addition to those identified by, for example Dudovski (2016), all possible factors were covered including potential harm to the interviewee, the acquisition of informed consent, the protection of anonymity and confidentiality where necessary and the opportunity provided for the individual to withdraw from an interview, or from the research in its totality, at any time. Additionally, there was an informed understanding that what was being said by the interviewees was being given due consideration and that others' ideas used within the research were not only explicitly set out but also readily acknowledged with no exaggeration for effect used.

One further area that was addressed came with the knowledge that several of the interviewees held more senior positions within the researcher's employer than the researcher himself. There was always the possibility that those individuals could have what Fleming (2019) terms informal or formal power, however, the informal nature of the employer itself meant that such a position was turned to an advantage with, due to the good relationship with those colleagues, the ability have those individuals feel relaxed and more likely to open up about their experiences than to avoid difficult questions. There was also an acknowledgment that colleagues not interviewed for the research who may have felt marginalised by that fact were addressed and informed about the nature of the research before it began.

## **4.5. Data Analysis**

### **4.5.1. Building the multi-level framework for analysis of the findings**

As the interviews developed and the common themes began to be identified, it became clear that, whilst the research question remained valid, there was a need to establish a framework with which to analyse the overriding theme, that of the sustainability of clubs and the impediments to the development of community ownership. Taking a lead from Cunningham's (2010) study of the under-representation of African-American coaches in sport, the framework developed proved the ideal way to analyse the factors potentially preventing the sustainability of community owned clubs as opposed to purely analysing the data in terms of the success of the model to date, an intangible and ever-changing goal given that the situation was, and is, constantly evolving.

Cunningham's (2010) study identified institutionalised attitudes, the political climate and stakeholder expectations as the macro factors, prejudices, discrimination and leadership stereotypes as the meso factors and head coaching expectations as the key micro factor which, in its consistency with a systems theory approach established that each of those factors influenced each other, a key factor in explaining the reasons behind the impediments to the development of the community ownership model undertaken by this research. Furthermore, previous studies in the area of community ownership have very much been single level which is why it proves most effective in examining such a wide range of factors and, ultimately, is able to comprehend and explain the model which is a multi-level, dynamic phenomenon and show that all of those factors influence the current situation.

By identifying all three factors as affecting the state of the model as things stand, the method could be seen as broadening the stakeholder model by examining much wider influences, that could all be considered to be stakeholders in the development of the model. It provided an extremely useful adjunct to the stakeholder salience factors within Mitchell, Agle and Wood (1997) and provided a more rounded approach to the issue of that development, or otherwise, of the model. In terms of the work of Hirschmann (1970) and his particular work on exit, voice and loyalty, it also provided additional factors to be considered in the cases of, in particular, individuals and their relationship to their club, going on to show that there are further factors associated with an individual's involvement than merely as a loyal supporter.

The current state of football in England and Wales was, therefore, the primary justification for using the Cunningham (2010) approach. It became clear that there were three areas affecting the governance of the game and an approach identifying those three areas, the macro, meso and micro factors, were common to both studies. The external, political environment and a lack of any prior government intervention in the game, aside from, for example, the implementation of the Taylor Report (1990) was a common theme prior to the establishment of the Fan-Led Review and the subsequent Crouch Report (2021) which showed that government intervention and, quite possibly, regulation were not only part of government policy but also being acted upon expediently. The Fan-Led Review alone could be

considered to justify the use of the Cunningham (2010) model and its impact on community ownership and, in particular, fan involvement will shape the game long into the future.

The meso factors surrounding this governance were, ultimately superseded somewhat by that intervention from government but throughout the time of the study, the governance of the game was at the forefront of discussions about the future of the game. Here, in particular, the lack of a level playing field within the governance of the game was clearly holding back the community ownership model as the riches available within the Premier League and the attempt by many clubs to spend their way to reach it via the Championship was a clear impediment to the development of the model at a higher level. Again, such factors proved the worth of looking at meso factors separately as in the Cunningham study.

Finally, the micro factors which, whilst affecting the game as a whole, affect the community ownership model more pointedly as so many of the clubs are volunteer-led and the ability to attract good people to such causes was, and remains, extraordinarily difficult. Ensuring that new individuals attracted to the model of community ownership are of the calibre to maintain the ethos of the model also remains a challenge and, once again, provides significant justification for the use of Cunningham's (2010) framework.

As a result of the framework's use, we are better able to understand what is happening in the governance of the game and how it directly affects the model of community ownership. By clearly setting out the impediments across three sections of football's "society" our understanding of what needed to be, and still needs to be, done to ensure a more equitable way of running football and the sustainable way of running football clubs that will lead to that new sense of equality within the game, where clubs of all sizes can compete whether they are backed by investors from overseas or by their community locally. The very factors identified as impediments to the model's development can be taken on board by the game's authorities when setting up a new regulator in order to ensure that all ownership types are given a fair chance of success. By identifying sustainability as the key measure of success and applying that to such new regulation should lead to the game itself extricating itself from its dependence on investors to cover its losses and to build a truly sustainable framework for the future.

#### **4.5.2. Coding**

Since this is the first study of this nature that has been undertaken by this researcher, examination of coding techniques and data analysis was required. Starting with Saldana (2016) and establishing that "coding is just *one* way of analysing qualitative data, not *the* way" (his italics), his prescribed method seemed to fit most comfortably with this researcher's own limited experience. Furthermore, the use of manual coding appeared most suited as, by using CAQDAS software, as Saldana says, the likelihood that "your mental energies may be focused more on the software than the data" (2016:29).

Initially, when first examining the interview transcripts, a method of "essence capturing" (Saldana 2016:4) was used where a piece of language identifies a series of common themes which allows the

researcher to become comfortable with the idea of coding. This was, effectively, a form of pre-coding where sections of the interviews were highlighted. Once again, however, since this was the first such study carried out, it was decided to continue with a manual coding approach and not to use software for the storing of data for the project.

Once this exercise was completed during the initial transcription phase, the data was then examined as a whole with descriptive codes (in this case words) to identify patterns and themes within the data set. Following this, a number of categories and sub-categories were then identified to give the data a specific series of themes to follow. Finally, after further sets of re-coding, again following Saldana's (2016) manual method it was possible to develop "assertions" and concepts that could then lead to theory development. Whilst examining the data, a set of reference questions were set alongside the categories to ensure that the analysis constantly focused on what was being said and how certain situations were being interpreted by the interviewee.

The above method undoubtedly proved to this researcher that, in the words of Charmaz (2014), coding of the data is the "critical link" between the collection of the data in the interviews and the explanation of meaning. Furthermore, and again following Saldana (2016), whenever something came to mind, no matter where this occurred, a short memorandum to self was written for reference to later (2016:45). This proved a highly efficient way of ensuring that all ideas were captured and used or discarded no matter when they occurred. With a substantial number of such notes, it was necessary to follow the prescribed method of "codeweaving" (2016:48) to ensure that the pieces of the puzzle that were being created were being fitted together, as Saldana describes. All the above memos were also coded to ensure that no relevant themes or ideas were missed and with all the interviews and the notes coded this then created the opportunity to begin to write tentative answers to the research questions. The pieces, the various different themes and sub-themes, were then fitted together to give the thesis a better flow and narrative.

At this point, the coding and analysis then followed the work of Gioia et al (2012) and their suggested steps to a well-structured examination of the data in order to ensure "qualitative rigour". As with the work of Gioia et al (2012), a "well-specified but rather general" research question had initially been asked, "does the supporters' trust model of football club ownership actually work?" As can be seen below, the analysis was developing alongside the interviews themselves (again, as Gioia et al suggest) and the development of the framework for analysis started to emerge, however, it was only in the final stages of the project that the concepts and themes were fully developed and formed.

#### **4.5.3. Thematic Analysis**

The themes mentioned above developed as the coding progressed and were closely associated with the way that the questions had evolved throughout the interviews. Whereas at the beginning of the research there was, for example, a thought that the research would examine in more detail the theory of exit, voice and loyalty expounded by Hirschmann (1970), by the final series of interviews a new theme, the merger of Supporters Direct and the Football Supporters' Federation had to be explored



because it was a contemporary phenomenon affecting the area of study. Once the interviews were complete, a new series of events, including the Covid-19 pandemic and then the establishment of the government's Fan-Led Review occurred which had a further effect on the arguments surrounding the sustainability of community owned clubs with the latter, in particular, focusing on government regulation, a key theme identified by the majority of the interviewees.

The research methodology itself then led to a two-stage coding process where a large number of categories, based around the questions asked, and a series of themes developed from them, were established followed by a second more theoretical approach to what was being said by those interviewees. From here, a data structure, using Gioia et al's (2012:21) methods was constructed. This method also took into account the work of Charmaz (2014:113) who described coding thus: "[it] generates the bones of your analysis... [I]ntegration will assemble those bones into a working skeleton"

From an initial set of seventeen different themes, the coding was then split down further into a large amount of sub-categories. For example, the impediments to the movement's development were further developed around another series of sub-headings that brought together all the observations on those subjects from the interviews.

The key to impartial analysis, as stated in Gioia et al (2012) is retaining a "devil's advocate" position with regard to what interviewees were saying to the researcher. Many of the questions were designed to draw out opinions that this researcher did not necessarily agree with, thereby ensuring that as much bias as possible was eliminated from the research. The questions themselves evolved throughout the interview process to the point where seven iterations of those questions were used leading to a situation where the first set of questions posed were significantly different, the core themes aside, to those asked to the final interviewee.

Gioia et al (2012) provided guidance on the subject of concept development where concepts are precursors to constructs and much of this development is about understanding the processes since the subject of the research is socially constructed. Here, a systematic inductive approach (2012:16) was devised to give the opportunity to behave as a "glorified reporter" (2102:17) as they recommend. To ensure that there is evidence for the claims being made by the research, the cherry picking of quotes to provide a contrived set of conclusions was mostly avoided throughout and only quotes in complete context were utilised. As a result, an inductive model grounded in the data was produced.

As we will see below, the use of narrative analysis also provided the opportunity to look at more detailed methods used by other scholars with, in particular, an extension of the narrative analysis to use the methods employed by authors such as Cunliffe et al (2004) who propose the use of narrative temporality in a situation such as the one that this researcher was working within.

#### 4.5.4. Narrative Analysis

Alongside thematic analysis explored above, the method used to ensure that any degree of bias was eliminated took the form of Narrative Analysis which, as the research progressed, and new theory was developed, became an integral part of the project. Narrative Analysis, as defined by Feldman et al (2004), is "a sequence of events, experiences, or actions with a plot that ties together different parts into a meaningful whole" and has been posited by others as an ideal method for developing this type of research (Czarniawska 1998; Franzosi 1998). The information presented in the narrative is valuable. Through the events the narrative includes, excludes, and emphasises, the storyteller not only illustrates his or her version of the action but also provides an interpretation or evaluative commentary on the subject. In addition, the sequencing of narrative form is important because its structure reveals what is significant to people about various practices, ideas, places, and symbols. Making sense of the world of supporters' trusts, for many individuals, has resulted in them developing their own narrative around the subject and this became clear when coding the data.

It is important to recognise that individuals interviewed are often making sense of their world by explaining in narrative form, reflecting upon their own perception of the social situation they are seeking to explain (2004:148). Feldman et al (2004) also refer to other writers (Czarniawska 1998, Franzosi 1998) who emphasise the need to tie the plot of the narrative together to make a recognisable and meaningful story. This method also enables interviewees' stories to provide insights into not only what they have observed but the way in which it is happening and the reasons for it. It was never the intention during the interviews to allow interviewees to tell stories at length with questions such as "and then what happened?", a method proscribed by Feldman et al (2004) but they were given relatively free reign to explain their own understanding of the stories they were telling and provide the researcher the implicit and explicit themes that Feldman et al (2004) recommend.

Throughout the interviews, every effort was made to ensure that the point being made was clear and that, wherever possible, an opposing view to challenge what was being said was brought in to enable the argument being put forward to be constructed and analysed in an identifiable and logical form.

It was also clear that, from the debate around the history of the supporters' trust movement and, latterly, the merger between Supporters Direct and the Football Supporters' Federation, there are a distinct set of versions of the history surrounding it and that each individual does indeed interpret the events in their own specific way. The significance of certain key tenets of the supporters' trust movement - mutuality, community, sustainability etc. are also noticeable, for example, amongst those that were against the merger whereas more intangible "involvement" and "dialogue" arguments are evident from those that were keen for a merger to take place. This may stem more from a pragmatic approach - the lack of funding available in the future when set against the more idealistic views of those that wanted to see no significant change to the mission and structure of the organisation.

As mentioned above, whilst the interviews did not go as far as constructing a precise narrative by asking questions such as "and then what happened" (Feldman et al 2004) it was relatively easy to identify

themes from the questions developed throughout the interview process and interviewees have often responded to those questions with short stories as a result.

Other Narrative Analysis texts examined also added methods to the research analysis. Reissmann (2005), for example, recommends selecting events to enable a particular audience (2005:1) to make the findings meaningful by clearly identifying the particular settings within which they are housed. This enables the researcher to be informed by events of the past, or be refracted rather than mirroring them, once again to make them meaningful for their audience (2005:6). Labov (1972) also emphasises the importance of past experience when he says that it is “one method of recapitulating past experience by matching a verbal sequence of clauses to the sequence of events which (it is inferred) actually occurred”.

Furthermore, given the history of the supporters' trust and supporter ownership movement, there are many different opinions on the positive and negative aspects of the impact the movement has had on the game. As a result, a narrative analysis methodology was selected to ensure that, at all times, the research was cognisant of the narratives that individuals were constructing.

The two main subjects mentioned above, the success of the movement and Supporters Direct and the merger between that organisation and the Football Supporters' Federation are therefore the most obvious areas of the research for the application of a narrative research approach. The stories on both sides are such that narrative analysis provides a chance to refract the past and such events. As Reissmann (2005) points out, such narrators are, like the researcher, interpreting those events and it then becomes the researcher's job to further interpret what is being said to construct a meaningful narrative from the stories told.

The other major justification for using narrative analysis for this research is, as Feldman et al (2004) argues, documents also provide the researcher with such a narrative and since large amounts of documentation, including many books in distinctly narrative form, have been examined, it is natural that such a method is used. In addition, as advocated by Riessman (2005:4), with this researcher having extensive knowledge about the history of the subject as a participant in trusts and, more recently, as an employee of Supporters Direct and the Football Supporters' Association, interactional analysis where the story is constructed by input from both parties has been an extremely useful tool here, as a sequence of events is constructed and made sense of.

On reflection at the end of the research, the methods that actually worked best throughout the project were, undoubtedly, both the thematic and narrative analyses. The thematic aspect provided an initial structure for the thesis and drew out all the relevant subjects that then needed to be analysed via the theoretical framework based on the work of Cunningham (2010). The narrative analysis was then able to provide the sense-making of the story being told and the timeframes involved and turn it into a readable, logical and understandable sequence of events.

Another area that required some reflection upon was the length of time taken to carry out the research. As we will see with regard to changes in how clubs began to approach the Football Supporters' Association (see p118) the time elapsed saw changes in the way the model began to develop. On a similar theme, unfortunately, since the interviews were carried out some five years before the completion of the thesis, there was some evidence of the information being provided being outdated by the time of the work's conclusion. When researching again in the future, this will, once again, be borne in mind and that completing work in as expeditious fashion as possible is of paramount importance.

#### **4.6. Limitations of the research**

Further reflection is required on the limitations of the research carried out and the methods used to develop this thesis. One overriding factor has, unfortunately, been the length of time taken to produce the final transcript. Allied to this is the fact that many of the interviews took place over five years ago and that, during that time, things within the game in England and Wales have changed significantly although the main recommendation of interviewees, the proposal for government intervention in the regulation of the game, looks almost certain to come to pass. To have this as one of the key tenets of the work is vindication of its central themes although the issue of government assistance for community owned clubs remains something to be striven for in the future.

The research itself leaves some questions unanswered in terms of the future for community ownership. Clearly, there are issues that need resolving from the pressures of operating as a mutual entity in a capitalist system, as community owned clubs do, through to issues with the individuals involved and their ability to take their clubs forward under community ownership. These are further addressed below.

## CHAPTER 5 - THE MULTI-LEVEL FRAMEWORK

### 5.1. MACRO LEVEL ANALYSIS (SOCIETAL LEVEL FACTORS)

The first set of factors identified as impediments, the macro or societal factors, are those factors, the political environment in particular, that have the widest impact on the development of the model. The chapter also looks at the potential (at the time of the interviews for government regulation and also examines the impacts of Brexit on the model.

#### 5.1.1. The current political environment and the supporters' trust movement

As the research identified prior to the interviews, particularly in the work of Thompson (2015), the current neoliberal political environment can be seen to be hostile to co-operatives in general but, when applied to the football context, particularly to the community ownership model. From Stakeholder and Democratic Theories, through the history of the mutual and co-operative movements and into supporter ownership of which it is a part, the prevailing consensus appears to be that the shareholder model should dominate (Friedmann 1970) and that any form of mutualism is to be treated with scepticism (Millon 2002).

Many of the interviewees agreed that this is a key concern and an example of where, in the UK at least, society is at the present time. Peter Daykin explained the situation as a “*polarised society*” that currently exists and expressed the belief that “*football is a microcosm of the society we live in*” before stating pessimistically “*football is a slice of life and that's the way that life's going*”. As we have seen in the discussions on democratic theory and democracy in general, there is a direct correlation with what Scott and Nyks (2016) show in their film with Noam Chomsky where the interviewee cites Dewey's (1931) words the shadow cast over society by business and what he calls the “*extremely ugly society*” that we currently live in.

Danny Fitzpatrick, however, disagreed that the political environment is actually to blame and explained that what he calls the “*political culture*” is where the roots of the problem of polarisation are “*amplified*” in the current political climate. There are deeper underlying reasons why this polarisation has taken place and the idea of mutual ownership is “*antithetical to the way in which UK politics and the economy functions*”. Further explaining his definition of the political culture, it was his belief that the dominant business model, the shareholder model, is all part of the same centralised political system that develops this political culture. (Interview 23rd October 2017).

He did, however, see correlations with other industries in the UK, pointing to the banks in particular and their part in the whole make-up of the business environment:

*in the UK you've got this structural imbalance in the economy that relies on financial services, it's almost a kind of structural privilege given to that model. It's very, very difficult and it's going to be cost-neutral to change it. I think it's the same in football, because of decisions that were made and the way football's*

*been allowed to develop economically, you've now got these big interests and I would suppose that the top six they're almost like the big banks here, almost too big to fail* (Interview 23<sup>rd</sup> October 2017).

To further explain the political background in the UK there may be elements here that are clearly identifiable as happening around the same time as those major changes in the financial world. The first example of a club becoming a plc and floating on the stock market was in 1983 at Tottenham Hotspur (Scholar and Bose 1992), the Big Bang in the City of London came about in 1986 (Robertson 2016) and was followed six years later by the creation of the Premier League and the commencement of the sale of many of the top clubs by long-standing directors to billionaires, overseas businessmen and Middle Eastern states (Conn 2009).

Borja Garcia explained this in more straightforward terms, and with the UK in particular in mind when he says about the British people, “[there is] *the traditional liberalist thinking of the country which gives much more importance to individual behaviour as to collective behaviour*” and goes on “*collective action is certainly not a concept that I believe people feel at ease with in this country*” (Interview 13<sup>th</sup> November 2017). This confirms Thompson's (2015) view that there is a lack of engagement with the democratic process and a hostility to the idea of collective behaviour in general.

The external political environment may also play a part in formulating individuals' views and this can be seen when, as at Portsmouth, a vote is called to decide on whether the club should be taken from trust ownership back into private hands (BBC Sport 2017 a-e). As Steven Powell, a supporter activist and Arsenal season ticket holder said, in terms of its impact on the supporters' trust movement: “*Frankly, I was bitterly disappointed when they voted [for] the club to be taken back into private ownership. I think that was wrong, but it's the world we live in. you can't isolate football from the world*” (Interview 2<sup>nd</sup> February 2018).

In explaining his view further, he also believed the same attitudes prevail at his own club, where the owner is in complete control, where many people appear to think that “*well, it's Kroenke's club, he can do what he likes with it*” which he believes is a “societal view” whilst also reflecting that his own view, that fans should have not only involvement but a form of ownership, is a minority view. (Interview 2<sup>nd</sup> February 2018).

It is here that, undoubtedly, a problem for the movement lies, a lack of real interest and understanding of the model of supporter ownership at certain levels of the game and an overwhelming belief, amongst many supporters, that capitalism and competition are the only alternative. Referring to Francis Fukuyama (Fukuyama 1989), Powell also believed that many people think that there is no alternative and that capitalism has “won” He did, despite this, feel that there was still a battle to be won and that “*we've got to retrench for the long game. The priority is converting more and more people and you can do that one by one*” (Interview 2<sup>nd</sup> February 2018).

Tim Hartley, a Cardiff City fan and former Supporters Direct board member, agreed that this belief in capitalism as the only true way can be interpreted as a major political shift to the right in this country,

and this was before the General Election of 2019 which more or less confirmed the view. As a result of this shift, involvement with a co-operative or mutual or any similar organisation is actually seen as a minority interest and that there is a widespread belief that the co-operative movement and, by implication, the supporters' trust movement, has "lost traction". He also traced the roots of this back to the triumph of Thatcherism in the 1990s and what he calls the "emasculatation" of the trade unions at the time. This view is echoed in the words of other interviewees on the subject such as Norm Duncan, for example, who said, simply, *"It doesn't chime with the spirit of the age"* (Interview 5<sup>th</sup> October 2018). Ashley Brown, former chair of Portsmouth FC and CEO of Supporters Direct agreed that a real shift in political views has come about in the post-Thatcher era and that greed in society has also been reflected in the game, particularly at the highest level, when he said *"that change across the whole population which we've seen in the last thirty years has an impact in football and that's the way that the Premier League is run"* (Interview 4<sup>th</sup> March 2018).

Therefore, in many ways, football can be seen as a gauge of where society currently stands. Steven Powell and Peter Daykin were both in agreement that football "mirrors society" whilst Dave Boyle's view, confirming that of both Tim Hartley and Steven Powell is that *"football still feels very neo-liberal"*. Nick Vaughan, a former National Chairman of Conservative Future (the party's youth movement) is also moved to concede that the root cause lay in the era of Thatcherism and the many traits it brought with it:

*in so far as the 1980s was a decade of private shareholders and BT sell-offs and everything else and 'wasn't that wonderful'? And then I think, as I said, this element of corporate governance, crony capitalism agenda has been born out of the fact that in some cases that model fundamentally has failed* (Interview 23<sup>rd</sup> November 2018).

This view has a similar tone to that of Michie, who when writing almost two decades before, described the demutualisation prevalent at the time as an "orgy of cake-eating" (Michie 1999). Vaughan believed, however, that as time moves further away from that era and those in football see failures at clubs (and possibly even a failure at a high-profile club in the future), the memory of a "boom" will fade and that, *"the more and more you see those examples, the less people will remember the whole shareholder boom of the 1980s"* (Interview 23<sup>rd</sup> November 2018).

Ashley Brown saw stark contrasts with the approach to neo-liberalism elsewhere in Europe and, like Borja Garcia, that there is a tangible difference between those in the UK and their European counterparts which explains the extremes to which neoliberalism has been taken. He refers to societal change in the western world but then states that the UK has taken neo-liberalism to extremes and that those in Spain, France, Italy and Germany *"haven't gone as far"* (Interview 4<sup>th</sup> March 2018).

The theme of British football wanting to operate in a more socialist way was picked up by Stuart Fuller who believed there was some weight behind mutual ownership but, as can be seen in the views expressed by many supporters when money for their club is on offer (Brentford, Portsmouth, Wycombe Wanderers and Wrexham) (see Brentford FC 2014, BBC Sport 2017 a-e, Wycombe Wanderers 2019

and BBC Sport 2021b) and it is clear that their views change almost instantly whereas before that offer of money there's a general feeling of the greater sum being more than the individual parts "*all of a sudden, someone offers some cash and it's like "capitalism, capitalism!"*" (Interview 9th April 2018).

There is also a marked contrast here with the *modus operandi* in American sports where systems such as those around equal sharing of television money, salary caps and the draft pick are reflective of a more socialist approach to sport, all the more surprising in such a capitalist society as the United States. Josh McLeod expressed surprise that European football and English football in particular, is "*hyper-competitive, highly capitalist, survival of the fittest*" as a business and believed that the opportunity for supporter ownership to flourish in the American system, rather than the current European environment, since the system in North America is far more regulated, is actually more likely.

Once again, here you can see a return to the theme of regulation which is fundamental to the changes and potential success of the model going forward as will be discussed further below. There is also a belief within certain elements of the movement that the history of the ownership of the game reflects the prevailing class issues still in existence within British society. Andy Walsh identified a "class thing" where the former owners of clubs were local businessmen and were "*still quite close to the people who were actually coming through the turnstiles on a Saturday*". Such individuals became members of the middle classes but were still very much rooted in the local community whereas today, the lack of regulation of football in recent years has now led to financial capital moving into the game in contrast to other areas of business and, indeed, other footballing nations. (Interview 19<sup>th</sup> December 2018).

### **5.1.2. Government Regulation**

Looking at the meso and macro factors affecting the game, the need and call for regulatory change actually spans both factors, the meso level being the governance of football by its own bodies and the macro level that of government and the possible imposition of regulation, called for by some, over and above the heads of football's governing bodies. The meso factors are discussed in Chapter 6.

Many interviewees saw that regulation, identified above as one of the ways in which a more level playing field for supporter owned clubs could be developed, has not been sufficient. In fact, as several individuals pointed out, there has been little or no intervention from the government in this respect at all. Obviously, this is a situation that, in such unforeseen circumstances as the Fan-Led Review (Gov.UK 2021) was addressed sooner rather than later in terms of this research.

At the time, David Goldblatt pointed out how easy it was for wealthy individuals from both the UK and overseas (Conn 2012) to purchase football clubs and further pointed out that this was leading to a series of questionable owners entering the game "*given that the football authorities, the Football Association, the Football League and the Premier League have shown not the slightest interest in regulating this matter in any kind of equitable way*" (Interview 4<sup>th</sup> February 2018).



This lack of intervention was (until recently, as we have seen) by no means a new phenomenon. Peter Daykin identified both the game's regulators and government as culpable in this regard and in the fifteen years or so that he shown an interest in the governance of the game, he says "*all they have ever done is made noise about this without actually taking any action.*" Furthermore, he had no confidence at the time in the fact that, whether it was needed or not, "*the government is not going to legislate on football any time soon*" and that the Football Task Force (1999) and the Expert Working Group (2016 and 2018) in particular had failed to take the game any nearer to the regulation he believed it required. His own belief was, returning to his previous theme, that the current political climate is to blame and that the situation is part of a much wider problem within what he termed the "wider community" where he feels that the current government, whilst failing to legislate on access to better education for children and better facilities for sport in general, was unlikely to legislate on something such as football governance. This was primarily due to the perception (i.e. the fact that large sums of money are coming into the upper levels of the game) is one of success. He believed this to be a reflection of their interest, or lack of it, in a wider role for football in society. This also aligns with the argument made by Walters and Hamil (2013) that appropriate financial regulation is unlikely to occur where the government is unwilling to intervene and use legislation.

Taking the point further, to point towards the FA's governance of the game, he believed the inability of the FA to act was also symptomatic of another wider problem politically, the inability of the government to force such bodies to act for the greater good, especially in the light of facts like their lack of ability, or unwillingness, to make big business pay its taxes.

There was much wider agreement on the subject of government inaction on legislating in the area of football governance and this extended to the encouragement of supporter ownership which successive governments, since the setting up of Supporters Direct in 2000, had failed to do. David Treharne believed that since some form of advantageous legislation for supporter ownership had not been forthcoming it had therefore restricted its success higher up the football pyramid. He too believed that with a huge backlog of legislation pending, there was, at that time in 2017, no real incentive to push such legislation through. Here we can see that there was a belief that big business (i.e. the Premier League) currently had no incentive to encourage the government to legislate as what Treharne described as "vested interests" stymied any chance of such legislation being passed. This was seen as another indication that the political environment was adversely affecting the possibility of legislation and therefore the promotion of supporter ownership more widely.

Like Treharne, Danny Fitzpatrick strongly believed in the fact that there should be regulation to assist with community ownership, the "facilitative regulation" alluded to above. Beyond this, however, he took a more radical view on the governance of the game, believing that the FA should be abolished solely to avoid the Premier League clubs' self-interest being paramount over everything else. With the FA what he considered to be a "moribund institution" he recommended a new type of governing body involving many different stakeholders including players, managers and fans. As we have subsequently seen, the Fan-Led Review of Football Governance (Gov.UK 2021) proposes such an independent regulator. In

concurrence with both Daykin and Treharne, Fitzpatrick agreed that government regulation was, at the time, unlikely, particularly in the light of other areas of socio-economic life even though there were clearly enough problems and crises to warrant such interest.

One area where developments were seen as potentially more likely to be positive were in Scotland where, in a potential devolution as a result of a second referendum (as espoused in the work of Newman 2001), the UK as an entity does not survive and devolved powers not only in Scotland but also elsewhere in England perhaps offered opportunities for supporters' trusts as a result of renewed interest in co-operative models. Fitzpatrick saw real issues with any potential devolution of Scotland in the future and that this new form of politics will mean that, potentially, there will be an interest in co-operative models – at least to start with: *“if the UK state doesn't survive as an entity where you have independence for Scotland and you have more meaningful regional devolution in England, that may offer opportunities for supporters trusts to influence newer, kind of embryonic, organisations who will also want to do things differently at Westminster”* (Interview 30<sup>th</sup> October 2017).

Realistically, however, the regulatory change was perceived as more likely to come from government than from the governing body or the leagues which Borja Garcia, for example, saw as an issue that would not go away. Ultimately, he believed, it was because, even at the upper levels of government, supporters had come to be seen as legitimate stakeholders in the governance of the game.

At the time of many of the interviews, there was a possibility that a UK government, in General Elections in both 2017 and 2019, could move towards a Labour Party led by Jeremy Corbyn, a spectre rejected by the UK electorate at both the June 2017 and December 2019 General Elections. Several interviewees saw a potential Labour victory as a good sign for supporter issues with Tim Payton, for example, musing on the possibility of nationalisation potentially affecting Premier League football clubs. He said:

*We do now have a situation where we have, for the first time ever, maybe, a viable proposition of a full-on socialist government which is talking about nationalising railways and electricity companies, it hasn't actually got to the stage where they're talking about nationalising football clubs* (Interview 18<sup>th</sup> December 2017).

Both Dave Boyle and Ashley Brown agreed that, should a Jeremy Corbyn-led Labour government have been elected, it would have been easier for the movement to be influential. Ashley Brown believed that the newly unified Football Supporters' Association would have been able to “poke” a Labour government whilst Dave Boyle believed that the pressing need was obvious and that they would be able to get to work on it straight away after winning an election:

*you would hope a Corbyn-led government would come in and not dick around with consultation or task forces or reviews, it would... what needs to be done has been laid out, what should be done is understood, it just needs a government with the balls to actually do it* (Interview 12<sup>th</sup> January 2018).

In contrast to the views expressed about a potentially Corbyn-led labour government coming to power in the UK, virtually all respondents, when asked about whether there was likely to be any intervention from the present Conservative government in the UK to assist community owned football clubs, all replied in the negative. Leading from this, Steven Powell said: *"You have to play it long. And we need a level playing field in the sense that, generally speaking, not just with football, they're at a legal disadvantage and it's something that the co-operative movement and the Co-operative party lobbied very hard on and quite right too. And you know that it isn't happening until there's a Labour government and not only a Labour government, a progressive Labour government. Whether that will happen or not, who knows?"* (Interview 2<sup>nd</sup> February 2018).

As we now know, such change to a Labour government did not come to pass but a Conservative government did, in fact, begin the process of legislation around the governance of the game, a fact that Norm Duncan at Lewes FC summed up when he said, *"I think they would talk about doing things like that [nationalising clubs], but I don't think they would ever do it personally. The world's changed"* (Interview 17th November 2017).

Government intervention in the governance of football, as we have seen above, had been relatively minimal during the twentieth century extending only to such issues as those raised by the Hillsborough disaster (Taylor 1990) and with very little focus on the actual running of the competitions and the clubs that are their make-up. There was a widespread belief amongst interviewees that this was a situation that was unlikely to change, primarily because the game is perceived to be a success - particularly at its highest levels. As we have seen, this ignores the fact that, the Premier League aside, there are many instances of clubs getting into financial difficulty (a situation admittedly addressed by several DCMS sub-committee enquiries) at the lower levels of the game. Harking back to the previous section, Tim Hartley, for example, saw the lack of intervention in terms of those successes within the capitalist system whilst Nick Vaughan reflected on the relationship between football and the social good and that, within government, there was a further perception that football was adding to that social good so there was no real need for regulation. He believed, however, that there was a need for regulation to improve the chances of success of community owned clubs when he said, *"in an ideal world I'd love to see more supporter owned clubs progressing up the leagues and I'd love to see a level playing field at the same time"* (Interview 23<sup>rd</sup> November 2017)

At the macro level too, Nick Vaughan also saw a real disconnect between politicians and football and the way that supporter organisations are funded when he said that many politicians *"don't know how the Football Foundation is operated or funded"* which results in a massive information failure within both government and football.

Andy Walsh saw the continuing need to lobby government and politicians in general and reflected upon the success of such lobbying, particularly by Supporters Direct in the past, which led to concessions being made to mutually structured organisations because of their social value and the benefits that they bring to the local economy and to those individuals working within them in terms of empowerment.

Kat Law, a Tottenham Hotspur fan and also a former FA Council member, agreed that a Conservative government was the least likely to show interest in legislating stating that *“you’ve got far more chance with Labour and, I think, the Liberals”* (Interview 4<sup>th</sup> June 2018). David Treharne agreed that this had a major impact on the notion of supporter ownership since successive governments have *“failed to embrace fully the notion of supporter ownership”* and, at the time, could see no hint of any form of change in this regard on the horizon.

David Goldblatt also agreed that government was unlikely to legislate in the near future, citing the fact that from the Football Task Force (which began in 1997) to the Burns Report (2005), the reform of football had been almost an impossible task and believed that “statutory instruments” were the only way to enforce change with a consequent rewriting of commercial law. He did, however, reiterate that under any form of Conservative government it remained extremely unlikely and that it was only *“the blunt instrument of majority Labour government actually delivering that”* (Interview 9<sup>th</sup> February 2018).

Borja Garcia shared the view that the only way that a level playing field for community owned clubs could be created was via regulatory change, whether that was the government at its most extreme level or by the football leagues themselves. His positivity around the fact that something may be done though stemmed from his belief that supporters are now considered *“legitimate stakeholders in this country”*, and that, as a result, they are in fact *“on the political agenda”*. Clearly, given the events of 2021, this was a prescient view.

The idea of community owned football clubs as part of a wider social development was also often ignored with David Goldblatt, for example, saying that *“we’ve so lost the capacity to measure and value the cumulative, symbiotic, interactive effects of these... of the social fabric”*. In common with the aforementioned interviewees, he was also of the opinion that the Labour Party, under Jeremy Corbyn, whilst being unsure of where to head with policy on the subject would, at least, have further explored the widening of community ownership. These views bear out the work of Brown (2010) where the social and community value of the football club were seen as fundamental to the development of the model.

On the idea of the nationalisation of the top clubs in England by a future Labour government, Norm Duncan at Lewes was unequivocal about the subject: *“I think they would talk about doing things like that, but I don’t think they would ever do it personally”* (Interview 12<sup>th</sup> January 2018). David Goldblatt agreed, and countered that, as mentioned above, the possibilities of widening community ownership were certainly available to any incoming government. Whilst arguing that nationalisation is “clearly not a good idea” and that the state should not own football clubs, he believed that if the Labour party of 2017-18 had been able to *“move beyond the alternative economic strategy of 1982 and Bennite statist nationalisation”* to look at *“some form of social and co-operative ownership”* (Interview 9<sup>th</sup> February 2018), then supporter and community ownership would have been a major part of that, even though he was of the belief that he was in something of a minority on the subject.

He urged courage, with the success previously referred to perhaps being *“putting the entirety of the 92 into collective and common ownership. Stranger things have happened at sea!”* (Interview 9<sup>th</sup> February

2018). In addition, he strongly believed that the idea of public ownership is resurfacing with a groundswell of support when he said *“you’ve got to change the culture around public ownership but, you know, that may come. The way that people are feeling about railways and water, you know, the conversation is changing. The neo-liberal model of the last 40 years, although currently slightly obscured by the madness of Brexit, is, when the dust settles... that does not work and they know it!”* (Interview 9<sup>th</sup> February 2018).

Goldblatt put forward the argument that the ideas around how the movement can achieve a levelling of the playing field for clubs could perhaps take the form of a levy on the top clubs to ensure that money does properly cascade down through the leagues. Further supporter involvement could be encouraged by legislation which would cover the ownership structure of clubs too, by way of a change in the statutes that provide supporters, in a similar way to the model in Germany, with a real say in the running of their clubs, as seen in the work of Franck (2010). David Goldblatt even went as far as to define what this could mean: *“let’s start with 20% and a seat on the board”* (Interview 9<sup>th</sup> February 2018).

Steven Powell would only have been encouraged by a form of government legislation to aid sustainability and affordability for all fans and was confident that this would have happened under a Labour government with a form of “Sports Act” that would have given privileges to professional sports in return for supplying certain standards in an effort to move away from the current lack of sustainability into an era where things would “make sense financially”. (Interview 2<sup>nd</sup> February 2018). Powell, however, is hugely critical of the incumbent government’s stance, and their attitude towards reform when he said, *“they might make a few nice gestures but they’re not going to – there’s no interest or time in their view, in their universe. And, privately, they don’t care”* (Interview 2<sup>nd</sup> February 2018).

Tim Hillyer identified a growing interest in the movement, particularly in the area of community shares (Co-operatives UK 2020) and the like and identified the government’s own recommendations as a route to wider community ownership when he said: *“the small changes that came out of the working party [the government’s Expert Working Group] in terms of encouraging community involvement... widened things for the football supporter. Some of the good successes have been with public houses, with ACVs and allowing time”* (Interview 17<sup>th</sup> January 2018).

Unfortunately, in the opinion of James Mathie, this government intervention was unlikely to be enough, and real intervention to level the playing field in monetary terms at the top of the game was what was needed. Otherwise, community owned clubs are unlikely to be able to compete. Even if such clubs were, against all the odds, to gain promotion to the Championship or the Premier League because the regulatory system remains stacked against them with clubs allowed to sustain huge losses *“it’s not a fair playing field. If they can navigate through that then it’s going to be a minor miracle”* (Interview 19<sup>th</sup> April 2018). Mathie was also unconvinced that any legislation will focus on community owned clubs either, despite the efforts of the Expert Working Group (2016), and it initially being about incentivising community ownership. With the government response to the final report by the Fan-Led Review (Gov.UK 2021) due in early 2023, it remains to be seen whether such legislation to assist community

owned clubs will form part of any recommendations. From the initial reports in July and November 2021 (Gov.Uk 2021), there appeared to be no specific mention of the fact.

Whilst supporter ownership remained part of the focus, Mathie's feeling was that it was more about *"protect[ing] football stadia... or let's stop people extracting money at a certain level, or let's be more stringent on who can own clubs, this sort of stuff"* (Interview 19<sup>th</sup> April 2018). He did believe, however, as David Goldblatt identified, that there is beginning to be a consensus around these issues, particularly in football, in what he believed was quite an obvious way of changing things: *"if you stop people leveraging against the asset when they haven't got any money in the first place then supporter owned clubs would be much more competitive against that club"*.

Mathie also believed that the leagues, with their aforementioned vested interests have not and will not allow any such legislation to work and, in an echo of much that we have seen within the theories, it remains in the majority of their interests for the community owned clubs not to be given any special treatment that would threaten the dominance of private ownership. He was also of the belief that, if community ownership in some way began to be seen as being rewarded over privately owned clubs the leagues will clamp down on this happening. His feeling was that although there may be some assistance in the lower echelons of the football pyramid i.e. in non-league football, particularly in terms of the survival of clubs at that level, in what he termed the "meaty end of the pyramid" i.e the Championship and Premier League, he believed there will instantly be barriers put in place.

Despite Tim Hillyer's positivity about certain aspects of the Expert Working Group's (2016 and 2018) work, there were others that felt, before the subsequent Fan-Led Review (Gov.UK 2021) came to light, that it was merely an exercise in box-ticking and a way that the government could be seen to be doing something about an issue that the public felt needed addressing but, ultimately, achieved little. Sara Ward, for example, was extremely "underwhelmed" by the outcome of the Expert Working Group. She felt that it was very much about *"let's do a bit of CSR"* (Interview 17<sup>th</sup> April 2018) with public pressure dictating that something had to be seen to be done. Ultimately, she believed that it created documents that are *"ignored" and "not implemented"*. She saw this as a much wider "loss of control" of the governance of football by the governing bodies and that their control has been ceded, to a large extent, to the Premier League. She also believed that "political governance" of the game was neither appropriate nor desirable and would not recommend state intervention of any kind on the subject.

As Ward pointed out, much of the talk about regulation had focused on the role of the FA and, in contrast to the reform of the FA initially targeted by Supporters Direct's Fans Not Numbers (2017) campaign and, more recently, by the merged Football Supporters' Association "Sustain the Game" campaign (2020). Adam Brown (Interview 29<sup>th</sup> June 2018), believed an independent regulator to impose "legislative measures to change how football is run", and not the FA, is required, and had been required for a considerable length of time. Kat Law, who was one of the fan representatives (of two) on the FA Council before stepping down in 2018, was asked whether the issue of the governance of the game and supporter ownership specifically was ever raised at FA Council meetings. She replied that, in her recollection, such discussions were *"not in Council"* (Interview 4<sup>th</sup> June 2018). She did stress, however,

that the FA Council does give its members the ability to “network” and build relationships with those that are influential in the areas you are interested in - in this case the governance of the game - where you can “push your agenda”. She cites the fact that senior FSF/FSA and Supporters Direct figures developed a regulatory reform paper (Football Supporters’ Association 2017) “a really good piece of work” which was ultimately debated in parliament, with MPs voting to indicate that they had no confidence in the FA’s ability to reform itself.

Adam Brown, (Interview 29th June 2018) presciently as it turned out, saw the chance to change football in its entirety by government legislation. He believed that the opportunities from the collapse of ITV Digital in 2002 (Two Hundred Percent 2018) were missed with clubs going into administration on a regular basis at that time with speculators coming into the game and clubs being moved out of their grounds. He believed that, despite such missed opportunities, there was a *“shared sense that this is the movement and we all need to be involved in it whether or not there’s any chance of being in control of our club in the not too distant future”*. Furthermore, Brown believed that the Localism Act (2011) which was enacted to devolve decision-making powers from central government control to individuals and communities was a missed opportunity for the supporters’ movement since it only provided for a right to bid and not a right to buy an asset such as a football ground or a public house.

Once again, it is interesting to note the pessimism throughout the interviews as regard government intervention given what we now know as a result of the Fan-Led Review.

### **5.1.3. Brexit**

A topic that, somewhat surprisingly given its timing, only arose in approximately one third of the interviews was that of the Brexit process. The effects on English football are yet to be fully understood, particularly since the already challenging environment for community owned football clubs is in existence already and whether the perceived move further to the right of politics actually has a tangible effect on the game itself is not clear. Borja Garcia, however, was particularly adamant that the Brexit process would have a major impact on the economic environment once it is completed stating that *“the economic crisis that this country is going to suffer in the next ten years is going to impact heavily”* but countered this by saying that the football industry was, in fact, *“very resistant to economic crisis” as in the past when even during times of huge economic downturn football crowds, for example, have not only remained steady they have often increased* (Interview 14th December 2017).

The Brexit process may indeed reflect in the democracy around football where, as in the case of elections at community owned clubs and supporters’ trusts there is often either a lack of interest or understanding of the democratic process since those in the UK so seldom see referenda. To exemplify this, Danny Fitzpatrick sees the Brexit process as symptomatic of this wider problem of a real lack of real participation in democracy in the UK and the fact that, when asked to vote, the public more often than not vote against what is usually government policy or that which appears to derive from a political “elite”. He believed the Brexit referendum was not “democracy’s finest hour” and cites Switzerland,

where there are approximately 10 referenda a year, as where democracy functions better. (Interview 30th October 2017).

The direct effect of Brexit may well, however, be felt in the game of football. Dave Boyle, for example, believed it was not only a huge issue in the wider political spectrum but also for football, particularly with regard to future regulation where priorities were likely to focus more on private rather than community interests as seen, for example, in the writing of Monbiot (2017b). Boyle alluded to conversations he had during his time as CEO of Supporters Direct when he was told by senior figures at both the FA and the Premier League that there were many things that could not be done because of European regulations which he indicated was merely used as a smokescreen not to regulate in any way. Brian Burgess, as with Dave Boyle, saw Brexit as a major contributor to the political stagnation around regulation and that the primary cause had been the preoccupation of government with Brexit. Coupled with this, weak leadership and the dominance of the Premier League have put a brake on any such regulation. As Burgess said *“the exponential rise in the TV money... that’s really strengthened the Premier League, and the politicians are weak anyway and so they’ve just not challenged it”* (Interview 13<sup>th</sup> July 2018) or as Kat Law stated, there is a problem that government has legislating on anything as *“everything is Brexit now anyway, isn’t it? You can’t focus on anything else”*.

Two other factors identified from the Brexit process may have an impact on the future participation in democratic institutions, firstly, the fact that more younger people became engaged in the process, predominantly voting for the Remain option, whilst Borja Garcia perceived *“the Brexit referendum has been a wake-up call for the younger generation. It could be a good thing”*. It is also possible that a slight change in the perception of co-operative organisations as a change in culture around public ownership potentially occurs.

In general, however, the Premier League transfer market aside, there is little sign that the implications of Brexit will be widely felt in and around the ownership of football clubs hence the very small number of mentions of the subject in the interviews, which were carried out at a time when the subject was at the forefront of most news stories and on the front pages of most national newspapers. Obviously, the terms of the Brexit deal were unknown at that time and time will tell if those terms had any impact on this subject, another area worthy of further research in the future.

With the macro, societal, factors identified and the political environment seen as key amongst those factors as a societal impediment to the development of the supporter ownership model, Chapter 6 looks at the meso, organisational, level factors at play.



## CHAPTER 6 - MESO LEVEL ANALYSIS (ORGANISATIONAL FACTORS)

Within the framework established, the second set of factors, or meso factors, are perhaps the most important in this organisational context, specifically the financial environment within the game itself and the lack of regulation from governing bodies which differs from the earlier discussed macro factor surrounding government intervention.

### 6.1. The financial environment in football

As we have seen, sustainability was the word most often used in all of the responses to the research question about what constitutes success for the community ownership model. However, there was one further word which recurred constantly when asking respondents about the major impediments to supporter ownership, money.

As Nicholson (2019) says, *“money is the be all and end all”*. There is also the fact that no supporter owned club has operated above the third tier (League One) level of the game and, as Peter Daykin said *“the main issue and impediment to supporter ownership in general is the amount of money in the game and the huge value of clubs – particularly at the top end – but increasingly in the Football League now”* (Interview 13<sup>th</sup> October 2017).

The values of clubs in the Championship are also increasing rapidly, thereby making a supporter takeover almost impossible, barring a catastrophic failure similar to that seen at Portsmouth where, even there, the fan base was forced to raise a considerable sum to finally buy the club and take it into supporter ownership. The sums concerned, even around a mid-table Championship such as Stoke City, where annual turnover has been approximately £140M (Smith 2018) is enough to take their valuation well out of the reach of supporters unless the aforementioned crisis occurs and the club is significantly devalued. Danny Fitzpatrick concurred with Daykin's view inasmuch as, when such crises happen there is inevitably a time that *“lower[s] the financial bar”*. (Interview 30<sup>th</sup> October 2017). It is certainly an interesting take on the situation, however, in a time of reduced club administrations at clubs (the crises at Bury, Wigan Athletic and Macclesfield Town notwithstanding) there has been little to measure those comments against.

There are, however, perfect examples of the way in which community ownership can work, even in this environment of huge sums of money being invested in clubs. David Treharne at Exeter City has the perfect retort, in terms of the longevity of the trust ownership at Exeter City (which is now approaching 20 years), particularly in the light of what was said to him at the time of the takeover. It also gives a perfect riposte to the argument that the people from supporters' trust running the club are often wrong. The idea of trust ownership was, he says, treated with “scepticism” and he was told by the previous management that trusts couldn't actually do it and that *“it's football people who ought to be running clubs”*. The fact that those previous two owners were convicted of various offences relating to their time in charge of the club (one receiving a 21-month jail sentence) shows that the “football people” they described in this instance were clearly the wrong people to run the club (Harlow 2013). He did, however,

sound a cautionary tone around the continuing influence of money around the game and the fact that individuals are still quite prepared to spend (and lose) money in a bid for reflected glory. The fact is that, at Exeter City *“there are still a sufficient number of people out there who think that it would be good to have a bit of the glory attached to a football club by putting a large amount of money into it without actually realising quite how much money it sucks [out]”* (Interview 13<sup>th</sup> October 2017).

The money at the top of the game, and the sheer value of clubs - Arsenal, for example, was valued in excess of £1.8bn when Stan Kroenke purchased it in its entirety in August 2018 (BBC Sport 2018a) – is undoubtedly a major impediment to supporter ownership. Steven Powell, a lifelong Arsenal fan recalls that, in the 1980s, the club was, however, valued at around three million pounds and that, if the fans had organised at around that time, there was a possibility that they would have been able to purchase the club. Unfortunately, such a move was unprecedented and would have preceded the current wave of supporter involvement by approximately twenty years.

The valuation of Arsenal in the 1980s is in stark contrast to the following decade when values were changing as is borne out in the amount that, for example, Jack Walker invested in Blackburn Rovers when he took full control of the club in 1991 (approximately £60M), a move that led very quickly to the winning of the Premier League title for the club in 1995 (Burrows 2015).

There is a widespread belief that the lower leagues and non-league clubs are far better suited, in the age of overseas investors, to the idea of supporter ownership and that value remains the key issue today. Alongside this, Steven Powell is convinced that the political environment that was explored extensively in Chapter 5 above is primarily responsible for this impediment, the “societal attitudes” that come with a belief that another major benefactor is the best way forward for many clubs and fits with his previously aired views on the belief that capitalism is the only way. He bemoans the fact of this dependence and the *“get your chequebook out, we need a rich owner”* attitude. (Interview 2<sup>nd</sup> February 2018).

There is also a perception that there is therefore a form of glass ceiling now operating in football and that, as a result, many fans need to acquire a sense of realism about the aspirations of their club and their progress through the leagues. It also means that, at community owned, self-sustaining clubs this realism needs to extend to fans understanding just how much money is available to them and the constraints this leads to. Once again, we can see the need for regulation to allow community owned clubs to compete more realistically but, as Kat Law said with regard to fans of such clubs, *“if they’re happy to stay in the division that they’re in and not compete at that top level, then brilliant”*. David Goldblatt sees the idea of a glass ceiling for supporter owned clubs in stark terms resonant within the Great Britain of today stating his lack of belief that a club could rise all the way through the football leagues to the very top of the game:

*[can a club] rise from the ashes, start at the bottom and make it to the top? Well, what do you know? In an era when social mobility is lower than it has been since the late Victorian era, it’s not possible,*

*because the game is rigged! Like it is in so many other areas of life in Britain* (Interview 4<sup>th</sup> February 2018).

Stuart Fuller, however, disagreed and says that he remained confident that, despite many other views in this research, there is not necessarily a glass ceiling as far as supporter owned clubs in England and Wales are concerned saying, *“somebody like an AFC Wimbledon who were able to rise up the divisions which is not inconceivable when you see... that Huddersfield or Bournemouth have managed to do it* (Interview 9<sup>th</sup> April 2018). Brian Burgess shares that optimism saying that *“there is a glass ceiling, but there doesn’t have to be”* indicating a real optimism for the future that Adam Brown, amongst others, shared. Brown added to the argument about the greatest impediment being money and the amount of it being pumped into the game by wealthy owners but believed there was no such glass ceiling and cited the examples, that some may dispute, of ownership by fans at Barcelona, Real Madrid and Bayern Munich that have led to regular, meaningful success.

Oliver Holtaway also believed that a supporter owned club could “sneak” into the Premier League and, should the current broadcasting rights deals continue, as per Huddersfield Town and AFC Bournemouth identified by Stuart Fuller, a supporter owned club could conceivably stay in that division due to the money available. At the time, however, he was inclined to temper his optimism by dreaming of a *“future where most [of] non-league is Community owned”*. Tim Hartley agreed, inasmuch as although the current situation renders a supporter owned club reaching the Premier League almost impossible due to the financial situation, he did believe that there was a chance that in the future it would change as community owned clubs potentially rose through the leagues.

Nick Vaughan at the FA, whilst believing in the future of supporter owned clubs, pointed to where supporter owned clubs are in their respective leagues at present, with the highest club, AFC Wimbledon, at the bottom of League One at the time of our interview. Putting all notions of romanticism aside he says to the question of whether there is currently a glass ceiling, *“on the pure basis of fact and where these clubs are within the football pyramid [then] the answer’s yes”*. Continuing, he set out his belief that there was always the possibility of one of the larger clubs hitting a moment of crisis and the fans being their only outlet for survival and a situation *“where someone steps forward with that lightbulb that idea, with a football club where they say, right, we’ve got a 40,000 fanbase, someone like Sunderland... and I think it’s entirely feasible”* (Interview 23<sup>rd</sup> November 2018).

Adam Brown and Oliver Holtaway were also both believers, *as per Nicholson (2019)*, in the fact that money is the major barrier to taking over a club with the value seemingly unattainable at that highest level. They cite the amounts of money raised by AFC Wimbledon, Portsmouth and FC United of Manchester as examples of what can be achieved on a smaller scale but agreed that, until values drop, the idea of a supporter buyout remains unlikely in the current climate. Holtaway pointed out that, when taking over Bath City in 2016, the supporters paid £365,000, a not inconsiderable sum, but one raised through the sheer hard work of the trust and its supporters.

Josh McLeod's unique perspective, from his work in Scottish football, led him to identify the perceived lack of success for the supporter ownership model as a peculiarity of the English game due to those sums of money involved. It was his contention that the lucrative nature of the Premier League and the failure of broadcasting money to trickle down to the lower levels that had meant that speculators would spend vast sums in trying to reach the top division. He believed that this is unlikely to ever be replicated in Scotland due to the much smaller sums being involved but that, despite this, ownership remained relatively unattainable for local supporters because *"In Scotland, where the clubs are far less valuable, it's still difficult unless you're buying it out of administration for very little"* (Interview 26<sup>th</sup> March 2018). He did, however, have what he believed to be a panacea for the financial ills of the game in England and Wales believing that, like many other interviewees that a capitalist environment is not conducive to community ownership at present. This, he believed, centred around regulation of transfer spend and the potential introduction of a salary cap to enable clubs to replicate their counterparts in Scotland where, because the clubs are smaller and there is less money in circulation, more examples of supporter ownership are seen.

Unfortunately, even in the semi-professional leagues in England and Wales, the realities of competing with private investors at clubs is hard. Stuart Fuller at Lewes FC admitted that the sustainable model is very hard to maintain given the amounts of money being invested elsewhere - a factor that has limited their progress through the leagues since the supporter takeover in 2010. As a result, the club has regularly seen several of its directors act as benefactors by underwriting the club's loss each year (Lewes FC 2017 Section 14). He was forced to concede that they have to *"balance the ambitions of the club, and often, and this is where we'll sound very much like a non-supporter owned club"*. He also believed that the club has to *"speculate to accumulate"* (Interview 9<sup>th</sup> April 2018), which means that the budget has to be increased over and above the revenue. Here, he identified the fact (referred to in the last chapter) that success, in the form of promotion, naturally brings with it greater revenues. Unfortunately, as many clubs have found to their cost, including Lewes in a short-lived season in the National League, budgets at a higher level increase hugely too.

And herein lies one of the problems, the lack of a regulatory environment with sufficient strength to allow self-sustaining football clubs to compete, no matter what the level, leads to a path where a supporter owned club has to act in the same way as a club operating under a benefactor model. Fuller further pointed to a lack of understanding of the models themselves and supporters often only ever become interested in the governance and running of their club when things go wrong. It is clear that many fans never question the current situation around football club ownership. Fuller pointed to the situations at clubs like Chesterfield or Scunthorpe United who are not in community ownership but where fans, *"perceive that everything is running fine with one or two people putting cash into the club"*. Unfortunately, the *"compelling event"* comes about when the money from those benefactors dries up. (Interview 9<sup>th</sup> April 2018).

Porter (2019) confirmed these views when he wrote about what he defines as the "formal confine" of the English league system and identified two limitations. In the first instance, the "good practice" that

community owned clubs are seeking to display exist within a society that “makes life difficult” for such organisations. As a result, he felt that such ownership is likely to be restricted to “football’s smaller clubs at its lowest level of competition” (citing Cleland et al (2018:22-23) before stating the belief that supporter ownership is merely “holding” clubs until private investment comes in once again, as at Brentford and Portsmouth in what he calls supporter ownership’s “inherent limitation” (Porter 2019:284).

## **6.2. The regulatory environment in football**

### **6.2.1. Regulatory Change**

The second meso factor limiting the ability of community owned clubs to succeed is the regulatory environment currently in place in English football. It is this that makes for a real lack of a level playing field for all supporter owned clubs and for many within the supporters’ trust movement to believe that the weak regulatory environment around football is primarily to blame. Should this continue, it is clear that without any form of new regulatory regime, such clubs will continue to be at an unfair disadvantage.

Dave Boyle identified a long-term objective of the supporters’ trust movement, that of changes to the regulatory environment as suggested by the Expert Working Group (Department of Culture, Media and Sport 2016) in parliament in the UK and campaigns such as Fans Not Numbers (SKiNS 2017, Supporters Direct 2017) referred to above. The strengthening of the rules around ownership, in particular and, within that, the empowerment of the Football Association in England and Wales was key as far as Boyle was concerned. This would mean that, following on from the glass ceiling argument set out above, clubs would be able to compete and convince their fan base that they are able to compete when the supporter ownership model is in place. He did, however, think this will only happen when between two thirds and three quarters of clubs in the professional leagues in England and Wales are community owned. Then, he believed, it will prove *“that our way of owning this football club the best way out of all of the others”* (Interview 12<sup>th</sup> January 2018).

Adam Brown believed that fan ownership is actually a *“bottom up”* way of changing the governance of the game in England and Wales. The idea is so radically different to the ideas espoused by the majority of club owners. He identified the fact that the governing bodies, the FA and the leagues are representing the clubs and that, therefore, there is little appetite for fan ownership in those organisations. He believed that by owning the clubs there is then a chance to change the system, drawing parallels with the way the New Labour movement operated in 1995 in what he describes a *“Clause 4 moment”* [Labour’s change to its constitution in 1995], where, once you take over the clubs, you then begin to control everything else (Interview 29<sup>th</sup> June 2018).

For Brown, the *“ultimate success”* of the movement is to have in place a series of regulations, similar to those in Germany, that demand supporter involvement. This is the second side to the coin (alongside gradually taking clubs over) that will lead to real reform in the game. At present, the system appears to almost incentivise the losing of money and, as James Mathie said *“there’s no reward for being well run*

*and sustainable. There's no recycling, or extra redistributions or anything like that because you run a tight ship*" (Interview 19<sup>th</sup> April 2018).

It is this seemingly reckless attitude towards the running of clubs that appears to be considered normal by the leagues and governing bodies themselves and, without some form of sanction, for example, there is little reason for those losing money, particularly in the Championship, to put their own houses in order.

Another possible form of regulation from the footballing authorities was identified by David Goldblatt, the idea that clubs in the Premier League (and possibly below too) should give a portion of their turnover (he believed five per cent would be an acceptable figure) to their supporters' trusts. This would serve not only to encourage supporter interest in ownership of their club but would also establish sustainability for those supporters' trusts and be "politically, morally and legally" right to do so.

Without any form of government intervention, as discussed above, the need in the future would be for the game itself to make its own regulation to ensure its sustainability and bring the necessary changes to ensure it. Nick Vaughan believed it required "*pragmatism*" but that politicians weren't going to be the ones to change things and that it needs to be "*from the top down*" at the clubs in football (Interview 23<sup>rd</sup> November 2018). Danny Fitzpatrick further reiterated his view that the abolition of the FA was the way forward, being of the belief that there was little political will for reform and that a "non-interventionist" stance will be maintained, particularly since such intervention would not, he surmised, be anything approaching a vote winning policy.

His wider discontent, however, focused very much on the FA and the generally poor standard of governance that he perceived within the game in general, what he terms as the "absence of agency" with no-one taking responsibility for the driving through of reform leading to a situation where the game has been seen to be "muddling through" with the bigger clubs becoming ever more dominant. This lack of agency had led the game to the point where he perceived it as going back to "*the FA and its origins as well*" (Interview 30<sup>th</sup> October 2017).

By contrast, Nick Vaughan's perspective, as an employee of the FA at the time, was one of surprise when he arrived at the governing body and realised that there had been a huge amount of interest in the running of his own club when they were going through their transition into supporter ownership. FA staff members were monitoring fan websites, a move that he felt was unlikely to be happening even 15 years ago. Social media was also being monitored by staff as they were keen to keep tabs on the events at clubs which were potentially about to go out of business or move into a different model of ownership. Despite this, he felt there had been a "*disconnect*" between the governing bodies and leagues and their clubs' supporters and that "*better engagement needs to be there*" (Interview 23<sup>rd</sup> November 2018).

He also obtained more of an insight into the political machinations around football during the process and discovered that there was a widespread belief that any debate on supporter ownership was not necessarily going to be "supporter led". Whilst at Hereford he also became aware that the leadership of

the local council “didn’t really get it” but were forced to see the power of the football club when over 20,000 “voters” turned up to watch Hereford play at Wembley in the FA Vase final. Vaughan believed, however, that such an occurrence was proof that, if councillors were to take an interest then, rather than what they perceived to be an ailing club in a “decrepit” ground, their success was actually what served to change minds (Interview 23rd November 2018).

Tim Hartley also picked up on the idea of there never having been a successful gradual takeover of a club, placing them eventually into trust ownership (one particular example at Rushden and Diamonds where Max Griggs of Dr Martens passed the club to the trust failed disastrously (Doyle 2011) as the club was sold again to a private investor). Hartley believed that to achieve this, however, a tax break would be required to level the playing field others talked about:

*for community share issues, we need to make it easier, when a club goes into crisis the Supporters’ Trust have the first attempt at winning... at a takeover. So, there are legal challenges, not legal challenges but changes in the law and regulations to give primacy to the trust in any takeover. Supporter owned clubs usually come in as a result of a financial crisis at the football club. It’s a pity that there can’t be a gradual takeover during the good times rather than a Supporters’ trust or the Community bailing out the poor business sense of the major shareholder... And what we need to do is make it easier for communities to take over their clubs and what do Supporters Direct want in that case, well, we need tax breaks* (Interview 5<sup>th</sup> October 2018).

Peter Daykin agreed that the model’s major weakness is its lack of examples of a naturally evolving phenomena and that trust takeovers of clubs only appear to occur at a time of crisis. He stressed that there is an element of inevitability about this as, in the main, *“it’s been a movement that’s come from and been concerned with things like financial sustainability because that’s been the problem they’ve had to face”* (Interview 28<sup>th</sup> September 2017).

As the research progressed, however, it became clear that, in contrast to those opinions, more clubs were beginning to look into community ownership as a strategic decision with club members voting on a transition into community ownership. Examples of this, at Dunstable Town, Camden and Islington United and Montpellier Villa, whilst all in the lower reaches of non-league football, began to show a sea change in the attitudes towards community ownership and a counter to the widespread belief that it only occurs in a time of crisis at clubs.

### **6.3. Ownership problems**

The third impediment within the game identified by interviewees was the current owners of clubs who have, with the support of the governing bodies managed to retain the shareholder model of ownership to the exclusion, largely, of the community ownership model. Norm Duncan, for example, echoed Morrow’s (2011) view on owners when he said *“the greatest impediment is probably that the owners of the clubs don’t want it [regulation] because they lose, or they think they’re going to lose, their power”* (Interview 12<sup>th</sup> January 2018).

In addition, many interviewees, as we'll see further below on the subject of the Supporters Direct/Football Supporters' Federation merger, saw the overwhelming influence of the Premier League as one of the major impediments to the growth of supporter ownership. Kat Law believed that the Premier League, and Richard Scudamore in particular, until his retirement in 2018, had too much influence on the game as a whole in England and Wales, a recurring theme throughout many of the interviews: *"I think Scudamore's got far too much influence. Definitely. At the end of the day, you've got to wonder who's pulling his strings. Apparently, he's got so much power it's ridiculous"* (Interview 4<sup>th</sup> June 2018).

One of the problems with supporter ownership was also that, as identified previously, as trust ownership steadied the club and made it sustainable, private investment once again showed an interest in the purchase of the club. As we see below, there are different opinions as to how this situation is handled at any club with, for example, Notts County, Brentford, Portsmouth Wycombe Wanderers and now Wrexham all ceding control of their clubs to such private investment, with varying degrees of success.

#### **6.4. The Supporters Direct / Football Supporters' Federation merger discussions**

During the lifespan of this research, a further question became critical to the future of the supporters' trust and supporter ownership movement. In the early days of the interviews, during late 2017, the idea of a potential merger between the two football supporters' organisations in England and Wales, the Football Supporters' Federation (FSF) and Supporters Direct SD) was being discussed. Traditionally, the Football Supporters' Federation had focused on issues surrounding matchday and the fan experience, whilst Supporters Direct focused much more on the governance of the game. Up until that point, however, it had not been heavily advertised and, as the date of the two organisations' Annual General Meetings in July 2018 came closer, individuals became much more aware of the issues and clear points of view became evident.

Dave Boyle asked the rhetorical question about the worth of Supporters Direct saying, *"what is the organisation Supporters Direct?" what is it for, what does success look like to it?", what's the point of the organisation"*. The merger had, according to former Supporters Direct chair, Brian Burgess, been mooted as far back as 2013 and, according to Sean Hamil at the SD Annual General Meeting in July 2018 had even been talked about during the tenure of its first chief executive, Brian Lomax. Hamil's contention was that it was never entertained by Lomax because of the fundamental differences between the organisations' values and remits.

Several respondents considered the merger to be politically motivated with real questions to be answered about the driving force behind the encouragement of it. On the surface, the move appeared to have been as a result of the Fans Fund, the primary funder of both organisations whose make-up is predominantly individuals from the Premier League, requesting that savings be made by an amalgamation. This request gained traction in a letter from the organisation to both Supporters Direct and the Football Supporters' Federation in April 2017 (Supporters Direct 2018a) where the question of funding two organisations was raised and both organisations were asked to look closely at the idea of



a merger. The Fans Fund's contention was that funding levels would be maintained, so what was the real motive for the idea of amalgamation?

In the opinion of Adam Brown, the motive was irrefutably clear, and blamed a *"lack of honesty here in terms of how this has been presented because the driving force behind this is the Premier League. The Premier League control the Fans Fund and the Premier League has said 'we want one organisation'.* He firmly believed that the situation was a Premier League proposal without *"the purpose of SD at its heart"* (Interview 29<sup>th</sup> June 2018).

Furthermore, in Brown's opinion, the very future of supporter ownership and the trust movement was at stake at the vote and it was his belief that *"the Premier League trusts will get together and do a job"*, (Interview 29<sup>th</sup> June 2018) whilst warning that the two organisations were separate for a very good reason – that they are fundamentally in existence for two very different purposes. He went on to say: *"I think there are huge risks to the supporter ownership movement if this merger happens. Possibly terminal risks because they are very different organisations and they exist for very different purposes. There are some areas where interests cross over, obviously, and they could've been better managed and need to be better managed if the organisations remain separate... I think it could be disastrous, really. And I don't think there's enough awareness of the gravity of what's being proposed"* (Interview 29<sup>th</sup> June 2018).

In slight contrast, David Hindley felt that a unified voice may be stronger but was concerned that *"some things would be lost by having one organisation rather than two"* and that one of the major problems, as he identified earlier, is that there are so many disparate interests within football supporting it's incredibly difficult to represent what he called a *"broad church"*. As a result, he felt that it would have been better to have a *"splintering of organisations that have their own identity rather than one"* (Interview 14<sup>th</sup> September 2018).

During the July 2018 Supporters Direct AGM (see Appendix 3), several voices were raised in support of the continuing of Supporters Direct as a separate organisation. Without clear funding in place, however, these were matched by voices similarly in favour of the forming of a new organisation. An additional motion was passed by the majority of members present which encouraged the SD Board to ensure that mutual status was maintained. This is also a point picked up on by Adam Brown. He was extremely critical of the proposed new structure (again, discussed below) which set out (in its original form) a structure similar to that which the Football Supporters' Federation had used. *"I think the new proposed structure is Byzantine in its complexity and one of the beauties of the supporters' trust model and the SD organisational model is it's one member, one vote and you elect a board and they run the thing"* (Interview 29<sup>th</sup> June 2018).

The vote at the end of the Supporters Direct AGM itself, as expected by many in the movement, was extremely close with clear splits across trusts in the non-League game, Leagues One and Two and the Championship. There was also, interestingly, a clear split between supporter owned clubs with the likes of AFC Wimbledon and Enfield Town, two of the oldest supporter-owned clubs, voting for a merger with

the FSF. The only clear inference from the voting figures were that all but one Premier League trust voted in favour of the merger although the motives for the Burnley trust voting against the merger were unclear.

There had been a number of extraordinary events in the lead up to the AGM votes with, amongst other things, the Supporters Direct CEO, Ashley Brown, going against his own board and setting out a case in favour of the merger. In the end, those voting in favour of the merger totalled 36, those against 30 with three abstentions meaning that, despite the SD board's recommendation, members had voted for a merger of the two organisations. Despite these events, no board member of Supporters Direct, save for Paul Thexton who represented the now totally marginalised Rugby League Council, chose to resign, a fact that may have more to do with individuals seeking to ensure the organisation was not, actually, subject to the takeover that many feared that it might become.

From the minutes of the board meeting (Appendix 4) straight after the AGM, it is clear that several individuals were keen to join the chair of the organisation, Tom Greatrex, on the interim board which would shape the new organisation's structure given that the vote had been taken to merge. With two further general meetings to be held by the end of 2018 there was undoubtedly a huge amount of work to be done to ensure that the constitution of the new organisation was acceptable to members prior to their final votes on the subject.

The interim board consisted of three members of each organisation's existing board, Tim Hartley, Oliver Holtaway and the SD chair, Tom Greatrex with Fiona McGee, Peter Daykin and the FSF Chair Malcolm Clarke. The CEO's of both organisations, Kevin Miles of the FSF and Ashley Brown of Supporters Direct also attended all the meetings. Whilst a number of decisions were deferred until a new board was put in place, several key operational decisions and the ratification of the new constitution were completed.

As a result, the new constitution was presented to those individuals attending the General Meeting of the new organisation, the Unified Football Supporters' Organisation (later changed to the Football Supporters' Association), on 22<sup>nd</sup> November 2018 which also saw the initial vote of Supporters Direct's members ratifying the transfer of assets (voted through with 53 in favour, 2 against with 2 abstentions) (Supporters Direct 2018b) and the Football Supporters' Federation agreeing to the same.

Prior to this meeting, it was announced that, in a process carried out by the chairs of both organisations along with Lord Keith Bradley as an independent panel member, Kevin Miles the CEO of the Football Supporters' Federation had been confirmed as the CEO of the new organisation. The position had not been advertised externally from Supporters Direct and the Football Supporters' Federation and, as a result, only Miles and Ashley Brown, the CEO of Supporters Direct had been considered.

At the General Meeting of the new organisation, elections were then held for the Chair of the organisation, in which Malcolm Clarke from the FSF stood unopposed, the Vice Chair of the organisation, which Tom Greatrex of SD won ahead of Martin O'Hara, a Doncaster Rover supporter with close FSF ties. Many observers from the supporters' trust movement felt that this meant that there

was something of an imbalance between those from the FSF and SD, a suspicion confirmed somewhat by the preponderance of board and council members from FSF backgrounds with only Tim Hartley from the last board of Supporters Direct securing a position on the new board. Examining that board further, there is clearly a total lack of representation for the National Game (the Leagues below the top four professional divisions) and, anecdotally, a belief that with the dominance of Premier League and Championship trusts (with 6 of the 11 members of the board) the voice of smaller, non-league clubs may have been unheard. Furthermore, despite the guarantee of a place on the board for community owned club representatives (taken for the initial term by Tim Hillyer of the Dons Trust at AFC Wimbledon), 2 out of three positions for the National Game on the National Council of 27 representatives, remained unfilled raising the suspicion of marginalisation of such clubs or perhaps as a result of a self-fulfilling prophecy.

The final general meeting of Supporters Direct took place on 10th December 2018 with members agreeing (with 25 in favour, 2 against and with 1 abstention) to transfer the engagements and assets of Supporters Direct (Supporters Direct 2018c) into the newly formed Unified Football Supporters' Organisation with the Football Supporters' Federation. Moves to then transfer Supporters Direct staff over by TUPE took place in December 2018 and the merged operation came into being from 1<sup>st</sup> January 2019.

#### **6.4.1. Individuals in favour of the merger**

As mentioned above, in contrast to the recommendation of the Supporters Direct Board, CEO Ashley Brown came out firmly in favour of the merger emphasising the fact that, as a unified organisation, the new body would represent more people and thus have a much stronger voice with the football authorities. His view must be seen clearly in the light of the likely cut to funding of Supporters Direct by the Fans Fund in the future and it was his view that, without recognisable new streams of funding going forward, the chances of survival of Supporters Direct beyond 2019 was highly questionable.

Tim Payton of the Arsenal Supporters' Trust felt that Supporters Direct had lost its relevance (a statement fiercely denied by many individuals involved in supporter ownership, for example) and that a merger with the Football Supporters' Federation would lead to topics that are more relevant to fans (in his opinion, ticket prices, safe standing, away travel etc). It must be stated here that his statement ignores the huge amount of clubs outside the Football League that have no interest in the subjects he mentions and that his is very much a Premier League supporter's view.

Steven Powell agreed that a united voice would make the new organisation much stronger and that, "*I think if you were starting with a fresh sheet of paper you'd have a supporters' organisation which has a department which specialises in supporter ownership and encouraged and promoted supporter ownership*" (Interview 2<sup>nd</sup> February 2018). Whilst, in agreement with many of the voices against the merger he did, however, state that the merger is not a merger at all and that it is, in fact "*a takeover*".

Sara Ward was keen to stress that she could see the good work both organisations did but that *“merging might be the appropriate way”* to strengthen supporters’ voice. She agreed with Tim Payton that Supporters Direct and those, including herself, in the supporters’ trust movement had “lost our way a little bit” and that it had lost its authority as an organisation somewhat but was still keen to say that Supporters Direct is a “very important institution” and that she would be “gutted” were it to disappear.

Kat Law also saw funding as the key issue for the merger, and that, were funding not to be an issue, her belief that a merger being necessary might see her give a “different answer”. She did not, however, expect Supporters Direct members to vote for the merger even though they eventually did. Her concern was that with such intransigence, in her opinion, of members it could be the “death knell” for Supporters Direct and, potentially, the supporters’ trust movement as a whole. Echoing the words of Malcolm Clarke, the FSF Chair prior to the vote, she was a believer in the fact that a large number of the issues discussed do, in fact, relate to “governance” including ticket pricing and safe standing. She was also quite clear where the responsibilities within both organisations currently, and the new organisation going forward, lay and were going to lie, *“the old thing about division of work isn't an issue - because I've always known who to go to on what issue”*.

Continuing the theme of funding, Josh McLeod said that a merger was “potentially” better simply because of the threat of a cut in funding altogether. He saw this in the light of clubs further down the football pyramid when he says, *“because, if the members were to vote no, and the funding was to be cut, then there is absolutely no-one to look out for the smaller clubs, whereas if members vote yes, you could potentially be phased out anyway, but there'd be hope that you could implement change from the inside – it's a very, very difficult decision”* (Interview 26<sup>th</sup> March 2018).

Andy Walsh, an employee of the Football Supporters’ Federation and a keen advocate of supporter ownership given his time at FC United of Manchester also lay firmly in the camp supporting the merger. He believed that running two organisations was “no longer a sustainable argument”. He also believed that the regular changes of leadership at Supporters Direct had not helped the organisation although he also said that, since the movement was still, in reality, in its infancy it was still discovering many things about itself and that having two separate organisations *“has actually had a negative impact on winning the argument with others”*. He explained further:

*The number of times I've got into difficult conversations with people in supporters' groups that aren't trusts who are just basically dismissive of people in trusts for no other reason than they just don't understand it. So, you've got a huge number of people in the FSF, certainly among the activists, who believe that supporters should have more say, but they're not convinced that trusts are the way to do it. But they still think that supporters should have more say!* (Interview 19<sup>th</sup> December 2018).

He also believed that with renewed funding in the new organisation, the movement could go from strength to strength and that trusts that had perhaps, recently, been ignored due to constraints of time can be reinvigorated and revitalised, particularly at those clubs where trusts are seen as “alien”. He did, however, express some suspicions about the reasons for the merger and the motivations of the core

funder, the Fans Fund, *“that’s one of the issues you have when you’ve got a single core funder. But, if they have pushed it down that route, what’s their objective? ... is it trying to crush the idea?”* (Interview 19<sup>th</sup> December 2018).

He was, however, still critical of certain members of the final Supporters Direct Board since he believed there were some, from smaller clubs, that were not keen to engage with their Premier League counterparts. He stressed that all the problems that trusts face should be tackled together and that those in supporter ownership should have been “sitting down with” their colleagues at larger clubs and not treating them with “*disrespect*”.

In the next three sections, the research explores the thoughts of those individuals in favour of the merger between the two organisations, those against its implementation and, to begin with, those that showed no feeling one way or the other towards the merger.

#### **6.4.2. Individuals ambivalent towards the merger**

The issue itself became quite contentious throughout the year leading up to the final decision. Many views on the subject became entrenched and there was, it would seem, a real sense of divide on the issue. However, Tim Hartley from Cardiff City Supporters’ Trust and a member of the final Supporters Direct Board and the Interim Board of the new organisation, was one individual who was previously against the merger but, over time, softened his view. He used a wartime analogy to explain his point:

*SD need to make full use of the opportunity that’s arising and not fight a losing rearguard effort because otherwise you’ll end up in a Dunkirk situation instead of using the strength of SD in terms of its recognition and its respectability... which FSF affiliates, in a lot of ways, don’t necessarily have* (Interview 5<sup>th</sup> October 2018).

His view came somewhat from a feeling of “inevitability” about the situation and he was keen to see that SD maintained its mission “not... in a ring-fencing and protectionist kind of way or land-grabbing” but to ensure that the views of people in fully democratic organisations like trusts were given credence and were properly listened to. His main criteria for success of the merger was to ensure that the “primacy” of trusts, as a result, was maintained and that for the supporters of every club they are at it is the “ultimate” organisation there.

Taking up the opposite view to Tim Payton on the issues facing supporters, Hartley gave his reasons for initially being against the merger and his belief in what lies behind the decision:

*Well, I wasn’t in favour because I feared that the supporters’ trust agenda would be subsumed in the bread and butter issues which predominantly run for the benefit of Premier League supporters. I hope that’s not going to be true and I’m working hard to ensure that these things we hold dear, that is, supporter engagement, community ownership, structured dialogue and lobbying government and the authorities at the highest level continues and, as I say, doesn’t get marginalised by things that most fans can relate to which is the price of drink and tickets* (Interview 5<sup>th</sup> October 2018).

He concurred with others when saying that the funding by the Fans Fund, and hence the Premier League, remained a real concern inasmuch as they may seek to control the agenda and that criticism of member clubs and holding them to account may be stymied. There was also a widely held feeling that the views of fans further down the pyramid would be marginalised by the hegemonic behaviour of the Premier League due to the fact that it *“is a purely commercial business model and the interests there are the interests of the owners of the clubs and below them that is guided financially by the interests of players and agents”*. He believed that, as Supporters Direct had done, these ideas should be constantly challenged, particularly via channels such as the Expert Working Group (Government Expert Working Group 2018) in parliament where the “real questioning” of the Premier League had taken place.

Dave Boyle, the former CEO of SD believed that the organisation was always “vulnerable” given the funding sources and that government has now become too weak to fight against the might of the Premier League. He traced this back to the General Election in 2010 and said: *“We existed as long as a government was able to beat the Premier League over the head to keep the funding for this organisation and the moment that stopped, that was the moment that ... the virus was administered in the General Election 2010 and the patient might live for a good number of years, but it’s just about when they die. And it saddens the hell out of me”* (Interview 12<sup>th</sup> January 2018).

#### **6.4.3. Individuals against the merger**

The majority of interviewees from the supporters’ trust movement, and hence those that have had most dealings with Supporters Direct in the past, tended to be against the merger which many saw as not a merger but a “takeover” by the Football Supporters’ Federation. David Treharne, who was involved in the movement since its early years, believed that the merger would be “disastrous”. His belief stemmed from his discomfort at the power of trusts from the Premier League and what he described as meetings being “hijacked” by them leaving little voice, in his opinion, for fans of the smaller clubs. He also believed that there was a wider agenda around the future of Supporters Direct when he said, *“I would have thought that the funding body... would have wished that Supporters Direct would go away”*. (Interview 16<sup>th</sup> October 2017).

There was a widespread belief that, since the Premier League effectively controlled the Fans Fund through which the SD and FSF funding, and now that of the new Football Supporters’ Association, was distributed, the Premier League themselves were effectively trying to control the debate around supporter engagement and involvement. As a result, David Goldblatt, for example, also believed that they dictated the merger. He spoke, however, from a standpoint of hostility to the Premier League when he said *“if the Premier League think it’s a good idea then it obviously isn’t a good idea. This is an institution that never does anything unless it’s in its own interests. Unless they’re pushed to the wall. It’s outrageous. Go and run clubs that don’t lose money and [then] come and talk to me about it! I mean, I don’t think one should take any lessons from that lot”* (Interview 9<sup>th</sup> February 2018).

He also took the opportunity to talk about the continued funding of either two separate bodies (as they were at the time of the interview) and any merged organisation, *“the DCMS should be funding it. Frankly, if they were smart, they’d be thinking about how can we network you with... and give you matching funds with other institutions out there who are currently doing the government’s work of creating social economy and institutions”* (Interview 9th February 2018).

The primacy of trusts in a merged organisation concerned several other interviewees, since the new organisation would be allowing other supporters’ organisations to become “affiliates” with the same status as trusts which had, in Supporters Direct’s membership, been the only organisations actually allowed to join. Tim Hillyer said, *“Every club should have a Trust... I think that should be fundamental and they, in the course of the potential merger should be really pushed”*.

James Mathie, who was clearly not in favour of a merger and chose to leave Supporters Direct when it was confirmed, felt that there was a chance that a merger could work but believed that many individuals with a trust movement and activist background within it would become disenfranchised and raised the possibility that a new organisation, representing trusts, may even be set up in the future, *“it might be able to work in one organisation with a clear mandate and things but I think you just get a breakaway of... a movement of people who are typically the most activist anyway and you can’t control a network or a movement and they’ll probably just either disengage or they’ll set something else up”* (Interview 18th April 2018).

Stuart Fuller was another that agreed that money should, in fact be provided “centrally” and that they should be receiving more money, *“[they] should both be getting more money centrally rather than less money and be expected to survive potentially as a single organisation on less money. I think it’s just absolutely crazy”* (Interview 9th April 2018). Oliver Holtaway was in agreement with Mathie, that the potential for a new organisation for trusts could emerge: *“I would say supporters’ trusts, I’d say an association of supporters’ trusts on a voluntary basis. There’s still the possibility that SD doesn’t wind up. That could happen. There could be a transfer of assets, and SD is left as a still existing shell, with no money in it, all volunteer, but, you know, how much does it cost? A Labour government comes in, they could fund it. We could just exist virtually for a while. That’s always possible so, yeah, I don’t think the Supporters’ trust movement will disappear, the main threat to the supporters’ trust movement is what I raised in the last meeting, is that if the new organisation treats supporters trusts as basically being exactly the same as the other affiliates, then eventually fans will stop going to the effort of being supporters’ trusts. They will just stop filling in the forms”* (Interview 4th October 2018).

There was also a widespread feeling that there was a very good reason for the two organisations to be separate, the focus of the FSF being predominantly on match day issues and that of SD on the governance of the game via their setting up of supporters’ trusts and supporter owned clubs. As Stuart Fuller said unequivocally, in his view, the two organisations were independent for that very reason and should remain so, *“I think they’re two completely separate organisations. I think they should be kept as completely separate organisations”*.

Brian Burgess also picked up on David Goldblatt's point about the Premier League wishing to control the agenda and that they saw Supporters Direct as a threat: *"the idea [supporter involvement and ownership] is now mainstream, I think, in terms of thinking and, in a way, the challenge we've faced with the Football Foundation and the Premier League over funding is in a way because we've been successful and people do see it as a threat. I think the owners [do] and the Premier League particularly do see it as a threat. Not so much taking over a club at their level because in their category it's not a financial threat, but it's an irritant, I think"* (Interview 13th July 2018).

There was also a widespread belief amongst interviewees that the Football Supporters' Federation's good relationship with the Premier League was a key motivator around the decision as well. In Brian Burgess's view, in a newly merged organisation the Premier League would be able to encourage its own agenda. Burgess said: *[they've] formed an alliance ... so they've found some common ground where the FSF can deliver things that the Premier League like, which is atmosphere in stadiums, away supporters, the things that look good on television and help them sell the product. They're coming at it from a purely commercial point of view, the Premier League, but they recognise that supporters are important at that level for their product and Kevin Miles has been really clever at getting them on board and coming up with campaigns including safe standing, another example where it's gone mainstream now"* (Interview 13th July 2018).

Adam Brown was expressly clear where he felt the motivation for the merger came from and the reasons for it when he said, echoing Brian Burgess and David Goldblatt's words: *"[I] think that there's a lack of honesty here in terms of how this has been presented because the driving force behind this is the Premier League. The Premier League control the Fans Fund and the Premier League has said 'we want one organisation' ... you know, that really needs to be explained to SD members before it goes out. Somebody needs to say that, it's a Premier League driven proposal and at no point does it have the purpose of SD at its heart"*.

In addition to the Premier League's influence, he was also scathing about the involvement and, in his view, complicity of Premier League trusts in the merger. His fears for the future were also partly to do with the likely make-up of the organisation and his perception of the primacy of Premier League trusts within that organisation. He said: *"my concern is that the Premier League trusts will get together and do a job. So, that said, I made the point at the Members' Day, a vote in principle doesn't mean anything because the hurdles have to be overcome to actually dissolve SD and transfer assets and all of that are enormous"*.

Nick Vaughan at the FA, however, had a slightly different take on the reasons behind the merger, the fact that, contrary to their own opinions of themselves, both organisations were, in fact, beginning to struggle and a reboot was probably required: *"the more cynical person would suggest that the merger was as a result of two weakening organisations, that would be quite a harsh way of looking at it. A positive way of looking at it is, it shows that Supporters Direct, their ideology about football, doesn't supersede pragmatism"* (Interview 23rd November 2018).



Moving forward with the development of the constitution of the new organisation, Holtaway (who worked on the new constitution with others), like Adam Brown, and as a former Supporters Direct Board member and member of the Interim Board of the two organisations had doubts about the longevity of the trust movement as a result: *"it's set up in a way that I don't think really will, well, put it this way, if the SD mission and the trust movement mission succeeds in the new organisation it will be despite the constitution, not because of the constitution"*. On the plus side, he was not, however, completely discouraged by the future and saw a form of divergence after the situation in the new organisation as it settled down. He said, *"as long as people still care about football, which they definitely will, as long as enough people draw the line between the two I think here will be a home for that. There might be a period in the wilderness as the penny drops, that the new organisation is not going to support their needs, then maybe Co-ops UK steps in, maybe Power to Change steps in or some lottery funding formulation, or, you talk about living in austerity, Jeremy might come in, and a Corbyn government might chuck a load of money at this"* (Interview 4th October 2018).

He too, however, had a feeling that, with work, the situation could be resolved satisfactorily, particularly since the future may be more about the trusts themselves and less about the ideology around the governance of the game: *"There's a lot of cultural work that's got to be done first so maybe Supporters Direct could have been more about that and less about governance at the top levels of the game and the like"*.

## **6.5. The Football Supporters' Association**

Looking at the merger discussions and the subsequent operation of the new organisation in retrospect, however, it is clear that the renamed Football Supporters' Association actually did continue to work on the formation of supporters' trusts and, indeed, the number of community owned clubs continued to increase further when reaching a peak of 46 clubs across the English football pyramid by the Spring of 2022. According to the notes from the Community Owned Club Network Meeting (FSA, 4<sup>th</sup> November 2021. Community Owned Club Network Meeting - Appendix 5) discussions continued with a number of other clubs including Redhill FC, Welwyn Garden City and Ollerton Town which could, conceivably, see 50 clubs in community ownership in England and Wales by the end of 2022.

The fear that the idea of community ownership may still be under threat by a lack of funding for the movement still continued to persist and the round of funding talks that will secure the FSA its funding for a further three-year period, from the summer of 2022, will be key to the future work to be carried out in the area of community ownership. To date, however, there has clearly been no reduction in the time spent on the development of supporter ownership within the organisation.

Indeed, the merger of the two organisations meant that a unified front was presented to the Fan-Led Review conducted by Tracey Crouch which saw all the organisation's networks give presentations to the panel and a large number of affiliates given individual sessions to explain their views and present their potential solutions to the problems within the governance of the game. Had the panel set up to investigate the state of football at the time by the Department of Culture, Media and Sport Ben faced

with two separate organisations, it could be argued that a repetition of the work could have occurred and a lack of unity detected that may not have played well with those carrying out the investigations.

Having now identified the financial environment as the key criteria threatening the development of the community ownership model at the meso, organisational, level and shown that, despite some misgivings over the merger of the two largest supporter organisations in the country shown that the work of a single organisation has not proved detrimental to the supporters' movement, the research can now look at the final, micro, factors affecting the development of the model.

## CHAPTER 7 - MULTI-LEVEL FRAMEWORK: MICRO LEVEL ANALYSIS (INDIVIDUAL FACTORS)

The micro factors affecting the ability of community owned clubs to function in English football are multitudinous, but perhaps the most important one identified by interviewees is, often, the quality of people involved in community clubs.

### 7.1. The People

Whilst the majority of interviewees were keen to extol the virtues of the individuals (primarily volunteers) who keep supporter owned clubs running, Sara Ward pointed out that, in certain cases, having the wrong individuals (a theme also touched upon above by David Treharne with “football” people at Exeter City) running the clubs has been an ongoing problem. In her own research she looked at the situations at Stockport County, Brentford and FC United of Manchester and concluded that the problem was:

*once they get the keys they either haven't got the experience, expertise or knowledge to run a club. So, what I found was that they were very good in terms of the movement – people power – and forming a supporters' trust to take over the club, but the steering committee weren't necessarily the right people once they got the keys to run it* (Interview 19<sup>th</sup> April 2018).

One of the problems she identified, particularly at Stockport County and Brentford was that although there were large numbers of individuals who “got it”, i.e. they understood the ethos and structure of supporter ownership, there were others that quite patently did not and that the major difficulty as supporter ownership progressed was removing those individuals from the board of the club. That legacy, alongside the legacy of debt at those clubs was, in her opinion, the biggest impediment to the development of democratic ownership. As we have seen in the writing of both Gupta (2014) and Gulati et al (2002), maintaining individuals within the organisation that are the best fit for the model becomes a real challenge over time.

Andy Walsh undoubtedly spoke from personal experience when agreeing with this view, and how difficult it was within such a democratically run club to ensure all views were heard but, at the same time, maintaining a harmonious approach. He confirmed this by saying, *“you can still have situations where certain individuals make it their mission to set about disrupting the process and raising straw men or straw women as some kind of attempt to change the club. And I think within a democratic organisation, forgetting football clubs now, any democratic organisation, there is always that danger”* (Interview 19<sup>th</sup> December 2018).

As highlighted earlier, this situation at FC United (O'Neill 2017, Taylor 2016a and b), has been well documented to the point where, as Walsh described: *“people started to pursue their own hobby horses and anybody who disagreed with them was somehow a “traitor” in some way, shape or form. And rather than have debate and discussion and coming to an agreement, it very quickly became very febrile”* (Interview 19<sup>th</sup> December 2018).

In agreement with Sara Ward's point, Walsh also believed it was a lack of understanding of the model that was actually the main impediment to it. He took his thoughts one stage further by defining the understanding in a little more detail, "*understanding of responsibility. That's the greatest impediment*". He explained further that not only was there a lack of understanding of how to run a mutual enterprise but also a lack of ability to deal with the football side of the business where, he said, in particular, a manager may be coming to the board to buy players and being strong with that manager to prevent overspending is imperative, even when there may be a clamour from fans to improve performances on the pitch.

Going back to an earlier point in the research, the management of fans' expectations was also a key factor for those taking on positions of responsibility. At Notts County, for example, David Hindley remembered fans very quickly forgetting the precarious position the club was in prior to the trust takeover and that they were having to cut their cloth accordingly - a situation that some fans found very hard to accept. The major accomplishment of the trust at the time was avoiding any such financial difficulty again but, in the eyes of many, this became, by inference, a lack of ambition, or the "ethical failure" described above.

In cases where community owned clubs have not taken this path and have continued to spend there have been instances where such clubs have replicated the worst excesses of the privately owned model. Tim Hartley explored a situation he was familiar with at Merthyr Town where those in charge of the club (under trust ownership) spent too much money and almost took the club, once again, to the brink of collapse. An indication that, even with the financial reporting rules around a Community Benefits Society there are still not sufficient controls in place to ensure that bankruptcy is avoided. The aim at Merthyr was to get the club promoted and to reap the benefits of that promotion financially (Interview 5<sup>th</sup> October 2018). Despite all that those within the trust model have learned there are still instances where board members see the need for clubs to pursue success at the risk of jeopardising the club's very existence.

The divergence of views is also a major factor when, as the success of the model at clubs such as Notts County and Portsmouth showed, it led to private investors showing an interest in the purchase of the club once again. As Borja Garcia said about the running of Notts County after the trust takeover, "*sooner or later, you will run into different opinions with which way you should go...*". The decision at Notts County to sell to Munto Finance who, as it turned out were owned by a convicted fraudster, was taken democratically. He sums up the three scenarios by saying:

*"Actually, [it's a] lack of common objectives. In the case of Notts County it was democratic, it was a vote, we sell. It was very democratic but the problem is that there was no common vision. And we have started to see the same at FC United, it's not really lack of democracy it's really very different views on how to run the club and what the long-term objective [is]. And even in the case of Portsmouth it's the same, it was very democratic - should we sell to the Disney owners. It was a vote, they could vote..."* (Interview 13<sup>th</sup> November 2017).

Other problems identified by the research include a lack of trust amongst board members and a perceived arrogance of some board members once they are on the board. Norm Duncan at Lewes, puts a harsher perspective on two years working alongside other board members there when he said, *"It's just, at times, I just don't know whether I trust people anymore"*. He is also of the opinion that those deemed to be junior members of a board often feel marginalised and, as a result, take the first opportunity to step down once they realise that their voices are not being heard. Dave Boyle pointed to the arrogance of some who feel they are *"a cut above"* and felt that this is actually an *"Achilles heel"* for many trusts. (Interview 12<sup>th</sup> January 2018).

A further problem in this area has arisen in the recent past where at clubs such as Bury and Bolton Wanderers that have been enmeshed in long term crises there have not been significantly large numbers of people within the respective supporters' trusts willing to consider taking on ownership or indeed thinking about setting up a phoenix club to replace the club which has been driven into the ground by Ken Anderson, at Bolton (Conn 2019a), and Steve Dale at Bury (Conn 2019b). Although a well-run phoenix club was eventually set up at Bury (as Bury AFC), the existing trust (Forever Bury) continued to hold onto the, generally discredited, view that a return to the Football League and to their original ground at Gigg Lane was achievable, another sign of the weakness of some trust board members in the face of a crisis. As Porter (2019), who explored the difficulties supporters have in running their clubs wrote, *"[they] do not always get things right and are more prone to bad judgment calls the more their decisions are made in conditions not of their own making"* (Porter 2019:284).

As we saw earlier, in the contrasting cases of Chester and Wrexham, the different people involved, namely, those that are invested in the model and, potentially, those that are not, are often the key difference when it comes to the success or failure of the community ownership model. Having seen off the potential takeover of Stuart Murphy at Chester (Holmes 2020), the community owned club board became newly empowered with a sound business plan and a revived interest in and backing for, the community ownership model.

At Wrexham, given the struggles that the club had faced during much of its time as a community owned club, the energy of many board members had been sapped and, alongside a success hungry fanbase, it was no surprise that heads were turned when the opportunity offered by Hollywood stars Ryan Reynolds and Ryan McElhenney were accepted overwhelmingly by the supporters' trust membership (BBC Sport 2021b).

When you also see the robust nature of the model at AFC Wimbledon, where donations to the Plough Lane Bond scheme were huge (Evening Standard 2022), and at Exeter City where the model continues to go from strength to strength, it is clear that the people involved are a key factor in the sustainability of the model at the club. There continue to be concerns at many clubs about the right individuals being in place to guide clubs through community ownership and as Norm Duncan at Lewes identified and was confirmed by the Reports and Accounts for 2018 and 2019 (Lewes FC 2020), the club, whilst doing much good high-profile work within the game, was, and continues, to take huge donations from two individual benefactors thereby acting more as a privately owned club than as one in community

ownership. Alongside concerns around a lack of democracy (a competitive election for board members was not held between 2017 and 2021), there is real cause for concern for the sustainability of the model at the club.

## **7.2. Problems with being on a trust board / Lack of volunteers**

The issue of the people involved in the running of supporter owned clubs leads into another of the micro issues that, when roles are allocated, many of them are particularly time-consuming. In certain cases, this can lead to a number of different outcomes, occasionally apathy, in many cases overwork when trying to do a voluntary role alongside a normal working life and in extreme cases, burnout. There are also identifiable cases of those not holding the most senior roles at a trust becoming disillusioned and leaving the board.

Many individuals give up a huge amount of their time voluntarily and, in cases where a considerable amount of time working with the trust board, as at Exeter City, David Treharne said *“there comes a time when I wanted to be a fan”* where he was not constantly being asked questions and merely wanted to focus on the game he was watching. *Once again, this reflects in the work of Gupta (2014) and Gulati et al (2002).*

Norm Duncan took this a little further in that, in order to get away from the constant questioning of board (and former board members) some may even consider their futures at those clubs: *“because it can be hard to keep coming down afterwards if they’re not doing it anymore and it’s hard to, sort of, shut yourself off, ignore things, and people still come and ask you stuff and want you to do things so I understand that, they maybe haven’t got a gripe but they’ve just said, “right, I’ve done that, I might go away for a while, I might come back”.* (Interview 12<sup>th</sup> January 2018). The fact remains that working on the board of a supporters’ trust, particularly at a time of crisis and throughout tenure on the board of a supporter owned club is a time-consuming activity and, as David Goldblatt stated, *“really bloody hard work”*. He also pointed out that the running of a club is about so much more, *“it’s a massive learning curve because it’s not just about running a club but about dealing with your constituency and the media”* (Interview 4<sup>th</sup> February 2018).

Ashley Brown was convinced that, in contrast to some of the views in the foregoing section, it is very much about the individual themselves and that, if you are not prepared to accept that there will be challenging times, including some personal abuse, then particularly at a high-profile club like Portsmouth, the job is not really for you. He also mentioned people’s expectations and a sense that they need to be managed by those involved. There is also a need for a good mix of skills on the board with what Brown describes as *“the right combinations of commercial skills, accounting skills, football knowledge...”* (Interview 4<sup>th</sup> March 2018).

The difficulty, as Sara Ward identified, often comes after the initial period of work, and often when much has been achieved, and when a second wave of individuals is required not only for renewal purposes and hence the maintenance of democracy, but also to bring fresh ideas and continue the message of

the initial board members. Josh McLeod (McLeod 2016) saw during his research the sheer volume of work required and, in his specific instance, those individuals working on the boards of various football clubs in Scotland where the time required to devote to the job is particularly restricting and the roles are unpaid:

*[they] cannot recruit people to come and work on our board because they're voluntary positions and that's the same as supporters' trusts. I'm not going to get paid for it. So, then it's very, very difficult to recruit the talent because in Dunfermline's case or Raith Rovers' case, they wanted people to come and help set up the club – not the supporters' trust - the club board... it's very, very difficult to recruit the people that you need for the boards of football clubs and it would be exactly the same issue when you're trying to recruit for supporters' trusts. Getting people to volunteer themselves and doing it for free is, you know, it's not easy because people are busy with families...* (Interview 26<sup>th</sup> March 2018).

The issue of turnover of volunteers at trusts was raised by Kat Law, and here it is easy to see where problems can lie in striking a balance between injecting fresh blood onto the board to avoid groupthink and sterility versus the need for continuity by having those on boards with the knowledge of what has gone on before. In such a situation, natural churn can be seen to be a good thing because those new people do bring the aforementioned fresh ideas with them, however, as she warned, “*You can't change too many people at once. And you've got to try and walk that line*” (Interview 4<sup>th</sup> June 2018).

In contrast to the relatively small number of instances associated with the people running clubs and trusts, there are huge numbers of positive stories of all the things achieved by trusts and clubs across the country. Adam Brown is keen to accentuate the positives around the volunteers that are available to supporters' trusts and community owned clubs. As Ashley Brown stated, board members can come from all walks of life and there is, according to Adam Brown, “*an extraordinary amount of talent out there*”. Not only do individuals bring with them a vast array of skills from the commercial world, the public sector and the third sector but they are also exposed instantly to new things and learn new skills as a result, or “*skills they never knew they had*” (Interview 29<sup>th</sup> June 2018).

David Hindley saw the opposite side of the coin, in some respects, and reported that, at Notts County in the past there had been difficulty in “*collectivising a very diverse fanbase*” ensuring that not only are all voices heard, but they are also truly represented. He too acknowledged that, once the crisis has been seen to be averted at clubs, in his case when the Trust finally took over the running of Notts County, not only does enthusiasm wane but there is a feeling that the job is then complete:

*reflecting on my own experiences. I think a number of fans almost felt as though Notts County Supporters' Trust had a role to play in saving the club during that crisis and I think that once you get over that crisis it's almost as if its, kind of, value is almost diluted* (Interview 14<sup>th</sup> September 2018).

He also identified some of the problems associated with the democratic nature of supporters' trusts once they are in a position to run a football club. He felt that, once he was on the board of the club, the

need to refer back to members was paramount to maintain democratic integrity. At the same time, being on the board with other directors not from the trust also created its own problems:

*[they] need to be educated about what a supporters' trust do and aren't sure exactly what that looks like. When you're in board meeting and you're trying to make decisions and I'm saying I almost need to go back and consult my board. It feels like it's a very slow, laborious, very bureaucratic way of running a club. You need to make really quick decisions so already you're, kind of, meeting stumbling blocks* (Interview 14th September 2018).

The issues here also go back to the theme developed earlier about the takeover of community owned clubs by private investors and the fatigue that many on supporters' trust or community owned club boards feel. As in the case of Wrexham, many years of infighting had created this fatigue amongst what were, primarily, a group of volunteers, which made the club susceptible to such a takeover.

### **7.3. Fan Directors**

One of the phases that a supporters' trust can go through, often on the way towards fan ownership, is the appointment of a fan director when the supporters' trust is seen as suitably influential or when their level of equity reaches such a level for it to be impossible for the club directors to refuse such a request.

Josh McLeod (McLeod 2016) has carried out extensive research on the impact of fan directors in Scotland where, in general, professional clubs are much smaller and, traditionally, more amenable, since they represent smaller communities, to having a supporter director on the club board. He struggled to see, however, this being translated to their counterparts in the English Football League or the Premier League:

*[Supporters' trusts] telling the owner of a private company that you have to have this individual on your board. You know, that would never wash anywhere else and, although I think fan directors on the board are a good thing, I think that... I just don't see how they could bring in a law for that. And any type of regulation in football could be quite difficult and be met with enormous resistance* (Interview 26th March 2018).

There may also be huge potential for a conflict of interest by being on the club board as a fan representative with the board often being suspicious of such a fan representative and questioning whether information of a sensitive nature can truly be kept confidential. By contrast, there is also a feeling on the part of supporters that fan directors become too close to the club and do not feed enough information back to them. Fans are always interested in receiving as much information as possible and this makes the role extraordinarily difficult for the individual concerned to carry out. Josh McLeod saw a scenario at a club in Scotland that exemplified the problems surrounding conflict of interest:

*the other directors at the football club were having discussions with a potential investor, and then the trust board being aware of those discussions but being told that "you're going to meet with this potential investor but that all needs to remain hush hush, no-one else can know about it" and straight away you*



*feel that you're really uneasy with that, because we're all about transparency. You need to be telling the wider membership that there is a potential investor, these are what the terms would be etc, but being told that that investor, if you did that, would walk away. So, you end up in this very difficult situation* (Interview 26th March 2018).

The issue of apathy referred to at the start of this section does not arise often in the interviews, however, Danny Fitzpatrick, uniquely in this research, picks up on the fact that individuals don't have the time or inclination to become involved, a real lack of social capital. Fitzpatrick sees it as a deeper-seated problem that *"there's a lack of resource and knowledge about how to organise and how to mobilise"* (Interview 30<sup>th</sup> October 2017).

It is an interesting view, since many of the interviewees interviewed are the complete opposite to what he describes, individuals that have been proactive in becoming involved and, in many cases, fighting to save their club or develop the community club that, but for their and others' involvement would have been very unlikely to have happened. It does, however, lead into this wider theme that others do identify, this apathy or, perhaps, an unwillingness to be too involved. Borja Garcia was the closest informant to echo Fitzpatrick's views where he believed that, on the part of fans, there has been a distinct lack of, *"ideological understanding"* of the supporters' trust model and supporter ownership in general. (Interview 14<sup>th</sup> December 2017).

Norm Duncan also touched on a lack of willing volunteers and, whilst being careful not to criticise those in his own town where many people are seen as "doers" he does point out that, *"we're trying to get things going and nobody shows any interest...[in] trying to find volunteers"* (Interview 12<sup>th</sup> January 2018). These views were reflected in later writing confirming the lack of volunteers, particularly post-pandemic by Preston (2019) and Whitehead (2021).

Andy Walsh saw this apathy in a wider context with a view on all organisations he has been involved and with a particular focus on member involvement when he returned to his original theme, *"Any organisation, again, mutual or otherwise, you struggle. And in my experience, of working in lots of different organisations over the years, incorporated and unincorporated, at least a third of your members are inactive at one moment or another"* (Interview 19th December 2018).

#### **7.4. Peak Supporter Ownership?**

There was also a feeling among several respondents that the movement had, at that time, with the influx of money and what some see as better management of clubs meaning that administrations have slowed to a trickle, reached its peak level. Tim Payton was one respondent who believed this although, as several other interviewees pointed out, the ongoing crises at the time of the interviews at Blackpool, Bolton Wanderers, Coventry City and Notts County and subsequently at Bury, Macclesfield Town and Wigan Athletic appeared to give lie to the assertion that the governance of clubs was improving.

David Treharne, for example, despite the successes he witnessed at Exeter City was sceptical, at that time, about where the next example of trust ownership of a club was coming from, with particular reference to the clubs in the professional game, when he said:

*"I think that unless there is a severe crisis, it's difficult to see where the next fans' ownership is going to come from... so, I think it's difficult to see where another trust run club would come from in the top four tiers"* (Interview 9<sup>th</sup> October 2017).

### **7.5. The Future - Strengths of the Supporters' Trust model**

In summary, the major strength of the model is also one of its primary weaknesses. Historically, trusts have been formed, and have in some cases taken over, at football clubs simply because of the mismanagement by owners and this has often been seen as their only strength and, as David Goldblatt confirmed:

*I mean, my sense is that supporters' trusts are absolutely at their best in a state of emergency. And people in this country do respond to states of emergency. And that's why I used the image of the Clapham thing [the cleaning up on the streets in the local community in his book, Game of our Lives (Goldblatt 2015a: 150]. Yeah, communality, solidarity doing it collectively, brilliant, we can do that but then everybody goes back to their, kind of, atomised lives* (Interview 9<sup>th</sup> February 2018)

This theme, that of social capital, the development of interpersonal relationships, identity and the like which Nick Vaughan relates to when he said, *"I think that the thing that will always be on the side of supporters' trusts long term is that it's a social good"*, a factor that appears to be a major selling point for the movement in future years.

Andy Walsh is also clearly a believer in the idea of social capital, he sets out an argument where the vast majority of all sports teams aren't actually going to win trophies so, he asked, what actually is the game for? He went on:

*So, it's about identity and identity is a mix of history, your philosophy on life, your friendships, your memories so that it becomes dominated by an emotional response and an emotional relationship* (Interview 19<sup>th</sup> December 2018).

The second identified strength, again alluded to at some length above is its ability to stabilise a club, a situation clear in the way that the Portsmouth example cited regularly above occurred.

### **7.6. Mutuality, the co-operative movement and supporters' trusts**

A number of respondents were keen to point to the issue of the future of mutual and co-operatives in the UK. Steven Powell pointed out that even the continuation of the co-operative movement itself could be seen as something of a success, given the neo-liberal world that many of its businesses were operating within. He said, *"it's a miracle that anything's left, I mean not much is, of course, given the*

*kind of destruction of the Co-op Bank and the shrinkage of the Co-operative movement generally*". He then likened the situation to that within football and the supporters' trust movement and community ownership specifically when he said: *"I think that the fact that it [the trust movement] survives at all is success"* (Interview 9<sup>th</sup> February 2018).

By contrast, Tim Hillyer believed that the involvement of the co-operative movement in the supporters' trust movement had been "overplayed". He believed that the support of the co-operative movement, in the early days of Supporters Direct, was very welcome but not especially significant. He said, *"People shop at the Co-op because their stores are convenient and reasonably priced, and they don't shop there because of the co-operative model"*.

One of the issues identified in the research, emphasised specifically by Heras and Basterretxea (2016) was picked up on by James Mathie, who agreed that overplaying the mutual nature of the trusts and trust-owned clubs can be a problem which shows what the movement has to deal with. He stated that, unless the audience was one specifically focused on the mutual aspect, he wouldn't talk about the co-operative movement or mutual ownership but would say *"does it feel right that a football club that we all love and that is so important to generations of families and the community that we all collectively own it? Does that feel right? [And they say] "yeah, it kind of does, actually", because why would you just give it to one person and give them the opportunity to make all the decisions and possibly make profit* (Interview 18<sup>th</sup> April 2018).

Oliver Holtaway agreed, and also confirmed that he too often downplayed the part that co-operatives played when talking to people about the supporter takeover at Bath City. He was more inclined to focus on the business aspect of the takeover and emphasised the advantages of localism and a thinly disguised co-operativism in which he would often *"hide or downplay the cooperative bit"*.

Both Brian Burgess and Adam Brown point to the problems within the Co-operative Bank as being hugely damaging to the wider movement and, by association, also to the supporters' trust movement. Brian Burgess said *"[Co-operative Bank Chairman] the Reverend Flowers, I think he let down millions of people. He trashed the reputation of co-operatives"* all of which made the job of encouraging prospective trust members to get behind the mutual model all the more challenging, despite the circumstances of club failure that were so prevalent during his chairmanship of Supporters Direct in the early part of the 21<sup>st</sup> century.

Adam Brown believed that the movement was certainly partially to blame for the problem by its own governance failings, but he also believed that much of the blame lay, echoing the words of Steven Powell, with political context in which co-operative organisations are seeking to operate. He also believed that one of the major problems facing the movement in general and, again the supporters' trust model in particular, was that participation has been relatively low. He was a firm believer in getting much greater involvement: *"I think there needs to be some new and imaginative thinking about how you get people involved and maintain that involvement"*.

The wider failings of the movement, however, do not disguise the fact, repeated by many respondents, that the movement is operating in, if not a hostile environment, then at least a very challenging one. One way to address the perceived hostility is, as Oliver Holtaway suggested, to address the value of community involvement in terms of social capital. By demonstrating that an organisation such as a community owned football club can be run as a form of social enterprise gives people a sense that they are buying into something with real social value. He also believed that, as we have seen in numerous instances above, there is a cultural element specific to the UK that means that obtaining involvement in mutual societies and the like is a real challenge. Holtaway pointed to the fact that in the not-too-distant past, groups of men were happy to sit in a room, often at union meetings, running through an agenda and debating the issues whereas today, particularly, he felt amongst the younger generation, this was now seen as a “*massive pain the arse*” (Interview 4<sup>th</sup> October 2018).

### 7.7. Unions

This involvement, that Oliver Holtaway pointed to, was a factor indicated by the research in that many interviewees felt that the erosion of the membership and power of the trade unions in the UK was significant in, firstly, people’s understanding of co-operativism and, secondly, in their keenness to be involved. This is felt to have a direct effect on supporter engagement and interest in the governance of their clubs, in stark contrast to Germany, for example, where supporter involvement stems directly from the worker councils and supporter ownership model described by Buchholz and Lopatta (2017) and others. As Andy Walsh observed about Germany: “*you get told about that in economics classes at school, you know, about the two-tier boards and all that sort of thing. It’s like OK, so, as a trade unionist you think that’s good - there’s a recognition, workers on the board and all that. But then, it’s cultural in Germany*” (Interview 18th December 2018).

Privatisation of industry has also served to further exacerbate the effect of the demise of unions which, as Borja Garcia described, sees this grounded in the political changes that came about during the 1980s, replicating itself within the English football club ownership model. As he said, in the UK at least, the neoliberal view of life and that “*private property is more effective than collective property*”, prevails and, as a result, as we have seen in instances above, individuals are seldom able to think of methods, other than the shareholder model, of football club ownership in the same way that they are unable to do so in other aspects of corporate life.

The fact that unions were unable to alter the structure of the world of business was, in Tim Hartley’s view, an indication that, in fact, the unions were “*friends of business*” and that despite the “*fantastic work*” that they did, their ability to reinvent themselves has been hampered by the prevailing political view held since their reduction in power since the 1980s. Stuart Fuller directly traces the correlation between that reduction in power and the problems faced by the supporters’ trust model and supporter ownership: “*the reducing in power of the trade union movement and things like that, that definitely hasn’t helped the supporter owned models. I think if you had a stronger trade union base then you’d have a stronger model*”.

The political changes that have gone with the emphasis on private ownership has also seen membership of unions drop considerably. Steven Powell, a former trade union official himself, also saw the changes from the time when joining a union was the most natural thing to do but where he has been working recently emphasises to him that where before everyone joined a union on joining an organisation, unions do not even exist in some environments, despite there being no objection from management to their introduction. It is this that he, like Fuller, sees as a problem for the supporters' trust movement, in that, with unions, *"You have to start with first principles, what is a union, how did they come to be, what do they do, what are the benefits of being in a union, because they won't have been in a union and no-one in their family will have been either"*.

### **7.8. Summary of the findings from the interviews.**

By identifying sustainability as the common theme throughout all of the interviews carried out and by inputting the findings into the developed framework of organisational, societal and individual factors, the key influencing factors explain what needs to be created within football to ensure that the community ownership model not only continues to operate but actually thrives.

The importance of sustainability to all interviewees was clear since so many had seen serious situations at their own clubs. At the clubs where supporter ownership was already in place, the general feeling was that the ownership of the club being in the hands of supporters meant that the ongoing operation and long-term future of the club was secure. With fans of clubs at the higher levels of the game where supporter ownership has so far not managed to penetrate due to the vast sums of money required to own a club and the serious competition faced in the form of oligarchs, Middle Eastern states and billionaires, the only route to sustainability available to fans is the constant questioning of owners via supporters' trusts and open forums available to question the financial operation of their clubs.

The stability that community ownership has brought is in stark contrast to the continued sale and re-sale of clubs, particularly in the higher levels of the game. With the additional problem of recent failures at Bury, Wigan Athletic and Macclesfield Town, it remains clear that unscrupulous owners continue to get involved at clubs, a major factor affecting long-term sustainability. Many such owners fail to see that they are, and always will be, short-term custodians of an historic community asset and that they have a responsibility to those communities for the club to remain in existence in perpetuity. A major factor in securing clubs in their communities is engagement with them in the many forms that that can take including programmes of inclusion, diversity and wider community engagement as exemplified perfectly by so many community owned clubs. Ultimately, many people will judge the success of a club by results on the pitch but, as community ownership proves, to be successful means a whole range of things to different people.

Societal level factors, most notably the current political environment effectively sets the idea of community ownership in a form of hostile environment where the ideal of mutualism is placed in a markedly neo-liberal environment in which it struggles against the predominant shareholder model bringing the rewards of success to, in the main, those with the largest sums of money. To allow a more

level playing field in this respect, it may well be, as some interviewees argued, that government intervention that appeared unlikely at the time of the interviews when, as a result of the 2019 General Election of the Conservative Party it once again, potentially, left the movement bereft of a supporter in government. Events subsequently have proved this to be an overly pessimistic view with the Fan-Led Review coming about as a result of the perceived greed of the “Big Six” clubs in England.

The organisational level factors identified examine further the unusual economics of football in England and Wales, where the greatest impediment to the success of supporter ownership boils down to that one word once again, money. The impenetrable levels for supporter ownership at the top of the game should not, however, prevent further development of the model at the Championship level and below and, as identified by a number of interviewees, the model is perfectly suited, at present, to smaller, community focused clubs.

In echoes of the wider governmental regulatory environment, the regulation of football was also identified as a major factor impeding the development of community ownership with a “bottom up” change to the game considered to be essential. Unfortunately, the perceived belief that the status quo of the game is unwilling to be affected by any such change effectively means that the current ownership model which allows clubs to be run unsustainably was, in the opinion of most interviewees, unlikely to be changed in the near future. As we have seen, and as will be explained further below, this pessimism was, once again, somewhat unfounded as the movement was directly behind the workings of Tracey Crouch’s Fan-Led Review in the summer of 2021.

The fourth factor identified at the organisational level was, at the time, the impending merger of the Football Supporters’ Federation with Supporters Direct which was completed at the beginning of 2019 with the new Football Supporters’ Association (FSA) created. To date, it would appear that some of the misgivings about the continuation of work within community ownership have been unfounded with support continuing to be given to clubs seeking to move into supporter ownership and phoenix clubs such as Bury AFC created (The Guardian 2020). Whether the 46 clubs (at the time of writing) are added to in the future may depend, ironically, on the continued funding of the FSA by the Premier League with the next round of funding due to begin in summer 2022. Given the reduced income that football has faced throughout the pandemic and ongoing threats of a breakaway European Super League, this funding cannot necessarily be guaranteed and it is likely that community ownership will be one area that could be impacted. The need for a wider range of funders, as Supporters Direct identified before the merger, has probably never been more urgent for the movement. One mitigating factor in all this, however, is likely to be the Fan-Led Review once again, where the value of the supporters’ movement has been seen, and recognised, not only within the game but at the highest levels of government too.

Finally, the individual factors identified may actually hold the key to the future longevity and sustainability given that the consistent recruitment and retention of new volunteers and evangelists for the supporter ownership movement are constantly required. Unfortunately, as we have seen at a number of clubs, at Notts County and Stockport County in the early days of community ownership, for example, the right people at the top of such organisations are not always to be found. More recently, it is clear that the

movement faces further challenges around the sale of clubs back into private ownership with members of supporters' trusts at Brentford, Portsmouth, Wycombe Wanderers and now Wrexham voting almost unanimously to take community owned clubs back into the hands of private investors. Again, the model's strength, stabilising clubs and making them effective businesses again, may also be its greatest weakness. Therefore, the research effectively concludes that one of the biggest challenges facing the movement as a whole is those supporters as members of supporters' trusts and community owned clubs that see a move back into private ownership as the end to all of their problems, particularly in terms of success on the pitch meaning that a club's sustainability may actually be under some threat from the people within the very movement itself. Whilst this is certainly not unique to the model, it may well be exacerbated by the fact that so many individuals working in senior positions at community owned clubs, several of whom are playing within the professional game, are volunteers and that being in such a senior position at a club for a significant length of time may actually be unsustainable in itself.

The interaction of the various factors, and their overlap in many cases, share their themes with those identified in the Cunningham (2010) study. There, the factors of institutionalised racism were present in every one of the macro, meso and micro factors and, in this study, from the financial environment identified in both the macro and meso factors where the presence of the money required to remain sustainable at the top of the game, in particular, to the micro factor of supporters' seeing those financial challenges and voting to return their club to private ownership when offered the chance of, potentially, more success on the field, all serve to show that the sheer volume of money within the game make, without the necessary regulation, the environment very challenging indeed for a self-sustaining club.

In terms of the theoretical underpinning of the model, via democratic theory, where such democratic clubs face challenges from those run as heavily financed private enterprises to stakeholder theory where the principles of the theory are applied, again, in an environment where such plurality of ownership is unusual, can be seen to explain the problems that the model faces in such an unregulated environment. Were such regulation to take place then the likelihood that thriving, democratic organisations, interacting with their most important stakeholders will be able to succeed. With the final pieces of the jigsaw falling into place in terms of Mitchell, Agle and Wood's (1997) theory, with urgency and power added to legitimacy, the need for early exit, given that voice has been granted, also means that the terms of Hirschmann's (1970) theory are also satisfied to a large degree.

With the macro, meso and micro factors affecting the model now explained and the initial theories that underpin the study examined in the light of those findings, the thesis now concludes with a further explanation of the contribution made and the conclusions drawn.

## CHAPTER 8 – CONCLUSIONS AND THEORETICAL CONTRIBUTIONS

By examining the community model of ownership in football and its place in the mutual and co-operative movement the thesis constructed a multi-level framework based on macro, meso and micro-level factors to better understand the sustainability of the model and to help frame the analysis of the impediments to the model's future development. Via this analysis it was able to ascertain that the sustainability of the model depends on a number of factors relating to those societal, organisational and individual levels identified from the interviews carried out which, if satisfied, should lead to an end to the constraints on the model and to its further development within football in England and Wales.

Specifically, the research was looking to answer the following research questions:

- Is the community ownership model sustainable in English professional football?
- What are the greatest impediments to the sustainability of the model?
- What changes to the governance of the game are required to support the community ownership model?

### 8.1. Is the community ownership model sustainable in English professional football?

From very early on in the interviews, and from the documents analysed prior to the research, it was clear that sustainability is the most important factor in comparing the community ownership model with that of its privately-owned counterpart in football. The lack of sustainability that saw the privately-owned model face 56 insolvency events amongst its 92 professional clubs in a ten-year period is testament enough to the ongoing problems faced by football and its predominant ownership model of choice. The fact that, since the inception of the first community owned club, in 2001, there has only been one club using the model go into administration (at Stockport County) is further proof that, by comparison, the model is sustainable. With 46 clubs now in community ownership (in December 2021) it is clearly a model that does have sustainability at its heart.

Critics may justifiably argue that the major problems with football ownership lie in the professional leagues, just three members of which are currently in community ownership. The bottom-up approach is, however, serving the model well and it is to be hoped that, as further clubs consider community ownership as a viable alternative to the private ownership model, some of those clubs will either be from those top four leagues or are able to penetrate those leagues from the non-league pyramid.

Clubs at the very pinnacle of the game in England and Wales, the Premier League, are unlikely to enter community ownership any time soon given the astronomical cost of buying and running a club at that level, but it remains a dream of the movement at the present time that a sustainable supporter-owned model could be used at the highest level in the future. There remains an argument too that, since very few clubs, following administration, actually disappear and, in fact, actually reappear in a different guise



or under new leadership the current private ownership model can be seen to be working, albeit with very substantial caveats.

## **8.2. What are the greatest impediments to the sustainability of the model?**

As the research progressed, a series of macro, meso and micro factors affecting the development of supporter ownership and the sustainability of football clubs in the game in England and Wales emerged.

Since the research respondents overwhelmingly identified long term sustainability as the key criteria for the gauging of the success of the movement, it was important then to identify the key impediments to the model's development in the game. As discussed, the huge amount of money involved is a primary reason, however, in its widest terms the greatest barrier to that sustainability lay, in the view of the vast majority of respondents, in the current regulation of the game. The issue of regulation was a key development in the game throughout the timeframe of the research. When the research began it was clear that any form of regulation by a Conservative government keen, in fact, on deregulation wherever possible, was extremely unlikely. Indeed, the interviewees by and large felt at the time that the only chance of regulation came (and subsequently went) with the defeat of Jeremy Corbyn's Labour Party in the 2017 and then 2019 elections.

For such regulation to become part of a government agenda required an event of quite seismic proportions in terms of the game of football in England and Wales and, as the thesis has repeatedly pointed to in its history of supporter involvement, it took an act of gross self-interest (and an inevitable ignoring of fans' views) in the form of the proposed European Super League for government to finally tire of the governing bodies, the leagues and their clubs to seek to rectify a quite clearly ungovernable set of circumstances. The Fan-Led Review led by Tracey Crouch in June 2021, and the subsequent report of November 2021 (Gov.UK 2021), which had the sustainability of clubs at its core, will be the defining event in the governance of football in England and Wales for the foreseeable future.

For the sustainability of clubs to be reinforced, not only does this regulation need to be enforced and monitored over the coming years but it also needs football to take into account the other macro, meso and micro factors identified by this analysis. From the meso factor of money in the game to the micro factor of the people working within their community owned clubs and trusts, support needs to be provided to ensure that the model really operates on a level playing field and that the financial advantages that clubs at the very top of the game enjoy, often from disinterested speculators, are smoothed away via further monitoring and, if necessary, regulation, to ensure that such community ownership is given as fair a chance as possible.

Given what has happened with previous reports on the future of football governance, an inevitable note of caution needs to be struck to warn against any complacency which allows the findings of the Crouch Report (2021) to somehow be ignored. Given the lobbying powers of the Premier League and its allies within the game, the notion of a European Super League is far from dead and, with other factors, including potential legal challenges to ensure the continuation of the European Super League project,

the road ahead is potentially fraught with dangers. Indeed, by late 2022 the White Paper on the proposals promised by the government had still not arrived leading to some concern about whether the report's findings would ever be implemented. Following speculation that the incoming Prime Minister, Liz Truss, may veto the report when coming to power in September 2022 (Lewis 2022), it remains to be seen whether, after her 45-day tenure, her successor has potentially similar views. Whilst there was no reason to suspect that this was anything other than speculation, potentially planted in the press by the Premier League, it remains a possibility nonetheless.

Were such a u-turn to occur then the progress made by supporters in finding their way to the top table of the game, with the backing of the government, would be set back hugely although the prospect that a potential general election in the not too distant future may bring a, review-supporting, Labour government to power perhaps is reason to give supporters some hope for the continuation of the implementation of the report's findings. Therefore, as the research has identified, the model is sustainable but requires further intervention to ensure that it remains so.

### **8.3. What changes to the governance of the game are required to support the model?**

The Independent Regulator (IRef) promised by the Crouch Report (2021) is undoubtedly the key recommendation for the future regulation of the professional game in England. The proposals for the regulator included specific reference to regulations that would ensure the future sustainability of clubs going forward.

The key recommendations as far as this research is concerned are:

- The establishment of an independent regulator (IRef)
- IRef to oversee financial regulation to ensure sustainability
- New Owners' and Directors' tests to be established
- A new approach to corporate governance in the game is required to ensure sustainability
- Supporters should be properly consulted by their clubs

Despite no specific mention of assistance to community owned clubs being included in the Crouch Report (2021), given the inability of community owned clubs to penetrate higher within the football hierarchy, the recommendation is that further government intervention is required to make community ownership even easier, via tax breaks for clubs, for example, and, by the same turn, stringent regulation on spending by clubs, particularly within the Championship. At present, as with community pubs, for example, this is about community ownership from the bottom up, and not from the top down and there remains a significant glass ceiling in place preventing the penetration of the model into the upper echelons of the game in England and Wales. Were a club such as AFC Wimbledon, currently playing in the fourth tier in England, to reach the Championship via a sustainable model, it is likely to be able to compete only if the rampant spending currently seen in the division is curtailed. With proper controls, and the allied factor of television money becoming available, there is no reason to suspect that the

community owned model could not succeed at this level. Given the proposal above, and the lack of significant research in the field to date, this is an area worthy of further investigation in the future.

#### **8.4. Theoretical contributions**

##### **The addition of power and urgency have been key to the establishment of the Fan-Led Review**

As we have seen in the very recent history of the governance of football in England and Wales, the legitimacy, set out in the work of Mitchell, Agle and Wood (1997) and shown to have been held by football fans in terms of their involvement of the running of their football clubs was joined, with the establishment of the government's 2021 Fan-Led Review, by both power and urgency. The power given by the government at that time, by granting the report a full reading in parliament to add weight to its findings, also added the factor of urgency.

The demise of Bury FC and the subsequent proposal for a European Super League galvanised government in its belief that an independent regulator was required and, despite the urgency having been lost to a degree by the delay to the government's White Paper planned for Autumn 2022, to a certain extent, there does still, at the time of the completion of this thesis in late 2022 seem to be a will to legislate during early sessions of parliament in 2023.

Delays have, unfortunately, been primarily caused by the rapid succession of prime ministers since the late summer of 2022 and the fluctuation in thinking about whether a statutory independent regulator is required with views on the subject effectively going full circle from the positive view on the subject of the Johnson government via the scepticism of the short-lived Truss government and back to positivity towards the report from the Sunak government. That urgency is still very much required in order to ensure that the powerful lobbying forces within the Premier League and its allies are not seen to have their way by watering down the original recommendation of the 2021 Crouch Report.

##### **Exit remains a possibility should government recommendations not pass into legislation**

Throughout this thesis reference has been made to the work of Hirschmann (1970) on the subject of exit, voice and loyalty. This researcher is perhaps a rare case of an individual deserting their lifelong club primarily due to perceived mismanagement by absentee owners. The history of the community ownership model shows that individuals are willing to leave their clubs in the light of injustice as the cases of AFC Wimbledon and FC United of Manchester demonstrate clearly.

For the phenomena to become more widespread, however, will be a much longer process given the deep-seated love many fans have for their clubs. The closest the English game has seen to a revolt in terms of their continuing support for their clubs came when fans of the "Big Six" demonstrated against the establishment of the European Super League which led to a hasty retreat by the owners of Liverpool, Manchester United, Manchester City, Chelsea, Tottenham Hotspur and Arsenal and showed that despite almost unfathomable loyalty there was a tipping point that should not be reached. Time will tell

if indeed fans really would walk away from their clubs and if, ultimately, those owners would actually care if they did.

### **Individuals remain the model's greatest strength and, potentially, its greatest weakness**

For the supporters' trust model and its club extension, the community owned club, to sustain itself in the long-term it is crucial that the current level of volunteers in the movement is not only sustained but, in the majority of cases, increased. Whilst those clubs in community ownership at the very top level of the game, AFC Wimbledon, Exeter City and Newport County and some of the larger non-league clubs such as FC United of Manchester have significant numbers of permanent staff, the majority of those in community ownership rely on the goodwill and work of a small army of volunteers.

Recent evidence (Preston 2019) suggests that, even before the pandemic, numbers of volunteers in sporting organisations and similar were already beginning to drop and, with pressure on individual's time increasing since early 2020, this is a trend likely to continue for the foreseeable future. As a result, football in general, and community owned clubs in particular, are going to have to attract new recruits to their ranks. The pressure of volunteering over a long period of time, particularly in a high-pressure environment as that of a community owned football club has led many to walk away from their clubs, without proper substitution and succession planning ever being put in place. As we saw, this sometimes leads to the mutual model falling back into the hands of those more used to the privately owned organisation and a consequent watering down of the concept of co-operative ownership.

It is incumbent upon the movement to ensure that those volunteers of the future are not only enthusiastic but well-trained and protected from some of the effects that can lead to burnout. Traditionally, football club volunteers have been more senior in terms of age and the key to the future of clubs now is to attract a younger generation to the joys of both football and the concept of volunteering. Whilst this situation is by no means unique to the community ownership model, there is undoubtedly, at many clubs, a reliance upon a small army of volunteers in keeping clubs running which would, were they to leave for whatever reason, would leave many community owned clubs struggling to replace them.

Those individuals that have sustained the model throughout the last twenty years have grown older with little sign of the aforementioned succession planning and, without considerable thought being given to this attraction of new talent, the movement potentially stands to lose a great deal if they are not to evolve as organisations. To date, those individuals have been their clubs' greatest strength and, unfortunately, if there is not a throughput of new faces being drawn into the movement as volunteers, the likelihood is that it will have to face up to those problems in the not-too-distant future.

### **Key stakeholders such as fans in football, are worthy of further study in the future**

Another contribution that this study makes to the current understanding of the community ownership model in football concerns the use of stakeholder theory in the realm of football in an area where there has been little in the way of writing on the subject. Clearly, football supporters are a unique stakeholder

in terms of their unflinching loyalty to their club. This loyalty has, however, been regularly exploited by club owners who have, at the same time, often denied fans any form of voice within their clubs. Recent events have proved that, with fan involvement in the Fan-Led Review, this relationship is beginning to change and the consultation of the key stakeholders in the game is bringing about an unprecedented change in the way that football is going to be governed in the future in England and Wales.

These developments are undoubtedly worthy of further study, particularly in respect of how the relationship between club owners and fans has mutated from a total lack of engagement to being forced to, as a result of government intervention, (and hastened by the big clubs' own lack of awareness) engage with their fans whilst also emphasising the importance of supporters and their communities.

As we also saw in Chapter 3, the idea of supporter expectation, particularly at clubs such as Wrexham where success at their level is almost demanded by the fans, makes the model difficult to sustain. This too is worthy of further study.

### **Community ownership is beginning to thrive and such clubs can be more sustainable than their privately-owned counterparts**

Even though community owned football clubs operate in a hyper-capitalist world that, in the short term, shows little evidence of changing, such clubs have been able to thrive, particularly at the lower levels of the game. Whilst the glass ceiling of the Championship in England appears unable to be broken, as of now, three community owned clubs are competing in Leagues One and Two and the model is building sustainable clubs further down the football pyramid, with new clubs now entering into supporter ownership as a result of a strategic decision, not as a result of a crisis as has happened on so many occasions in the past.

This marks a notable sea change, and a landmark moment for the movement, which has seen just one community owned club enter administration at the same time as over half of the privately owned clubs in the Football League have themselves entered administration. With high-profile cases continuing, at Bury, Wigan Athletic and Macclesfield Town, the fact that community ownership isn't considered a natural response to administration, in most cases, remains a mystery, given the findings of this thesis on the sustainability of such clubs. The private model has, as has been shown, continued to see a boom-and-bust cycle of owners coming into clubs, often believing there is money to be made in the game when there clearly is not, becoming bored once things are proving to be unsuccessful and ultimately plunging clubs into crisis as a new owner is sought. As has so often been the case, most recently seen at Bury, an owner often continues to plough money into a club that is already seriously in debt, ultimately leading to collapse. Clearly, in such circumstances, the private model of football club ownership could be argued to have failed.

That said, there is a need for some caution, given that the model has instances where excesses at privately owned clubs is mirrored in community ownership, as referred to, in the case of Lewes FC, for example, where directors have contributed over £1M since the establishment of the supporter owned

model in 2010. This does, however, remain an outlier and a rarity as the vast majority of community owned clubs are run responsibly, within budget and on a sustainable basis, with many clubs able to compete, even against much higher-spending rivals.

### **8.5. The sustainability of the community ownership model**

Having looked earlier at the theories surrounding democracy and stakeholder involvement and their influence on the supporter ownership model, it is important now to reflect on those theoretical perspectives in the light of the findings.

Clearly, the major theme, a theoretical subset of stakeholder theory, is the issue of sustainability. Much work has focused on the perceived failings of the co-operative model and, most certainly within the realm of football, there has been little work completed that has analysed the private ownership model, and its consistent failings, by comparison to that of community ownership where failures continue to be relatively few. Champions of the private ownership model will no doubt focus on the fact that football clubs do, in fact, have a certain resilience and cases such as that at Bury and, in the past, at Portsmouth where the club was taken into administration by several owners, are rare inasmuch as the clubs do, invariably, continue but, with administrations showing an increase recently, there remains real concern about the sustainability of football clubs in England and Wales. This is particularly challenging in the Championship where the collective debt leaves many of the clubs teetering on the brink of collapse. The unique nature of the business means that, with the support of fans, clubs are usually saved, but there needs to be a real examination, and further research, as to why they are getting into such financial difficulties in the first place.

Quite simply, the lack of regulation referred to above is the major cause of the instability and financial recklessness that has been allowed to continue in the divisions below the Premier League with the top division the only league able to function with clubs as normal businesses due to the gargantuan size of the television broadcast incomes. There are even challenges here, as has been proved all too frequently in cases such as that at Brighton and Hove Albion where, not simply as a result of the Covid pandemic, losses have been astronomical - over £67M for 2019-20. (Sussex Live 2021). By contrast, supporter owned clubs are, in the main, trying to retain the ideology of sustainability by living within their means and this attitude is surely to be championed going forward to avoid more clubs getting into difficulty and entering administration.

Unfortunately, as things stand prior to any introduction of an independent regulator, the Owners' and Directors test that the EFL and PL carry out is not sufficiently strong to ensure that rogue owners are not investing in clubs in the EFL, in particular, with Charlton Athletic (again) just the latest club to suffer from a catalogue of owners seeking to make a quick buck from the game which they misguidedly perceive to be awash with money. Once again at Charlton, at a club where we saw some of the earliest fan activism, new battles lie ahead for the fans who must be tired of the relentless campaigning of the past thirty years or so (BBC Sport 2020e).

As we have seen in the above chapters on the theoretical underpinning of the supporters' trust and community ownership model, democratic theory and stakeholder theory provide the basis on which the movement has been built. Put simply, the democracy inherent in the mutual model provides a stabilising force in many instances, particularly following administration at clubs and the tenets of stakeholder theory, are then used by the new owners under the Community Benefit Society model, propagated by Supporters Direct and then the Football Supporters' Association, to engage with and develop their relationship with not only the fans but the local communities in which their football clubs reside.

The process of democratisation, another facet of democratic theory, often bringing football fans that had never previously engaged with either mutual organisations or even the democratic process itself, has often been in the context of the rapid and recent demise of a beloved football club that had found its way into the hands of an unscrupulous owner who had led the club to the brink of collapse.

With the setting up of a supporters' trust in the initial instance, this democratisation, which has its parallels in the wider political world, was seen to take place with the wider populace showing an interest in the ownership of the football club, primarily as a means of saving it from extinction. It has often, however, been one that was not consciously understood as happening by many of those on the ground in such club rescues but more a natural by-product of the "all hands to the pump" nature of the rescue of the club concerned.

As we saw in the definitions of democracy, it has been described as a process that is part of a wider system of assisting one's fellow man in the spirit of community, again a particularly resonant explanation when referring to the community-based nature of clubs and the community spirit required to rescue a football club. As Parekh (2015) identified, and we have seen throughout this research, democracy itself stood or fell by whether those involved contributed to it and whether they continued to believe in it. Here lies the key factor in the future sustainability of the movement, whether those individuals involved in it continue to believe in it and whether others succeeding them can take it on in the same spirit of democracy and community. Should all of this be in place, the system will no doubt flourish.

References in the theory section above to the works of De Tocqueville (1835), Dahl (1998) and Crick (2002) showed the stages of democracy, with De Tocqueville in particular pointing to the ending of the domination of elites by a wider, more pluralistic, system. Whereas previous generations had used a lack of education as a deterrent to involvement, Jeffersonians sought to broaden participation. Again, we see here a huge resonance in the world of football around the transition to democracy – this move from private ownership to mutual ownership.

Ultimately, what is being said here is that there may be a preference, amongst supporters with this more pluralistic view, to their club being run by like-minded individuals as opposed to those who are distant from the club and unaccountable due to their total domination of the shareholding of the club. The democratic process should therefore, as Schmitter and Karl (1991) and Whitehead (2002) identify, not be about accountability and change as a short-term measure, but as a long-term process. Shapiro

(1999) sets out the argument for democratisation in the context of the football club ownership world when he says that that democratisation is imperative to “minimize domination”.

As was also seen in the theoretical section above, writers such as Dahl (1998) see that in a market capitalist economy there is an “antagonistic cohabitation” between democracy and the economy in which they reside. This too also has resonance in the highly capitalist world of professional football at least where democratically run clubs are running alongside those that are owned by oligarchs, Middle Eastern states and billionaires who run them as their own particular fiefdoms. Here we can see echoes of Dewey’s (1931) theory that business casts a shadow over society and that, again in football terms, the Premier League and Champions League, for example, cast a long shadow over the rest of football in pure money-making terms.

Hirschmann’s (1970) theory of exit was also examined extensively and the idea of exit was put to several of our interviewees. The idea of exit to many football fans is anathema to them, however, it is clear that, increasingly, a lack of voice in major football clubs for fans is becoming a source of annoyance with some perhaps considering exit from their clubs i.e. withdrawing their support. The community ownership model, by contrast, should enable all fans to have a voice in the running of their clubs. In reality, this works better at some community owned clubs than others with democracy on show at Exeter City, for example, and a contrasting lack of communication, democracy and voice at places such as Lewes FC and FC United of Manchester which are creating ongoing problems with each club’s fans.

From a stakeholder theory perspective, at community owned clubs themselves, once democracy has seen the fans take control, stakeholder management has been implemented with the key stakeholder - the fans - at the heart of all decision-making then the process is some way towards being complete. Those clubs that continue to be privately owned strive to bring in the concept of fan involvement and voice with some of the largest Premier League clubs, Manchester United, Chelsea, Newcastle United and Arsenal, for example, still seeking more extensive engagement with their fans without which some fans may consider the exit that Hirschmann (1970) describes. Indeed, as referred to above, in this researcher’s own case, exit has already occurred. This may be an area where the enforced changes recommended in the Crouch Report (2021) will go some way to alleviating the problems.

Freeman’s (1984) belief that key stakeholders are those “that make a difference” can be seen as the concept that underpins the supporters’ trust and community ownership model, with those key stakeholders clearly not only being influential, but controlling the entity in its entirety. There is another concept that further underpins the supporters’ trust movement that, in contrast to the private ownership of football clubs, the fans themselves have, as Clarkson (1995) says, “ownership rights”, or rights that go way beyond the mere holding of shares, a more intangible right built up through many years of loyalty and family attendance at games. Mitchell, Agle and Wood’s (1997) advocacy of urgency, alongside power and legitimacy in being the key to stakeholder influence directly relates to the needs of supporters within their football clubs as primary stakeholders.



Taking stakeholder theory a stage further, Mansell (2015) emphasises the importance of organisations being run for the benefit of society which again shines a light on the strength of the community ownership model where many clubs are not just football clubs but major players in the local economy and community. This contrasts sharply with the behaviour of many of the larger clubs which goes some way to explaining why, as Hemmati (2002) states, “many businesses simply don’t see why stakeholders...should have a say in their policies”, again explaining the attitude of many club owners, a number of whom become the last private owners before their clubs collapse financially and end up in the hands of supporters. This sustainable development theory clearly resonates in the model we have seen advocated above.

Many theorists in stakeholder management see this theory as being a “moral” approach to business. For example, Phillips, Freeman and Wicks (2003), who highlight this moral advocacy, again seeing resonance in the world of community ownership in football where the ownership rights that Clarkson (1995) identifies are actually more of a “moral” right. Criticisms that the model has faced in this area where managerialism can creep in, or management decisions can often be unaccountable, are countered by pointing out that the lack of accountability is far more prevalent within the shareholder model. The elected officials at community owned clubs and supporters’ trusts are able to make decisions on the membership’s behalf, but are, ultimately, still answerable to their members.

Whilst there has undoubtedly been an improvement in club finances recently, in many cases due to the amount of money being distributed by the Premier League and salary caps in Leagues One and Two, there is a worrying trend back towards a level that could see more clubs facing financial hardship. Indeed, the Covid-19 pandemic has also seen a number of non-league clubs take the decision to withdraw from their respective leagues (Fan Banter 2020).

As we saw above, the primary gauge of success for many of our interviewees stemmed from the lack of sustainability previously prevalent within the game of football. As a measure, the longevity of a community-owned club has to be its main object and here we can see a significant factor in favour of the supporter ownership model. Contrast this to the table below, which shows privately-owned clubs that have gone into administration since the year 2000.

There are obviously examples, referred to above (and set out below), of failures at supporter owned clubs in the past, most notably at Stockport County and there are also a number of examples of supporter owned clubs reverting back to private ownership on a vote by their members, at Portsmouth, Brentford, Wycombe Wanderers, Telford United and Wrexham, but the overwhelming majority of supporter owned clubs appear to be sustaining themselves and are intending to remain that way for the foreseeable future.

As a guide, the following shows the clubs concerned, the year that they became supporter owned and the reasons, in more detail, as to why the club left community ownership:

**Table 3 - Supporter Owned clubs – those returning to private ownership**

Northampton Town	1992	1999	Taken over by private business interests
Notts County	2003	2009	Sold to Munto Finance by trust – later exposed as fraudsters
Stockport County	2005	2009	Club went into administration and was taken over by the 2015 Group
Chesterfield	2001	2005	Supporters' trust ceded control to four local businessmen
AFC Telford United	2004	2017	Relinquished community ownership to secure outside investment
Portsmouth	2013	2017	Bought by the Eisner family following a vote of trust members
Brentford	2006	2014	Bought by supporter Matthew Benham following a vote of trust members
Rushden & Diamonds	2005	2006	Trust given control by Max Griggs. Trust then handed control to Keith Cousens in 2006 before liquidation in 2011 Later reformed as a CoC.
Wycombe Wanderers	2012	2019	Taken over by American Investor, Rob Couhig.
Wrexham	2011	2020	Sold to Hollywood stars Ryan Reynolds and Rob McElhenney

Analysing what has happened at the clubs since leaving community ownership gives an interesting insight into what a post-community ownership world looks like for clubs and how much effect the reversion to private ownership has.

Northampton Town have remained relatively stable, with some agitation amongst fans recently about the ownership of the club but having been in the fourth tier in 1999 (and being promoted to the third tier in the 1999-2000 season) they remain in League One.

Notts County, whose move from community to private ownership proved particularly disastrous, were promoted from League Two to the third tier just prior to the takeover by Munto Finance, which was sanctioned by the club's supporters' trust. The club subsequently fell to the bottom of the second tier in 2017, under the stewardship of another questionable owner, Alan Hardy, and fell into the National League for the first time in the club's history at the end of the 2018-19 season, when the club were once again sold to further private investors. Since their relegation the club have been beaten in a play-off final at Wembley by Harrogate Town in 2020 and, at the time of writing, sit in the lower reaches of the play-off places in the fifth tier, two tiers below where they were when they left community ownership.

Stockport County spent the whole of the 2009-10 season in administration, following the failure of the supporters' trust ownership and the subsequent takeover by the 2015 Group. That season they won just five games and finished bottom of League One, 18 points adrift of their nearest rival. The 2010-11 season saw matters go from bad to worse when they again finished bottom of the League and were relegated to the Conference National before facing relegation once again in 2012-13 to the sixth tier of English football for the first time. The club were National League North champions in 2018-19 and, at the time of writing, are in just below the play-off places in the National League in the 2021-22 season meaning they currently play two tiers below where they were when they left community ownership. Any analysis of this situation, however, must consider the serious financial situation the club were in when the club reverted back to private ownership.

Chesterfield saw relative stability between the years of 2005, and their takeover by four local businessmen and the 2015-16 season, until two successive relegations saw the club playing in the National League in 2018-19 and in the hands of an owner who was clearly intent on handing over the reins. A takeover by the club's flourishing community trust in 2020 will be worthy of further research and, after two difficult seasons in the National League, the club is top of that league at the time of writing. Once again, we can see that a club reverting back to private ownership is now playing two divisions below the level they were at when they left community ownership.

Rushden & Diamonds reformed under community ownership again in 2011 and have progressed through three divisions since their reformation which has been a marked success with attendances increasing accordingly. Telford United's move in the opposite direction ownership wise has seen them remain in the National League North and maintain a mid-table placing each year since the move back into private ownership. This relative stagnation has been mirrored at Portsmouth, following Michael Eisner's Tornante company takeover, although the club have had two unsuccessful trips to the play-

offs (once in the semi-finals and once in the final on penalties) and two trips to Wembley in the Checkatrade/Papa John's Trophy earning one win and suffering one defeat (also on penalties). From Ashley Brown's (the club's chair under community ownership) interview, it was clearly his belief that, had the club retained community ownership, the fan owners would have been prepared to really push for promotion in one of the years in which they suffered defeats in the play-offs. (Interview, 4th March 2018).

By contrast to all of the above, the purchase of Brentford has seen the club go from strength-to-strength with the club challenging for promotion to the Premier League in both the 2019-20 and 2020-21 seasons following solid mid-table Championship finishes in the preceding seasons. The club were eventually promoted to the Premier League at the end of the 2020-21 season. All of this must, however, be seen in the light of the investment of Matthew Benham in the club where, despite significant sums being raised by a shrewd transfer policy relying on buying players cheaply and selling them on for significantly higher amounts, the investment made by Benham personally has exceeded £100million which appears to be the cost of gaining promotion from the Championship to the Premier League. (Companies House 2020).

The takeovers at Wrexham and Wycombe Wanderers are very much in their infancy, however, following Wycombe's promotion to the Championship at the end of the 2019-20 season, the club struggled and suffered relegation back to League One after one season.

We can therefore surmise from the above that, despite the belief amongst the fan base to the contrary, the reversion of clubs back to private ownership, and in particular into the hands of purportedly "wealthy" investors, the reality is that there is no significant difference as a result of the change and, in several cases shown above, even a stagnation or drift of clubs following those takeovers. Wrexham, with a significant £2M investment from Ryan Reynolds and Rob McElhenney, will undoubtedly succeed in their ambition to be promoted back to the EFL, although the serious concern around longevity of investment is real given that the club has immediately become part of a Netflix documentary which, if estimates are correct, will earn the investors their money back. The question then becomes, how long will they stay invested in a club to which they have no history with whatsoever?

We can see that by looking at the criticisms of the various associated movements, from co-operatives to mutual and supporters' trusts and supporter-owned clubs, there is a clear similarity to the pressures that the movement faces. From the creep of managerialism within Mondragon in the Basque country (Heras-Saizarbitoria and Basterretxea 2016) to the UK government spinning out of public services into mutuals that many believe will end in them being privatised once again, there are many examples to be seen. Within football, the problems seen at FC United of Manchester reflect such pressures in keeping the democratic principles at the forefront of an organisation's development when others become involved without the background and core principles of mutualism and democracy at their heart. As Treharne (2105) points out, the need for new blood in the movement once those who have campaigned for change have lost their initial impetus is required for such cooperatives and mutuals to remain not only sustainable but also to adhere to their founding principles. For creeping managerialism at

Mondragon, read reversion to stereotyped football managers at Exeter City, it seems the dominance of capitalism threatens the movement on so many levels.

The community ownership model in professional and semi-professional football in England and Wales is undoubtedly sustainable and, in fact, potentially more appropriate for the running of football clubs than the private ownership model in the future. With government regulation via a new, empowered, governing body or regulator and with the consequent levelling of the playing field to allow more clubs to compete at the top of the game it is likely that the model will not only continue to be replicated at more clubs, but it will actually continue to flourish.

## **8.6. Future research**

Once the dust has settled on the government's intervention in the governance of the game, further research into the impact of (if it does come to pass) an independent regulator will undoubtedly be required, as will further study of the development of the model under that regulator.

As regards the future study of the application of stakeholder theory in the realm of football in an area where there has been little in the way of writing on the subject, clearly, football supporters are a unique stakeholder in terms of their unflinching loyalty to their club. This loyalty has, however, been regularly exploited by club owners who have, at the same time, often denied fans any form of voice within their clubs. Recent events have proved that, with fan involvement in the Fan-Led Review, this relationship is beginning to change and the consultation of the key stakeholders in the game is bringing about an unprecedented change in the way that football is going to be governed in the future in England and Wales.

These developments are undoubtedly worthy of further study, particularly in respect of how the relationship between club owners and fans has mutated from a total lack of engagement to being forced to, as a result of government intervention, (and hastened by the big clubs' own lack of awareness) engage with their fans whilst also emphasising the importance of supporters and their communities.

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## APPENDIX 1 – SUPPORTERS TRUST MODEL RULES



### MODEL RULES FOR A SUPPORTERS COMMUNITY MUTUAL (2021 VERSION)

#### **Sponsoring Body for registration purposes:**

The Football Supporters' Association  
1 Ashmore Terrace, Stockton Road, Sunderland SR2 7DE





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## RULES

### NAME AND DEFINITIONS

1. The name of the Society is to be XXXX and it is called “the Society” in the rest of these Rules;  
  
XXXX Football Club is called “the Club”; and XXX and its surrounding area is called “the Area”.

### INTERPRETATIONS

2. In these Rules:

**"the Act"** refers to the Co-operative and Community Benefit Societies Act 2014 or any Act or Acts amending or in substitution of it for the time being in force;

**"Address"** means a postal address or, for the purposes of electronic communication, email address or telephone number for receiving text messages;

**"The Society"** means the above-named society;

**"The Society Board" or "the Directors"** means all those persons appointed to perform the duties of Directors of the Society;

**"Director"** means a director of the Society and includes any person occupying the position of Director, by whatever name called;

**"Society Board Meeting"** includes, except where inconsistent with any legal obligation, a physical meeting, a meeting held by electronic means and a meeting held by telephone;

**"Electronic Means"** shall include email, video links and secure authenticated website transactions;

**"Employee"** means anyone over the age of 16 holding a contract of employment with the Society to perform at least eight hours of work per week for the Society;

**"Independent Examination"** means an independent examination of the Society's accounts which may only be carried out:

- with reference to guidance issued by the Football Supporters' Association; and
- in years in which the Society has disappplied the obligation to conduct an audit in accordance with section 83 of the Act.

For the avoidance of doubt, if the Society is obliged under section 85 of the Act to produce a report on its accounts and balance sheet it must do so even if it also carries out an Independent Examination for that year of account.]

**"Member"** has the meaning as detailed under 'Membership' in these Rules;

**"Person"** means, unless the context requires otherwise, a natural person, unincorporated body, firm, partnership, corporate body or any representative of an unincorporated body, firm, partnership or corporate body;

**“Registered Society”** means a society registered under the Act;

**"Registrar"** means the Financial Conduct Authority or any successor body in function;

**"Rules"** means the Society's Rulebook;

**"Writing"** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

### 3. **COMMUNITY BENEFIT PURPOSE**

The Society's purpose is to be the vehicle through which a healthy, balanced and constructive relationship between the Club and its supporters and the communities it serves is encouraged and developed. The business of the Society is to be conducted for the benefit of the community served by the Club and not for the profit of its members.

### 4. **OBJECTS**

The Society's Objects are to benefit the community by:

- 4.1 being the democratic and representative voice of the supporters of the Club and strengthening the bonds between the Club and the communities which it serves;
- 4.2 achieving the greatest possible supporter and community influence in the running and ownership of the Club;
- 4.3 promoting responsible and constructive community engagement by present and future members of the communities served by the Club and encouraging the Club to do the same;
- 4.4 operating democratically, fairly, sustainably, transparently and with financial responsibility and encouraging the Club to do the same;
- 4.5 being a positive, inclusive and representative organisation, open and accessible to all supporters of the Club regardless of their age, income, ethnicity, gender, disability, sexuality or religious or moral belief.

### *POWERS*

5. The Society may achieve these Objects, in whole or in part, through an interest or interests in companies or societies provided that the objects of the companies or societies are consistent with the Society's Objects. In particular, in pursuit of these Objects (but not otherwise) the Society may:
  - 5.1 acquire an interest in or ownership of the Club;
  - 5.2 secure democratic and accountable representation on the Club's Board;
  - 5.3 take any other steps in relation to the Club which enable it to exercise the greatest possible influence in the ownership, governance and management of the Club.
6. In order to achieve its Objects, the Society may either itself or through a subsidiary company or society acting under its control:

- 6.1 buy, sell and lease property;
- 6.2 borrow;
- 6.3 grant security over its property and assets;
- 6.4 establish promote and maintain for the purposes of the Society any lawful fundraising scheme;
- 6.5 buy and hold shares in the Club;
- 6.6 hold and exercise proxies for shares in any company owning or controlling the Club either itself or through a subsidiary;
- 6.7 promote means to give supporters greater opportunity to invest in the Club;
- 6.8 award pensions, allowances, gratuities and bonuses to past and present employees (including their dependants and people connected with them) of:
  - 6.8.1 the Society;
  - 6.8.2 any predecessor of the Society; and
  - 6.8.3 any subsidiary company or society of the Society;
- 6.9 set up and maintain itself or with other trust funds or schemes (whether contributory or non-contributory) intended to provide pension or other benefits for the people referred to in the preceding sub-paragraph;
- 6.10 indemnify or take out and maintain insurance for the benefit of people who are or were:
  - 6.10.1 members of the Society Board; or
  - 6.10.2 officers; or
  - 6.10.3 employees; or
  - 6.10.4 trustees of a pension fund

of the Society or any subsidiary company or society of the Society against any liability which they may have as a result of their involvement with the Society or its subsidiaries;
- 6.11 indemnify or take out and maintain insurance for the benefit of people who are or were elected or nominated by the Society to serve on the board of any company owning or controlling the Club;
- 6.12 so far as permitted by these Rules take out and maintain insurance against any risks to which the Society may be exposed;
- 6.13 co-operate with other supporters' organisations, co-operatives and societies conducted for the benefit of the community at local, national and international levels;
- 6.14 do anything else which is necessary or expedient to achieve its Objects.
- 6.15

## **APPLICATION OF SURPLUS**

7. The surpluses of the Society are not to be distributed either directly or indirectly in any way whatsoever among members of the Society but shall be applied:
  - 7.1 to maintain prudent reserves;
  - 7.2 on expenditure to achieve the Society's Objects;

## **INTEREST ON SHARE CAPITAL**

8. The surpluses of the Society are also not to be distributed either directly or indirectly in any way whatsoever among members of the Society but shall be applied to pay interest on or repaying issued share capital in accordance with the provisions of these Rules.

## **ASSET LOCK**

9. Restriction on use: Pursuant to regulations made under section 29 of the Co-operative and Community Benefit Societies Act 2014 (2014 Act):

All of the Society's assets are subject to a restriction on their use.

- 9.1 The Society must not use or deal with its assets except-
  - 9.1.1 where the use or dealing is, directly or indirectly, for the purpose that is for the benefit of the community;
  - 9.1.2 to pay a member of the society the value of their withdrawable share capital or interest on such capital;
  - 9.1.3 to make a payment pursuant under section 36 (payments in respect of persons lacking capacity). 37 (nomination by members of entitlement to property in society on member's death) or 40 (death of a member: distribution of property not exceeding £5,000) of the Co-operative and Community Benefit Societies Act 2014;
  - 9.1.4 to make a payment in accordance with the Rules of the Society to trustees of the property of bankrupt members or, in Scotland, members whose estate has been sequestrated;
  - 9.1.5 where the Society is to be dissolved or wound up, to pay its creditors; or
  - 9.1.6 to transfer its surplus assets to
    - 9.1.6.1 a charity (including for this purpose a community benefit society that is charitable) with the same or similar charitable purposes as the Society
- 9.2 Any expression used in this Rule which is defined for the purposes of regulations made under section 29 of the 2014 Act shall have the meaning given by those regulations.

## **MEMBERSHIP**

10. The members of the Society are the people whose names are entered in the register of members. The first members are the people who sign these Rules in applying for registration.
11. Membership is open to any individual, unincorporated body, firm, partnership or corporate body who or which:
  - 11.1 is a supporter of the Club; or
  - 11.2 has an interest in the game of football in the Area and is in sympathy with the Objects of the Society; and
  - 11.3 agrees to take an active interest in the operation and development of the Society and its business;
  - 11.4 agrees to respect commercial confidentiality in relation to business decisions of the Society; and
  - 11.5 agrees to be bound by these Rules and by Rules 3 and 7 in particular.

The Society Board shall have power to refuse membership to any person who does not, in the opinion of the Society Board, meet these requirements.

12. Every member holds one ordinary share in the capital of the Society. No member may hold more than one ordinary share in the Society either individually or jointly.
13. The Society Board will decide and issue a form of application for membership. Members are to pay an annual subscription of such reasonable sum as the Society Board shall decide, the first payment to be made at the time of application for membership. The sum of £1 from the first payment shall be applied to purchase an ordinary share in the Society.
14. A corporate body or firm which is a member may by resolution of its governing body appoint any person it thinks fit to be its deputy and revoke such an appointment. A copy of any such resolution signed by two members of the governing body and in the case of a local authority by the authorised officer of the Council shall be sent to the Secretary of the Society. The deputy will be entitled to exercise all rights of membership on behalf of the corporate body including seeking election as an officer and speaking and voting at any general meeting. References in these Rules to a member being present in person include members which are corporate bodies being present through their deputy. No person may act as deputy for more than one corporate body or firm which is a member.
15. Members of the Society under 16 may not:
  - 15.1 be a member of the Board of Directors; nor
  - 15.2 vote at a general meeting, either in person or by proxy; nor
  - 15.3 vote in any election to the Board of Directors
16. No person under the age of 16 may be an officer of the Society

## **SHARES**

17. The Society has ordinary shares and may have Community Shares in accordance with the provisions set out at Rule 21.

18. The following provisions apply to shares in the Society:
- 18.1 Shares shall be withdrawable only in accordance with the provisions of these Rules;
  - 18.2 Shares shall not be transferable except on death or bankruptcy or with the consent of the Society Board;
  - 18.3 Application for shares shall be made to the Board of the Society who shall allot to members, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted to any member shall not exceed the maximum shareholding permitted by these Rules or by law;
  - 18.4 Shares shall be paid for in full on allotment.

### **ORDINARY SHARE PROVISIONS**

- 19. The ordinary shares of the Society shall be of the nominal value of £1.00.
- 20. If a member ceases to be a member, the ordinary share registered in the name of that member is to be cancelled and the amount subscribed for the share is to become the property of the Society.
- 21. Ordinary shares shall not be withdrawable and do not carry any right to interest, dividend or bonus.

### **COMMUNITY SHARE PROVISIONS**

- 22. In order to fund its business, the Society may issue Community Shares. Community Shares may be issued in such denomination and upon such terms as the Society Board shall decide, subject to the Rules, and in particular the following provisions:
  - 22.1 Community Shares shall not be withdrawable except with the consent of the Society Board;
  - 22.2 The Society Board may specify a date or dates on which Community Shares may be withdrawn and may make provision for the withdrawal of different issues of shares on different dates;
  - 22.3 The Society Board may pay interest to holders of Community Shares as compensation for the use of such funds, but the rate of interest shall be no higher than the Society Board considers to be necessary to attract the funding needed for the business of the Society and shall not in any event be higher than 2% above clearing bank base rate from time to time. The rate may vary within these limits between different issues of shares;
  - 22.4 No withdrawal of Community Shares or payment of interest on them shall be made except from trading surpluses and any withdrawal or payment shall be at the discretion of the Society Board having regard to the long term interests of the Society, the need to maintain prudent reserves and the Society's primary commitment to community benefit;
  - 22.5 Community Shares may only be issued to members;

- 22.6 On the solvent dissolution or winding up of the Society, holders of Community Shares shall have no financial entitlement beyond payment of outstanding interest and repayment of paid-up share capital.
- 22.7 Community Shares are not transferable.

## REMOVAL OF MEMBERS

23. A member shall cease to be a member if they:
- 23.1 fail after written demand to pay their annual subscription;
  - 23.2 die (in the case of the individual);
  - 23.3 cease to exist (in the case of a body corporate);
  - 23.4 are the nominee of an unincorporated Society or firm which is wound up or dissolved;
  - 23.5 are the nominee of an unincorporated organisation or firm which removes or replaces them as its nominee;
  - 23.6 are not the holder of a fully paid up share;
  - 23.7 are expelled under these Rules; or
  - 23.8 withdraw from membership by giving written notice to the Secretary.
24. A member may be expelled for conduct prejudicial to the Society in accordance with any Disciplinary Policy adopted by the Society (which is to comply with any guidance issued by the Football Supporters' Association).

## ORGANISATION

25. The powers of the Society are to be exercised by the members and the Board of the Society in the way set out in the Rules which follow.

## RIGHTS AND POWERS OF MEMBERS

26. The members have the following rights and powers:
- 26.1 the rights and powers available to them under the law relating to Community Benefit Societies and are to decide in particular the issues specifically reserved to them by these Rules; **25.2 (in previous version) removed**
27. The members may by a resolution carried by not less than two-thirds of the members voting in person or by proxy at a general meeting but not otherwise give directions to the Society Board. A member wishing to propose a members' resolution for consideration at a general meeting shall give notice in writing to the Secretary of such wish, and the justification for, form and content of the resolution, not later than noon 28 days before that meeting is to be held. The following provisions apply to any directions given:
- 27.1 any direction must:
    - 27.1.1 be consistent with these Rules and with the Society's contractual, statutory and other legal obligations; and



27.1.2 not affect the powers and responsibilities of the Society Board under Rule 27.

27.2 Any person who deals with the Society in good faith and is not aware that a direction has been given may deal with the Society on the basis that no direction has been given.

## **DUTIES AND POWERS OF BOARD OF DIRECTORS**

28. The Society Board is to ensure that the business of the Society is conducted in accordance with these Rules and with the interests of the community and in accordance with the Board Membership and Conduct Policy adopted by the Society (which is to comply with any guidance issued by the Football Supporters' Association). The Society Board:

28.1 may exercise all the Society's powers which are not required by these Rules or by statute to be exercised by the Society in general meeting;

28.2 may delegate any of its powers to committees consisting of such of its own number (and others, provided that Society Board members remain in a majority on such committees) as it thinks fit who shall, in the function entrusted to them, conform in all respects to the instruction given to them by the Society Board. The following provisions apply to any such delegation:

28.2.1 any delegation may be revoked and its terms may be varied;

28.2.2 the proceedings of any sub-committee shall be governed by the rules regulating the proceedings of the Society Board so far as they are capable of applying;

28.3 shall determine from time to time the categories of transaction which require the approval of the Society Board

28.4 shall approve the use of the Society's seal (if any).

## **GENERAL MEETINGS**

29. The Society shall, within six months of the end of the financial year, hold a general meeting of the members as its Annual General Meeting and shall specify the meeting as such in the notices calling it. The first Annual General Meeting may be called by the Society Board at any time within this period. The Society is to ensure that all general meetings are accessible so as to encourage participation in them by members. All general meetings are to be held in accordance with the Society's Standing Orders for General Meetings, which shall be determined by the Board of Directors and must comply with any guidance issued by the Football Supporters' Association.

30. The business of an Annual General Meeting shall normally comprise, where appropriate:

30.1 the receipt of the accounts and balance sheet and of the reports of the Society Board and auditor (if any);

30.2 the appointment of an auditor, if required;

30.3 the election of the Society Board or the results of the election if held previously by ballot;

- 30.4 the audit of any other aspect of the performance of the Society;
- 30.5 the application of surplus; and
- 30.6 the transaction of any other business included in the notice convening the meeting.

The business of any general meeting shall comprise:

- 30.7 consideration of any member's resolution, notice of which has been given to the Secretary in accordance with Rule 26;
  - 30.8 consideration of any resolution proposed by the Board; and
  - 30.9 consideration of any other business relating to the affairs of the Society which any member or the Board may wish to raise but no resolution may be put to the vote of the meeting under this item.
- 31. All general meetings other than Annual General Meetings are called special general meetings.
  - 32. The Secretary, at the request of the Board of Directors may convene a general meeting of the Society. The purpose of the general meeting shall be stated in the application and notice of the meeting.
  - 33. The Board of Directors upon an application by not less than 20 members or 5% of the membership, whichever is the greater, delivered to the Society's registered office, shall convene a general meeting. The purpose of the special general meeting shall be stated in the application and notice of the meeting. No business other than that stated in the notice of the meeting shall be conducted at the meeting.
  - 34. A special general meeting called in response to a members' requisition must be held within 28 days of the date on which the requisition is delivered to the registered office. The meeting is not to transact any business other than that set out in the requisition and the notice convening the meeting.
  - 35. If, within one month from the date of the receipt of the application, the Society Board have not convened a special general meeting, any three members of the Society acting on behalf of the signatories to the application may convene a special general meeting, and shall be reimbursed by the Society for any costs incurred in convening such a meeting.
  - 36. Notice of a general meeting is to be given either:
    - 36.1 in writing; or

where a member has agreed to receive notice in this way, by such electronic means as the Society Board shall decide at least 14 clear days before the date of the meeting. The notice must:

    - 36.1.1 be given to all members and to the members of the Society Board and to the auditors (if any);
    - 36.1.2 state whether the meeting is an annual or special general meeting;
    - 36.1.3 give the time, date and place of the meeting; and

36.1.4 indicate the business to be dealt with at the meeting.

37. Any notice to a member may be given either:

37.1 personally; or

37.2 by sending it by post in a prepaid envelope addressed to the member at their registered address; or

37.3 by leaving it at that address; or

37.4 (if a register of e-mail addresses is maintained by the Society and the member has notified the Society of an e-mail address) by e-mail to their registered e-mail address.

Notices or communications sent by first class post to members at their registered address are deemed to have been duly served 48 hours (excluding Sundays) after being posted. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. The proceedings at a general meeting are not invalid if:

37.4.1 there has been an accidental omission to send a notice to a member or members; or

37.4.2 the notice is not received by a member or members.

38. A member present either in person or by proxy at any meeting of the Society shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

39. Before a general meeting can do business there must be a quorum present. Except where these Rules say otherwise a quorum is 20 members or 5% of the members entitled to vote at the meeting whichever is lower.

40. The Society Board may decide where a general meeting is to be held.

41. If the Society has appointed an auditor in accordance with these Rules, they shall be entitled to attend general meetings of the Society and to receive all notices of and communications relating to any general meeting which any member of the Society is entitled to receive. The auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an auditor.

42. The Chair shall facilitate general meetings. If they are absent or unwilling to act at the time any meeting proceeds to business, then another Society Board member shall facilitate the meeting. If no other Society Board member is present or willing to act, the members present shall choose either one of their number or an independent person recommended by the Society Board to be the Chair for that meeting. If a quorum is not present within half an hour of the time the general meeting was due to commence, or if during a meeting a quorum ceases to be present, the Chair must adjourn the meeting for at least 7 days. If within half an hour of the time the adjourned meeting was due to commence a quorum is not present, the members present shall constitute a quorum.

43. The Chair of a general meeting may adjourn the meeting whilst a quorum is present if:

43.1 the meeting consents to that adjournment; or

- 43.2 it appears to the Chair that an adjournment is necessary to protect the safety of any persons attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.
44. When adjourning a meeting the Chair must specify the date, time and place to which it will stand adjourned or that the meeting is to continue at a date, time and place to be fixed by the Society Board.
45. If the meeting is adjourned for 14 days or more, at least 7 clear days' notice of the adjourned meeting shall be given in the same manner as the notice of the original meeting.
46. No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting if the adjournment had not taken place.
47. Each member shall have one vote on any question to be decided in a general meeting.
48. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a paper poll is demanded in accordance with these Rules. Unless a paper poll is demanded, a declaration by the Chair that a resolution has, on a show of hands, been carried or lost recorded in the minutes of the proceedings of the general meeting shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
49. In the case of an equality of votes, whether on a show of hands or a poll, the Chair shall not have a second or casting vote and the resolution shall be deemed to have been lost.

## **RESOLUTIONS**

50. Subject to the 2014 Act, decisions at general meetings shall be made by passing resolutions:
- 50.1 The following decisions must be made by extraordinary resolution:
- 50.1.1 Any amendment to the Society's Rules;
- 50.1.2 The decision to wind up the Society.
- 50.2 Save as otherwise provided by these Rules all other decisions shall be made by ordinary resolution.
51. An extraordinary resolution is one passed by a majority of not less than 75% of votes cast at a general meeting and an ordinary resolution is one passed by a simple majority of votes cast.
52. Resolutions may be passed at general meetings or by written resolution (which may take electronic form). A written resolution may consist of several identical documents signed by one or more members. For the avoidance of doubt members may vote on a resolution using a secure online voting system and the Society Board shall take the steps necessary to facilitate voting in such a manner including setting out the full text of the resolution(s) to be considered and providing clear instructions to the members on how to cast their votes.
53. A proxy may be appointed and the appointee may instruct the proxy to vote in a particular way or as they think fit. A proxy is to be appointed as follows:

- 53.1 in writing;
- 53.2 in any usual form or any other form which the Society Board may approve;
- 53.3 under the hand of the appointor or of their attorney duly authorised in writing; and
- 53.4 by depositing the appointment document at the registered office of the Society or at such other place within the United Kingdom as the Society shall specify not less than two clear days before the day fixed for the meeting at which the proxy is authorised to vote. Where the appointment document is exercised by an attorney on behalf of the appointor the authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Society Board is to be lodged with the appointment document.
- 53.5 If this procedure is not followed the appointment of the proxy will be invalid.
- 54. The following further rules apply to proxies.
  - 54.1 No person other than the Chair of the meeting can act as proxy for more than 3 members.
  - 54.2 Any question as to the validity of a proxy is to be determined by the Chair of the meeting whose decision is to be final.
  - 54.3 A proxy need not be a member of the Society.
- 55. A vote given or poll demanded by proxy or by the duly authorised deputy of a corporate body, shall be valid unless notice of termination of the authority is received by the Society at the registered office or at any other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded.
- 56. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered. Any objection made in due time about any vote whether tendered personally or by proxy is to be determined by the Chair of the meeting, whose decision is to be final. Every vote not disallowed at the meeting will be valid.

## **CONSTITUTION OF BOARD**

- 57. The Society shall have a Board of Directors comprising not less than [ ] and not more than [ ] persons.
- 58. The initial Directors of the Society from registration until the first Annual General Meeting shall be appointed by the members on whose application the Society is registered.
- 59. Elected Directors shall be elected only in accordance with the Election Policy adopted by the Society.
- 60. Members of the Board of Directors will normally serve for periods of [two or three] years, according to the Society's Board Membership and Conduct Policy.
- 61. At the first Annual General Meeting all members of the Board of Directors shall stand down. A retiring Society Board member shall be eligible for re-election.

62. At the Annual General Meetings following the first Annual General Meeting of the Society [half or one third] of the members of the Society Board first elected by the members (to be chosen by lot) will resign from office. Thereafter the [half or one third] of the members of the Society Board elected by the members who have served the longest at the date of the Annual General Meeting each year will resign. If at any time [there is an uneven number of elected Directors or the number of elected Directors is not divisible by three], the Society Board shall decide the number of elected Directors to resign in accordance with this Rule, which shall be approximately [half or one third] of the total number.
63. New Directors shall be elected in accordance with the Society's Election Policy including by authenticated electronic means and postal ballot. The Society's Election Policy is to comply with any guidance issued by the Football Supporters' Association.
64. The Society Board may at any time co-opt any member of the Society or the representative of an organisation which is a member to fill a casual vacancy in the Board of Directors, provided that at no time shall more than one-third of the members of the Society Board be co-opted members. A casual vacancy shall be deemed to exist if the number of Directors should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
65. The Society Board may co-opt up to [ ] external Directors to the Society Board in addition to the number of Directors specified in these Rules provided that at all times the total number of external Directors and members co-opted under Rule 63 shall be in the minority. A Director co-opted in accordance with this rule shall serve for a fixed period determined by the Society Board at the time of co-option, subject to a review at least every twelve months, may be removed from office at any time by a resolution passed by a majority of the members of the Society Board, and may be remunerated in an amount (to be disclosed in the published accounts) from time to time, as fixed by the Society Board. External Directors shall be selected by virtue of their specialist skills and experience considered to be of benefit to the Society.
66. In the event that the size of the Society Board should drop below the minimum number of members prescribed in these Rules, the Directors may act to increase their number or to call a General Meeting of the Society, but for no other purpose.
67. In the event that the Society's Board should drop to zero, a working party of members can be formed to act to call a general meeting of the Society in order for members to elect a new Board, but for no other purpose.
68. The Society Board shall ensure that the business of the Society is conducted in accordance with these Rules and with the interests of the community and in accordance with any by-laws, policies or procedures adopted by the Society.

## **BOARD MEETINGS**

69. Any two Directors may, and the Secretary on the requisition of a Director shall, call a meeting of the Board of Directors by giving reasonable notice of the meeting to all Directors. Notice of any meeting of the Board of Directors must indicate the date, time and place of the meeting and, if the Directors participating in the meeting will not be in the same place, how they will communicate with each other.
70. The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. All Board meetings are to be held in accordance with the Society's Standing Orders for Board Meetings, which shall be

determined by the Board of Directors and must comply with any guidance issued by the Football Supporters' Association.

71. A Director is able to exercise the right to speak at a meeting of the Board of Directors and is deemed to be in attendance when that person is in a position to communicate to all those attending the meeting. The Directors may make whatever arrangements they consider appropriate to enable those attending a meeting of the Board of Directors to exercise their rights to speak or vote at it including by electronic means. In determining attendance at a meeting of the Board of Directors, it is immaterial whether any two or more Directors attending are in the same place as each other.
72. Questions arising at any meetings shall be decided by a majority of votes cast. For the avoidance of doubt, abstentions are not to be classed as votes cast. In the case of an equality of votes the Chair shall have a casting vote.
73. A written resolution, circulated to all Directors and signed by a simple majority of Directors, shall be valid and effective as if it had been passed at a Society Board meeting duly convened and held. A written resolution may consist of several identical documents signed by one or more Directors.
74. The Board of Directors may, at its discretion, invite other persons to attend its meetings with or without speaking rights and without voting rights. Such attendees will not count toward the quorum.

#### **QUORUM**

75. The quorum necessary for the transaction of business at a meeting of the Board of Directors shall be 50% of the Directors or 3 Elected Directors, whichever is the greater.
76. If at any time the total number of Directors in office is less than the quorum required, the Directors must not take any decisions other than to appoint further Directors or to call a general meeting so as to enable the members to appoint further Directors.

#### **CHAIR**

77. The Chair shall facilitate meetings of the Board of Directors. If they are absent or unwilling to act at the time any meeting proceeds to business, then the Directors present shall choose one of their number to be the Chair for that meeting. The appointment of a Chair shall be an item of business at the meeting.

#### **DECLARATION OF INTEREST**

78. A Director shall declare an interest in any contract or matter in which s/he has a personal, material or financial interest in accordance with the Society's Board Membership and Conduct Policy.

#### **EXPENSES**

79. The Society may pay any reasonable expenses in accordance with the Society's Board Membership and Conduct Policy.

#### **TERMINATION OF A DIRECTOR'S APPOINTMENT**

80. A person ceases to be a Director of the Society as soon as one of the matters listed in the Board Membership and Conduct Policy as bringing a directorship to an end applies.

## **OFFICERS**

81. The Society Board shall elect from among their own number a Chair, Treasurer and such other officers as they may from time to time decide in accordance with the Society's Board Membership and Conduct Policy. These officers shall have such duties and rights as may be bestowed on them by the Society Board or by statute and any officer appointed may be removed by the Society Board.

## **SECRETARY**

82. The Board of Directors shall appoint a Secretary of the Society for such term at such remuneration and upon such conditions as they think fit. Any Secretary so appointed may be removed by them. A provision of the Act or these Rules requiring or authorising a thing to be done by or to a Society Board member and the Secretary shall not be satisfied by its being done by or to the same person acting in both capacities.

## **COMMITTEES OF THE BOARD**

83. The Society Board may delegate any of its powers to committees of the Society Board and in particular may appoint a sealing committee.
84. The Society Board will:
- 84.1 decide the membership of each committee;
  - 84.2 appoint the Chair of each committee;
  - 84.3 lay down the procedure to be adopted by each committee (including the quorum);
  - 84.4 produce a written record of the scope and authority of each committee.

## **FINANCIAL AUDIT**

85. The Society Board will in respect of each year of account ending on [ ]:
- 85.1 ensure that a revenue account or revenue accounts are prepared which:
    - 85.1.1 deal with the affairs of the Society and any subsidiary company or society as a whole for that year; and
    - 85.1.2 give a true and fair view of the income and expenditure of the Society and any subsidiary company or society for that year;
  - 85.2 ensure that a balance sheet giving at that date a true and fair view of the state of the affairs of the Society and any subsidiary company or society is prepared.
  - 85.3 in any year of account, the Society shall not be required to appoint auditors if it is exempt under the Act and has disappplied the obligation to do so in accordance with the Act.
  - 85.4 in any such year, an Independent Examination shall be carried out and all references in Rules 30, 36, 41, 87, 88 and 91 to "auditor(s)" and "audited" shall be read as "Independent Examiner" and "Independently Examined" respectively and Rules 89, 90, 92 and 93 shall not apply.



- 85.5 for the first year of account, provided the Society is exempt from the requirement to appoint auditors in accordance with the Act, the Society Board may resolve, by a majority of at least three-quarters, to disapply the obligations to do so in accordance with the Act.
- 85.6 for the first year of account, where the Society Board has disapplied the obligation to appoint auditors in 85.5 above, this decision must be ratified by the members so resolving by the appropriate margins laid down under the Act at the first Annual General Meeting. Should the resolution to ratify not be passed, then auditors must be appointed and the first Annual General Meeting adjourned until the earliest practicable date at which audited accounts can be presented.
- 85.7 for any year of account after the first, any decision to disapply the requirement for audit must be passed by the appropriate margins laid down under the Act at the Annual General Meeting prior to the Annual General Meeting at which the accounts for the year in question are to be laid before members.
- 85.8 no decision to disapply shall be valid if the accounts laid before the Annual General Meeting at which the decision is being taken indicate that the turnover of the Society in that financial year is higher than the specified threshold for audit exemption in the Football Supporters' Association Membership Policy, should such exemption be allowed under that policy.
86. The Society Board is to lay a revenue account and balance sheet duly audited and signed by the auditor and incorporating the report of the auditor thereon, (if an audit is required) before each Annual General Meeting, accompanied by a report by the Board on the position of the affairs of the Society and any subsidiary or holding company or society signed by the Chair of the Board meeting at which the report is adopted.
87. The Society Board is not to cause to be published any balance sheet unless (if an auditor has been appointed) it has previously been audited by the auditor and it incorporates a report by the auditor that it gives a true and fair view of the income and expenditure, or the state of the affairs of the Society, as the case may be. Every revenue account and balance sheet published is to be signed by the Secretary and by two Society Board members acting on behalf of the Society Board.
88. Subject to Rule 85.4, a qualified auditor must be appointed to audit the Society's accounts and a balance sheet for each financial year. In this Rule "qualified auditor" means a person who is a qualified auditor under Section 91 of the Act.
89. Subject to Rule 85.4, the auditor shall, in accordance with Section 87 of the Act, make a report to the Society on the accounts examined by them and on the revenue account or accounts and the balance sheet of the Society for the year in question.
90. None of the following persons is to be appointed as auditor of the Society:
- 90.1 an officer or servant of the Society; or
- 90.2 a person who is a partner or close relative of or in the employment of or who employs an officer or servant of the Society.
91. Subject to Rule 85.4, the first appointment of an auditor shall be made within three months of the registration of the Society and shall be made by the Society Board if no general meeting is held within that time. The Society Board may appoint an auditor to fill a casual vacancy occurring between general meetings. Except as specified in these

cases, every appointment of an auditor shall be made by a resolution of a general meeting of the Society.

92. Subject to Rule 85.4, an auditor for the preceding financial year shall be re-appointed as auditor of the Society for the current financial year unless:
- 92.1 a resolution has been passed at a general meeting appointing someone else as auditor or providing expressly that s/he shall not be re-appointed; or
  - 92.2 they have given notice in writing to the Society of their unwillingness to be re-appointed; or
  - 92.3 they are ineligible for appointment as auditor of the Society for the current financial year; or
  - 92.4 they have ceased to act as auditor of the Society by reason of incapacity.
93. Any resolution of a general meeting of the Society either to remove an auditor from office or to appoint another person as auditor shall not be effective unless notice of the proposed resolution has been given to the Society at least twenty-eight days prior to the meeting at which the resolution is to be considered. At least fourteen days' notice of such resolution must then be given to members of the Society in the manner prescribed in these Rules and in writing to the auditors.

## **ANNUAL RETURNS**

94. The Society will make an annual return to the Registrar as required by the Act.
95. The Society will supply a copy of the last annual return with all supporting documents to any member on request and without charge.

## **AMENDMENT TO RULES**

96. Unless these Rules say otherwise any Rule may be altered or rescinded, or any new rule may be made, by extraordinary resolution. No change to these Rules shall be valid until registered.
97. In the case of this Rule, Rule 3, and Rule 7 the quorum at any general meeting called to consider a resolution to amend shall be not less than one half of the members entitled to vote at the meeting if the Society has up to 200 members when the meeting is called; not less than one third of the members entitled to vote at the meeting if the Society has more than 200 but less than 1000 members when the meeting is called; and not less than one quarter of the members entitled to vote at the meeting if the Society has more than 1000 members when the meeting is called. Rule 8 may not be amended or rescinded.

## **CHANGES TO THE CONSTITUTION**

98. The Act provides that the Society may by special resolution as defined in the Act:
- 98.1 amalgamate with another society or a company registered under the Companies Acts;
  - 98.2 transfer its engagements to another society or a company registered under the Companies Acts;

98.3 convert itself into a company registered under the Companies Act.

The quorum at any general meeting called to consider such a resolution shall be 50% of the members entitled to attend and vote at the meeting unless the resolution proposes an amalgamation with or transfer of engagements to another Registered Society trading for the benefit of the community and having provisions in its rules substantially identical to Rule 3, Rule 7, Rule 8 and this Rule.

## **INVESTMENT AND BORROWING**

99. The funds of the Society may, to the extent permitted by the law for the time being in force and with the authority of the Society Board, be invested:

99.1 in the shares of any company or society;

99.2 in any manner expressly authorised by the Act;

but are not to be invested otherwise.

100. The Society may borrow money on such terms as the Society Board shall authorise save that any borrowing that would require a significant proportion of the Society's turnover to be apportioned to repaying such borrowing, or that would use the assets of the Society (and/or any subsidiaries) as security for such borrowing, shall require the approval of the society in general meeting.

101. A duly appointed receiver or manager of the whole or part of the Society's property may assume such powers of the Society Board as they consider necessary to carry out their duties under the instrument of appointment.

## **DISSOLUTION**

102. The Society may be dissolved by the consent of three-quarters of the members who sign an instrument of dissolution in the form provided by the Registrar or by winding-up in the manner provided by the Act.

103. Subject to Rule 8, if on the winding up or dissolution of the Society there remains, after the satisfaction of all its debts and liabilities any property whatsoever the same is to be transferred to:

103.1 a sporting charity or sporting charities operating in the Area; and/or

103.2 one or more societies established for the benefit of the community operating in the Area; and/or

103.3 one or more societies established for the benefit of the community,

in each case as determined by the members at a meeting called to decide the issue. Nothing belonging to the Society shall be transferred to any other society unless that society has in its rules a rule substantially in the terms of this Rule.

## **INDEMNITY**

104. Subject to the following rule, any Director or former Director of the Society may be indemnified out of the Society's assets against:

104.1 Any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Society;

- 104.2 Any liability incurred by that Director in connection with the activities of the Society in its capacity as a trustee of an occupational pension scheme;
- 104.3 Any other liability incurred by that Director as an officer of the Society.
105. The above Rule does not authorise any indemnity which would be prohibited or rendered void by any provision of law.
106. The Society Board may decide to purchase and maintain insurance, at the expense of the Society, for the benefit of any Director or former Director of the Society in respect of any loss or liability which has been or may be incurred by such a Director in connection with their duties or powers in relation to the Society or any pension fund or employees' share scheme (if established) of the Society.

## **MISCELLANEOUS ADMINISTRATIVE PROVISIONS**

107. The Society Board may make or adopt by-laws, policies or procedures for the conduct of the Society's business and may where it considers it to be necessary or appropriate arrange for them to be ratified by members in general meeting. Details of all by-laws, policies and procedures in force shall be made available to members.
108. Anything done in good faith by any meeting of the Society Board shall be valid, notwithstanding that it is afterwards discovered that there was any defect in the appointment of any board member or board members or that any one or more of them were disqualified and shall be as valid as if every board member had been duly appointed and was duly qualified to serve.
109. The Society will not be entitled to rely against other persons on any amendment to its Rules if the amendment had not been registered at the material time and the fact that the amendment had not been registered is not shown by the Society to have been known at that time to the person concerned.
110. The Society shall ensure that minutes are kept of all:
- 110.1 Proceedings at meetings of the Society; and
- 110.2 Proceedings at meetings of the Board of Directors and its sub-committees which include names of the Directors present, decisions made and the reasons for those decisions.
- 110.3 Minutes of meetings will be read at the next meeting and signed by the Chair of that meeting. The signed minutes will be conclusive evidence of the events of the meeting.
111. If the Society has a seal it shall be kept in the custody of the Secretary and used only by the authority of the Society Board. Sealing shall be attested by the signature of two members of the Society Board or of one member of the Society Board and the Secretary for the time being. If the Society does not have seal, a document which would have previously required to be sealed, should be signed by a Director and Secretary or two Directors and accompanied by a written statement that the document has been executed by the Society as if under common seal.
112. The Society's registered office is at XXX. The Society is to keep at its registered office:
- 112.1 a register in which the Secretary is to enter the following particulars:
- 112.1.1 the names and postal and electronic addresses of the members;

- 112.1.2 details of the share held by each member and of the amount paid or agreed to be considered as paid for that share;
  - 112.1.3 a statement of other property in the Society whether in loans or loan stock held by each member;
  - 112.1.4 the date at which each person was entered in the register as a member and the date at which any person ceased to be a member;
  - 112.1.5 details of any deputy appointed by any corporate member;
  - 112.1.6 the names and addresses of the members of the Society Board with the offices held by them and the dates on which they assumed office.
- 112.2 a duplicate register in which the Secretary is to enter all the particulars in the original register of members other than those referred to in 112.1.2 and 112.1.3 above;
- 112.3 a register of the holders of loan stock in which the Secretary is to enter such particulars as the Society Board direct and register all transfers of loan stock;
- 112.4 a register in which the Secretary is to enter such particulars of all mortgages and charges on land of the Society as the Society Board directs.
113. Subject to the provisions of the Data Protection Act 2018 the registers are to be maintained by the Society may be kept in electronic form. The Society is to comply with any guidance issued by the Football Supporters' Association in relation to the maintenance of records.
114. The inclusion or omission of the name of any person from the original register of members shall, in the absence of evidence to the contrary, be conclusive evidence that such person is or is not a member of the Society.
115. The Society is to keep proper books of account with respect to its transactions and to its assets and liabilities in accordance with Sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014.
116. Members are entitled to inspect:
- 116.1 their own account;
  - 116.2 the duplicate register;
- at the registered office at any reasonable time.
117. The Secretary is to deliver a copy of these Rules to every person on demand on payment of an amount fixed by the Society Board subject to the statutory maximum.
118. No change in the address of the registered office is valid until registered by the Registrar. The Secretary shall notify the Registrar in the form prescribed.
119. The registered name of the Society is to be engraved in legible characters on its seal if it has one.
120. The registered name of the Society is to be displayed on the outside of the registered office and every other office or place in which the business of the Society is carried on. The registered name of the Society is also to be mentioned in legible characters in all:

- 120.1 business letters, notices, advertisements and other official publications;
- 120.2 bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Society;
- 120.3 bills, invoices, receipts and letters of credit of the Society.
- 121. The Society is registered as a community benefit society.
- 122. For the avoidance of doubt the Society shall not engage in any activity by virtue of any of these Rules that would require a permission from the Financial Conduct Authority (or any body that succeeds its function) to carry on that regulated activity without first having applied for and obtained such permission.

## **DISPUTES**

- 123. Every unresolved dispute which arises out of these Rules between the Society and:
  - 123.1 a member; or
  - 123.2 any person aggrieved who has ceased to be a member within the six months prior to the date of the dispute; or
  - 123.3 any person claiming through such member or person aggrieved; or
  - 123.4 any person bringing a claim under the Rules of the Society; or
  - 123.5 an officer of the Society

is to be submitted to an arbitrator agreed by the parties or nominated by the Chief Executive (or equivalent) of the Football Supporters' Association. The arbitrator's decision will be binding and conclusive on all parties.
- 124. Any person bringing a dispute must deposit with the Society the sum of £500 or such other reasonable sum as the Society Board shall decide. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

### **SIGNATURES OF MEMBERS**

### **FULL NAMES**

### **DATE**

_____	_____	_____
_____	_____	_____
_____	_____	_____

### **SIGNATURE OF SECRETARY**

### **FULL NAME**

### **DATE**

_____	_____	_____
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## APPENDIX 2 – COMMUNITY OWNED CLUB MODEL RULES



### MODEL RULES FOR A COMMUNITY OWNED SPORTS CLUB (2021 VERSION)

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## RULES

### NAME AND DEFINITIONS

1. The name of the Society is to be [*insert name*] Limited and it is called “the Club” in the rest of these Rules; [*describe area*] is called “the Area”.

### INTERPRETATIONS

2. In these Rules:

**"the Act"** refers to the Co-operative and Community Benefit Societies Act 2014 or any Act or Acts amending or in substitution of it for the time being in force;

**"Address"** means a postal address or, for the purposes of electronic communication, an email address or telephone number for receiving text messages;

**"The Club"** means the above-named club;

**"The Club Board"** or **"the Directors"** means all those persons appointed to perform the duties of Directors of the Club;

**"Club Board Meeting"** includes, except where inconsistent with any legal obligation, a physical meeting, a meeting held by electronic means and a meeting held by telephone;

**"Director"** means a director of the Club and includes any person occupying the position of Director, by whatever name called;

**"Electronic Means"** shall include email, video links and secure authenticated website transactions.

**"Employee"** means anyone over the age of 16 holding a contract of employment with the Club to perform at least eight hours of work per week for the Club;

**["Independent Examination"]** means an independent examination of the Club's accounts which may only be carried out:

- with reference to guidance issued by the Football Supporters' Association; and
- in years in which the Club has disappplied the obligation to conduct an audit in accordance with section 83 of the Act.

For the avoidance of doubt, if the Club is obliged under section 85 of the Act to produce a report on its accounts and balance sheet it must do so even if it also carries out an Independent Examination for that year of account.]

**"Member"** has the meaning as detailed under 'Membership' in these Rules;

**"Person"** means, unless the context requires otherwise, a natural person, unincorporated body, firm, partnership, corporate body or any representative of an unincorporated body, firm, partnership or corporate body;

**"Registered Society"** means a society registered under the Act;

**"Registrar"** means the Financial Conduct Authority or any successor body in function;

**"Rules"** means these Rules;

**["The Football Association Limited"]** means the FA Group (CN 77797) Registered Office, Wembley Stadium, Wembley, London HA9 0WS]

**"Writing"** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise;

### 3. **COMMUNITY BENEFIT PURPOSE**

The business of the Club is to be conducted for the benefit of the community served by the Club and not for the profit of its members.

## **OBJECTS**

4. The Club's objects are to benefit the community by;
  - 4.1 enhancing the social, cultural and economic value of the Club to its communities and by acting as a responsible custodian of the club for future generations;
  - 4.2 upholding the mutual ownership of the Club operating democratically, fairly and transparently;
  - 4.3 ensuring the Club operates with financial responsibility enabling the Club to be run for the long-term interest of the community;
  - 4.4 providing sporting facilities and opportunities regardless of age, income, ethnicity, gender, disability, sexuality, religious or moral belief; and
  - 4.5 playing at the highest level possible, but always operating in a financially responsible and prudent manner.

## **POWERS**

5. The Club may achieve these Objects in whole or in part through an interest or interests in companies or societies provided that the Objects of the companies or societies are consistent with the Club's Objects.
- 6.

## **EITHER**

### **Option 1**

[The Club, either itself or through a subsidiary company or society acting under its legal control, may do anything which appears to it to be necessary or desirable for the

purposes of or in connection with its Objects.]

**or**

## **Option 2**

[In order to achieve its Objects, the Club may either itself or through a subsidiary company or society acting under its legal control:

- 6.1 buy, sell and lease property;
- 6.2 borrow;
- 6.3 grant security over its property and assets;
- 6.4 establish promote and maintain for the purposes of the Club any lawful fundraising scheme;
- 6.5 award pensions, allowances, gratuities and bonuses to past and present employees (including their dependents and people connected with them) of;
  - 6.5.1 the Club;
  - 6.5.2 any successor body of the Club; and
  - 6.5.3 any subsidiary company or society of the Club;
- 6.6 set up and maintain itself or with others trusts funds or schemes (whether contributory or non-contributory) intended to provide pension or other benefits for the people referred to in the preceding sub-paragraph;
- 6.7 indemnify or take out and maintain insurance for the benefit of people who are or were:
  - 6.7.1 members of the Club Board; or
  - 6.7.2 officers; or
  - 6.7.3 employees; or
  - 6.7.4 trustees of a pension fundof the Club or any subsidiary company or society of the Club against any liability which they may have as a result of their involvement with the Club or its subsidiaries;
- 6.8 so far as permitted by these Rules take out and maintain insurance against any risks to which the Club may be exposed;
- 6.9 co-operate with other supporters' organisations, co-operatives and societies conducted for the benefit of the community at local, national and international levels; and
- 6.10 do anything else which is necessary or expedient to achieve its Objects.]

## **APPLICATION OF SURPLUS**

7. The profits or surpluses of the Club are not to be distributed either directly or indirectly in any way whatsoever among members of the Club but shall be applied;
  - 7.1 to maintain prudent reserves;
  - 7.2 on expenditure to achieve the Club's objectives.

## **INTEREST ON SHARE CAPITAL**

8. The surpluses of the Society are also not to be distributed either directly or indirectly in any way whatsoever among members of the Society but shall be applied to pay interest on or repaying issued share capital in accordance with the provisions of these Rules.

9.

### **EITHER**

#### **Option 1**

[Not used]

[INSERT The society must not use or deal with its assets except to make a payment pursuant under section 36 (payments in respect of persons lacking capacity), 37 (nomination by members of entitlement to property in society on member's death) or 40 (death of a member: distribution of property not exceeding £5,000) of the Co-operative and Community Benefit Societies Act 2014; To be included if no asset lock option taken (as Rule 7.3)]

### **OR**

#### **Option 2**

## **[ASSET LOCK**

(In this Rule only, the Club is referred to as "the society".)

Restriction on use: Pursuant to regulations made under section 29 of the Co-operative and Community Benefit Societies Act 2014:

- 9.1 All of the society's assets are subject to a restriction on their use.
- 9.2 The society must not use or deal with its assets except:
  - 9.2.1 where the use or dealing is, directly or indirectly, for the purpose that is for the benefit of the community;
  - 9.2.2 to pay a member of the society the value of their withdrawable share capital or interest on such capital;

- 9.2.3 to make a payment pursuant under section 36 (payments in respect of persons lacking capacity), 37 (nomination by members of entitlement to property in society on member's death) or 40 (death of a member: distribution of property not exceeding £5,000) of the Co-operative and Community Benefit Societies Act 2014; To be included if no asset lock option taken (as Rule 7.3)
- 9.2.4 to make a payment in accordance with the rules of the society to trustees of the property of bankrupt members or, in Scotland, members whose estate has been sequestrated;
- 9.2.5 where the society is to be dissolved or wound up, to pay its creditors; or
- 9.2.6 to transfer its assets to one or more of the following:
  - 9.2.6.1 a prescribed community benefit society whose assets have been made subject to a restriction on use and which will apply that restriction to any assets so transferred;
  - 9.2.6.2 a community interest company;
  - 9.2.6.3 a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
  - 9.2.6.4 a charity (including a community benefit society that is a charity) or
  - 9.2.6.5 a body, established in Northern Ireland or a State other than the United Kingdom, that is equivalent to any of those persons.
- 9.3 Any expression used in this Rule which is defined for the purposes of regulations made under section 1 of the 2003 Act shall have the meaning given by those regulations.]

## **MEMBERSHIP**

- 10. The members of the Club are the people whose names are entered in the register of members. The first members are the people who sign these Rules in applying for registration.
- 11. Membership is open to any individual, unincorporated body, firm, partnership or corporate body who or which:
  - 11.1 is a supporter of the Club; or
  - 11.2 has an interest in the game of [name of sport] in the Area and is in sympathy with the Objects of the Club;
  - 11.3 agrees to take an active interest in the operation and development of the Club and its business;

11.4 agrees to respect commercial confidentiality in relation to business decisions of the Club; and

11.5 agrees to be bound by these Rules and by Rules 3 and 7 in particular.

The Club Board shall have power to refuse membership to any person who does not, in the opinion of the Club Board, meet these requirements.

12. Every member holds one ordinary share in the capital of the Club. No member may hold more than one ordinary share in the Club either individually or jointly
13. The Club Board will decide and issue a form of application for membership. Members are to pay an annual subscription of such reasonable sum as the Club Board shall decide, the first payment to be made at the time of application for membership. The sum of £1 from the first payment shall be applied to purchase an ordinary share in the Club.
14. The Club Board will have the power to offer associate or affiliate status with or without payment or subscription to corporate or unincorporated bodies which support the aims of the Club. The Club may designate a share in the capital of the Club as being held on behalf of any unincorporated organisation but no-one shall be entitled to vote at any general meeting of the Club who is not a registered holder of a fully paid up share of the Club.
15. A corporate body or firm which is a member may by resolution of its governing body appoint any person it thinks fit to be its deputy and revoke such an appointment. A copy of any such resolution signed by two members of the governing body and in the case of a local authority by the authorised officer of the Council shall be sent to the Secretary of the Club. The deputy will be entitled to exercise all rights of membership on behalf of the corporate body including seeking election as an officer and speaking and voting at any general meeting. References in these Rules to a member being present in person include members which are corporate bodies being present through their deputy. No person may act as deputy for more than one corporate body or firm which is a member.
16. Members of the Club aged under 16 may not:
  - 16.1 be a member of the Board of Directors; nor
  - 16.2 vote at a general meeting, either in person or by proxy; nor
  - 16.3 vote in any election to the Board of Directors.
17. No person under the age of 16 may be an officer of the Club.

## **SHARES**

18. The Club has ordinary shares and may have Community Shares in accordance with the provisions set out in Rule 22.
19. The following provisions apply to shares in the Club:
  - 19.1 shares shall be withdrawable only in accordance with the provisions of these Rules;

- 19.2 shares shall not be transferable except on death or bankruptcy or with the consent of the Club Board;
- 19.3 application for shares shall be made to the Board of the Club who shall allot to members, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted to any member shall not exceed the maximum shareholding permitted by these Rules or by law; and
- 19.4 shares shall be paid for in full on allotment.

## **ORDINARY SHARE PROVISIONS**

- 20. The ordinary shares of the Club shall be of the nominal value of £1.00.
- 21. If a member ceases to be a member, the ordinary share registered in the name of that member is to be cancelled and the amount subscribed for the share is to become the property of the Club.
- 22. Ordinary shares shall not be withdrawable and do not carry any rights to interest, dividend or bonus.

## **COMMUNITY SHARE PROVISIONS**

- 23. In order to fund its business, the Club may issue Community Shares. Community Shares may be issued in such denomination and upon such terms as the Club Board shall decide, subject to the Rules, and in particular the following provisions:
  - 23.1 Community Shares shall not be withdrawable except with the consent of the Club Board;
  - 23.2 the Club Board may specify a date or dates on which Community Shares may be withdrawn and may make provision for the withdrawal of different issues of shares on different dates;
  - 23.3 the Club Board may pay interest to holders of Community Shares as compensation for the use of such funds, but the rate of interest shall be no higher than the Club Board considers to be necessary to attract the funding needed for the business of the Club and shall not in any event be higher than 2% above clearing bank base rate from time to time. The rate may vary within these limits between different issues of shares;
  - 23.4 no withdrawal of Community Shares or payment of interest on them shall be made except from trading surpluses and any withdrawal or payment shall be at the discretion of the Club Board having regard to the long term interests of the Club, the need to maintain prudent reserves and the Club's primary commitment to community benefit;
  - 23.5 Community Shares may only be issued to members;
  - 23.6 on the solvent dissolution or winding up of the Club, holders of Community Shares shall have no financial entitlement beyond payment of outstanding interest and repayment of paid-up share capital.
  - 23.7 Community Shares are not transferable.

## **REMOVAL OF MEMBERS**

- 24. A member shall cease to be a member if they:
  - 24.1 fail after written demand to pay their annual subscription;
  - 24.2 die (in the case of an individual);
  - 24.3 cease to exist (in the case of a body corporate);
  - 24.4 are the nominee of an unincorporated society or firm which is wound up or dissolved;
  - 24.5 are the nominee of an unincorporated organisation or firm which removes or replaces them as nominee;
  - 24.6 are not the holder of a fully paid up share;
  - 24.7 are expelled under these Rules; or
  - 24.8 withdraw from membership by giving written notice to the Secretary.
- 25. A member may be expelled for conduct prejudicial to the Club in accordance with any Disciplinary Policy adopted by the Club (which is to comply with any guidance issued by the Football Supporters' Association if practicable).

## **ORGANISATION**

- 26. The powers of the Club are to be exercised by the members and the Club Board as set out in the Rules which follow.

## **RIGHTS AND POWERS OF MEMBERS**

- 27. The members have the rights and powers available to them under the law relating to Community Benefit Societies and are to decide in particular the issues specifically reserved to them by these Rules.
- 28. The members may by a resolution carried by not less than two-thirds of the members voting in person or by proxy at a general meeting but not otherwise give directions to the Club Board. A member wishing to propose a members' resolution for consideration at a general meeting shall give notice in writing to the Secretary of such wish, the justification for and the form and content of the resolution, not later than noon 28 days before that meeting is to be held. The following provisions apply to any directions given:
  - 28.1 any direction must:
    - 28.1.1 be consistent with these Rules and with the Club's contractual, statutory and other legal obligations; and
    - 28.1.2 not affect the powers and responsibilities of the Club Board under Rule 28.
  - 28.2 Any person who deals with the Club in good faith and is not aware that a direction has been given may deal with the Club on the basis that no decision has been given.



## **DUTIES AND POWERS OF CLUB BOARD, DELEGATION TO COMMITTEES**

- 29. The Club Board is to ensure that the business of the Club is conducted in accordance with these Rules and with the interests of the community and in accordance with the Board Membership and Conduct Policy adopted by the Club (which is to have reference to any guidance issued by the Football Supporters' Association). The Club Board:
  - 29.1 may exercise all the Club's powers which are not required by these Rules or by statute to be exercised by the Club in a general meeting;
  - 29.2 may delegate any of its powers to committees (provided that the membership of each committee includes at least one Club Board member) as it thinks fit who shall, in the function entrusted to them, conform in all respects to the instruction given to them by the Club Board. The following provisions apply to any such delegation:
    - 29.2.1 any delegation may be revoked and its terms may be varied;
    - 29.2.2 the Club Board shall:
      - 29.2.2.1 decide the membership of each committee;
      - 29.2.2.2 appoint the chair of each committee;
      - 29.2.2.3 lay down the procedure to be adopted by each committee (including the quorum); and
      - 29.2.2.4 produce a written record of the scope and authority of each committee.

## **GENERAL MEETINGS**

- 30. The Club shall, within six months of the end of the financial year, hold a general meeting of the members as its Annual General Meeting and shall specify the meeting as such in the notices calling it. The first Annual General Meeting may be called by the Club Board at any time within this period. The Club is to ensure that all general meetings are accessible so as to encourage participation in them by members. All general meetings are to be held in accordance with the Club's Standing Orders for General Meetings, which shall be determined by the Board of Directors and must have reference to any guidance issued by the Football Supporters' Association.
- 31. The business of an Annual General Meeting shall normally comprise, where appropriate:
  - 31.1 the receipt of the accounts and balance sheet and of the reports of the Club Board and auditor (if appointed);
  - 31.2 the appointment of an auditor (if an auditor is to be appointed);
  - 31.3 the election of the Club Board or the results of the election if held previously by ballot;
  - 31.4 the application of surplus; and

- 31.5 the transaction of any other business included in the notice convening the meeting.

The business of any general meeting shall comprise:

- 31.6 consideration of any member's resolution, notice of which has been given to the Secretary in accordance with Rule 27;
  - 31.7 consideration of any resolution proposed by the Board; and
  - 31.8 consideration of any other business relating to the affairs of the Club which any member or the Board may wish to raise but no resolution may be put to the vote of the meeting under this item.
- 32. All general meetings other than Annual General Meetings are called special general meetings.
  - 33. The Secretary, at the request of the Board of Directors may convene a general meeting of the Club. The purpose of the general meeting shall be stated in the application and notice of the meeting.
  - 34. The Board of Directors upon an application by not less than 20 members or 5% of the membership, whichever is the greater, delivered to the Club's registered office, shall convene a general meeting. The purpose of the special general meeting shall be stated in the application and notice of the meeting. No business other than that stated in the notice of the meeting shall be conducted at the meeting.
  - 35. A special general meeting called in response to a members' requisition must be held within 28 days of the date on which the requisition is delivered to the registered office. The meeting is not to transact any business other than that set out in the requisition and the notice convening the meeting.
  - 36. If, within one month from the date of the receipt of the application, the Club Board has not convened a special general meeting, any three members of the Club acting on behalf of the signatories to the application may convene a special general meeting, and shall be reimbursed by the Club for any costs incurred in convening such a meeting.
  - 37. Notice of a general meeting is to be given either:
    - 37.1 in writing; or
    - 37.2 where a member has agreed to receive notice in this way, by such electronic means as the Club Board shall decide
- at least 14 clear days before the date of the meeting. The notice must:
- 37.3 be given to all members and to the members of the Club Board and to the auditors (if appointed);
  - 37.4 state whether the meeting is an annual or special general meeting;
  - 37.5 give a time, date and a place of the meeting; and
  - 37.6 indicate the business to be dealt with at the meeting.
- 38. Any notice to a member may be given either:

- 38.1 personally; or
- 38.2 by sending it by post in a prepaid envelope addressed to the member at their registered address; or
- 38.3 by leaving it at that address; or
- 38.4 (if a register of e-mail addresses is maintained by the Club and the member has notified the Club of an e-mail address) by e-mail to their registered e-mail address.

Notices or communications sent by first class post to members at their registered address are deemed to have been duly served 48 hours (excluding Sundays) after being posted. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. The proceedings at a general meeting are not invalid if:

- 38.5 there has been an accidental omission to send a notice to a member or members; or
  - 38.6 the notice is not received by a member or members.
- 39. A member present either in person or by proxy at any meeting of the Club shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
  - 40. Before a general meeting can do business there must be a quorum present. Except where these Rules say otherwise a quorum is 20 members or 5% of the members entitled to vote at the meeting whichever is lower.
  - 41. The Club Board may decide where a general meeting is to be held.
  - 42. An auditor appointed in accordance with these Rules shall be entitled to attend general meetings of the Club and to receive all notices of and communications relating to any general meeting which any Member of the Club is entitled to receive. The auditor (if appointed) shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an auditor.
  - 43. The Chair shall facilitate general meetings. If they are absent or unwilling to act at the time any meeting proceeds to business, then another Club Board member shall facilitate the meeting. If no other Club Board member is present or willing to act, the members present shall choose either one of their number or an independent person recommended by the Club Board to be the Chair for that meeting. If a quorum is not present within half an hour of the time the general meeting was due to commence, or if during a meeting a quorum ceases to be present, the Chair must adjourn the meeting for at least 7 days. If within half an hour of the time the adjourned meeting was due to commence a quorum is not present, the Members present shall constitute a quorum.
  - 44. The Chair of a general meeting may adjourn the meeting whilst a quorum is present if:
    - 44.1 The meeting consents to that adjournment; or
    - 44.2 It appears to the Chair that an adjournment is necessary to protect the safety of any persons attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.

45. When adjourning a meeting the Chair must specify the date, time and place to which it will stand adjourned or that the meeting is to continue at a date, time and place to be fixed by the Club Board.
46. If the meeting is adjourned for 14 days or more, at least 7 clear days' notice of the adjourned meeting shall be given in the same manner as the notice of the original meeting.
47. No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting if the adjournment had not taken place.
48. Each member shall have one vote on any question to be decided in a general meeting.
49. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a paper ballot is demanded in accordance with these Rules. Unless a paper ballot is demanded, a declaration by the Chair that a resolution has, on a show of hands, been carried or lost recorded in the minutes of the proceedings of the general meeting shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
50. In the case of equality of votes whether on a show of hands or a poll, the Chair shall not have a second or casting vote and the resolution shall be deemed to have been lost.

## **RESOLUTIONS**

51. Subject to the 2014 Act, decisions at general meetings shall be made by passing resolutions:
  - 51.1 The following decisions must be made by extraordinary resolution:
    - 51.1.1 Any amendment to the Club's Rules;
    - 51.1.2 The decision to wind up the Club.
  - 51.2 Save as otherwise provided by these Rules, all other decisions shall be made by ordinary resolution.
52. An extraordinary resolution is one passed by a majority of not less than 75% of votes cast at a general meeting and an ordinary resolution is one passed by a simple majority of votes cast.

Resolutions may be passed at general meetings or by written resolution. A written resolution may consist of several identical documents signed by one or more members. For the avoidance of doubt members may vote on a resolution using a secure online voting system and the Society Board shall take the steps necessary to facilitate voting in such a manner including setting out the full text of the resolution(s) to be considered and providing clear instructions to the members on how to cast their votes.
53. A proxy may be appointed and the appointee may instruct the proxy to vote in a particular way or as they think fit. A proxy is to be appointed as follows:
  - 53.1 in writing;
  - 53.2 in any usual form or any other form which the Club Board may approve;

- 53.3 under the hand of the appointor or of their attorney duly authorised in writing; and
- 53.4 by depositing the appointment document at the registered office of the Club or at such other place within the United Kingdom as the Club shall specify not less than two clear days before the day fixed for the meeting at which the proxy is authorised to vote. Where the appointment document is exercised by an attorney on behalf of the appointor, the authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Club Board is to be lodged with the appointment document.
- 54. If this procedure is not followed the appointment of the proxy will be invalid.
- 55. The following further rules apply to proxies:
  - 55.1 No person other than the Chair of the meeting can act as proxy for more than 3 members.
  - 55.2 Any question as to the validity of a proxy is to be determined by the Chair of the meeting whose decision is to be final.
  - 55.3 A proxy need not be a member of the Club.
- 56. A vote given by proxy or by the duly authorised deputy of a corporate body, shall be valid unless notice of termination of the authority is received by the Club at the registered office or at any other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given.
- 57. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered. Any objection made in due time about any vote whether tendered personally or by proxy is to be determined by the Chair of the meeting, whose decision is to be final. Every vote not disallowed at the meeting will be valid.

## **CONSTITUTION OF THE CLUB BOARD**

- 58. The Club shall have a Board of Directors comprising not less than [ ..... ] and not more than [ ..... ] persons.
- 59. The initial Directors of the Club from registration until the first Annual General Meeting shall be appointed by the members on whose application the Club is registered.
- 60. Only members of the Club who are aged 16 years or more may serve on the Board of Directors.
- 61. Elected Directors shall be elected only in accordance with the Election Policy adopted by the Club.
- 62. Members of the Club Board of Directors will normally serve for periods of [two][three] years in accordance with the Board Membership and Conduct Policy.

63.

## **EITHER**

### **Option 1**

At the first Annual General Meeting following the adoption of these Rules all members of the Board of Directors shall stand down. A retiring Club Board member shall be eligible for re-election. Thereafter, the [half][one third] of the members of the Club Board elected by the members who have served the longest at the date of the Annual General Meeting will resign. If at any time [there is an uneven number of elected Directors][the number of elected Directors is not divisible by three], the Club Board shall decide the number of elected Directors to resign in accordance with this Rule, which shall be approximately [half][one third] of the total number

## **OR**

### **Option 2**

At the first Annual General Meeting following the adoption of these Rules, [half][one third] of the those members of the Club Board who were in office immediately before the adoption of these Rules (to be chosen by lot) will resign from office. Thereafter, the [half][one third] of the members of the Club Board elected by the members who have served the longest at the date of the Annual General Meeting will resign. If at any time [there is an uneven number of elected Directors][the number of elected Directors is not divisible by three], the Club Board shall decide the number of elected Directors to resign in accordance with this Rule, which shall be approximately [half][one third] of the total number.

64. New Directors shall be elected in accordance with the Club's Election Policy including by authenticated electronic means and postal ballot. The Club's Election Policy is to have reference to any guidance issued by the Football Supporters' Association.
65. The Club Board may at any time co-opt any member of the Club or the representative of an organisation which is a member to fill a casual vacancy in the Board of Directors, provided that at no time shall more than one-third of the members of the Club Board be co-opted members. A casual vacancy shall be deemed to exist if the number of Directors should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
66. The Club Board may co-opt external Directors to the Club Board in addition to the number of Directors specified in these Rules provided that at all times the total number of external Directors and members co-opted under this Rule shall be in the minority. A Director co-opted in accordance with this Rule shall serve for a fixed period determined by the Club Board at the time of co-option, subject to a review at least every twelve months, may be removed from office at any time by a resolution passed by a majority of the members of the Club Board, and may be remunerated in an amount (to be disclosed in the published accounts) from time to time, as fixed by the Club Board. External Directors shall be selected by virtue of their specialist skills and experience considered to be of benefit to the Club.
67. In the event that the size of the Club Board should drop below the minimum number of members prescribed in these Rules, the Directors may act to increase their number or to call a General Meeting of the Club, but for no other purpose.

68. In the event that the Club's Board should drop to zero, a working party of members can be formed to act to call a General Meeting of the Club in order for members to elect a new Board, but for no other purpose.
69. The Club Board shall ensure that the business of the Club is conducted in accordance with these Rules and with the interests of the community and in accordance with any by-laws, policies or procedures adopted by the Club.

## **CLUB BOARD MEETINGS**

70. Any two Directors may, and the Secretary on the requisition of a Director shall, call a meeting of the Board of Directors by giving reasonable notice of the meeting to all Directors. Notice of any meeting of the Board of Directors must indicate the date, time and place of the meeting and, if the Directors participating in the meeting will not be in the same place, how they will communicate with each other
71. The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. All Board meetings are to be held in accordance with the Club's Standing Orders for Board Meetings, which shall be determined by the Board of Directors and must have reference to any guidance issued by the Football Supporters' Association.
72. A Director is able to exercise the right to speak at a meeting of the Board of Directors and is deemed to be in attendance when that person is in a position to communicate to all those attending the meeting. The Directors may make whatever arrangements they consider appropriate to enable those attending a meeting of the Board of Directors to exercise their rights to speak or vote at it including by electronic means. In determining attendance at a meeting of the Board of Directors, it is immaterial whether any two or more Directors attending are in the same place as each other.
73. Questions arising at any meetings shall be decided by a majority of votes cast. For the avoidance of doubt, abstentions are not to be classed as votes cast. In the case of an equality of votes the Chair shall have a casting vote
74. A written resolution, circulated to all Directors and signed by a simple majority of Directors, shall be valid and effective as if it had been passed at a Club Board meeting duly convened and held. A written resolution may consist of several identical documents signed by one or more Directors.
75. The Board of Directors may, at its discretion, invite other persons to attend its meetings with or without speaking rights and without voting rights. Such attendees will not count toward the quorum.

## **QUORUM**

76. The quorum necessary for the transaction of business at a meeting of the Board of Directors shall be 50% of the Directors or 3 Elected Directors, whichever is the greater.
77. If at any time the total number of Directors in office is less than the quorum required, the Directors must not take any decisions other than to appoint further Directors or to call a general meeting so as to enable the members to appoint further Directors.

## **CHAIR**

78. The Chair shall facilitate meetings of the Board of Directors. If they are absent or unwilling to act at the time any meeting proceeds to business, then the Directors

present shall choose one of their number to be the Chair for that meeting. The appointment of a Chair shall be an item of business at the meeting.

## **DECLARATION OF INTEREST**

79. A Director shall declare an interest in any contract or matter in which s/he has a personal, material or financial interest in accordance with the Club's Board Membership and Conduct Policy.

## **EXPENSES**

80. The Club may pay any reasonable expenses in accordance with the Club's Board Membership and Conduct Policy.

## **TERMINATION OF A DIRECTOR'S APPOINTMENT**

81. A person ceases to be a Director of the Club as soon as one of the matters listed in the Board Membership and Conduct Policy as bringing a directorship to an end applies. [The office of a Director shall be vacated if such a person is subject to a decision of the Football Association Limited that such person be suspended from holding office or taking part in any football activity relating to the administration or management of a football club.]

## **OFFICERS**

82. The Club Board shall elect from among their own number a Chair, Treasurer and such other officers as they may from time to time decide in accordance with the Club's Board Membership and Conduct Policy. These officers shall have such duties and rights as may be bestowed on them by the Club Board or by statute and any officer appointed may be removed by the Club Board.

## **SECRETARY**

83. The Board of Directors shall appoint a Secretary of the Club for such term at such remuneration and upon such conditions as they think fit. Any Secretary so appointed may be removed by them. A provision of the Act or these Rules requiring or authorising a thing to be done by or to a Club Board member and the Secretary shall not be satisfied by its being done by or to the same person acting in both capacities.

## **COMMITTEES OF THE CLUB BOARD**

84. Not used

85. Not used

## **FINANCIAL AUDIT**

86. The Club Board shall in respect of each year of account ending on .....:

86.1 ensure that a revenue account or revenue accounts are prepared which:

86.1.1 deal with the affairs of the Club and any subsidiary company or society as a whole for that year; and



- 86.1.2 give a true and fair view of the income and expenditure of the Club and any subsidiary society or company for that year;
- 86.2 ensure that a balance sheet giving at that date a true and fair view of the state of the affairs of the Club and any subsidiary company or society is prepared.
87. The Club Board is to lay a revenue account and balance sheet duly audited and signed by the auditor (if appointed) and incorporating the report of the auditor (if appointed) thereon before each Annual General Meeting, accompanied by a report by the Club Board on the position of the affairs of the Club, as the case may be. Every revenue account and balance sheet published is to be signed by the Secretary and by two Club Board members acting on behalf of the Club Board.
88. The Club Board is not to cause to be published any balance sheet unless (if an auditor has been appointed) it has previously been audited by the auditor and it incorporates a report by the auditor that it gives a true and fair view of the income and expenditure, or the state of affairs of the Club, as the case may be. Every revenue account and balance sheet published by is to be signed by the Secretary and by two Club Board members acting on behalf of the Club Board.

### **Auditors**

#### **EITHER**

##### **Option 1**

89. [If required to do so by law or if the members in general meeting so determine, the Club shall appoint a qualified auditor to audit the Club's account and balance sheet for each financial year. In this Rule "qualified auditor" means a person who is a qualified auditor under Section 91 of the Act. If an auditor is appointed under this Rule the following provisions shall apply:
- 89.1 the accounts of the Club for the financial year in question shall be submitted to the auditor for audit;
- 89.2 the auditor shall have all the rights and duties in relation to notice of, and attendance and right of audience at, general meetings, access to books, the supply of information, reporting on accounts and otherwise, as are provided by the law;
- 89.3 the provisions of the law shall apply to the appointment, re-appointment and removal and to any resolution removing, or appointing another person in the auditor's place; and
- 89.4 the auditor's remuneration shall be fixed by the Club Board.]

#### **OR**

##### **Option 2**

90. [A qualified auditor must be appointed to audit the Club's account and balance sheet for each financial year. In this Rule "qualified auditor" means a person who is a qualified auditor under Section 91 of the Act.

91. The auditor shall, in accordance with Section 87 of the Act, make a report to the Club on the accounts examined by the auditor and on the revenue account or accounts and the balance sheet of the Club for the year in question.
92. None of the following people can be appointed as auditor for the Club:
- 92.1 an officer or servant of the Club; or
  - 92.2 a person who is a partner or close relative of or in employment or who employs an officer or servant of the Club.
93. Save as provided in this Rule any appointment of an auditor is to be made by resolution of a general meeting of the Club. The exceptions are:
- 93.1 the first appointment of an auditor is to be made within three months of the registration of the Club and is to be made by the Club Board if no general meeting of the Club is to be held within that time.
  - 93.2 the Club Board may appoint an auditor to fill any casual vacancy occurring between general meetings of the Club.
94. An auditor appointed to audit the accounts and balance sheet of the Club for the preceding year of account (whether by a general meeting or by the Club Board) is to be re-appointed as auditor of the Club for the current year of account (whether or not any resolution re-appointing them has been passed) unless:
- 94.1 a resolution has been passed at a general meeting of the Club appointing somebody instead of them or providing expressly that they are not to be re-appointed; or
  - 94.2 they have given to the Club notice in writing of their unwillingness to be re-appointed; or
  - 94.3 they are not permitted by these Rules to be the auditor; or
  - 94.4 they have ceased to be an auditor of the Club by reason of incapacity; or
  - 94.5 proper notice of an intended resolution to appoint another person in their place has been given but the resolution cannot be preceded with because of the health or incapacity of that other person.
95. A resolution at a general meeting of the Club:
- 95.1 appointing another person as auditor in place of a retiring auditor; or
  - 95.2 providing expressly that a retiring auditor is not to be re-appointed
- will not be effective unless notice of the intention to move it has been given to the Club not less than twenty-eight days before the meeting at which it is to be moved.
- If such notice is given the following procedure will be adopted:
- 95.3 the Club will send a copy of the notice to the retiring auditor;

- 95.4 if it is practicable to do so the Club will give notice of the intended resolution to the members with notice of the meeting;
- 95.5 if that is not practicable, the Club will publish details of the notice by advertisement not less than seven days before the meeting in a newspaper circulating in the area in which the Club conducts its business; and
- 95.6 if the retiring auditor makes any representations in writing to the Club in response to the notice or notifies the Club that they intend to make such representations, the Club will notify the members as required by Section 95 of the Act.]
- 95.7 in any year of account, the Club shall not be required to appoint auditors if it is exempt under the Act and has disapplied the obligation to do so in accordance with the Act.
- 95.8 in any such year, an Independent Examination shall be carried out and all references in Rules 30, 36, 41, 86 and 90 to “auditor(s)” and “audited” shall be read as “Independent Examiner” and “Independently Examined” respectively and Rules 89, 90, 91, 92, 93 and 94 shall not apply.
- 95.9 for the first year of account, provided the Club is exempt from the requirement to appoint auditors in accordance with the Act, the Club Board may resolve, by a majority of at least three-quarters, to disapply the obligations to do so in accordance with the Act.
- 95.10 for the first year of account, where the Club Board has disapplied the obligation to appoint auditors in Rule 95.7, this decision must be ratified by the members so resolving by the appropriate margins laid down under the Act at the First Annual General Meeting. Should the resolution to ratify not be passed, then auditors must be appointed and the first Annual General Meeting adjourned until the earliest practicable date at which audited accounts can be presented.
- 95.11 for any year of account after the first, any decision to disapply the requirement for audit must be passed by the appropriate margins laid down under the Act at the Annual General Meeting prior to the Annual General Meeting at which the accounts for the year in question are to be laid before members.

## **ANNUAL RETURNS**

- 96. The Club will make an annual return to the Registrar as required by the Act.
- 97. The Club will supply a copy of the last annual return with all supporting documents to any member on request and without charge.

## **AMENDMENT TO RULES**

- 98. Unless these Rules say otherwise any Rule may be altered or rescinded, or any new Rule may be made, by extraordinary resolution. No change to these Rules shall be valid until registered [notwithstanding the Football Association Limited having given their approval in writing further to Rule [99] [91] below].
- 99. In the case of this Rule, Rule 3 and Rule 7 the quorum at any general meeting called to consider a resolution to amend shall be not less than one half of the members

entitled to vote at the meeting if the Club has up to 200 members when the meeting is called: not less than one third of the members entitled to vote at the meeting if the Club has more than 200 but less than 1000 members when the meeting is called; and not less than one quarter of the members entitled to vote at the meeting if the Club has more than 1000 members when the meeting is called. [Rule 8 may not be amended or rescinded.]

100. [No proposed alterations to these Rules shall be effective unless the proposed alteration has been approved in writing by the Football Association Limited 14 days or more before the day on which the alteration is proposed to take place.]

## **CHANGES TO THE CONSTITUTION**

101. The Act provides that the Club may by special resolution as defined in the Act:

101.1 amalgamate with another society or a company registered under the Companies Act

101.2 transfer its engagements to another society or a company registered under the Companies Acts

101.3 convert itself into a company registered under the Companies Acts

The quorum at any general meeting called to consider such a resolution shall be [ %] of the members entitled to attend and vote at the meeting unless the resolution proposes an amalgamation with or transfer of engagements to another Registered Society trading for the benefit of the community and having provisions in its rules substantially identical to Rule 3, Rule 7[, Rule 8] and this Rule.

## **INVESTMENT AND BORROWING**

102. The funds of the Club, may to the extent permitted by the law for the time being in force and with the authority of the Club Board, be invested:

102.1 in the shares of any company or society;

102.2 in any manner expressly authorised by the Act;

but are not to be invested otherwise.

103. *The Club may borrow money on such terms as the Club Board shall authorise save that any borrowing that would require a significant proportion of the Club's turnover to be apportioned to repaying such borrowing, or that would use the assets of the Club (and/or any subsidiaries) as security for such borrowing, shall require the approval of the Club in general meeting.*

104. A duly appointed receiver or manager of the whole or part of the Club's property may assume such powers of the Club Board as they consider necessary to carry out their duties under the instrument of appointment.

## **DISSOLUTION**

105. The Club may be dissolved by the consent of three-quarters of the members who sign an instrument of dissolution in the form provided by the Registrar or by winding-up in the manner provided by the Act.
106. [Subject to Rule 8, i][If on the winding-up or dissolution of the Club there remains, after the satisfaction of all its debts and liabilities any property whatsoever the same is to be transferred to:
- 106.1 a sporting charity or sporting charities operating in the Area and/or;
- 106.2 one or more societies established for the benefit of the community operating in the Area; and/or
- 106.3 one or more societies established for the benefit of the community
- in each case as determined by the members at a meeting called to decide the issue. Nothing belonging to the Club shall be transferred to any other society unless that society has in its rules a rule substantially in the terms of this Rule.

## **INDEMNITY**

107. Subject to the following Rule, any Director or former Director of the Club may be indemnified out of the Club's assets against:
- 107.1 Any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Club;
- 107.2 Any liability incurred by that Director in connection with the activities of the Club in its capacity as a trustee of an occupational pension scheme;
- 107.3 Any other liability incurred by that Director as an officer of the Club.
108. The above Rule does not authorise any indemnity which would be prohibited or rendered void by any provision of law.
109. The Club Board may decide to purchase and maintain insurance, at the expense of the Club, for the benefit of any Director or former Director of the Club in respect of any loss or liability which has been or may be incurred by such a Director in connection with their duties or powers in relation to the Club or any pension fund or employees' share scheme (if established) of the Club.

## **MISCELLANEOUS ADMINISTRATIVE PROVISIONS**

110. [The members and Directors of the Club shall so exercise their rights, powers and duties and shall where appropriate use their best endeavours to ensure that others conduct themselves so that the business affairs of the Club are carried out in accordance with the Rules and Regulations of the Football Association Limited for the time being in force.]
111. The Club Board may make or adopt by-laws, policies or procedures for the conduct of the Club's business and may where it considers it to be necessary or appropriate arrange for them to be ratified by members in general meeting. Details of all bye-laws, policies and procedures in force shall be made available to members.

112. Anything done in good faith by any meeting of the Club Board shall be valid, notwithstanding that it is afterwards discovered that there was any defect in the appointment of any Board member or Board members or that any one or more of them were disqualified and shall be as valid as if every Board member has been duly appointed and was duly qualified to serve.
113. The Club will not be entitled to rely against other persons on any amendment to its Rules if the amendment had not been registered at the material time and the fact that the amendment had not been registered is not shown by the Club to have been known at that time to the person concerned.
114. The Club shall ensure that minutes are kept of all:
- 114.1 proceedings at meetings of the Club; and
  - 114.2 proceedings at meetings of the Board of Directors and its sub-committees which include names of the Directors present, decisions made and the reasons for those decisions.
  - 114.3 minutes of meetings will be read at the next meeting and signed by the Chair of that meeting. The signed minutes will be conclusive evidence of the events of the meeting.
115. [NOT USED][If the Club has a seal it shall be kept in the custody of the Secretary and used only by the authority of the Club Board. Sealing shall be attested by the signature of two Members of the Club Board or of one Member of the Club Board and the Secretary for the time being. If the Club does not have a seal, a document which would have previously required to be sealed, should be signed by a Director and Secretary or two Directors and accompanied by a written statement that the document has been executed by the Club as if under common seal.]
116. The Club's registered office is at [ ]. The Club will keep at the registered office:
- 116.1 a register in which the Secretary is to enter the following particulars:
    - 116.1.1 the name and postal and electronic addresses of the members;
    - 116.1.2 details of the share held by each member and the amount paid or agreed to be considered as paid for that share;
    - 116.1.3 a statement of other property in the Club whether in loans or loan stock held by each member;
    - 116.1.4 the date at which each person was entered in the register as a member and the date at which any person ceased to be a member;
    - 116.1.5 details of any deputy appointed by any corporate member;
    - 116.1.6 the names and addresses of the members of the Club Board with the offices held by them and the dates on which they assumed office.
  - 116.2 a duplicate register in which the Secretary is to enter all the particulars in the original register of members other than those referred to in Rules [116.1.2 and 116.1.3] [110.1.2 and 110.1.3];

- 116.3 a register of the holders of loan stock in which the Secretary is to enter such particulars as the Club Board direct and register all transfers of loan stock;
- 116.4 a register in which the Secretary is to enter such particulars of all mortgages and charges on land of the Club as the Club Board directs.
117. Subject to the provisions of the Data Protection Act 2018, the registers are to be maintained by the Club and may be kept in electronic form. The Club is to comply with any guidance issued by the Football Supporters' Association in relation to the maintenance of records.
118. The inclusion or omission of the name of any person from the original register of members shall, in the absence of evidence to the contrary, be conclusive evidence that such person is or is not a member of the Club.
119. The Club is to keep proper books of account with respect to its transactions and to its assets and liabilities in accordance with Sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014.
120. Members are entitled to inspect:
- 120.1 their own account;
- 120.2 the duplicate register.
- at the registered office at any reasonable time.
121. The Secretary is to deliver a copy of these Rules to every person on demand on payment of an amount fixed by the Club Board subject to the statutory maximum.
122. No change in the address of the registered office is valid until registered by the Registrar. The Secretary shall notify the Registrar in the form prescribed.
123. [NOT USED][The registered name of the Club is to be engraved in legible characters on its seal if it has one.]
124. The registered name of the Club is to be displayed on the outside of the registered office and every other office or place in which the business of the Club is carried out. The registered name of the Club is also to be mentioned in all legible characters in all:
- 124.1 business letters, notices, advertisements and other official publications
- 124.2 bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Club
- 124.3 bills, invoices, receipts and letters of credit of the Club.
125. The Club is registered under the Act as a community benefit society.
126. For the avoidance of doubt the Club shall not engage in any activity by virtue of any of these Rules that would require a permission from the Financial Conduct Authority (or any body that succeeds its function) to carry on that regulated activity without first having applied for and obtained such permission.

## **DISPUTES**

127. Every unresolved dispute which arises out of these Rules between the Club and:
- 127.1 a member; or
  - 127.2 any person aggrieved who has ceased to be a member within the six months prior to the date of the dispute; or
  - 127.3 any person claiming through such member or person aggrieved; or
  - 127.4 any person bringing a claim under the Rules of the Club; or
  - 127.5 an officer of the Club
- is to be submitted to an arbitrator agreed by the parties or nominated by the Chief Executive (or equivalent) of the Football Supporters' Association. The arbitrator's decision will be binding and conclusive on all parties.
128. Any person bringing a dispute must deposit with the Club the sum of £500 or such other reasonable sum as the Club Board shall decide. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

**SIGNATURES OF MEMBERS**

**FULL NAMES**

**DATE**

_____	_____	_____
_____	_____	_____
_____	_____	_____

**SIGNATURE OF SECRETARY**

**FULL NAME**

**DATE**

_____	_____	_____
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## **APPENDIX 3 – MINUTES OF THE SUPPORTERS DIRECT ANNUAL GENERAL MEETING – 28<sup>th</sup> JULY 2018**

**Present:** A quorum of full members and the Supporters Direct Board

**Chair:** Tom Greatrex

**Officers in Attendance:** Ashley Brown – Chief Executive Officer  
Richard Irving – Secretary

With there being a quorum present, the Chair declared the meeting open.

The Chair thanked all present for their attendance and asked that the attendees stand for a few moments to remember those that the supporters' movement had lost during the preceding year including, Paul Stevenson, Brian Mertens and Jacqui Forster.

### **Resolutions:**

**One:** The minutes of the Annual General Meeting held on 2<sup>nd</sup> July 2017 were presented. It was resolved unanimously that these were a correct record of the proceedings.

**Two:** It was noted that the Annual Report and Financial Statements together with the Auditor's Report therein had been circulated to members ahead of the meeting. It was resolved unanimously that the Annual Report and Financial Statements together with the Auditor's Report therein for the year ended 31<sup>st</sup> December 2017 be received and adopted.

**Three:** It was resolved unanimously that Richard Place Dobson be appointed auditor of the Society to hold office from the conclusion of the meeting to the conclusion of the next general meeting at which the Financial Statements are laid before the Society and the remuneration fixed by the directors.

**Four:** The meeting was asked to note (as per the circulated Supporters Direct Board Elections 2018 document) the election of the following individuals as Directors of Supporters Direct:

Neil Le Milliere - England and Wales Council seat – three-year term  
Martyn Cheney - Rugby League Council seat – three-year term  
Tom Greatrex - General seat – three-year term  
Luke Cox - General seat – three-year term

Paul Cuffe - General Seat – two-year term (as replacement Director following the resignation of John Boyle).

**Five:** It was noted that no member Trusts were granted an exemption in relation to membership fees in the financial year ended 31st December 2017.

**Six:** The meeting was asked to consider and vote on the following indicative resolution recommended by the Board (Indicative Resolution 1):

Considering the proposals and information provided to member Trusts, Supporters Direct should;

- Form a single, new football supporters' organisation with the Football Supporters' Federation or;
- Continue as a distinct organisation focused on governance in sport.

Ashley Brown gave a short presentation setting out the details of the two propositions.

1. For SD to merge with the FSF. Under this proposal the new organisation would aim to continue to support all of SD's football work and any funded work relating to other sports. Funding from FF for next three years would be at least the aggregate of what both orgs received in the last three years. The membership structure would be combined with the FSF into a single council, who in turn would appoint a board that would run the new merged organisation. Other sports trusts would not be voting members of a new org.
2. For SD to continue as an independent organisation. Funding from the Fans Fund would be expected to reduce and the Board would need to find new sources, possibly from other sports.

Before calling for the vote, the Chair asked for questions and contributions from the attendant members of full member trusts and, where time permitted, those non-members present.

Contributions were as follows:

**Steve Clark – Charlton Athletic Supporters' Trust**

Steve urged members to support a merger because of financial concerns. He did, however, express concern that the FSF hadn't traditionally supported the idea of trusts but if the merger went ahead it was for SD to use its skills and experience to ensure that the trust work continued.

**Dave Pennington – Manchester United Supporters' Trust (MUST)**

Dave stated that delivery of support for trusts was really important. Engagement had been a grey area for the last 4/5 years and effectively there had been a turf war between the two organisations which made them ineffective and inefficient. A union with one voice was needed. If the new organisation retained the SD culture and people it could deliver more. He emphasised that SD employees were in limbo, and that their interests should be protected and not forgotten. Without a merger the FSF would recruit around them, prolonging the uncertainty.

He further stated that there was nothing to show that an independent SD was viable. No new funding had been achieved over the past 5 years, and funding from the Rugby Football League was minimal. He felt that a vote against the merger could see SD cease to exist in 2019. In a merged organisation he felt that supporters trusts would have a significant voice on the new board. Everyone was grateful to SD, it had provided massive support, but things change. He ended by encouraging everyone not to vote with their hearts, but for a viable organisation that would work with their trust and continue to provide support.

#### **Elaine Dean – Rams Trust and former SD Director**

Elaine told the meeting that the Rams Trust had voted 10 against the merger, with 2 for. She expressed concern that the values of SD and its alignment with the cooperative movement would be compromised through the merger. She also felt it interesting that the SD board had opposed the merger. Trusts should take this into account since the board were on the inside. The mutual status was not guaranteed post-merger, there was no visibility as to what the interim board would do.

She believed that SD had been looking in the wrong place for funding - from big organisations. SD should look at smaller organisations that shared its values. She also felt that SD had lost its way over the last few years with some poor senior appointments but that this had been resolved and, therefore, it should be given a chance to prove itself. Elaine felt that if a merger happened now, SD would be swallowed up and cease to exist in 5 years. She also felt that the opportunity of a merger would come up again.

Her final suggestion was for SD to relocate to the Manchester offices of the cooperative movement to be amongst friends whilst also asking the meeting to note that the Secretary General of the cooperative movement had expressed concerns about losing SD from the movement.

#### **John Farrell – Watford Supporters' Trust**

John informed the meeting that he had been involved in several instances over the past few years where the existence of two organisations had confused supporters. He felt that the FSF had a stronger voice at the moment and was being listened to and the fact that SD was a part of the cooperative movement was not important to supporters, they wanted SD to have a better voice. He was of the opinion that to obtain voice within football, one voice was stronger. SD was becoming too diverse, its interests too diluted.

The Watford trust had discussed whether or not to renew just with FSF but had voted to stay as members of both organisations but agreed that the impact was diluted and would be stronger combined.

#### **Rob Street – Billericay Town Supporters' Trust**

Rob felt that strong governance in football was needed. His trust had looked at both the SD and FSF models and felt the SD model best fitted their needs and that SD had provided a lot of support for the club. The trust board had, however, been undecided on the vote. It would continue to support SD if the vote was for independence, but if the merger happened he felt that there was no compelling evidence on how SD would be funded after 3 years – the Fans fund could always pull the plug. The

trust would vote for a merger in the belief that the members could fashion how it looked and worked to continue the identity of SD.

**Tim Payton – Arsenal Supporters’ Trust**

Tim stated that 90% of SD’s income came from the Fans Fund. He felt that it was a neglect of the directors’ fiduciary duties to encourage members to vote against the merger not knowing how it was going to fund itself. The AST was still a trust and its members valued this greatly, but they would vote for a merger. He felt that a continuing split was crazy and a waste of energy. The focus should be on the output not the input.

**Robert Pepper – Huddersfield Town Supporters’ Association and former SD Director**

Robert stated that his trust firmly believed in the single organisation but also in cooperative values. Whether the new organisation was a mutual was entirely in the hands of the interim board.

*At this point, Ashley Brown advised that the FSF had undertaken an independent report on members’ views on how the single organisation should be incorporated. The consensus appeared to be that a mutual would not work. SD believed that the report had failed to address some important points, which was accepted by the FSF. It would be up to the interim board to agree the path forward, so he couldn’t guarantee what would happen.*

**Vote**

*As a result of this discussion, the Chair asked for a show of hands with the majority of members in favour of a mutual set up.*

**Neil Le Milliere - Exeter City, SD Director and England and Wales Council Member**

Neil’s opinion was that the idea of a merger had come from the Fans Fund via the Premier League – it was easier for them to support one organisation. He felt that it was noticeable that the trusts supporting the merger were from the Premier League, not clubs where supporter ownership was an interest or real option.

Exeter City was owned by the fans and had a supporters’ club etc, all of whom worked well together – similar to the situation at Wimbledon. He questioned why one organisation was stronger and that, in fact, it was better if there were to be a challenger.

**Christine Seddon – Blackpool Supporters’ Trust**

Christine informed the meeting that her trust had voted overwhelmingly in support of continued independence. Governance, in their view, was the key. She questioned how independence would be maintained with just one organisation and encouraged members to have courage and vote for independence.

**Dan Crawford – Fulham Supporters’ Trust and England and Wales Council Member**

Dan thanked SD and asked members to celebrate supporter ownership. Initially, he had not been in support of a merger, however, football fans’ recognition by clubs was at a crucial point – their voice

now had more respect in clubs' board rooms. The financial impact for SD was tough and it already relied on volunteers and good will.

SD now need to work together with the FSF to gain maximum opportunity. He felt it would be best if there was consensus on the future – with a strong voice. He would, however, still like to see mutual status maintained.

#### **Andy Thornton – Nottingham Ice Hockey (Nottingham Panthers)**

Andy made a public plea that, were a merger to take place, would his trust have some support on how the trust stood legally?

*Ashley Brown stated that SD had always had to exercise caution on how it used its resources. The Fans Fund were clear that the funding was for football. The only funding for sports like Ice Hockey came from members' fees. If there was no merger, SD would look to secure some funding for the sport, and if there was a merger, SD would still push for this where possible.*

#### **Cliff Horrocks – Blues Trust (Birmingham City)**

Cliff stated that 76% of his trust had voted for an independent SD. He felt that governance was still a touchy subject for clubs and if there was only one voice the clubs would use it as a way to focus on softer issues as time went by with no challenging force. He was of the opinion that the principles behind SD were important and that members shouldn't be tempted by the financial arguments.

#### **Martin Cloake – Tottenham Hotspur Supporters' Trust**

Martin said that the Tottenham trust believed in the values of SD and recognises the support it has across the country. He was keen to emphasise that not all Premier League trusts are in the pockets of their clubs. Governance and trust were crucial in ensuring a voice in the boardroom. He felt that there had been a turf war, and that now was the time to work together and that was why the trust was supportive of a merger. He found it hard to understand the SD Board's recommendation and was unsure of its undertaking to find funding as an independent organisation.

#### **Alan Bloore - Barnsley FC Supporters' Trust**

Barnsley were one of the first members of SD, but the fans are still confused as to why there are two organisations and what the difference is. The trust is supporting the merger but wants to ensure that SD's principles are incorporated into the new constitution so that the values and ethics are continued. Alan stated that as members it will still be possible to voice concerns by attending AGMs and voting. Members will still have a voice.

#### **Geoff Bielby – Hull City Supporters' Trust and England and Wales Council Member**

Geoff agreed that it was important to keep the mutual/cooperative spirit going. Primarily because supporters don't matter to the FA. He was of the opinion that the funding isn't the organisation's money – but from the owners and authorities who seek to divide and rule supporters. The Hull City trust was in favour of a merger to ensure one voice. People make an organisation, this was an opportunity to make it a powerful one.

**Mark Davis – The Dons Trust (AFC Wimbledon)**

The Dons Trust were in favour of a merger. They were passionate about supporter ownership – but believed there was the potential for a more sustainable voice in one organisation.

**Sean Hamil – Birkbeck College and former SD Director**

Sean said that he appreciated that the FSF were a good organisation but that he did not agree with the merger. He did not believe that the FSF were fully supportive of fan ownership as they didn't believe that it worked financially. The FSF vision was different to that of SD. SD's vision is that supporter ownership gives supporters control. If the source of funds tells you what to do you have lost your independence, confidence and passion. SD has suffered for the past 10 years through a series of odd top appointments and has lost its focus. The merger was only a stay of execution.

**Brian Burgess – Bees United (Brentford) and former SD Chairman**

Bees United was in favour of continued independence for SD. Ownership gave power to the fans and that, as a result, trusts have power. There were real concerns about the balance of voting at the FSF AGM where individuals have one vote and trusts only five, even though they represent many. This could not be a credible future arrangement as member trusts attending an AGM should have more power. Should a merger take place, Brian said that his trust would want to see this issue addressed.

**Andy Walsh – Wythenshawe Amateurs and former Director of FC United of Manchester**

Andy said that he believed every club should be owned by its fans. He agreed that some members of the FSF don't believe in supporter ownership, but stated that 63% of football affiliates of FSF are also members of SD. As an FSF worker, he felt sad that a former SD Director had attacked the FSF. The situation is not just about money, but principles. SD should be flexible on tactics. He asked the meeting to consider, if there was no merger, where the funding come from. He agreed that it was true that the Fans Fund does control this, but that only compromised SDs claim to be independent now.

**Phil Bennett – STRIPES (Stafford Rangers)**

Phil said that his club had been on the verge of extinction but had retained a good fan base and would hope to be able to garner support and advice from SD in the future in an independent organisation. He asked the meeting to consider whether the FSF could provide the same level of advice to a Step 7 club as to a club in the Premier League.

**Peter Greenwood – Bluebirds Trust (Barrow)**

Peter stated that the Bluebirds Trust was fully in support of a merger whilst, at the same time, recognising that it was a step into the unknown. Going forward they believed there were four key elements:

The core mission should be ownership and voice for supporters.

To support this mission the trust expects this to be clearly identified by retaining the expertise and resources of SD.

The voting structure in a new organisation should be proportionate.

That a new organisation should recognise that it was not healthy to be dependent upon the Fans Fund as the sole source of funding and that alternatives should be sought.

#### **Malcolm Clarke – Chairman, the Football Supporters’ Federation**

Malcolm was keen to challenge Sean Hamil’s earlier statement. The merger document clearly sets out the objectives for a merged organisation that included SD’s role. This had been approved by the FSF and SD. He confirmed that he was fully supportive of supporter ownership and had worked closely and successfully with the SD team over the years – most recently at York City. From an individual perspective, he also stated that he was fully committed to the merger.

#### **Dave Pennington – Manchester United Supporters’ Trust (MUST)**

Dave asked two questions. Firstly, when talking about the SD Board recommending members reject the merger, which individuals voted for and against. Secondly, why was it not possible to propose changes to resolutions from the floor?

**Elaine Dean (Rams Trust)** further asked why such amendments could not be made as they can at the FSF AGM.

*Tom Greatrex replied on the first point that the votes of SD board are as set out in the AGM documentation and in the meeting minutes and that it was a collective decision.*

*Neil Le Milliere answered the second question regarding amendments from the floor. These could not be taken because members voting by proxy (and therefore absent) were unable to hear the arguments. Neil felt he was unable to comment on the FSF situation.*

#### **Alan Fox – Wrexham Supporters’ Trust**

Alan stated that his trust recognised that they owe a lot to SD and that the trust will vote against the merger. It had been a hard decision but the risk was that a merger would dilute support for fan owned clubs and support will fall lower on the list of

priorities in a new organisation. He asked the meeting to consider why, with all of the cash in the Premier League, the Fans Fund was demanding a cut in costs. He asked what the make up of the Fans Fund actually was. Finally, Alan noted that the final constitution of a merged organisation would be voted on in November.

*In response to the query about the running of the Fans Fund, Ashley Brown advised that they had been no factual indication that the Premier League had influenced the merger decision. Prior discussions had been undertaken to look at where synergy savings could be made but both organisations were too lean to make this viable. He felt that the initial Fans Fund view of the benefits of a merger had been a little muddled, particularly when it came to finances. The aggregate funding commitment is only for another 3 years, it is impossible to say what might happen after. There had always been trouble getting funding from other organisations for football related work as football was always perceived to be a wealthy sport, and as such could fund itself*

### **Tim Payton – Arsenal Supporters’ Trust**

Tim felt that 2019 would be a key year for trust support. If there was a split vote on the issue, however, he asked how this would practically work with SD continuing but with no Fans Fund funding.

*Ashley Brown responded that both organisations would have clearly defined KPIs. The Fans Fund would meet to agree the priority areas of focus for each organisation and who would look to bid for the work. Funding would be given for each package of work.*

On closing the debate, Tom Greatrex, as Chair, stated that he felt that SD had done all it could to present members with all of the information needed to make a clear choice. SD recognise there are challenges with both options but will honour the decision and do what it can to action it.

Members were then asked to vote and counting commenced.

### **Awards**

The Jacqui Forster Memorial Award for 2018 was presented, in her absence to Paula Martin of STAR by Pete Baker, Jacqui Forster’s partner.

The Richard Lillicrap Award for 2018 was presented by Tom Greatrex to Neil Le Milliere from Exeter City.

### **Indicative Resolution 1 – Result**

Richard Irving, as Secretary, announced that from 69 votes lodged and with 3 abstentions, 30 members were against the merger and 36 were for the merger.

Ashley Brown thanked the floor for a passionate debate and stated that there would be opportunity for all members to be represented in the new organisation whom he asked to be proactive by getting involved.

Tom Greatrex expressed his thanks to the SD staff for their work on the AGM and vote. SD would now select members to sit on the interim board and would keep members up to date on all decisions.

There being no further business, the Chair declared the meeting closed.

Richard Irving  
Secretary  
28<sup>th</sup> July 2018



## APPENDIX 4 – MINUTES OF THE SUPPORTERS DIRECT BOARD MEETING 26<sup>th</sup> SEPTEMBER 2018

**Present:** Tom Greatrex (TG) Chair  
 Peter Lloyd (PL)  
 Martyn Cheney (MC)  
 Oliver Holtaway (OH)  
 Paul Cuffe (PC) Until Item 5

**Present via Telephone:** Luke Cox (LC)  
 Stuart Fuller (SF) From Item 9

**Apologies:** Tim Hartley (TH)  
 Neil Le Milliere (NLM)  
 Ally Simcock (AS)  
 David Little (DL)  
 Paul Thexton (PT)

**In Attendance:** Ashley Brown (AB) CEO  
 Richard Irving (RI) Secretary

Item	Action
<p><b>1. Apologies for absence</b></p> <p>Apologies were received from Tim Hartley, Neil Le Milliere, Ally Simcock, David Little and Paul Thexton.</p>	
<p><b>2. Minutes of previous meetings</b></p> <p>Minutes of the Additional Board Meeting held on 5<sup>th</sup> April 2018, the Board Meeting held on 23<sup>rd</sup> May 2018, the AGM Board Meeting held on 28<sup>th</sup> July 2018 and the Additional Board Meeting held on 7<sup>th</sup> August 2018 were approved with the amendments below.</p> <p>The Board Report of the Board Meeting held on 23<sup>rd</sup> May 2018 was also approved.</p> <p>MC noted that an email had been received from the Yahoo Group recently despite the account being closed. RI will ask NLM to investigate.</p> <p>TG confirmed that, as per the AGM minutes, Andy Walsh had stated that he was “an FSF worker”.</p> <p>MC updated on the issue of the GMB union raised in the 23<sup>rd</sup> May meeting. Peter Davies has not responded to SD’s communications. TG confirmed that he had been talking to a GMB representative the previous evening and would endeavour to push things forward.</p>	<b>RI/NLM</b>

<p><b>Review of actions</b></p> <p>It was agreed that the majority of the actions would be discussed during the meeting and that the Actions Log should be updated accordingly prior to the next Board Meeting.</p> <p><b>Register of Interests</b></p> <p>There were no new additions to be made to the Director's Register of Interests.</p>	<p><b>RI</b></p>
<p><b>2. Matters arising</b></p> <p>There were no matters arising.</p>	
<p><b>3. New Organisation</b></p> <p>TG updated the meeting on the Interim Board (IB) Meeting held on 19<sup>th</sup> September. He confirmed the following:</p> <p>Richard Irving was appointed as Interim Board Secretary.</p> <p>TG further outlined the discussions regarding redundancy (it is the intention that all SD/FSF staff will be retained) and current external memberships with all current memberships (SD Europe, Fans Europe, SRA etc) being continued.</p> <p><b>Appointment of new CEO</b></p> <p>With regard to the appointment of a new CEO, an independent chair is to be appointed to oversee the process with names currently being discussed by the IB. Only the two present incumbents will be interviewed (should they apply) at this stage and reasons for this will be clearly explained to members. A job description is currently under preparation.</p> <p><b>Incorporation</b></p> <p>TG explained that lengthy discussion had taken place on this subject with conflicting legal advice received from Kevin Jaquiss (KJ) and Tom Wainwright. The decision was made to incorporate as a Community Benefits Society (CBS) but, should this take time, in the initial instance to set up as a Company Limited by Guarantee (CLG). TG also stated that Co-ops UK had confirmed to him that a CLG formed in the prescribed way would be considered a mutual in their view.</p> <p>OH asked the meeting if there were any particularly strong opinions on whether the new organisation was a CBS or not, however, PL stated that the integrity of the decision should be respected and that it should be a CBS as agreed.</p> <p>AB stated that the auditors had been unable to give a complete view thus far,</p>	

however, further input would be forthcoming within the next week. It remains a possibility that incorporating as a CLG may have tax implications and this remains an issue that needs to be urgently addressed.

PL further stated that to incorporate as a CBS would be better for attracting different sources of funding although OH countered that this view was hard to substantiate. It remains KJ's view, however, that in incorporating as a CBS it will be difficult to prove that it is, in fact, of benefit to the whole community.

AB stated that, as soon as the auditor's report is received, he will circulate it to the SD Board.

### **Financial Projections**

Nick Igoe (NI) recently prepared a budget through until July 2019. Reserves currently stand at approximately £300,000 which AB stated were in the form of an approximately 60:40 split between the FSF and SD.

### **Year End**

It was agreed that the new organisation's year end will be 31<sup>st</sup> December.

### **Programme of Meetings**

The next IB meetings will be on 4<sup>th</sup> October 2018 and 15<sup>th</sup> November 2018 with telephone calls involving all IB members in between.

### **Social Media / Website / Branding / Mission Statement**

AB will be working with Peter Daykin (PD) on the new website and social media presence and OH will also work with PD on branding and the mission statement.

### **Staffing plan**

A staffing plan is being worked up and will be presented to the IB shortly.

### **Councils & Networks**

AB stated that an election process had been developed with James Mathie (JM) and that a Premier League network meeting would be taking place on Thursday 27<sup>th</sup> September with a view to discussing the process, agreeing a timetable and electing those ready to serve on the council. Similar meetings are being planned for each network.

### **Communication to members**

A statement for members has been drafted and will be released shortly.

### **Constitution**

The constitution will be looked at during the next IB meeting on 4<sup>th</sup> October as a matter of priority. The SD board are keen to take a lead on this.

**AB**

<p><b>Other Sports</b></p> <p>The IB discussed a “friends of” role for representatives of other sports and TG suggested that such trusts/clubs could be part of the community club network. Further discussions on the subject were planned for the next IB meeting. OH and PL both agreed that provision for the inclusion of other sports should be made in the new constitution.</p> <p><b>Independent Directors</b></p> <p>PL suggested that independent directors should be appointed to the new organisation board in line with current corporate governance best practice.</p> <p>AB confirmed that the constitution should allow for co-option and that this matter should be brought up at the next IB meeting. RI will add this to the next IB meeting agenda.</p> <p><b>Strategy for SD IB representatives</b></p> <p>IB members will circulate items as and when possible for comment. Responses will then be required ASAP.</p> <p>PL stated that as far as “red lines” are concerned there are three main areas that will need to be referred back to the SD board – major deviations, new proposals (which require quick consultation online) and items that may need SD board authority to proceed with.</p> <p>PL also asked that KJ declares whether he is working on any other items for the FSF.</p> <p><b>Approach with Fans Fund</b></p> <p>OH stated that a proposed approach to Fans Fund negotiations was not discussed at the IB meeting.</p> <p>AB informed the meeting that there was no further information on the next meeting with the FF. He stated that SD will have to agree a strategy with the FSF and decide how best to group items. During sessions with the staff, a number of areas have been identified to focus on. He believed the key one to win is the funding for the provision of a national supporters’ body. Other areas below:-</p> <ol style="list-style-type: none"> <li>1. A national body for football supporters</li> <li>2. Structured Dialogue</li> <li>3. Governance – which may be on its own or within 1 and 2</li> <li>4. Reactive crisis work</li> <li>5. Volunteers – educating clubs on how to recruit more</li> <li>6. Independent Directors</li> <li>7. Education</li> <li>8. Women’s Football</li> <li>9. Policy work – and possibly campaigns</li> </ol> <p>OH asked how this could be transparently communicated to SD members.</p>	<p><b>RI</b></p>
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<p>PL stated that he felt that the packages should be mixed up wherever possible to help protect SD's mission.</p> <p>AB further stated that it was his opinion that the Football Foundation do not see how SD/FSF can help them whereas Sport England, for example, do. He asked for more ideas as to how we should tackle discussions with the FF and added that he felt that for certain core SD areas such as crisis work they may not wish to provide 3 year funding but rather allow those supporter groups to apply for a grant, which subsequently may be spent on consultancy work provided by the new organisation.</p> <p><b>Council Elections</b></p> <p>As referred to above, these will be happening quickly and individuals need to be encouraged to stand for election. AB asked those present whether they would be standing for election. OH and PL confirmed that they would not, PC stated that he would and LC would give the matter further thought. AB asked that all board members encourage as many people to stand as possible.</p> <p>The EFL meeting will tie in with the forthcoming structured dialogue meeting with the National League and supporter owned clubs meetings still to be arranged.</p> <p>In the case where clubs are promoted/relegated, individuals representing those clubs will lose their place on the council but, if elected to the board, will retain that place for the full three year term. In such a case, councils could be empowered to bring individuals back via co-option and this will be written into the constitution.</p> <p>AB asked the meeting to strategically think about who the community club board member should be – a briefing pack is being prepared but individuals will need to be followed up with.</p> <p><b>Asset transfer and winding up vote</b></p> <p>AB stated that there was a danger that the scheduled November 22<sup>nd</sup> meeting might not be relevant. The date is currently a target but there needs to be a meaningful vote for it to go ahead. At present, there is no entity or process in place and that date may be difficult to achieve.</p> <p>MC asked whether a postal vote may be possible for this meeting and AB replied that it was not certain. He also confirmed that the November board meeting, scheduled for the day before, would go ahead as planned.</p> <p><b>Operational matters</b></p> <p>AB confirmed that the operational merger discussions were continuing with himself, RI and NI leading for SD.</p>	<p><b>ALL</b></p> <p><b>ALL</b></p>
<p><b>4. CEO Report</b></p> <p>AB focused on all matters not relating to the new organisation.</p>	

<p>Some KPIs have been missed, a number of which are in SD's core work which is disappointing. He did feel, however, that this would not have an impact on the FF's payment. OH asked whether a points system with more weight given to certain KPIs might be a more appropriate system for the future. AB felt that, in fact, the system was, at present, unwieldy.</p> <p>Hub usage has also been disappointing, primarily due to its late uptake although the recent EFL article has been well visited.</p> <p>With regard to current work:</p> <p>Bolton Wanderers – a short term solution has been found but this will undoubtedly be a problem again in the future.</p> <p>Supporter Directors have now been appointed at Crawley Town, Grimsby Town and Cheltenham Town.</p> <p>Problems remain at Billericay Town in the National League South and NH is liaising with the trust on this.</p> <p>An event is taking place on the fringe of the Conservative Party conference in Birmingham next Tuesday (2<sup>nd</sup> October). Damian Collins, Caroline Barker, Jaimie Fuller (from SKiNS) are amongst those on the panel and trusts with local Conservative MPs are being encouraged to attend with them.</p> <p>AB also confirmed that he had recently taken part as a panel member at a VSI event in Manchester.</p> <p>SD are also involved in the Football Business Awards selecting 6 finalists in the category for clubs/supporters with the best relationship.</p> <p>TG confirmed that he was meeting Martin Glenn from the FA on Sunday (30<sup>th</sup> September) to discuss governance issues. There will also be an FA group on governance meeting on 27<sup>th</sup> November which Roger Ellis will also be attending.</p> <p><b>Financial Report</b></p> <p>PL asked if there was a report available on the FSF's finances. AB stated that some historic information was available and that NI has been asking questions on some further issues.</p>	
<p><b>5. Rugby League</b></p> <p>MC reported as follows:</p> <p><b>Rugby League EGM</b></p> <p>The Super League Clubs tried to initiate a set of rule changes that would do away with the Super 8's part of the season, and a return to automatic promotion and relegation. They announced this to the press but hadn't consulted with the rest of the game. This led to an EGM 2 weeks ago, where there were other changes put to the clubs, including reduced funding for championship/league one team from 2021 depending on the size of the broadcast deal, with a proviso that if the</p>	

funding dropped below £30m then the lower league teams would get nothing. It was proposed that there would be two automatic promotion spots to the championship guaranteeing Bradford the second spot, and there would be an additional play-off game two weeks after the season ends for the bottom team in the championship and a team from League One. This has caused uproar as some of the teams can't guarantee a team as the players at the start of the season believed that the season would be over.

The RL council voted overwhelmingly in favour of this, with 68% of clubs in favour of the deal. There are 55 votes available on the Council, 24 for the 12 super league clubs, 24 for the League One and Championship clubs and 7 for the community board.

There was plenty of talk prior to the meeting from the lower league clubs that they would vote against the deal, but seemingly some clubs were bullied into voting with the proposal, as the club they have a dual registration deal with, or in some cases share training facilities with, told them that there would be no deal in 2019 and beyond if they voted the proposals down. Rochdale had been one of the alleged victims of this as they have a deal with Warrington Wolves for players and training facilities. They say they consulted with Warrington prior to the vote but were adamant they weren't swayed by the threats.

The Featherstone chairman was vocal in his complaints that the two biggest stakeholders in the game, the players and fans haven't been consulted on the proposals, despite our best efforts.

Damian Irvine had a piece published in the trade press last Monday saying the same thing and bigging up supporter ownership.

Eric Perez, one of the owners/shareholders of Toronto, has previously tried to buy

Oldham, Rochdale and Swinton, with a view to merging them into a Manchester team. He has now set his sights on London Skolars with a view to relocating them to north America, to circumnavigate the entry criteria into the league as they are an existing team.

At the end of the 2017 season, it was announced that the Gloucester and Oxford clubs had withdrawn from the competition with a view to being part of the

proposed Bristol Franchise, but this isn't now going to happen. Oxford are now looking to sell their licence, for £30k, and this was offered to the Bramley Buffaloes. This was withdrawn shortly afterwards, as the RFL had told them only

to sell the licence to an individual with money who could afford to bankroll the team to the Super League. This would exclude any fan owned club.

Dublin and a Czech team are allegedly in to buy the two licences. However, Gloucester announced last week that they would be playing in a League One South in 2019 or 2020 with "quality southern and Welsh teams", but there is no word on whether this is to be professional or 'open'. Although this week's trade press seems to indicate that it could be 'open' and used by the existing semi pro teams as a second team competition.

Since Jon Dutton's departure to the RLWC 2021 communication with the RFL has been sporadic, at best, with them pretty much ignoring us. We had worked up

<p>alternative plans for the Community Champion award to hold it in conjunction with the APPRLG, but the RFL came through three weeks ago to say they would host the award, so it was rushed, and was presented to Ben Moorhouse. Our contact Siobhan Atkinson wasn't in attendance.</p> <p>Salford are up for sale again and I understand that JM is meeting with them shortly with NH.</p> <p>New York have submitted a bid but the RFL have done nothing with it as yet, the NYC investors are now getting twitchy and may withdraw.</p> <p>The Last APPRLG meeting had a presentation from the England Performance Unit, which was sketchy at best, and the presenter was unable to field questions from the group and members. Their annual dinner is on the 20<sup>th</sup> November 2018 at the House of Lords.</p>	
<p><b>6. Representation of other sports</b></p> <p>This was addressed in the new organisation section.</p>	
<p><b>7. Governance</b></p> <p>There were no updates from the committees and the council elections were discussed earlier.</p>	
<p><b>8. Confidential Items</b></p> <p>There were no confidential items.</p>	
<p><b>9. Standing Items</b></p> <p><b>GDPR</b></p> <p>RI confirmed that staff training on GDPR had taken place at the May staff meeting.</p> <p><b>SD Europe</b></p> <p>The SDE AGM is taking place in Huelva, Spain on 1<sup>st</sup> December 2018. OH hopes to be in attendance and AB will be joining him.</p> <p>AB also confirmed that the new organisation will be members of SDE going forward.</p>	
<p><b>10. Any Other Business</b></p> <p><b>Diversity</b></p>	



<p>It was agreed that co-option of diverse candidates would be required for the new board.</p> <p>PL confirmed that he felt that the FSF consider diversity to be a major issue.</p> <p>Fans for Diversity will have a place reserved on the board of the new organisation.</p> <p>SF stated that he had been attending an Isthmian League board meeting earlier in the day and that they were struggling to recruit candidates from diverse backgrounds for their board.</p>	
<b>The meeting closed at 3.55 pm.</b>	

The next Board Meeting will be held on Wednesday 21<sup>st</sup> November 2018 in the Camden Room, CAN Mezzanine, East Road, London at 12.00 pm.

## **APPENDIX 5 – MINUTES FROM THE FOOTBALL SUPPORTERS' ASSOCIATION COMMUNITY OWNED CLUB NETWORK MEETING 4<sup>th</sup> NOVEMBER 2021**

### **Community Owned Club Network Meeting 4<sup>th</sup> November 2021**

#### **Attendees:**

Neil Le Milliere (Exeter City & National Council), Matt Johnson (1876 Bangor), Nick Duckett (FC United & National Council), John Duffill (Hull United), Andrew Madaras (Dunstable Town), Neil Raper (Darlington), Tim Hillyer (AFC Wimbledon), Chris Tymkow (Clapton CFC), Glyn Jarvis (Grays Athletic), Rob Davies (Merthyr Town)

FSA: Richard Irving, Andy Walsh

SD Scotland: Alan Russell

SD Europe: Arik Rosenstein

#### **1. Apologies for absence**

Martin Cantrell (Banbury), John Peel (Lewes), Trevor Bull (Scarborough), Arik Rosenstein (SD Europe).

#### **2. Notes from the 18th March 2021 Meeting**

The notes were agreed.

#### **3. Matters Arising**

A number of matters were listed on the agenda for discussion later in the meeting.

#### **Pre-season friendlies**

Glyn Jarvis reported that the pre-season friendly between Enfield Town and Grays Athletic was a tremendous celebration of supporter ownership. This season the friendlies also included a match between the women's teams.

Chris from Clapton added that the match between FC United and Clapton was a success too.

Richard Irving confirmed that after a year when we were unable to arrange the traditional supporter-owned club matches the FSA hoped to re-establish the fixtures in coming seasons.

#### **4. FSA National Council meeting 23rd September 2021**

Tim Hillyer gave a report of the National Council business. The main news was an update on the Fan Led Review. The planned publication date for the FLR was postponed to later in November. This was due to COP 26, the Budget and other Parliamentary business. The early information we have ahead of publication seems promising and the FSA will be pressing for a full implementation of the provisions. The owners of many Premier League clubs have been lobbying hard to reduce the impact of any proposed reforms including trying to block the establishment of a regulator.

There has been a great deal of speculation about the possibility of a League 3. It is believed that this proposal if implemented would result in a regionalised competition. The Football Ombudsman has announced that he is to step down. The post has been largely seen as ineffective and very few will be sorry to see him go. It is unlikely that he will be replaced and the work of the Ombudsman may well come under the remit independent regulator. The FA is believed to have made a bid for the regulator to be embedded within their structure but this is unlikely to be the case and the regulator would act independently.

The NC discussed the development of our work in the women's' game work where our network of supporter groups has continued to grow. Discussions are being held with other groups active in women's football about joined up working including *Her Game Too*.

A number of clubs involved with the European Super League have indicated that they retain an ambition to resurrect their project and supporters need to remain vigilant.

Preparations are underway to celebrate the 100-year anniversary of supporter organisations in 2022.

The FSA has a standing policy to encourage supporters and clubs to reduce impact on the environment and the NC has set up a sub-committee to address how supporter groups can help drive change in the game.

#### 5. FSA National Council Election

Two vacancies exist one for a three-year term of office, and a second for a two-year term of office. Three candidates have been nominated: Neil L Milliere, Martin Cantrell and Tim Hillyer.

15 clubs out of the 43 clubs in the network participated in the election, casting a total of 27 votes.

Tim Hillyer received 10 votes and will serve a term of three years.

Martin Cantrell received 9 votes and will serve for two years.

Commiserations were offered to Neil Le Milliere who received 8 votes. Neil and others were reminded that vacancies exist for individual members.

#### 6. Fan-Led review Update

In addition to Tim Hillyer's report of NC discussions on the Fan Led Review, Andy Walsh reported that the FSA was keen to ensure that community ownership opportunities remained part of the discussions on reform. The FSA was supporting an open letter to the Fan Led review panel from Power to Change and encouraged clubs to add their signatures. The letter was distributed to clubs for consideration.

#### 7. Fair Game Group

Tim Hillyer gave an update on the Fair Game network. Neil Le Milliere reported that Exeter City had been involved in the initial discussions with Fair Game but had concerns about the governance structure and direction of policy and decided to step away. Exeter believe that the work of Fair Game would be better served within the campaigning work of the FSA.

#### 8. CoC Mentoring Programme update

Ralph Burditt is being supported on the mentoring programme by Matt Reach from AFC Wimbledon. This is very much a first foray into this kind of support, any lessons learned will be shared with the network.

John Duffill has indicated that he would also like to be considered for future mentoring opportunity.

#### 9. FSA AGM Motion

The AGM will discuss a number of members' motions including one on the 3pm TV blackout. Banbury United are proposing the following resolution on an ethical procurement policy:

*We propose that all FSA affiliate and associate members be asked to use their best endeavours to ensure that an ethical procurement policy with particular reference to kit and clothing manufacture, is implemented. The AGM asks that FSA staff work with Labour Behind the Label to develop a policy template for consideration by clubs.*

After a short discussion it was agreed that the motion would be distributed to the network for further consideration by clubs.

#### 10. New Community Owned Clubs / Activity in the Network (RI)

FSA staff have met with iRama representatives and raised our concerns about their activities.

The concerns expressed by supporters about the activities of property company have been raised with the Alliance Leagues Committee and the committee asked the FSA to work with FA staff to draft proposals for consideration at a future meeting. FSA staff have been advising and supporting fans and officials at the affected clubs.

Ollerton Town FC, Redhill FC and Welwyn Garden City FC are each in discussions about conversion to community ownership.

Worcester City supporters' trust now own in excess of 50% of shares in the football club.

AFC Wimbledon's experience of fundraising for their ground development at Plough Lane has been used to assist Lincoln City in raising funds for their own ground development plans.

Grays Athletic are in discussions with a local school about a development plan for community use agreement on new grass pitches.

#### 11. Proposed Board Training

A training package for trust board members and trust secretaries is due to be announced in the new year.

#### 12. SD Scotland update from Alan Russell

Alan Russell gave an update on developments in Scotland. St Mirren independent supporters' association have worked with a local charity to achieve community ownership and the club is now majority community owned.

Heart of Midlothian supporters now own 90% of their club.

Greenock Morton supporters now own 90% of the shares in the club following the development of a working relationship with the owners. The path to ownership included seats on the club board and working with the owners to develop a long sustainable future for the club resulting in the owners writing down pre-existing loans and club debts.

The top four divisions of football in Scotland consist of 42 clubs: seven clubs are now in majority community ownership whilst a further seven have supporter representation on club boards.

With 270 professional or Semi-professional clubs in Scotland there remains a lot of potential for further community ownership.

The meeting closed at 20:05

## **APPENDIX 6 - INTERVIEW QUESTIONS**

### **Questions to interviewees**

As a fan, is a successful team, financial security or long-term sustainability paramount? (Only by defining each individual's approach to success can we begin to understand whether the supporter ownership model has achieved what it has set out to do and can we begin to judge whether, under any criteria, it has worked).

Further questions then dealt with the wider movement with the following examples providing reinforcement or otherwise to the themes explored in the literature review. These included, for example:

In the 17 years since the formation of Supporters Direct what have been the positive and negative aspects of the supporters' trust and supporter ownership movement and do you believe that Supporters Direct has succeeded in its mission?

What do you believe are the greatest impediments to supporter ownership?

Given the pressures that the co-operative and mutual models are facing, can you see a direct association with the attitude towards fan ownership in the wider political climate and do you believe that, politically, the environment is conducive to this form of ownership's success?

As a result, can you see a chance for wider supporter ownership in football and will, for example, a Premier League club in England ever be fan-owned?

In the future, can you see all clubs supporter-owned, will they all be privately-owned or will there continue to be a mix of models?

Given your knowledge of supporter ownership, what are your views on sustainability of clubs, firstly as ongoing entities and, secondly, in the light of founder members of trusts etc. now becoming older and potentially losing enthusiasm?

Is one of the risks to the movement the fact that, as in Hirschmann's theory, people will only become involved if something is under threat and momentum is lost once the initial goal is achieved?

Do you believe there is enough enthusiasm generally for the model across the wider fanbase, particularly with younger supporters?

Has involvement developed significantly or has government legislation and the supporters' trust movement merely provided engagement as a sop to those fans interested in governance whilst giving the impression that the regulatory bodies are doing something without actually caring?

What are your views on government legislating to assist the movement? Has engagement and involvement been encouraged enough or is it just tokenism made to look like there is real enthusiasm for it?

Has the Supporters Direct model of ownership been too inflexible?

What do you think of the proposed SD/FSF merger?

Does the supporters' trust model of ownership in football actually work?