

NEWS RELEASE

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Community ownership is the way forward for struggling football clubs, says think-tank

Football clubs could overcome many of their financial difficulties by embracing community ownership as a mechanism for delivering long-term stability, according to a new report from the think-tank Mutuo.

Writing in ***Back Home****, Dr Christine Oughton, Director of the Football Governance Research Centre at the University of London, argues that the current financial crisis in football has exposed the weakness of the traditional company model, which is often over-reliant on the financial support of a small group of people, and that community ownership could provide a more sustainable business model for clubs.

The report suggests that clubs should consider adopting the **community mutual** ownership model, a form of Co-operative Society developed by Mutuo. This would offer membership to a wider range of stakeholders including fans, local businesses and other parties with an interest in the health of the club, and thus attract greater, and more secure, investment. The report also provides examples of the possibilities that exist for transforming stadia into hubs for activities such as other sports, education, music, enterprise and healthcare.

Mutuality is not new in football. Clubs including Arsenal, Leicester City and Manchester United originated as membership organisations rooted in their local communities. And more recently Supporters' Trusts, which give fans a collective say in how their clubs are run, have sprung up in clubs at all levels throughout Britain.

Mutuo's Director Peter Hunt says: "The experience of many clubs recently is that when times are tough it is the local community who are the only ones

prepared to dig deep and support the club financially. It is the local supporters who are helping and saving many clubs in their current financial peril, but the need to please shareholders and the markets has meant that the fans and the local community, the bedrock of a sustainable club, are too often marginalised. Clubs would benefit enormously from adopting a business model which harnesses community commitment more effectively.”

Clubs such as Macclesfield Town and Brentford FC (see case study) have already taken a lead in using their stadia more widely to raise revenue. Dr Christine Oughton comments: “Clubs must enlist the support of whole communities if they are to transform themselves and survive. Even if they do not decide to become fully mutual, they can widen their appeal and increase their revenue stream by making better use of their stadia, which are often in locations of great need and crying out for improved facilities. Developing them into centres providing cultural, sporting and educational services would provide employment, help boost loyalty to the club - and bring in revenue from sources not normally associated with football.”

Allowing football clubs to be set up as mutuals requires a change in the Football Association’s rules. However, the current legislation was designed to prevent clubs being run as unincorporated bodies rather than as a deliberate barrier to mutuality, and could be amended without difficulty.

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**Back Home: returning football clubs to their communities* by Dr Christine Oughton, Cliff Mills of Cobbetts Solicitors, Malcolm McClean of Community Action Network and Peter Hunt, is available from e.harrison@mutuo.co.uk or 77 Weston Street, London SE1 3SD, price £10.

Mutuo is supported by the Building Societies Association, the Association of Friendly Societies and the Co-operative Group. It operates as a publisher and researcher for the mutual sector, working to communicate effectively the value of mutuality to UK policymakers and opinion formers.

www.mutuo.co.uk

Case Study: Brentford FC - Bees United

Supporters of Brentford FC in west London have set up Brentford Football Community Society Ltd as an Industrial and Provident Society, under the Supporters Direct initiative. This supporters' trust, Bees United, now has representation on the board of Brentford FC and is raising finance to enable it to acquire the club and run it as a genuine community club.

Brentford FC already runs a very successful Football in the Community programme in partnership with the local authorities of Hounslow and Ealing, involving over 10,000 children. This includes a free schools coaching scheme, after-school clubs, activity days, holiday courses, special events and sessions for youngsters and adults with learning and physical disabilities. Future plans include a Study Resource Centre to improve educational achievements and promote family educational initiatives.

The financial future of the club is dependent on finding and developing a more suitable site for a multi-purpose stadium, which will also generate non football-related income. Bees United are developing a plan for a new community stadium complex offering an integrated mix of services and activities such as a youth centre, arts centre, sports, leisure, education, health and social care, childcare and a business incubation cluster which will focus on sport, health and creative industries, all of which will be linked to adjacent conference and entertainment facilities.

Case study: Supporters Direct

Supporters Direct was launched by former Secretary of State Chris Smith MP on 5 September 2000. It aims to help people who wish to play a responsible part in the life of the club they support, and is funded through a grant of £250,000 per year authorised by the Department of Culture, Media and Sport.

Supporters Direct have been contacted by supporters of 149 football clubs throughout England, Scotland, Wales and Northern Ireland. Trusts now exist at 80 football clubs in England, Scotland and Wales, ranging from Premier League clubs to non-League. Supporters' Trusts have shareholdings in their football clubs at 38 clubs, and there are 28 clubs where a supporter is on the Board of Directors. Lincoln City and Chesterfield Football Clubs are now both owned by their respective Supporters' Trusts.

Supporters Direct has three objectives:

Influence – the formation of representative bodies for supporters

Ownership – the acquisition of shares in the football club to pool the voting power of individual supporters to further the aims of the Supporters' Trust

Representation – securing the democratic election of supporters' representatives to the Boards of Directors of individual football clubs