SUMMARY OF THE COMMISSION'S DECISION

The Commission has found this to be a complex and difficult decision to reach. Feelings have run high on all sides. Whichever decision we came to many would find it hard to understand and would be disappointed. We regret this. Nevertheless we determined to decide the case on its merits and on our assessment of all the evidence before us in its various forms. The balancing exercise has not been an easy one to perform. WFC itself recognises that a move to Milton Keynes does not represent an ideal solution to its serious difficulties.

Perhaps because of the nature of this application and the fundamental points for football it raises, involving competing commercial and football issues, we have been unable to reach a unanimous decision. This decision is therefore given by a majority, both of whom have reached a clear view.

We are acutely conscious of the impact and implications of this decision, and bore these considerations well in mind in arriving at it.

Our decision is that, in light of its exceptional circumstances, WFC should be given approval to relocate to Milton Keynes. We suggest some important steps which the Football League, WFC and MKSC must take to preserve the integrity and identity of WFC.

We find the cherished and fundamental principles of football in this country in relation to the pyramid structure and promotion and relegation on sporting criteria alone, admirable. Likewise we respect, value and would seek to uphold the community basis of football clubs.

We do not wish to see clubs attempting to circumvent the pyramid structure by ditching their communities and metamorphosising in new, more attractive areas. Nor do we wish, any more than the football authorities or supporters, for franchise football to arrive on these shores. We believe that giving WFC permission in this exceptional case will have neither of these consequences.

We cannot conceive of another club in WFC's league position (or which is comparable to WFC) which meets the following criteria. The stark facts which make WFC unique are:

- (a) WFC has had no stadium of its own, and has been a secondary tenant, for some 11 years and its shareholders are not prepared to continue to finance its operation in its present financial circumstances.
- (b) WFC needs to relocate to have a commercially viable future or, given the level of losses it will continue to sustain, it will go into liquidation. There is no viable South London alternative.
- (c) Milton Keynes provides a suitable and deserving opportunity in its own right where none exists in South London.
- (d) WFC's links or roots in its community are of a nature that can be and are agreed should be retained by WFC and MKSC, albeit in a new location. The Football League can ensure these links are put in place and preserved.

Background

- 1. Wimbledon Football Club (*WFC* or the *Club*) was originally formed in 1889 as Wimbledon Old Centrals, playing on Wimbledon Common. It joined the Athenian League in 1919, having moved to a site in Plough Lane in 1912. It played its home games at Plough Lane for almost 80 years until 1991. Plough Lane is in Merton BC. The site was not converted to meet the requirements of the Taylor Report following the Hillsborough disaster of 1989 and in particular the requirement that clubs in the top two divisions should play in all-seater stadia, subsequently implemented by the Football Licensing Authority.
- 2. Since the 1991/1992 season WFC has played its homes games at Selhurst Park in Croydon BC, Crystal Palace's home ground, which is about five miles from Plough Lane. It obtained the permission of the Football League to do so. It appears that permission was given on the basis that the move was temporary and that WFC would still be within its "conurbation". It is now therefore over ten years since WFC last played its home matches at Plough Lane, its original home for most of the last century, and over ten years since it has not had its own home stadium.
- 3. Having played in the Athenian, Southern and Isthmian Leagues, in 1977 WFC was elected to the Football League. It gained promotion to the Third Division in 1979. Working its way up through sporting merit and endeavour, WFC has been an example to all as to the footballing success that can be achieved by a relatively "small" club. Its name is indeed synonymous with "Giant Killing". Twice having been relegated to Division Four it nevertheless remarkably rose to the Third Division in 1983, the Second Division in 1984, and up to the old First Division in 1986. Memorably it won the FA Cup in this, the most famous period in the Club's history, beating Liverpool 1-0 in 1988. It was one of the clubs which started out in the FA Premier League in 1992. It stayed in the FA Premier League until 2000 when it was relegated, gradually in the preceding two seasons slipping into lower finishing positions and it is now in Football League Division 1.

Witness Statement of John David Dent, 20 December 2001, paragraph 10.

Selhurst Park

- 4. The decision to move from Plough Lane to Selhurst Park in 1991 was influenced by WFC's then Chairman Mr Sam Hammam. He owned 95% of the shares of WFC. Merton had sold the freehold of the site at Plough Lane to WFC in 1959, subject to a pre-emption to re-acquire it and a covenant relating to use. The site at Plough Lane needed considerable modernisation. Mr Hammam invested heavily in the Club as it was achieving its phenomenal success in the 1980's. WFC was considerably financially indebted to him and/or his companies. In 1984 the Board agreed to repay some of the accrued debt by transferring the site at Plough Lane to a company controlled by Mr Hammam, which it then leased back to the Club. There were no Rules or Regulations of the Football League, or indeed the Football Association, which prevented an outright transfer of freehold ownership of a club's ground to another entity, albeit controlled/owned by its Chairman. We understand there are no such rules even now. We understand that there are about 10 (out of 72) Football League clubs which do not own their own stadium.²
- 5. Merton subsequently agreed with Mr Hammam to waive its covenant relating to re-acquisition and he successfully, through another company he owned/controlled, Rudgwick Limited, acquired the land for £3m and applied for a change of use. Rudgwick Limited sold the site to Safeway Plc in 1994.³ The Club's move to play its home matches at Selhurst Park in 1991 was by then looking less temporary.

Investors

- 6. In 1997 Mr Hammam sold 80% of his shares to a Norwegian Company AKER RGI. Under the deal Mr Hammam retained management control. The price was approximately £25 million.
- 7. Since then the Club has of course been relegated and recently finished ninth in Football League Division 1.

We would say in passing that we believe the football authorities should take a close look at whether they should monitor the ownership of land on which stadia are built and perhaps this land should be held on trust for the clubs so that it cannot be used as an asset by owners/investors to dispose of at will.

- 8. In April 2000 Mr Hammam sold his remaining interest to Farian Ltd for approximately £1.5m, a company in which Mr Charles Koppel is a shareholder and Mr Matthias Hauger is another. On 18 April 2000 both of these gentlemen joined the Board.
- 9. It is fair to note that both sets of investors, the Norwegians and Mr Koppel and Mr Hauger were fully aware on entering into the respective transactions that a new stadium would have to be found for the Club in due course and that it would need considerable investment. When Mr Koppel and Mr Hauger came in in April 2000, WFC was about to suffer relegation but it carried an FA Premier League club cost base and nursed FA Premier League ambitions. Both attended the hearing. Mr Koppel was appointed Vice Chairman immediately, and became Chairman in 2001. Mr Hauger is on the Board. Mr Koppel has been very actively involved in the day to day management of the Club including its administration, player issues, and in particular in its attempts to find a new stadium.

Milton Keynes

10. In August 2000 Mr Peter Winkelman of the Milton Keynes Stadium Consortium (*MKSC*) approached Mr Koppel. MKSC is a group of local business people who together with stakeholders and community groups are working to secure the provision of professional football in Milton Keynes.⁴ MKSC was building a major development in the Denbigh area of Milton Keynes, which is near Bletchley. That included a modern, state of the art, 28,000 all-seater stadium. The stadium could be expanded to 45,000 seats. Milton Keynes, Mr Winkelman told Mr Koppel, was a dynamic young city, which merited having a football club. Milton Keynes, WFC and football in general would benefit. Mr Koppel met with Mr Winkelman, leading members of Milton Keynes Council and others to take matters forward. Heads of terms were finally agreed in July 2001.

With nearly all the considerable proceeds (we are told £8.5m) going to Mr Hammam.

Statement of Peter Winkelman 20 November 2001, paragraph 6.

Finding a new stadium

- 11. It had been both a preoccupation and a priority for Mr Koppel to find the Club a home stadium since he arrived in April 2000. In an appendix to his Statement of 21 November 2001 Mr Koppel sets out in detail the extensive efforts carried out to search for a site for a new stadium under both his and under previous management, and the advice received. Despite these efforts, for reasons we give later no sensible prospect has materialised.
- 12. No other club of the 92 professional clubs is a secondary tenant in WFC's position. The colours, branding and traditions at Selhurst Park remain that of Crystal Palace FC. Crystal Palace FC also currently play in Football League Division 1. The clubs are direct competitors. WFC feels like a visitor at its home games. Deloitte and Touche estimate that WFC loses £3-4 million each season in revenue from not owning its own stadium⁵. Apart from the financial disadvantages to not owning its own stadium, WFC, Mr Koppel believes, is disadvantaged from a footballing point of view. Indeed WFC was one of only two teams in Division 1 to win more games away than at home last season. The fan base suffers: there has been a steady decline in home attendances (9% over the year) against a general trend of rising attendances in Division 1. WFC's average gates fall well below those of their rivals. In 2001 it finished 8th and, in 2002, 9th in Division 1. It is hard to build a following of fans in these circumstances.
- 13. Selhurst Park is owned by Altonwood Ltd and leased back to Crystal Palace FC, under a similar arrangement to that effected by Mr Hammam in relation to Plough Lane, only in this instance Mr Ron Noades, a former owner of WFC, currently Chairman of Brentford FC, owns/controls Altonwood Ltd.
- 14. WFC has a sub lease from Crystal Palace, which terminates on 31 May 2005.
- 15. Under the terms of the sub lease 10% of gate receipts (including revenue from season tickets and executive boxes) is paid to Altonwood Ltd by way of rent. WFC pays 50% of all expenses accrued in the maintenance and operation of the stadium.

Expert Report, 20 November 2001, paragraph 33; and Supplementary Report, 14 January 2002, paragraph 6.

Commercial opportunities for WFC in this arrangement are limited. No branding can take place in the hospitality and entertainment areas. WFC's image is not projected. WFC fans struggle to find any sense of belonging at Crystal Palace and the home following has declined.

- 16. WFC ticket prices are frozen at not less than 20% below Crystal Palace FC prices to prevent undercutting. Concessions from the sale of food and drink for football and other hospitality/functions all go to Altonwood Ltd. Advertising revenue is curtailed and WFC cannot exploit rights in the stands, enclosures, suites, lounges and bars. Corporate boxes remain branded by Crystal Palace FC and its corporate sponsors. Merchandise sales are held back by the location of the WFC shop, which is in a less prominent position than the Crystal Palace shop. Moreover WFC is concerned as to the potentially onerous terms Altonwood Ltd and Crystal Palace FC may seek to achieve in relation to the renewal of the lease, should they be prepared to renew it in May 2005.
- 17. For all these reasons WFC considers it imperative that a new home stadium for WFC is secured, and one which would be ready reasonably quickly i.e. in the next 2-3 years. The following criteria have been determined by WFC and its investors and influence their choices:
- (a) The site has to be large enough to accommodate a stadium of 20,000 people⁶;
- (b) The owners have to be ready and willing to sell;

The average home attendances for the FAPL for the 2001/2 season and Football League Division 1 were 34,093 and 15,222 respectively. The Division 1 attendees for the 2001/2 Season are set out below. WFC's average home attendance at Selhurst Park for the 2001/2 season was 6,832.

Club	Ground	Avg	Club	Ground	Avg
Barnsley	Oakwell	12,967	Nottm Forest	The City Ground	21,931
Birmingham	St Andrews	22,080	Portsmouth	Fratton Park	16,117
Bradford	Valley Parade	15,471	Preston	Deepdale	14,492
Burnley	Turf Moor	15,023	Rotherham	Millmoor	6,994
Coventry	Highfield Road	17,294	Sheff United	Bramall Lane	15,789
Crewe	Gresty Road	6,807	Sheff Wed	Hillsborough	19,963
Crystal Palace	Selhurst Park	17,880	Stockport	Edgeley Park	6,063
Gillingham	Priestfield Stadium	8,662	Walsall	Bescot Stadium	6,951
Grimsby	Blundell Park	6,092	Watford	Vicarage Road	14,970
Man City	Maine Road	32,777	West Brom	The Hawthorns	19,918
Millwall	The Den	13,009	Wimbledon	Selhurst Park	6,832
Norwich	Carrow Road	18,416	Wolves	Molineux	22,910

- (c) The site has to have suitable rail and road infrastructure;
- (d) Planning permission must be probable;
- (e) It must be available by 2005 (at the latest) when the current site lease at Selhurst Park expires;

and last but certainly not least from WFC's shareholders' point of view

- (f) The total cost of the procurement and development must be "affordable" which in reality equates to substantial funding from outside sources, and in particular by enabling development. WFC cannot raise the funds itself.
- 18. Mr Koppel refers to vigorous efforts over many years to identify a site in reasonable proximity to the old Plough Lane site, which have all come to nothing.
- 19. In the early part of last year WFC concluded that the MKSC proposal they had been exploring represented the best option. The potential fan base is huge. 8 million people live within one hour's drive, and 2.2 million within half an hour's drive. Milton Keynes is said to have the largest population in Europe without a professional football team. The stadium site is easily accessible. 55 acres as a site is available at Denbigh, with minimal land acquisition cost. 18 acres could be given to enabling development to support the stadium construction costs. There were no foreseeable regulatory problems. There would be no significant capital cost to the Club. There is a serious group of commercial and retail partners. All this has been confirmed to us by Mr Peter Winkelman of MKSC.
- 20. It would be one of the biggest and most difficult decisions in the long history of the Club. At a Board Meeting in July 2001, after much discussion, it was resolved that the Club should indeed pursue the Milton Keynes option and agree the heads of an agreement with MKSC. Most Board members felt the Club had no choice. Some, including the longest serving members, dissented. The most difficult issue was, obviously, how to win the hearts and minds of WFC's fans to this proposal and to make it possible for them to continue to support and identify with the Club.

21. The Board immediately agreed to subsidised travel and season tickets and to set up consultation measures relating to the design of the stadium at Milton Keynes to properly reflect the history and traditions of WFC. WFC reached agreement in principle with MKSC. There was then the question of approval of the move from the Football League.

The application to the Football League

- 22. The Club had once before, in 1997 under Mr Hammam's chairmanship, flirted with a possibility of relocation considerably farther afield than Milton Keynes, namely Dublin. The plan floundered when the Football Association of Ireland blocked it, but the Norwegians who invested in the Club at that time were led to believe (rightly or wrongly) that the English football authorities would not pose a problem.
- 23. By a letter dated 2 August 2001 WFC made a formal application for the Football League's approval of the move to Milton Keynes. Mr Koppel expressed an intention for the Club to be playing in the new stadium as soon as the 2003/4 season, subject to the necessary planning and regulatory consents. He wrote to the Chief Executive at the Football League, Mr David Burns. His letter states:

"Dear David

I am hereby writing to inform you that Wimbledon Football Club has signed an agreement to move to a new home ground in Milton Keynes and is herewith formally applying for your approval of the proposed move. Subject to the necessary planning and regulatory consents being obtained, we intend to be playing in our new stadium ideally in the 2003/2004 season. I would like to take this opportunity to explain why we have taken this decision.

The first thing I would like to stress is that this is about ensuring the survival of the club. We are not looking to set a trend but to find a home where we can establish roots and build a platform for the future. We have not made this decision lightly.

Wimbledon is in a unique position. We are ambitious, but we are the largest club in the country without a home. It is now ten years since we left our original ground in Plough Lane, a site that is owned by a supermarket chain and is not available to us. Despite having worked closely with the local council over time it is agreed that there are no viable alternatives for us to return to the Royal Borough of Merton. It has also become very clear that in

order to guarantee the survival of the club we need to find an urgent solution to a problem that we inherited.

Since we took control of the club, we have once again looked at all options available to us and as you are no doubt aware, there are limited options for stadia development in today's environment. The move to Milton Keynes represents the only realistic solution for Wimbledon Football Club, which is immediate and welcoming.

As a result of this move, we, together with our partners in Milton Keynes, will be investing in a new stadium with an initial capacity of 28,000 with the potential of increasing to 45,000. Milton Keynes is currently 20 miles from the nearest League club and 50 miles from the nearest Premiership club and we believe that over time it will become a strong football community in its own right.

We know that we are taking a risk moving to a new home, but we genuinely believe that this is the only way we can give Wimbledon a long-term, sustainable future. Of course, we understand that the move will be an emotional issue for our supporters and that many people will be disappointed. Whilst our attendances in the Premiership were satisfactory our own supporter base has remained small, the effects of which are clearly shown now that we are in Division 1. Clearly, being homeless has not allowed us to build a long-term sustainable supporter base. We will of course work closely with supporter groups to ensure that we do as much as possible to allow them to continue to support Wimbledon Football Club. We also fully intend to meet all our commitments to our local Community, Youth and Academy programmes.

We recognize that this is a unique solution to a unique problem. We appreciate that a significant amount of debate amongst all interested parties will be generated, which we are taking very seriously. However, we have made a commitment to the club, its staff, players and supporters to ensure that the future of Wimbledon Football Club is protected and we have made this difficult decision with all stakeholders in mind.

I hope I have given you a sense of why we are seeking your approval for this move and we herewith would like to seek your permission to make a formal presentation to the Football League Board on 16 August 2001. I look forward to discussing this in greater detail with you as soon as possible.

We have also written to the Football Association and the FA Premier League regarding this matter."

24. The Football League Board met on 16 August 2001. The Board unanimously rejected WFC's application. WFC contended that the decision taken was unfair, unlawful, and procedurally flawed.

The Arbitration Panel - January 2002

- 25. The Club and the Football League entered into an ad hoc submission to arbitration in accordance with Rule K of the Football Association Rules. David Dein, Vice Chairman of the Football Association, Douglas Craig OBE and Charles Hollander QC as Chairman were appointed and proceeded to consider the matter. They were presented with extensive written evidence from both parties. They heard oral submissions and evidence from Mr Charles Koppel, Mr David Burns of the Football League and Councillor Andrew Judge of Merton BC, over two days on 21 and 22 January 2002. The parties were each represented by Leading Counsel. They unanimously decided that the decision taken had not been properly taken in the legal sense, and that the procedures had not been fair.
- 26. They, of course, left open the question of whether permission should be given or not. That remained a decision for the Football League Board to whom they remitted the matter on 29 January 2002.
- 27. The Panel in paragraph 54 of its Award makes it clear that in its view The Football League Board ".... decided the application, not on its merits, but on the basis of an inflexible view or policy that the rule should not be used to sanction a move of such a distance".
- 28. The Panel also made it clear at paragraph 4(b) that ".... We say nothing as to what the final decision ultimately ought to be. It would be inappropriate for us to express any view at all on that".
- 29. Nevertheless the reasoning of the distinguished Arbitration Panel, and in particular that set out at paragraphs 57 60 of the Award makes a number of points which are relevant for us to consider:
 - 57. It seems to us this is a decision of great complexity. We recognise the strength of the concerns of the League: as to the future of football in the community, the pyramid structure, the fans, and worries as to "franchise football." We recognise that the League may not share WFC's view that its position is quite as unique as was suggested to us, and that they may not see WFC's financial concerns in quite the same way as do WFC. However, their Mission Statement makes clear that the League should aim to "facilitate financial success, stability and development of professional football clubs."

They must also surely recognise that the position of WFC is at least in many ways exceptional. No one else shares a ground as a secondary tenant. WFC are already outside Merton. They enjoy less local loyalty than most clubs. They have a small fan base much of which does not come from Wimbledon. The relevance of the financial position is not merely that it is very bad, but that prospects of improvement without a move of ground look distinctly poor at present. It should be in the interests of football as a whole that major new stadia are encouraged where there is an untapped demand for major league football, such as in new towns. It is true that a route does exist through the pyramid structure to achieve this, but it is a somewhat tortuous one.

- 58. The position in Merton also seems to us important, a matter to which the Board seem to have given precious little consideration so far. If it looks realistic for a new stadium to be built, for example, at Plough Lane, the balance of the argument might change. That needs assessment. If WFC can move within Merton, the case for Milton Keynes, with all its potential concerns, may be much weaker. Will the optimism attractively expressed to us by Councillor Judge prove justified? Have WFC exhausted all their options? We would have thought that the position should be investigated urgently in some detail. Mr Judge suggested that Merton might well be prepared to contribute financially to a feasibility study. We have in mind that under its agreement with Milton Keynes, the parties have rights to terminate after 31 August 2002. The matter needs to be considered urgently, but there should be time for some sort of feasibility study.
- 59. If, on the other hand, development in Merton seems impractical the League may have to consider issues of real difficulty. Is it better for WFC to go into administration (if the League consider that is likely to be the consequence) than to permit a move to Milton Keynes? Will the interests of the fans and the community opposed to the move be served if the club is liquidated? Are the concerns of the League as to the opening of the floodgates such as to justify refusing what may be shown to be a genuinely exceptional case? Can WFC work with the League to minimise the potential problems? Is the principle better preserved by making deserving exceptions?
- 60. We do not seek to suggest the answers to any of these questions. They are matters for the League not us. They require, if we may say so, anxious and detailed consideration. But what is not sufficient is to dismiss the application on the basis that 60 miles is a bridge too far without weighing the competing arguments.
- 30. Whilst the merits are of course solely for us, these comments are from three experienced and distinguished people immersed in football commerce, policy and procedures. They heard and considered a large volume of evidence and submissions, and we believe it is appropriate to give appropriate weight to their comments in all the circumstances of this case.

The referral to an FA Commission of Inquiry

- 31. The Football League Board met on 17 April 2002 to reconsider the decision concerning WFC's application to relocate.
- 32. On 23 April 2002 Mr Nick Craig, in-house solicitor at the Football League, wrote to Mr Nic Coward, Company Secretary at the Football Association, as follows:

"Dear Nic,

Wimbledon Football Club

I write further to the meeting of the Board of the Football League on the 17th April 2002.

The Board was asked by Wimbledon FC to reconsider its decision to re-hear Wimbledon's application to relocate to Milton Keynes.

Having considered the issues, the Board was very cognisant of the fact that football's rules restricting relocations of clubs are based on sporting imperatives that form part of the fabric of the game in this country, affecting not just Wimbledon FC, or even the League's other member clubs, but also the interests of clubs above and below those clubs in football's pyramid, as well as fans and other stakeholders in the game generally. I am sure that you do not need me to repeat those arguments in this letter.

The Board felt that, in all the circumstances, the matter should be considered by a Commission appointed by the Football Association, to ensure that Wimbledon's claim that its case is exceptional and will not create a damaging precedent may be assessed in the context of an Inquiry with a sufficiently broad and all-inclusive focus, taking into account the views of all interested parties. Accordingly, this letter constitutes a referral of the application to the FA under Regulation 76.1 of the Football League Regulations.

I would be grateful if you could constitute a Commission as soon as possible since the issues that need to be resolved are of pressing importance both to Wimbledon FC and its supporters.

Whilst I appreciate that it is ultimately for the Commission appointed to determine its own procedure, I can confirm that the League and Wimbledon FC spent a good deal of time and effort working out a procedure that was mutually agreed to be fair and appropriate for the resolution of the application. Once the Commission has been appointed, and should you so request, we will send you this procedure, all of which has been agreed save that the club had made various representations regarding point nine of that procedure.

Please note that as the application was originally intended to be heard by the Board, there is no provision within the current draft procedure for submissions to be made by the League. For the avoidance of doubt I confirm that the League does wish to make submissions on behalf of its members to the Commission, to ensure that the interests of those members can be taken into account by the Commission. It will be an easy task to amend the draft procedure to take this into account."

The FA Commission of Inquiry Hearing

- 33. Under FA Rule F6, the FA appointed a Commission of Inquiry to hear and resolve the Club's application. WFC needed a decision on their proposal by the end of May at the latest, and preferably earlier as their end of year accounts needed to be signed off, and because of their perilous financial position, which appears to be worsening by the day.
- 34. On 2 May 2002, the FA appointed Mr Raj Parker (Partner, Freshfields Bruckhaus Deringer) as Chairman of the Commission. On 3 May 2002, the FA appointed Mr Alan Turvey (FA Council member, member of FA Disciplinary and Membership Committees and Chairman of the Ryman League) and Mr Steven Stride (Operations Director, Aston Villa FC) to the Commission. As the Participants in the hearing under the FA Rule F, WFC and the Football League were notified and they did not object to these appointments. All three Commission members are independent and impartial concerning the issues in this case and the Participants, and one way or another bring experience of football matters to bear on the questions raised.
- 35. The Terms of Reference and Procedure of the Commission are set out at Schedule 1. These were agreed by the Club. The Football League did not raise any objection to them and was satisfied with their content.
- 36. The FA released a press announcement on 10 May 2002 inviting any interested persons to make written submissions to the Commission, via the FA. A copy of the announcement is attached at Schedule 2.
- 37. Prior to and during the hearing, the Commission received written submissions from the following:

□ The Club;

	The London Borough of Merton Council;
٥	The Wimbledon Independent Supporters Association (WISA);
	The Dons Trust; and
	Other interested persons.
38.	The details of these submissions are attached at Schedule 3.
This s	On 17 May 2002, the Commission received from Drivers Jonas a "Feasibility ton the construction of a stadium at Plough Lane, Wimbledon" (the DJFS). tudy had been jointly commissioned (and paid for) by WFC and Merton BC, as mended by the Arbitration Panel. Both WFC and Merton BC made written ral) submissions to the Commission in relation to the DJFS.
40. seen, i	The Commission also received the materials which the Arbitration Panel had noluding submissions and evidence from:
	The Club;
	The Football League;
	The Football Association;
	The FA Premier League;
	The Football Conference Ltd;
	The Scottish Football League;
	Milton Keynes City FC;
	The Football Supporters Association;
0	WISA; and
	The London Borough of Merton.

□ The FA;

- 41. The details of these materials are attached at Schedule 4.
- 42. Counsel instructed by Olswang, appeared for the Club. Whilst the Football League had had similar external lawyer firepower before the Arbitration Panel, it decided not to engage external lawyers for the Commission hearing, taking the view that its objections had been clearly set out in the written material.
- 43. The hearing commenced on 14 May 2002 at the offices of Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS.
- 44. The Commission sat on four days, namely: 14-16 May 2002 and 22 May 2002.
- 45. On 14 May 2002, having heard counsel for the Club, the Commission made some directions regarding attendance at the hearing and disclosure of submissions and evidence.
- 46. Put shortly these directions amounted to this. The Club and the Football League, as the Participants under FA Rule F, were entitled to see all written materials submitted to the Commission by any other person. However no material put forward by the Club or the Football League or by any other person was to be shown to any person who was not a Participant. In addition, only the Club and the Football League were permitted to attend and participate in the hearing. However, to the extent necessary or desirable, the Commission could invite others to attend.
- 47. In order to provide the supporters with sufficient material on which to properly base their argument, the Club agreed at the Commission Chairman's suggestion, to prepare a document which set out the gist of their submission to the Commission, taking out confidential material. This was made available to Mr Kris Stewart (Chair, WISA) on the condition that Lovells (for WISA) and Mr Stewart undertook not to distribute the document or disclose its contents to any other person, save any person agreed to by the Club. It was also made available to Ms Louise Carton-Kelly (Chair, the Dons Trust) on the same conditions.
- 48. In the result, the following "non Participants" also attended to make oral submissions and/or give evidence:

- □ Ms Louise Carton-Kelly (Chair, the Dons Trust);
- □ Mr Kris Stewart (Chair, WISA);
- Mr Nicholas Coward (Company Secretary, the FA);
- □ Mr Peter Winkelman (Chairman, MKSC); and
- □ Mr Steve Clark (Head of Planning and Public Protection, Merton BC).
- 49. Mr Koppel also gave evidence.
- 50. Both the Football League and WFC representatives present were permitted to ask questions of those who attended.

Objections to WFC's proposal to play home matches at Milton Keynes

- 51. The proposal has met with considerable opposition, and not just from the WFC fans one might think would be opposed "root and branch" to such a move. Respected football writers in our national press were generally supportive of the Football League's decision last August.
- 52. A Parliamentary All Party Committee (chaired by Alan Keen MP of the All Party Football Group) which comprises 150 members in the House of Commons and the House of Lords is opposed to the proposal.
- 53. Merton BC is opposed to the move and believe a stadium can be built in Merton for WFC.
- 54. And of course the Football Association, the Football League, the FA Premier League and the Football Conference Ltd have all provided statements which stress: the identification of clubs with community; the sacrosanct nature of the pyramid system based on sporting merit (English football does not allow a franchise system) and the precedent or floodgates argument, which all weigh against permission being granted for a move of this nature and distance.
- 55. Notwithstanding Mr Koppel's efforts to liaise with and consult with the supporters, which have involved many meetings and other communications, a section

- of WFC fans have been consistently hostile to the move and vigorous in their opposition to it. Mr Koppel has been subjected to some unpleasant personal abuse.
- 56. Indeed most of the hundreds (over 600) of communications we have received have argued against the proposal. They have generally been from individual WFC fans.
- 57. Supporters' associations and individual fans from many other clubs and people from as far afield as the United States, Australia (Wimbledon Supporters Downunder), Russia and Norway have also expressed similar views.

The fans

- 58. We set out below in Schedule 5 extracts from just one letter received which, we believe, encapsulates the main arguments.
- 59. We also set out at Schedule 6 the transcript of a handwritten letter which a WFC fan, who has been persuaded that WFC should relocate to Milton Keynes, sent to Mr Koppel.
- 60. WFC has a loyal and dedicated fan base organised into three main associations: WISA, the Dons Trust and the Official Wimbledon Fans Forum. Doing our best to summarise their arguments, we have set these out at Schedule 7.
- 61. There is an underlying thread which runs through some of these points. There is scepticism of WFC's attempts to find a new stadium closer to home and the viability of the Milton Keynes project for WFC. There is some cynicism concerning the shareholders' true motives and how the Club comes to be in the predicament it is in. And there is disbelief at how bad the financial position and implications are for WFC.
- 62. Whether or not this scepticism and cynicism is well founded, we can only judge on the evidence we have considered. Whether the move (if allowed) is a successful one for the Club, only time will tell.

- 63. Judging from the evidence of Mr Koppel, Deloitte & Touche and those involved in Milton Keynes, almost all of which the Football League do not challenge, but some of which is challenged by others, including Merton BC, we have no reason to share the fans' scepticism or cynicism.
- 64. A further point which several WFC fans were keen to stress is that WFC is, by its nature, a small, community-based club and that the owners do not have a right to expect it to attract a large following or to be a successful, profit-making vehicle. This raises an interesting question: is every football club entitled to aspire to the upper echelons of sustainable FA Premier League success, or must each simply accept the limitations whether geographical, demographic, historical or otherwise which circumstances impose on it? We do not answer that question in this decision.
- 65. We heard both Mr Kris Stewart (Chair, WISA) and Ms Louise Carton-Kelly (Chair, the Dons Trust) in person. It was clear from their evidence that they care passionately about WFC. WISA is the campaigning arm of the WFC supporters, whereas the Dons Trust is the fund-raising arm.
- 66. Perhaps the most important point put forward by WFC's fans is that the Club would die as WFC upon a relocation to Milton Keynes. Indeed when Mr Stewart was, in effect, asked by counsel for the Club, to choose between life for the Club in Milton Keynes, or death in Merton, he replied that he regarded both as death. Instead he hoped to resurrect the Club and start at the bottom of the pyramid. He would of course be free to do that if the circumstances so arose.
- 67. The amounts of money the Dons Trust had raised (approximately £70,000) and according to Ms Carton-Kelly could reasonably hope to raise, could not, on a realistic analysis pay for the administration fees necessary to stave off liquidation whilst a stadium in South London was found/built, even were that achievable. Crystal Palace supporters managed to raise the largest amount £1 million of any supporter organisation⁷ but that does not begin to address the scale of WFC's financial problems.

Deloitte & Touche statement, 14 January 2002, paragraph 16.

The football authorities

- 68. The Football League, having referred the matter to an FA Commission under Rule 76.1 of its Rules took a neutral stance at the hearing, relying on the written material they had put in for the Arbitration Panel. Mr Nick Craig, in-house solicitor, did however represent the League's interests and was most helpful when he attended. We have to rely primarily on the written submissions put forward to the Arbitration Panel by the Football League to determine the detailed arguments, and on the evidence put forward to the Arbitration Panel for the facts and the views of the Football League's witnesses.
- 69. We also thought it appropriate that a representative of the Football Association should attend to answer questions, and Mr Nic Coward, Company Secretary, duly did so. This is because of the fundamental issues of principle for the game, which the application had raised. Mr Coward also put in a further statement to assist us, and gave helpful and clear evidence on these difficult issues of principle. He was however admittedly in no position to give evidence which went directly to the merits, since he did not have all the facts, the matter having been given to the Commission to determine on the evidence.
- 70. Taken together, the football authorities' arguments and evidence amount to this:
 - □ In order to protect certain fundamental features of English football, consent is needed to relocate a home stadium. The Football League correctly applied over-arching points of principle to refuse consent.
 - ☐ This move would entail the disappearance of WFC as a club. It would lose its identity, but not its position in the League structure.
 - This would mean it would drive a coach and horses through the pyramid structure, whose sole criterion of success is sporting merit on the field of play, with promotion (or relegation) depending purely on sporting endeavour. As a new club it would start life close to the top. Milton Keynes would gain a club in Division 1 and Wimbledon would lose one.

- □ To permit this would herald, or risk heralding, a franchise system for football whereby the investors in football could relocate clubs at will in search of a bigger or easier market, better demographics, larger public subsidies and the like.
- This in turn would dramatically change the defining characteristics of the English domestic game where clubs are identified with the locality or community built up over time and cannot ordinarily be moved by owners and investors who seek to maximise returns on investment, to the detriment of the communities which loyally follow football clubs. Local community links with football clubs are part of the social fabric of life in England.
- The only way such a move of this nature and distance could be approved, to be fair to all other clubs and without fundamentally undermining the integrity of these principles, would be for WFC to relaunch itself and start at a lower level in the pyramid.
- 71. The Football League had allowed temporary relocations for good reasons outside "conurbations" in respect of certain clubs⁸ where it was intended the club would return, but there has been no previous occasion on which the Football League had granted permission to a club to relocate **permanently** to a ground outside its "conurbation". By contrast the Scottish Football League had allowed Meadowbank Thistle to relocate from a stadium in Central Edinburgh to a new town approximately 18 miles away, and to change its name to Livingston in 1996. Remarkably, Livingston is now competing at the same level as Rangers and Celtic. When it was Meadowbank Thistle it was in the bottom division of the Scottish Football League, struggling financially and only attracting 300 fans to home games. According to the Secretary of the Scottish Football League, Mr Peter Donald⁹:

"The Management Committee of the Scottish Football League granted the application because it was felt that existing supporters of Meadowbank Thistle who wanted to support the Club would be able to travel relatively easily to Livingston (it is served by excellent transport links) and the relocation would

⁸ Bristol Rovers, Chester City, Brighton, Middlesbrough and Charlton.

Statement of 21 December 2001, paragraph 10.

improve the long-term viability of the Club and enhance Scottish Football generally."

- 72. Important principles unquestionably underpin the requirement for the Football League's consent: maintaining links between club and community; the undesirability of opening the floodgates to investors to relocate at will, engendering unsavoury bidding wars between competing local authorities who seek to import clubs; and the necessity of preserving the sanctity of the pyramid structure to prevent new clubs emerging out of the ashes of old clubs to effectively leap over other clubs who do not employ such measures.
- 73. Mr Nic Coward put it like this in his statement of 13 May 2002:

Ground Move Rules

- 15. The competition rules of each of the FA Premier League, The Football League and The Football Conference contain rules giving the organiser right of approval over any proposed change of home ground by a member club. The FA regards such rules as appropriate to enable the competition organiser to ensure that any such move does not harm the framework of football in England:
- 15.1 Supporters and communities as stakeholders in football and football clubs.

As the Preamble in the FA Handbook 2001-2002 states (at p6): 'Football in England is part of the fabric of life. It provides a sense of belonging for millions of people, touching their lives in a way that no other institution can, inspiring passion and commitment'. This sense of belonging means that football clubs are not regarded by The FA solely in the same terms as would other ordinary businesses. Although legal ownership resides in the club's shareholders, it is the view of The FA that other stakeholders include the supporters of the club, as well as the community in which it has grown and for which it provides a focal point for civic pride¹⁰. This relationship is considered of significant importance to football, helping to build up a sense of identity on which the essence of football competition in England is based, and also is the bedrock of the value of the football club 'brand' upon which club owners are able to base their commercial programmes.

15.2 The integrity of the pyramid system

A similar notion underlies the 'listing' of the FA Cup Final along with other major sports events under the Broadcasting Act, the purpose and effect of which is to guarantee public access to those events through exposure on free-to-air, widely available television stations. See for instance the Football Task Force Report to Government on Commercial Issues.

- 15.2.1 As noted above, the estimated 43,000 clubs in English football play in different competitions and span a huge range of abilities and resources. However, they are all inextricably linked together by the system of promotion and relegation that runs unbroken between every competition from the bottom of the league system, the "grass-roots" of football, right up to the pinnacle of the game, the FA Premier League. They may also play against each other in knock out competitions locally or nationally.
- 15.2.2 This link through the mechanism of promotion and relegation is one of the fundamental organisational principles of the English system. (See generally Regulations for the Establishment and Operation of the National League Association, FA Handbook p 162 ff).
- 15.2.3 Theoretically, any club may rise up through the pyramid and get to the pinnacle, because (apart from objectively justifiable criteria such as ground grading requirements) the sole criterion for promotion is sporting merit, success on the playing field, not financial or other non-sporting criteria.
- 15.2.4 The link it provides between all levels of the game is fundamental to the FA's vision of football as part of the fabric of English life, to be enjoyed by all both at an active participatory level and (at the elite level) as a commercial product. Other aspects of the game also reflect this link, such as the payments that are made by The FA Premier League to The Football League and the Football Foundation, and the rules that prevent the live broadcast of professional matches on a Saturday afternoon, even when the matches are sold out, in order to ensure more active participation in amateur Saturday afternoon competitions.
- 15.2.5 As a result, the FA is concerned that there be no circumvention or other undermining of the league system, or of the mechanism for advancement up the pyramid by means of sporting success only. This means, for example, that the right that a club has earned by its sporting success to play at a particular level of the pyramid is not an asset that may be traded to a third party like other assets.
- 15.2.6 I would refer the Commission, in this regard, to the rules of various competitions that apply upon the insolvency of member clubs, which I understand were presented to the original Arbitration Tribunal by other witnesses in this matter. Those rules apply to prevent the administrator of the club selling the right to play in the competition to the highest bidder. The same

principle also applies, however, as explained below, in the context of ground moves.

The Club Academy System

- 16. The concept of the Club Academy System ("the Academy System") is that it should compliment the work of the club in the "Football in the Community Scheme". A key component of both the ethos of the Academy System and its regulations is that the main Academy site is within 1.5 hour's travelling distance of the club's main stadium. This regulation protects the best interests of the development of the individual player, thus ensuring that players are developed within their own locality and that clubs are precluded from signing players who live outside 1.5 hour's travelling distance of the Academy. Any variation of this requires the prior approval of The FA and the respective League.
- 17. The FA is concerned that the Academy System regulations are not circumvented by any club. That is to say, a club could not move away from the locality in which its Academy is established, nor could a club establish an Academy in a location to which it is not a natural resident.

Conclusion

18. English football is not organised on the basis of a franchise system in which different communities may bid for clubs competing in competitions. If a move effectively involved a break of the links with the community with which the club is traditionally associated, and a move to an entirely new community, with an intent to put down new roots and reinvent the club with a new identity and a new set of allegiances, and yet the club did not want to relinquish its place in the pyramid, go down to a lower level and work its way back up, the FA believes that allowing such a move would have a fundamental impact on the organisational framework of the game.

The Club's case

- 74. This can be summarised as follows:
 - □ WFC is in an exceptional position. It has not had a home stadium of its own since 1991. It has been outside Merton (and in Croydon) since then (with the consent of the Football League). It is unlike any other of the 92 League clubs as a secondary tenant and shares its ground with a competitor. This is wholly unsatisfactory. Moreover it has a very small support base within Merton. The vast majority of WFC's fans do not come from Merton. Less than 20% of the 3,400 season ticket holders live in Merton. The Club does not have firm and extensive roots within the conurbation from which it takes its name.

- Moreover it is in a unique financial position. It is, according to Deloitte & Touche who have submitted expert reports both to the Arbitration Panel and to this Commission, estimated to be losing more than £20,000 per day, £150,000 per week, £8.2 million per year¹¹. Its shareholders have put in £6.7 million of funds during the course of last year to keep the Club going. They have invested a further £3.8 million this year. Losses for the season which has just ended and the next two seasons are expected to reach £33 million. These are losses the shareholders cannot be expected to maintain or sustain. Further funds of £2.5 million will be required until the end of the Club's financial year (June 2002) if the Club is to stave off insolvency. A combination of the ITV Digital collapse and WFC's loss of the FA Premier League parachute payment will result in a loss of revenue of £7 million (a staggering two-thirds of the Club's income) for next season.
- Deloitte & Touche who are widely regarded to be among the foremost experts in the field of football club finance, say this places WFC in a unique financial position, quite apart from its (enduring) lack of home ground.
 - WFC's 2000/2001 operating loss was greater, at £10.8 million, than all but two of the other 91 professional clubs in England. Their overall revenues are poor compared to other clubs in a similar position. The two clubs whose operating losses were greater are Blackburn Rovers and Fulham who were also in Division 1 that season. Deloitte & Touche disclose in their Supplementary Statement dated 13 May 2002 that these two clubs have had the financial legacy of Mr Jack Walker and Mr Mohammed Al Fayed as benefactors and have each received considerable investment of £80- £100 million. They continue to enjoy substantial financial support going forward. WFC has also received lesser but nevertheless significant funds from its present shareholders, who now say if the Club is not able to identify a viable stadium in order to develop and compete equally with other clubs like Fulham and Blackburn and which gives it a future, it will be forced into liquidation. Both Fulham and Blackburn, to achieve their success, paid the players' wages

¹¹ Supplementary Report from Deloitte & Touche, 13 May 2002, paragraph 3c)ii)

and sustained the operating losses necessary to achieve promotion back to the Premier League in May 2001. WFC has similar ambitions.

□ Deloitte & Touche goon to say as to the future financial outlook for the Club¹2:

··...

The financial outlook for Wimbledon beyond the 2001/02 season.

On the basis of present trading figures and assuming that the Club remains in Division One, in my opinion Wimbledon's aggregate operating losses before amortisation of player registrations could be in excess of £33 million over the three seasons 2001/02 to 2003/04.¹³ My loss estimate for this period is greater than the £22 million set out in paragraph 18 of my report dated 20 November 2001 due to the Club's poorer trading results for 2001/02 and different assumptions regarding broadcasting monies.

In the 2002/03 season, Wimbledon will no longer receive parachute payments from the FA Premier League. In 2001/02, parachute payments of £5.1 million represented almost half of the Club's total (estimated) revenue.

In the 2002/03 season, Wimbledon is unlikely to receive as much from The Football League as in 2001/02 in relation to broadcasting monies. In 2001/02 Wimbledon received a total of £2.7 million in relation to 'standard payments' and 'additional payments' from The Football League, representing one-quarter of the Club's total (estimated) revenue.

The 'loss' of the parachute payment on its own would be a significant and fundamental deterioration in the operating and financial position of the Club. I expect the operating and financial position of the Club to worsen further by a reduction in monies from the Football League due to the situation regarding broadcasting monies. If the Club also suffers a reduction in broadcasting revenue in 2002/03 of, say, £1.9 million, the combined reduction is approximately £7 million. All other things being equal, that is a reduction of almost two-thirds of total revenue for Wimbledon compared to 2001/02 and this position is compounded by the absence of compensating match day and commercial revenue to the same degree as other clubs due to their lack of ownership and control over the stadium where they play.

Supplemental Expert's Report, 13 May 2002, paragraphs 9-13.

My estimates of Wimbledon's operating losses before amortisation of player registrations for 2001/02 to 2003/04 are based on management's forecast for 2001/02 and some broad assumptions regarding revenues and costs for 2002/03 and 2003/04. These assumptions include that the Club remains in Division One each season, broadcasting revenue of £0.8 million per season, revenue other than broadcasting inflated at 5% per annum and wages and salaries reduced by 11% per annum using 2001/02 as a base.

- As far as I am aware, no English professional football club has ever suffered a reduction in revenue by as much as two-thirds from one season to the next, including those clubs who have suffered relegation."
- ☐ Those who object to the relocation do not properly take into account the dire financial position of the Club.
- The move to Milton Keynes is WFC's last chance of financial survival. If it is allowed to move it may then look with some optimism at its future and is expected to develop to its true potential and compete equally with other clubs of its standing and with the hope of promotion and further success. If it is not it will not simply drop down the divisions, it will go into liquidation. The shareholders would not provide further finance, and the Directors would be forced to put WFC into an insolvency procedure. Since there are no assets to fund an administration the Club would go into immediate liquidation. No-one would be likely to fund the heavy losses with no prospect of recovering any financial outlay and so it is highly unlikely that the Club would be taken over.
- Deloitte & Touche recommend a stadium with a capacity of 20,000-25,000 which the Club, through Mr Koppel, says is an entirely reasonable size for WFC's ambitions.
- There is no other available site in Merton or anywhere else in South London. Those who object to the relocation wrongly assume that there is a viable alternative in South London. Despite extensive searches and enquiries no suitable alternative option exists. The Club's criteria for the new stadium are entirely reasonable and necessary if it is to survive.
- □ Even if every planning and regulatory hurdle was overcome a Plough Lane redevelopment is not achievable on financial grounds.
- □ By contrast a move to Milton Keynes would benefit WFC Milton Keynes and football in general. The fan base would increase. Milton Keynes has the largest growing local economy in the UK. It has the largest population in Europe without a professional football team. There is no Football League team for 20 miles and no FA Premier League team for 50 miles. The proposed site

has excellent road and rail infrastructure. Moreover it is to be almost entirely funded by enabling development.

- Measures could be taken, and indeed the Board and shareholders of WFC wish to take such measures, to preserve WFC's identity in Milton Keynes relating to its traditions, history, colours, name, strip, stadium design and the like and its fans will be offered subsidised travel and tickets. A Club museum is proposed. Links could be kept with the residents of Merton and those in South London who are WFC fans.
- WFC intends to work with the fans to win them over and communicate with them to preserve the Club's identity and meet their concerns as to travel. A glossy brochure has been produced which makes the case. Season ticket holders who actually live in Merton already make the trip to Croydon for home matches and other South London residents will be offered subsidised transport and season tickets and a train which takes approximately one hour from Wimbledon will be laid on. Most fans spend over an hour getting to see matches in big towns/cities.
- □ Infinitely more harm would be caused to football if WFC went out of business. Everyone would suffer, most of all WFC's true fans. It would be replaced in Football League Division 1 by a different team altogether.
- A proportionate exercise of discretion by this Commission would allow the relocation in WFC's exceptional circumstances. Refusal of permission would not be necessary to protect the legitimate concerns of the Football League, and would result in the demise of WFC which would simply cease to exist, with all the adverse implications of a liquidation. Such a decision would be wholly disproportionate.
- 75. Mr Peter Winkelman, Chairman of the MKSC, attended to give evidence. His background is in the music industry. His other main interest is football. His energy and commitment to the project were self-evident. His enthusiasm for the project and it has to be said for Milton Keynes itself, was almost infectious, and obviously genuine.

- 76. MKSC is made up of various partners from local government, commerce and industry (including retail and hotel groups), community groups, parish councils and the like. Mr Winkelman spoke with passion of the benefits for the area, and for football in general, of having a team of the stature of WFC in the new stadium which will be ready for the start of the 2004/5 season. It will be owned by WFC and paid for by commercial and retail enabling development. He believes that with over 40,000 school children in the area WFC will be fantastic news.
- 77. He is an advocate for retaining the identity of WFC and would work with the Football League and WFC to achieve this, if we gave permission for the relocation. He talked of renaming the area "Wimbledon Park" or renaming roads and of the similarities between the new town of Milton Keynes (now almost 30 years old) and WFC.
- 78. MKSC would obtain a stake in WFC if the plan went ahead and he personally was passionately committed (whilst promoting all that was good about Milton Keynes) to maintaining WFC's links to its history, traditions and community. He was happy with all the practical suggestions we put in this regard relating to name, strip, branding and the like. He believes the vast majority of WFC fans will travel and will feel at home in the "National Bowl".
- 79. We found him to be a passionate and frank witness, who is genuinely concerned to promote the interests of Milton Keynes and WFC.

Merton: viability of Plough Lane

80. The opportunities for developing a new stadium in an urban environment appear to be limited. The Arbitration Panel, as did we, had written statements from the leader of Merton, Councillor Andrew Judge. They also heard from him in person. We received a further written statement from Councillor Judge dated 10 May 2002.

- 81. Councillor Judge, anticipating the receipt of the DJFS which was not received until a week later, stated that a stadium at Plough Lane is feasible in technical, planning and financial terms "if there is a will for the Club to pursue this option."¹⁴
- 82. We received the DJFS from Drivers Jonas on 17 May 2002. Drivers Jonas has advised many football clubs on the development of new football stadia, 15. It has acted in relation to feasibility advice in connection with new stadia for various clubs. 16 It has taken the expert advice of individuals in Drivers Jonas specialising in town planning, property development and transportation. The DJFS is helpful, comprehensive and objective in its assessment.
- 83. The basis of the report is the feasibility of constructing a 20,000 capacity stadium at Plough Lane (the Club's former home). He does not deal with any other potential South London site.
- 84. The report deals with: land procurement and cost; physical viability; transport, development cost; regulatory viability; commercial viability and timing.
- 85. The summary conclusions are:
 - 9. Summary
 - 9.1.1 The land required for the construction of a stadium and limited enabling developments could be acquired however, this land is valuable for other uses which could achieve planning consent and would therefore be costly.
 - 9.1.2 A compact 20,000 capacity stadium could be constructed on the Plough Lane site which would comply with prevailing regulations with regard to comfort and safety.
 - 9.1.3 The electricity pylon would have to be relocated to make way for the stadium. National Grid have been unable to confirm the technical feasibility of the suggested alternative location for the pylon in the time allowed for completion of this report. The cost of relocating the Pylon would have to be borne by the stadium development.

Statement of 10 May 2002, paragraph 8-1.

¹⁵ Including Middlesbrough FC, Sunderland AFC, Stoke City FC and Southampton FC.

¹⁶ Everton FC, Gillingham, Bristol (City and Rovers) and Swindon Town.

- 9.1.4 The suggested stadium footprint would not affect the River Wandle.
- 9.1.5 It is physically possible to relocate the traveller's site in order to make way for the stadium. There are no alternative sites in Merton.
- 9.1.6 There is limited potential for the stadium to be extended to a capacity of circa 25,000 however, the cost of extension would be high.
- 9.1.7 The stadium could be constructed in phases however, a phased approach would add to the overall construction cost. As a large proportion of the development cost relates to land assembly and site preparation a phased approach would only result in a modest reduction in the initial development cost.
- 9.1.8 Once a 20,000 stadium footprint is positioned on the site and the travellers have been relocated, there remains some limited potential for enabling developments.
- 9.1.9 A new stadium at Plough Lane would be sustainable in terms of transport. Access by public transport is good and supporters could be encouraged to make greater use of public transport by adoption of a green travel plan.
- 9.1.10 The cost of developing a new stadium at Plough Lane is higher than that for other recent new stadia primarily due to the high cost of the land required.
- 9.1.11 It is considered that planning consent could be achieved for a stadium at Plough Lane however, this would be a lengthy process as a public inquiry would be likely.
- 9.1.12 There is clearly demand from rugby clubs for use of a shared stadium however, the rental and capital contributions available are modest.
- 9.1.13 It is unlikely that the stadium development would be attractive to a commercial property developer however, a partnership between football, rugby and the local authority could provide a feasible development model.
- 9.1.14 The development appraisal indicates that the return that could be achieved on the considerable capital investment would be very modest.
- 9.1.15 The projected income from season ticket sales were the Club to remain in the first division would be inadequate to service the debt required to build a new stadium.
- 9.1.16 The low risk development programme for the development indicates a duration of five and a half years for completion of the development.

10. Conclusion

- 10.1.1 Although it is physically possible to construct a 20,000 stadium on the Plough Lane site, the existing high value of the site and the resulting funding gap would make the project unsustainable financially.
- 10.1.2 A stadium development would be extremely ambitious and the risks would be high.
- 86. Mr Steve Clark and Mr Andrew Butler attended from Merton BC who also put in written material in response to the DJFS. Their position was essentially this:
- (a) A 20,000 seater stadium on the Plough Lane site is technically feasible, and local transport infrastructure could be enhanced to provide the necessary services. Mr Clark accepted 20,000 was a reasonable capacity for a club like WFC to propose and was the agreed basis for the DJFS.
- (b) The timing could be reduced, and planning issues would not present serious difficulties or delay.
- £27.6 m could be met. (It may be the funding gap is more than £27.6 m as the DJFS assumes land sales of £2.17 m but in the scheme of things that is neither here nor there). Mr Clark is not a financial expert. The suggestion as to revenue from a hotel, a petrol filling station, the Dons Trust and shareholder contributions are, on analysis, not seriously viable to meet the funds required. The site is 6 acres and a DeVere hotel may sit on 4.5 acres which would not be practical. The Dons Trust have raised £70,000. There is no hard financial data on the filling station.
- 87. It seems to us that there are the following serious, and we would suggest insurmountable, obstacles, in practical terms to Plough Lane.
- (a) Safeway Plc indicate that they would only sell the site for £12 -13 m, not £7.53 m as indicated in the DJFS.
- (b) Notwithstanding Mr Clark's optimism, there is a real risk the Minister would call in the application for many reasons, even if Merton and Greater London Authority support is given, because there will be serious local objections. The ward in which Plough Lane is situated is also Conservative and the

- Councillors may well object. That would at the very least delay the process for 12 18 months. The DJFS agrees (paragraph 6.8.5). If there were to be a mixed use development (to avoid these planning problems) the land procurement costs would go up.
- (c) The total development period would be six years (with the consequent financial pressure from the £22 m loan necessary to fund construction on top of WFC's existing financial pressures thus increasing the real funding gap). Moreover the Selhurst Park lease would expire well before Plough Lane was finished (2005 against 2008). WFC's estimated loss of revenue from not having its own stadium would persist for many more years. Milton Keynes can be ready four years earlier.
- (d) WFC could not find a commercial lender for £27 m let alone service the interest payments. Most of WFC's gate receipts would go to service the debt, not to run the Club which would run up further losses. WFC income is £1.46 m from gate receipts a year. The DJFS make no provision for the repayment of the capital loan even if commercially available. The shareholders are not prepared to put this sort of money in on the basis of the timing, the planning issues and the uncertainty of the project identified by DJFS in their conclusion. We accept that is a reasonable attitude in the circumstances.
- (e) The site acquisition costs, clearance costs and fees and construction costs would be the same even if it were desirable to have a 10 − 15,000 seater stadium. In fact it is not desirable or reasonable for WFC because the average capacity in Division One is 22,000 and the average gate 15,000. The potential income lost would be disproportionate to the capital cost.
- 88. We do not consider, taking into account all the detailed findings of Drivers Jonas's comprehensive study, that a Plough Lane redevelopment for WFC is a practical option. It is risky, ambitious and financially unsustainable. There are also other difficulties identified such as matters relating to land procurement, the price of the site and planning permission.

- 89. But by far the biggest hurdles it seems to us are the identified funding gap in excess of £27 million and timing (it could take 6 years).
- 90. We take the view that it would not be reasonable to expect the Board or the shareholders to support a return to Plough Lane in these circumstances. There is no other viable option to safeguard the survival of the Club on the material before us other than Milton Keynes.
- 91. On analysis, notwithstanding the considerable efforts of Merton BC to bring WFC back home to Plough Lane, we have concluded that the only possible site (after extensive research) identified as a possibility by the parties and the Arbitration Panel is not viable and is in any event unsustainable financially.

Approach to exercise of discretion

- 92. The relevant Rules of the Football League are as follows:
 - □ Under Regulation 8 of the Regulations of the League, a club must comply with the criteria set out in Appendix I.
 - □ Appendix I, part 3A, paragraphs 2 to 4 state:

"2 Ground Sharing

Ground sharing will only be approved at the discretion of the Board. The Board will not generally approve any ground sharing arrangement where the club plays its matches outside the conurbation, as defined by the Board, from which the club takes its name or with which it is otherwise traditionally associated.

3 Location of Ground

The location of the ground, in its relation to the conurbation, as defined by the Board, from which the club takes its name or with which it is otherwise traditionally associated, must meet with the approval of the Board.

4 New Stadium

The club must disclose, as soon as practicable, plans and details of any proposed future move to new stadium. The location of the proposed new stadium must meet with the approval of the Board."

□ Regulation 13.1 states:

"Registration of Ground

Each Club shall register its ground with the Executive and no Club shall remove to another ground without first obtaining the consent of the Board".

- 93. We have not found the Football League Rules easy to interpret and apply. They seem to have been amended relatively recently.
- 94. It is however tolerably clear that the rules do not impose an absolute prohibition against relocation, but rather provide that the Football League Board may in its discretion approve of a move to a location outside a club's "... conurbation ... from which it takes its name or with which it is otherwise traditionally associated."
- 95. We have no difficulty in endorsing the view that the Football League's permission is required for a move from Plough Lane, Merton to Milton Keynes, some 60 road miles away. Whatever Mr Burns may have accepted in cross-examination before the Arbitration Panel, we do not accept Milton Keynes is within WFC's "conurbation" for the purposes of the Football League Rules.
- 96. The question is, given that such a discretion exists in the Rules, how is it to be exercised in WFC's case?
- 97. We accept that consistent with legal authority we have to act proportionately in coming to a decision. The correct test we ask ourselves is: are the legitimate concerns and interests put forward by the Football League such that it is necessary to decline permission to WFC? Put another way, do the facts of this case make this an exceptional case for which approval should be given?
- 98. The role of this FA Commission is to make such a judgment in place of the Football League Board. In doing so we apply the Football League Rules and Regulations¹⁷. We also have certain powers conferred on us by the FA Rules, most notably FA Rule F.
- 99. We must be careful not to "... blindly follow a policy laid down in advance" to quote Professor Wade, 8th edition Administrative Law at p. 328 and must properly

¹⁷ Football League Regulation 76.3.

exercise the discretion given to us by carefully considering the facts, and by balancing the various competing interests and arguments. The fact that permission has not been granted for a move of this nature before now is not a sufficient reason in itself to refuse permission in this case. Neither is it a legitimate argument to say that such a move would always offend the football principles of pyramid structure and should consequently always be refused.

100. The Football League Mission Statement in its Handbook states in material terms:

CUSTOMER CHARTER

The Football League is committed to providing excellent service. This Charter sets out the League's policies.

MISSION STATEMENT

The role of The Football League is to provide a national membership organisation and structure for professional football through which The Football League can facilitate financial success, stability and development of professional football clubs, administer and regulate the professional game and promote the values and contribution of the professional game to our national life.

In fulfilling this role, The Football League's objectives will be to:

- 1. Represent the interests of its members;
- 2. Maximise the income generated collectively to support a healthy and sustainable level of professional football throughout the country;
- 3. Regulate and administer the game to protect the reputation, credibility and image of professional football;
- 4. Provide leadership in developing new initiatives and responding to external changes which affect the future direction of professional football;
- 5. Promote an understanding of the sporting and business needs of its members;
- 6. Represent The Football League on developments in football, sports generally, and other issues which have a potential impact on the professional game;

- 7. Enhance and promote the place of football in our national heritage and culture, and in the pursuit of sporting and civic values.
- 101. As to the policy of the football authorities, it is interesting to note in passing that Mr Peter Leaver QC, Chief Executive and General Counsel of the FA Premier League in a letter dated 18 April 1997 (when the Norwegian shareholders were contemplating their investment) wrote to Mr Sam Hammam in respect of the Dublin proposal:

S Hammam Esq Owner Wimbledon FS Selhurst Park Stadium London SE25 6PY

Dear Sam

I am writing to confirm that The Clubs resolved that there was no objection by them to Wimbledon's application to play its home matches in Dublin. It was agreed by the Clubs that although the decision was for the Board, the Board would not have to refer back to the Clubs before making that decision. However, before it gave its consent under rule B28, the Board would have to be satisfied that:

- a) Wimbledon had obtained all necessary consents and approvals
- b) All legal issues had been resolved to its satisfaction

I think that you will recall that it was mentioned that one of the issues which the Board will have to be satisfied about was the policing of any stadium in Dublin. We would want our standards to apply if those standards were more stringent than the Irish standards. Obviously, if Irish standards were more stringent than ours, we would want to consider that fact as well. There will, of course, be a number of issues about which we will want to be satisfied, not all of which can be identified at the present time.

I do not in any way want you to read into what I have said that there are any problems. The application that was placed before the Clubs was not objected to by any of them.

102. After the Football Association of Ireland had said they would not countenance such a move the then Chief Executive of the Football Association, Mr Graham Kelly, also wrote on 19 May 1998 to Mr Hammam in these terms:

Dear Sam,

Thank you for your letter of 8th May with its enclosures.

As we indicated to you previously, we considered this at our meeting of the Executive Committee yesterday.

We had a full discussion of your case which you presented to us and the Committee was most anxious to find a means of helping Wimbledon find a solution to its current lack of a permanent home. I am enclosing a copy of the minute from the meeting which summarises the discussions and the conclusion of the Committee.

I am sorry that this is a disappointing outcome for you. I know that you are aware that we are bound by the principle of the "Comite des nations". In this regard, I hope that you will understand that it would not be appropriate for The Football Association to accompany Wimbledon to a meeting with FIFA.

With kind regards.

Minute

"The Committee reiterated therefore that The Football Association would continue to respect the views of its sister Association in this respect and would not undertake any action in this matter unless and until the Football Association of Ireland removed its objections." 18

- 103. The Commission has found this to be a complex and difficult decision to reach. Feelings have run high on all sides. Whichever decision we came to many would find it hard to understand and would be disappointed. We regret this. Nevertheless we determined to decide the case on its merits and on our assessment of all the evidence before us in its various forms. The balancing exercise has not been an easy one to perform. WFC itself recognises that a move to Milton Keynes does not represent an ideal solution to its serious difficulties.
- 104. Perhaps because of the nature of this application and the fundamental points for football it raises, involving competing commercial and football issues, we have been unable to reach a unanimous decision. This decision is therefore given by a majority, both of whom have reached a clear view.

105. We are acutely conscious of the impact and implications of this decision, and bore these considerations well in mind in arriving at it.

The decision

- 106. Our decision is that WFC should be given approval to relocate to Milton Keynes. We suggest some important steps which the Football League, WFC and MKSC must take to preserve the integrity and identity of WFC.
- 107. We find the cherished and fundamental principles of football in this country in relation to the pyramid structure and promotion and relegation on sporting criteria alone, admirable. Likewise we respect, value and would seek to uphold the community basis of football clubs.
- 108. We do not wish to see clubs attempting to circumvent the pyramid structure by ditching their communities and metamorphosising in new, more attractive areas. Nor do we wish, any more than the football authorities or supporters, for franchise football to arrive on these shores. We believe that giving WFC permission in this exceptional case will have neither of these consequences.
- 109. We do not believe, with all due respect, that the Club's links with the community around the Plough Lane site or in Merton are so profound, or the roots go so deep, that they will not survive a necessary transplant to ensure WFC's survival. What is unusual about WFC fans is that they do not seem to come from a single geographical area. Indeed, the vast majority of WFC fans do not live in Merton or Wimbledon. 20% of current season ticket holders live in Merton and 10% in Wimbledon. We do not accept that WFC will die if the Club relocates. The Club has been in Croydon for 11 years (almost half its Football League history). There is no stadium which is a focus for the community in Merton, and has not been for 11 years. As Mr Koppel, who we found to be a careful and frank witness, put it, were WFC to reach an FA Cup Final in the next few years, people would not be saying it was the first time the Club had got there. Its relatively low Merton resident supporters base

We understand that the FAPL had by that stage reconsidered the matter at a meeting in March 1998 when at least two clubs had expressed concern at the principle of allowing a club to relocate to a different country (Witness Statement of Mike Foster, 21 December 2001, paragraph 13).

and its time at Selhurst Park do not suggest it is the "heart and soul" of its community as it is. It has extreme competition from both of its nearest neighbours, Fulham and Chelsea, for "casual" supporters and for the next generation of supporters.

- 110. Mr Koppel has made it clear to us and publicly that WFC is committed to taking practical steps in relation to transport and maintaining WFC's identity, and to continuing its academy and community schemes. It is committed to its name, Wimbledon FC, its colours, its traditions. It is committed to retaining its identity.¹⁹ It is committed to providing facilities for its South London fans to make the journey to Milton Keynes.
- 111. We cannot predict the future. What we can do is to give WFC an opportunity to make good these commitments and to survive. We hope and anticipate that its fans will continue to support WFC, and that WFC will attract new fans to a new home.
- 112. However, we recommend that the Football League agrees to measures with WFC and MKSC to ensure that it retains the essential identity of WFC and also ensures that WFC takes reasonable steps to help WFC fans travel and watch WFC in Milton Keynes. Mr Winkelman was also, whilst understandably excited about the prospects for Milton Keynes, enthusiastic about retaining WFC's identity and image. We believe that it can be fairly stated that finding WFC a home in Milton Keynes will add considerable value to a large community starved of First Division Football, whilst at the same time that community (70% of whom are from London) will add value to WFC.
- 113. These measures would cover, in no particular order, and without being prescriptive, (and these are essentially matters for the Football League rather than ourselves) matters relating to:
 - □ Continuity of:
 - Club name and nickname
 - Club logo

¹⁹ Second Witness Statement of Charles Koppel, 15 January 2002.

- Club coloursClub playing strip and other merchandise
- Players
- Staff
- Shareholders
- Directors
- Academy
- Community schemes
- Club website(s)
- Club shop in Wimbledon;
- Subsidised/free travel to matches between Wimbledon and Milton Keynes (we are told that trains can be chartered by the Club: the journey time is approximately one hour);
- Discounted tickets for existing fans at the new stadium in Milton Keynes;
- □ A ticket outlet in Merton;
- Continued communication with existing fans;
- □ Local press (Merton) coverage of WFC and its results;
- □ Promotional material regarding maintenance of identity as WFC;
- □ Club museum at the new stadium in Milton Keynes;
- □ Stadium branding at the new stadium in Milton Keynes; and
- □ Re-naming of local areas/streets in Milton Keynes to associate with WFC.
- 114. We consider these measures vital to ensuring WFC's identity and they should be agreed to and put in place as soon as possible. The Football League will then be able to monitor and approve the process of maintaining links.

- 115. Even if WFC's relocation to Milton Keynes does make inroads into the pyramid structure (which, in the Club's exceptional circumstances, we believe it does not), we are of the view that the pyramid structure is better served by giving WFC the opportunity to survive, albeit in a new conurbation (whilst taking the appropriate steps to maintain its links with its existing fans and the Merton community), rather than condemning it to liquidation and extinction in Merton.
- 116. There is no doubt that WFC has got to its current League position through sporting merit and achievement, in accordance with the fundamental principles of the pyramid structure. In the event that WFC were to go into liquidation, player registration would revert to the Football League and another club, most probably Brentford FC would take WFC's place in Division 1 for next season, and not on its own sporting merit but as a result of WFC's predicament.
- 117. The permission given in this case should be confined to WFC's exceptional facts. We do not believe that it will create a general precedent for other cases or that it will open the floodgates to franchise football. Most professional clubs own their own stadia and have strong fanbases within their immediate areas. We believe that supporters will be able to keep faith with the permanence of their teams and the communities they are from.
- 118. We cannot conceive of another club in WFC's league position (or which is comparable to WFC) which meets the following criteria. The stark facts which make WFC unique are:
- (a) WFC has had no stadium of its own, and has been a secondary tenant, for some 11 years and its shareholders are not prepared to continue to finance its operation in its present financial circumstances.
- (b) WFC needs to relocate to have a commercially viable future or, given the level of losses it will continue to sustain, it will go into liquidation. There is no viable South London alternative.
- (c) Milton Keynes provides a suitable and deserving opportunity in its own right where none exists in South London.

- (d) WFC's links or roots in its community are of a nature that can be and are agreed should be retained by WFC and MKSC, albeit in a new location. The Football League can ensure these links are put in place and preserved.
- 119. The current financial outlook for many clubs in Divisions 1, 2 and 3 of the Football League is distinctly bleak. They are caught in a player wages spiral that seems to be out of control. Changes to the transfer system are such that they can no longer sell star players to survive. As we decide this case, Football League clubs are going into administration. There is a chasm which has developed between even Division 1 clubs and FA Premier League clubs as a result of the BskyB deal. The collapse of ITV Digital and the drying up of the transfer market have contributed to the crisis. Many clubs, especially in the Football League, rely on wealthy benefactors who are prepared to sustain them financially. In the current financial climate, professional clubs need to encourage investors.
- 120. We believe that in the current financial climate the football authorities need to apply a flexible and supportive approach to the financial plight of clubs. To facilitate financial success, stability and development it is necessary to take a flexible and progressive view of policy considerations and apply them to the currently bleak financial world the clubs inhabit.
- 121. WFC shareholders have made it perfectly clear they will be forced to close the Club down if they see no sound financial future for the Club. The liquidation of WFC is not likely to serve anyone's interests, least of all its players, supporters and staff. The community schemes would close down, the academy programmes would die with the Club. No substantial funding is available to support the Club at Selhurst Park, to finance the construction of a stadium at Plough Lane or even support WFC through an administration process under the insolvency legislation. It would simply go into liquidation, and cease to exist.
- 122. Even if liquidation was somehow avoided now, the Club would be consigned to bump along a financial tightrope with no stadium of its own from which to develop.

- 123. The WFC Board and shareholders quite understandably wish to put the Club on a more solid financial footing, provide it with a proper stadium and build a team and a Club for the future. They should be allowed an opportunity to do so.
- 124. By granting permission to WFC in its exceptional circumstances, we believe that the Club is being given an opportunity first, in the short-term, of financial survival, and thereafter, in the long-term, of achieving a sustainable commercial position commensurate with its sporting success and endeavour.
- 125. We make no general observations as to whether all clubs have a right to aspire to the upper echelons of sustainable FA Premier League success, irrespective of their geographical, demographic or historical circumstances.
- 126. In reaching our decision we accept that football clubs, even in today's financially driven environment for competitive professional football, are not simply businesses driven by balance sheet and profit and loss account considerations. There are a number of key stakeholders involved who are recognised by the football authorities and the government. Most important are the supporters and they have legitimate concerns for the continued existence of a community-based club, and bring their own special brand of consumer loyalty.
- 127. The interests of the fans are important. But the interests of most WFC fans will not necessarily be served by a decision which results in the demise of WFC.
- 128. Furthermore, resurrecting the Club from its ashes as, say, "Wimbledon Town" is, with respect to those supporters who would rather that happened so that they could go back to the position the Club started in 113 years ago, not in the wider interests of football.
- 129. To refuse permission we believe would be stretching the over-arching football principles too far, and would be more than is reasonably necessary to reflect the concerns of the Football League or the other football authorities. These principles which are a fundamental feature of the English game will not be violated by permission being granted in this case, which we regard as unique and unquestionably deserving.

130. We are most grateful to all who took the time to present their points of view to us with great care and effectiveness: to WFC; the Football League; the Football Association; the Supporters' Associations; Merton BC; to Counsel and solicitors; and to the numerous individuals who communicated with us.

APPLICATION BY WIMBLEDON FOOTBALL CLUB LIMITED TO THE COMMISSION APPOINTED BY THE FOOTBALL ASSOCIATION FOR PERMISSION FOR THE CLUB TO HAVE ITS HOME GROUND IN MILTON KEYNES

TERMS OF REFERENCE AND PROCEDURE

Jurisdiction of the Football Association

- 1. On 2 August 2001, Wimbledon Football Club (the *Club*) made an application to the Board of the Football League for permission to move its ground from Selhurst Park to Milton Keynes. The application was refused. By an Arbitration Award dated 29 January 2002, the matter was remitted back to the Football League.
- 2. By a letter dated 23 April 2002, the Football League referred the application to the Football Association (the FA) under Rule 76.1 of the Football League Rules.

The Commission

- 3. Under FA Rule F6, the FA appointed a Commission of Inquiry (the *Commission*) on 2 May 2002, comprising the following persons, to hear and resolve this matter:
 - Mr Raj Parker (Chairman) (Partner, Freshfields Bruckhaus Deringer)
 - Mr Alan Turvey (FA Council Member)
 - Mr Steve Stride (Operations Director, Aston Villa FC)
- 4. Under Football League Rule 76.1 and 76.3, the matter has been referred to the FA, and the Commission of Inquiry having been appointed by the FA now have the power to exercise the powers conferred on the Football League Board by the relevant Rules and Regulations of the Football League: in particular the power to approve (and, if so, on terms as may be appropriate) or reject the Club's application under, and in accordance with, Rules 13.1 and Appendix 1 Part 3 of the Football League Rules.

The Arbitration Panel's Award

5. The Commission shall take due account of, but shall not be bound by, any findings of fact made by the Arbitration Panel (Mr Charles Hollander QC, Mr David Dein and Mr Douglas Craig OBE) which adjudicated on 29 January 2002 in relation to this matter.

Submissions and Evidence

6. The Commission, through its Chairman, has indicated to the FA that all interested persons (including the FA itself) should have the opportunity to make representations and to give evidence in support of their case.

- 8. The Commission proposes to base its consideration of this matter primarily on the extensive submissions and supporting material provided to the Arbitration Panel. Subject to Clauses 9 and 10, if any person wishes to submit further argument, evidence or relevant material, this must be received by the Commission by 5.00 p.m. on Monday, 13 May 2002. (The FA released a press announcement on 10 May inviting any persons to make submissions in writing to the Commission, via the FA, by 5.00 p.m. on Monday, 13 May 2002.)
- 9. Any evidence, argument or relevant material which cannot reasonably be submitted to the Commission prior to the deadline set out in Clause 8, may be accepted by the Commission prior to or during the hearing, if it is submitted as soon as it is reasonably available.
- 10. The Commission understands that the "feasibility study" of the Plough Lane site which has been commissioned (in accordance with the recommendation set out in paragraph 58 of the Award of the Arbitration Panel, dated 29 January 2002) will not be completed until Friday, 17 May 2002. The Commission proposes to receive the feasibility study on 17 May 2002 and may subsequently take submissions (which may be oral or written, as the Commission so directs) relating to the feasibility study.
- 11(a). The Club and the Football League, as Participants under FA Rule F, shall be entitled to see all written materials submitted to the Commission by any other person. Subject to Clause 11(b), no material put forward by the Club or the Football League or any other person shall be shown to any other person.
- 11(b). The Club will prepare a document by lunchtime on Wednesday, 15 May 2002 setting out the gist of its submission to the Commission. This document will be made available to Lovells, Mr Kris Stewart (Chairman, WISA) and Ms Louise Carton-Kelly (Chair, the Dons Trust) on the condition that Lovells, Mr Stewart and Ms Carton-Kelly undertake not to distribute the document or disclose its contents to any other person, save any person who it is agreed by the Club in advance shall be entitled to see the document.
- 12(a). Subject to Clauses 12(b) and 16, only the Club and the Football League will be permitted to attend and participate in the hearing. No other person may attend, unless the Commission invites them to do so.
- 12(b). The Commission may permit other persons to attend the hearing if, in the Commission's view, this would aid the resolution of the matter. If so, notice of the this will be given to the Club and the Football League, who will be permitted to attend and ask questions of the person attending.

The Hearing

13. The hearing before the Commission will be held at Freshfields Bruckhaus Deringer, 65 Fleet Street, London EC4Y 1HS and will commence at 10.00 a.m. on 14 May 2002. It will not be a public hearing, and attendance at the hearing will be governed by Clauses 12(a), 12(b) and 16.

- 14. Any application by a person for legal representation at the hearing shall be made in advance to the Commission by 5.00pm on Monday, 13 May 2002.
- 15. The hearing will adopt an inquisitorial approach and will not be bound by, or follow, the rules of evidence.
- 16. The Commission reserves the right to request the attendance of any relevant individual at the hearing, where it reasonably considers that such attendance would aid the resolution of the matter. If so, notice of this will be given to the Club and the Football League, who will be permitted to attend and ask questions of the person attending.

Decision of the Commission

- 17. The decision of the Commission can be reached by a majority in number.
- 18. The Commission shall produce its written decision as soon as reasonably practicable after the conclusion of the hearing, and in any event by 31 May 2002.
- 19. The Commission shall give written reasons for its decision.
- 20. It is agreed that the decision of the Commission shall be final and binding, subject to the review jurisdiction of the court.

Publicity

CICATED L

- 21. There will be no publicity whatsoever regarding the members of the Commission or the location of any hearings until the Commission has given its decision.
- 22. When the Commission gives its decision, any statement in relation to it shall be subject to the approval of the Club and the Football Association.
- 23. The publishing of any report prepared by the Commission is a matter for the Chief Executive of the FA under FA Rule F9.

SIGNED by		
	Date	
[Print name:	office:]
for and on behalf of Wimb	ledon Football Club Limited	



THE FOOTBALL ASSOCIATION

Wimbledon Football Club - Statement

The Football League has referred Wimbledon Football Club's application proposing a move to Milton Keynes to The Football Association.

The Football Association has appointed an independent Commission to urgently decide upon this application.

The Commission will begin to hear submissions on Tuesday 14 May 2002, and aims to have decided on the application by the end of May 2002.

If any party wishes to make a submission to the Commission they are invited to do so in writing, addressed to "Commission (NL), 25 Soho Square, London, W1D 4FA" as soon as possible, but in any event to be received by 5.00 pm on Monday 13 May.

9th May 2002

DOCUMENTATION SUBMITTED TO THE COMMISSION

1. The Club

- □ Submission Statement for the Commission, provided on 13 May 2002
- □ The Witness Statement of Charles Richard Koppel for the Commission, dated 12 May 2002
- ☐ The Supplemental Expert's Report from Deloitte & Touche for the Commission, dated 13 May 2002
- □ The Supplemental Expert's Report from FDP Savill's for the Commission, dated 10 May 2002
- ☐ The Witness Statement of Isobel Rosemary Wilson (leader of Milton Keynes Council, with effect from 21 May 2002), dated 13 May 2002
- □ Letter of 18 April 1997 from Mr Peter Leaver QC, Chief Executive and General Counsel of the FA Premier League, to Mr Sam Hammam
- □ Letter of 19 May 1998 from Mr Graham Kelly, Chief Executive of the FA, to Mr Sam Hammam
- □ Letters of 7 August and 18 September 2001 from Mr Nic Coward, Company Secretary of the FA, to Mr Charles Koppel
- Note of a meeting of 16 October 1978 between Mr Fernley Rose of the Milton Keynes Development Corporation, Mr Alan Hardacre, General Secretary of the Football League and Mr George Readle, Deputy Secretary of the Football League
- Comments on an article by Edward Gibbes in the Wimbledon Guardian headed "Mystery Surrounds Plans for MK football stadium", dated 20 May 2002

- □ Comments on Drivers Jonas Feasibility Report, dated 21 May 2002
- Document headed "Why Plough Lane remains an impractical option for the Club", dated 21 May 2002
- □ Comments on stadium capacity, dated 21 May 2002
- Document headed "Factors to be weighed in granting permission", dated 21
 May 2002
- □ Letter of 22 May 2002 from Safeway Plc, to Mr Charles Koppel

2. The Football Association

□ Witness statement of Nicholas Coward (Company Secretary, the Football Association), dated 13 May 2002.

3. The London Borough of Merton Council

- □ Second Supplementary Witness Statement of Councillor Andrew Judge (Leader, London Borough of Merton Council), dated 10 May 2002
- □ Comments on Drivers Jonas Feasibility Report, dated 22 May 2002

4. The Wimbledon Independent Supporters Association (WISA)

□ Supplemental Statement of Kris Stewart (Chair, WISA) on behalf of WISA, dated 13 May 2002.

5. The Dons Trust

- □ Written submission of Louise Carton-Kelly (Chair, the Dons Trust) on behalf of the Dons Trust, dated 13 May 2002;
- □ Spreadsheet showing an estimate of projected Profit and Loss Account Summary and Analysis for the Club (2002 2005), dated 15 May 2002

6. The Drivers Jonas Feasibility Study, dated 17 May 2002

7. Other submissions

- ☐ The Commission received approximately 650 letters, emails and faxes on this matter.
- Many of these were from fans of the Club (including members of WISA, the Dons Trust and the Official Wimbledon Fans Forum).
- □ Other persons who made submissions included:
 - o The House of Commons All Party Football Group;
 - o Supporters of other clubs (and several Supporters' Associations);
 - Other clubs, including: Brentford Football Club Limited, Northampton Town Football Club Limited, Rushden & Diamonds Football Club Limited;
 - Overseas residents, including: the United States, Australia (Wimbledon Supporters Downunder), Russia and Norway; and

DOCUMENTATION SUBMITTED TO THE ARBITRATION PANEL

1. The Club

- ☐ The Club's Points of Claim, served on 21 November 2001
- □ The Club's Opening Submissions, dated 21 January 2002
- □ The Club's evidence, including:
 - Witness Statement of Charles Richard Koppel (Chairman, the Club), dated 21 November 2001;
 - o Witness Statement from Deloitte & Touche dated 20 November 2001;
 - o Witness Statement from FPDSavill's dated 20 November 2001;
 - Witness Statement of Peter John Winkelman (Chairman, Milton Keynes Stadium Consortium), dated 20 November 2001;
 - Witness Statement of Norman Leslie Miles (Leader, Milton Keynes Council), dated 21 November 2001;
 - Second Witness Statement of Charles Richard Koppel, dated 15 January 2002;
 - Supplemental Expert Report from Deloitte & Touche dated 14 January 2002; and
 - o Supplemental Expert Report from FDP Savill's dated 15 January 2002.
- □ The Arbitration Award, dated 29 January 2002
- □ The Club's Business Plan (dated August 2001)
- ☐ The contractual documents between the Club and the Milton Keynes Stadium Corporation (undated)

□ A video tape regarding the proposed stadium in Milton Keynes, accompanying the Witness Statement of Peter John Winkelman, dated 20 November 2001

2. The Football League

- Response to Points of Claim, dated 21 December 2001
- □ Summary Response to Points of Claim, served on 18 January 2002
- ☐ The Football League Limited's Opening submissions (undated)
- □ The Football League's evidence, including:
 - Witness statement of David Campbell Burns (Chief Executive, the Football League), dated 20 December 2001;
 - Witness statement of John David Dent (Former Company Secretary, the Football League), dated 20 December 2001;
 - Witness statement of Nicholas Ian Coward (Company Secretary, the Football Association), dated 21 December 2001;
 - Witness statement of Michael Foster (Company Secretary, the Football Association Premier League Limited), dated 21 December 2001;
 - Witness statement of John Anthony Moules (Chief Executive, the Football Conference), dated 19 December 2001;
 - Witness statement of Peter Donald (Secretary, the Scottish Football League), dated 21 December 2001;
 - Witness statement of Robin Flight (Chairman, Milton Keynes City Football Club), dated 20 December 2001;
 - Witness statement of Andrew Judge (Councillor, London Borough of Merton; Leader, Merton Council), dated 20 December 2001;
 - Witness statement of David Boyle (Vice Chairman, the Football Supporters' Association) dated 20 December 2001; and

 Witness statement of Kris Stewart (Chair, WISA), dated 21 December 2001.

A FAN'S LETTER OPPOSING THE RELOCATION

Dear Sirs

Re Wimbledon FC application to move to Milton Keynes

I have lived in Wimbledon for over 30 years and throughout that time have followed the fortune of the Dons. I saw them play as amateurs in the Isthmian League and as professionals in the Premier League and I was present at Wembley when they won the Amateur Cup and the FA Cup. This is a unique record in the history of football and Wimbledon are recognised throughout the game as an inspiration to every small club with the ambition to match their extraordinary achievement.

Now all this in jeopardy and I am writing to you in the hope you and your colleagues will reject the plan to move to Milton Keynes. To this end I would make the following points:

THE OWNERS

No one made them buy Wimbledon. They brought the Club, initially, in anticipation of making millions by moving to Dublin. That was turned down and now they have come up with Milton Keynes as another means of recouping their investment. They are not football people. In fact, the principal shareholder has not been to a game for two seasons. All he wants is his money back. But why should you bail him out?

THE GROUND

Wimbledon did not have a ground of its own when the Norwegians bought the club so they always knew this was a potential problem. They pledged to built a new stadium in or close to the borough and could have done so on the actual site of the old ground of Plough Lane if they had been prepared to make the investment (as Al Fayed has done for Fulham). But Milton Keynes is a more attractive commercial project. Actually it's brilliant. Unless, of course, you're a Wimbledon supporter.

ALTERNATIVES

Firstly, the club does have a ground — Selhurst Part. No one is making the club leave. In fact, it still has a lease which can be renewed. That isn't perfect but it is where we play at present. There are other possibilities but the owners don't pursue them. Our small gates mean we could even go to a non-league ground like Sutton or Kingstonian (which Ron Noades wants to use for Brentford so he wants us out of the area and is therefore supporting Milton Keynes).

MERTON COUNCIL

There was a time when the club was a victim of party politics but it wasn't the council's fault that the club chose to leave the borough. Also, one shouldn't lose

sight of the fact that it is not the council's responsibility to find the club a ground. Despite this, the council have never been as supportive as they are now and they cannot be used as an excuse for relocating to Milton Keynes.

THE EXECUTIVE DIRECTORS

The owners compounded the club's problems by sacking Sam Hammam and appointing a chairman with no experience and little knowledge of the English game. This chairman then dismissed the club's chief executive, David Barnard, one of the most respected figures in the game and he has just sacked the manager Terry Burton who would almost certainly have taken the club to the play-offs had the chairman not loaned or sold four key players to our promotion rivals.

THE BOARD

It has never been disclosed how the board voted on Milton Keynes but on the basis that the decision would have been described as unanimous had it been so – and that hasn't been the case – it can be reasonably assumed that it wasn't unanimous. Certainly three of the longest serving directors have never denied not voting for Milton Keynes. They were on the board before the chairman and any of the Norwegian appointed directors and are steeped in the club's traditions. You should establish their views – if they are allowed to give them.

MILTON KEYNES

Wimbledon has no future at Milton Keynes. It will cease to exist. The name may survive for a while but the heart and soul of the club – the supporters— will be lost for ever. To all intents and purposes it will die and if that happens I believe that will represent one of the greatest betrayals in the history of football.

THE FUTURE

That, of course, is for you to determine but please understand that the vast majority of supporters would prefer to see the club budget to play in a lower division - even a lower league – rather than be moved away from South London.

YOUR DECISION

I believe it comes down to one key issue: if you make a purely commercial decision you will say yes to Milton Keynes. But if you are football people and care about preserving a century old club, they you will say no. I trust you will prove to be football people.

A FAN'S LETTER IN SUPPORT OF THE RELOCATION

Mr Charles R Koppell Wimbledon F.C. Ltd Selhurst Park Stadium London SE25 6PY

Monday 27th August 2001

A SUPPORTER FOR MILTON KEYNES

Dear Mr Koppel

I have been a supporter of Wimbledon FC since 1976. I was upset when we moved from Plough Lane to Selhurst Park but on reflection it saved the Club.

I have been protesting against the move to Milton Keynes with letters to the FA board members and joining in protest marches and attending WISA meetings.

After giving the Milton Keynes proposal a lot of thought and after reading your programme notes in the Norwich Programme plus reading your thoughts in the last two editions of the Wimbledon News I have come to the conclusion my heart was ruling my head and that the survival of the Club is the most important thing and therefore I felt I needed to write to you to confirm you will receive my support for this move and that I will try to undo (in my small part) what I did, by writing to the FA again to explain this is a very emotive issue to supporters and that like me on reflection I have come to see the move is a must!

You mentioned for the first time in the Norwich Programme the debate on how the Club should pay for a new stadium.

I believe it is not fair to expect Mr Rokke or Mr Gjelsten to fork out 30 million pounds + to purchase a new stadium when they have already spent 30 million on purchasing the Club already.

I also believe Merton Council is two faced! They did confirm to you and in public that the Greyhound Stadium was the only option and the recent views of Mr Judge are out of order.

I am a member of WISA and during the last three meetings no mention on a realistic option was mentioned apart from Plough Lane (which we do not own). Also they

never discuss how the new stadium would be financed. I am not going to knock these people because they are very loyal to the Club and like me it is their life.

However, the game against Norwich attracted a crowd of 6,084 with at least a thousand from Norwich.

The people of Wimbledon do not deserve a football club and the apathy they show to the Club is unbelievable. I drive two hours to get to every home game and have been doing so for as long as I can remember.

The stadium plans for Milton Keynes look fantastic and with the hotel and other retail projects which would help to finance the project is going to underwrite the Club's future.

After time I believe Wimbledon back in the Premiership and in the stadium will be playing to full houses, as the potential for a fan base is there. I urge you to fight the F.A. and take whatever action you can to turn Milton Keynes from just an idea to reality.

I also urge you to keep pushing the financial problems as one of the main reasons to move to Milton Keynes because it is true.

If Wimbledon wants to reach the Premiership again and to stay there then this can only be achieved with a move to Milton Keynes.

We could have a ten thousand seater stadium in Wimbledon playing Third Division football or be in liquidation in two years time or go to Milton Keynes.

I'm sure WISA members would take the first option but I would much prefer to sit in the state of the art stadium watching us play Man Utd in front of a full house than Rochdale in front of 3,000 people. I have heard many people supporting your views in Crystals and the local pubs and despite the press coverage which is mainly anti MK, many Dons fans are for your proposal but of course are less vocal then WISA!

Can you beat the F.A.? If you cannot do this by verbal persuasion are you intending to take legal action?

In the forthcoming Portsmouth Programme do you intend to dedicate some space to Milton Keynes and sell it to the fans. Explain the financial problems of the Club and show pictures of the new stadium? WISA will not like it but they are not buying the programme anyway.

If you cannot persuade the F.A. or lost a court case would changing the Club's name to MK Dons overcome the F.A.'s obstacle (Meadowbank Thistle changed to Livingston without losing its league standing and has been a great success.)

Don't get me wrong, I would hate to lose the name because of the history and tradition associated with it but I do wonder if Wimbledon Town deserves to have a football club.

Good luck with your attempts to save my Club. Please try to ignore the abuse you are currently receiving.

I and many others are aware that you have the Club's best interest at heart.

Kind regards

SUMMARY OF THE FANS' SUBMISSIONS

General

- If the Club relocates there is no way that any true fan would continue to support the Club. Without a loyal fan base, no club can survive. Without fans there wouldn't be a club without fans there wouldn't be any TV revenue without fans, football would cease to exist.
- At a time when the Nationwide League is facing a massive financial crisis owing to the ITV Digital fiasco, clubs should be moving closer to their communities, not away from them. Who else is going to support them at crunch time?
- □ As recent events in Scotland have shown, the game needs the "smaller clubs" too
 − Rangers and Celtic need someone to play apart from each other.
- No one buys football clubs to make money. Of course owners must limit the amount spent and must find ways to bring money in, but clubs are not get-rich-quick schemes and we should not let them be treated as such.
- □ What is a football club is it just another business, to be operated solely with a view to profit or is it something more: does it add value to the value of the community which it represents?
- □ It is a sign of the times when hardworking, loyal fans with ten times more of the Club's history than all of the directors put together are made to take a back seat and watch while their football club is being destroyed.
- ☐ If the owners had wanted to run a club in Milton Keynes they could have bought one there. In reality they were buying a league position to do with it what they liked.
- ☐ The FA owes no obligation to any club to help ensure that it maximises its profits.

- □ Football has no obligation to reward businessmen who make poor investments in the game. They were aware that the club had no ground of its own and a comparatively small fan base (no smaller than 40-50 other Football League clubs) and presumably were aware of the rules regarding promotion and relegation when they bought the Club. To allow them to disregard these rules simply because they feel the Club will be more profitable will do a massive disservice to the game, which must in these troubled times strengthen, rather than weaken, community ties.
- Allowing the move would make it almost impossible for another club to repeat the fairytale success of the Club. They would become prey to the highest bidder from any larger town or city which wanted instant success.
- Many aspects of a club come and go e.g. the Chairman, manager, players etc. The one constant is the fans. There are not many fans, but they are passionate and love the Club.
- □ Football is about clubs as representatives of their local areas with all the connotations that this brings. What it appears to have become in some areas is an excuse for big businesses to muscle in on a moneymaking opportunity and take away the community feeling which pervades at all of the best clubs, be they at Premiership or non-League level.
- How could it be just to penalise a club and its supporters for being successful? Where would the Club be without its supporters? They were there in the days before big television money and were responsible for much of the income of the Club.
- ☐ The model of reliance on wealthy patrons has proved to be imprudent, and the supposed security they offer illusory.
- American style franchising only benefits one group of people: the money men.
- □ Local MP, Roger Casale, also supports a return to Merton.
- □ Wimbledon Speedway has recently returned to Plough Lane.

- ☐ The Club's fans have conducted peaceful protests (compare this to the violence seen at other clubs).
- If the proposed relocation is allowed, the fans propose to explore the possibility of taking legal action against the Club, the Football League and the Football Association.

Milton Keynes

- □ Since a fan base takes decades to develop in a locality, there is no evidence that people in Milton Keynes would watch the Club play.
- □ The owners only want to move in order to secure a property deal which is part of the proposed stadium complex. Football is being used as an "enabler" for this development a "bribe" to Milton Keynes.
- ☐ If Milton Keynes Council wishes for League status, they should invest in Milton Keynes City. They have no right to expect a shortcut.
- The Milton Keynes consortium which is behind the proposed move should perhaps back the local Milton Keynes team and lead them up through the leagues the way that the Club did back in 1977.
- ☐ There is no publicly available evidence that the Milton Keynes Stadium Consortium actually exists.
- Milton Keynes has a poor record of support for local sports. In recent months the ice hockey team has folded. Would the residents of Milton Keynes turn out to support the Club through the bad times?
- There is not a great wish in the Milton Keynes area to have Wimbledon. The town is already well served by Watford, Luton Town, Northampton and Rushden & Diamonds (all within 30 minutes drive of the city) and the major London teams attract substantial followings to their home games. Fans do not usually change established allegiances.

- The silence from supporters in Milton Keynes and the fact that in 20 years their own club has failed to rise further than the 10th level of the football pyramid suggests that if there were any demand for a decent club in Milton Keynes surely some local entrepreneurs would have invested in their local club.
- ☐ It is not true that Milton Keynes has a bigger catchment area than Merton. In any case, the size of a city does not guarantee regular attendance.
- The proposed site at Milton Keynes does not have planning permission for use as a stadium. There is no guarantee that if the Club were allowed to move to Milton Keynes, the new stadium would actually be built.

Nature of the Club

- ☐ It is far better that the Club, whatever little money it may have, stays in the Merton area, even if that means it remains in the lower divisions or even falls further divisions. At least it will remain as the Club. The Club is and will always remain a small club. There is nothing wrong with that. The proposed relocation to Milton Keynes is seeking to create a big club, not to save a small one.
- The fans are not of the opinion that a club in Milton Keynes is better than no club at all.
- Many of the Club's supporters remember the days at Plough Lane watching non-league football with passion and loyalty equal to that which they showed when the Club was playing the likes of Manchester United. It really doesn't matter which league the team plays in. What does matter is where those games are played.
- The Club is not a Manchester United or Arsenal or Chelsea. People do not choose to support the Club because it is a big club with dreams and expectations of cup and European glory (although that would be nice.) The fan base of the Club comes from people with connections to the Club or the locality.

- □ The Club will never attract big gates (not outside the Premiership anyway) for the reason that it is not a big club and does not have the history or a football following catchment area on which to draw. The owners of the Club want to own something different a big, glamorous club which makes lots of money, which was not what they bought.
- The Club is not a profit-making business. It never has been.

Financial

- The Club's owners made a catastrophically bad financial decision when they agreed to pay then owner Sam Hammam a figure around £28 million for a club that had neither a stadium nor a training ground.
- ☐ If a locality can't support a club financially then it is time for that club to scale back its operations, perhaps sell off the best players, get relegated and consolidate at a lower level. It is not time to move.
- Almost without exception, clubs relegated from the Premiership suffer difficulties, having committed themselves to high players' salaries and operating costs on the back of expected high revenues. The Club itself is no exception to this. This should not therefore be a deciding factor in their application to go to Milton Keynes. Other clubs have gone on to restructure their finances and emerged as better, leaner businesses.
- As football is placed in more danger after the collapse of ITV Digital, it is the fans who remain the most loyal lifeblood of the sport. One positive issue to emerge from the ITV Digital crisis is that clubs now have to realise that their fan base is their major source of income, and budget accordingly.
- If the current owners feel that they cannot run the Club other than by changing its identity and jettisoning its existing support, they should let others take over that responsibility the inflated price they mistakenly paid for the Club should not be a consideration.

□ Finances are tight, but the way to put them right is to be community-based, working hand in hand with the supporters and local businesses to underpin the finances of the Club rather than relying on handouts from media organisations who clearly have not thought through the economics of their business plans.

Floodgates

- ☐ If this move is allowed, then clubs such as Oldham, Rochdale, Stockport, Walsall, Brentford and others in the shadow of more affluent neighbours will come under threat from businessmen in areas such as Kent or Cornwall, who feel that their community has the right to buy a league position.
- There are other potential sites if the floodgates are opened: e.g. Bristol.
- ☐ It would not take a genius to buy a club in debt, engineer the sale of their ground in a lease back scheme and then threaten to fold because of "debts". If you create any kind of loophole for the Club, then many others will follow.
- Regarding franchising, one could envisage struggling First and Second Division teams, who see the prospect of entry to the Premier League becoming ever distant, acquiring smaller Welsh or Scottish clubs with a view to gaining entry to the European Champions League.

Other clubs

- Brighton and Hove Albion FC had to play in exile in Gillingham for 2 years following the sale of its home ground. During this period it did not acquire a new set of supporters from Kent. On the contrary, not only did it not assimilate new supporters, but also lost all but a very small hardcore of Brighton fans. It was not until the club moved back to, albeit with very limited facilities, its home base of Brighton that the fortunes of the football club as a whole and the team in particular began to flourish.
- There is no doubt that the Club could make money if it returned to Plough Lane: you only have to look at Charlton to see what returning to the local area does.

- Other clubs have been in similar positions and survived, e.g. Aldershot Town.
- □ Telford Utd was formed 20 years to cater for inhabitants of that new town, yet gates of fewer than 1,000 are the norm since the inhabitants travel to their traditional football homes e.g. Aston Villa and Wolves.

Other options

- Could ground sharing (as joint owners) be a possible solution?
- □ Is it possible to give the Club a grant to redevelop Plough Lane?