



GROUNDS FOR BENEFIT:
DEVELOPING AND PROTECTING
COMMUNITY BENEFIT IN FOOTBALL STADIA



ABOUT SUPPORTERS DIRECT

Supporters Direct was formed in 2000, as a result of the Football Taskforce's Third Report. Its goal is to "promote sustainable spectator sports clubs based on supporters' involvement and community ownership".

Supporters Direct aims to create the conditions in which supporters can secure influence and ownership of their clubs, and promotes the value of supporter and community engagement. It believes that sports clubs, competitions and stadia are increasingly being put at risk by short-term vested interests, poor financial management and inadequate standards of governance; and that structured, democratic supporter involvement in decision-making processes can help redress this balance.

It began its activities in English football, but now works in over 20 European countries, and also works in Rugby League, Rugby Union and Ice Hockey. It has offices in London and Glasgow.

Supporters Direct is a Community Benefit Society, registered with the Financial Services Authority and owned by its member supporters' trusts and clubs. Since 2000, Supporters Direct has been responsible for raising over £30million worth of funding to pump directly back into football and has helped more than 30 sports clubs either reform under or convert to community ownership.

It has a unique position in football working at the coal face of the game and producing cutting edge research informed by its development work with supporters' trusts and clubs throughout the industry.

Authors:

Dr. Adam Brown, Director, Substance

Fiona McGee, Research Associate, Substance

Additional information:

Prof. Guy Osborn, University of Westminster

ABOUT WRENBRIDGE SPORT

Wrenbridge Sport are innovative property developers with a particular focus on sport and leisure.

Wrenbridge Sport provides a wide range of property and construction solutions for its partners and clients. The specialist team is experienced in the co-ordination and management of stadia, sport and leisure related development, relocation or expansion in meeting the needs of individual clubs, organisations, local authorities and education establishments. Our unique position enables us to finance development directly enabling sport and leisure schemes to be realised.

The UK has just witnessed the greatest year of sport ever seen in the country. Wrenbridge Sport's team has been at the forefront of the delivery of a number of the London 2012 venues and is now focusing on the opportunities of taking forward a legacy of delivering new and improved sport and leisure facilities for both elite and community based use.

Wrenbridge is currently working in partnership with Grosvenor on the development of the new Cambridge Sporting Village. The project includes a new 8,000 capacity community stadium that will be home for Cambridge United FC as well as an indoor sports hall to be operated by Cambridgeshire FA and largely used by the Cambridge United Youth and Community Trust. Within the complex there will also be accommodation for a local university to operate its sport science courses, a health & fitness centre, restaurant and conference facilities and a sport bar. Outside will be a number of grass and artificial pitches for hockey, rugby and football and to be used by the local community.

CONTENTS

EXECUTIVE SUMMARY	5
INTRODUCTION	6
A. CHELSEA FC SUPPORTER OWNERSHIP OF ASSETS	8
B. HUDDERSFIELD FC URBAN REGENERATION	14
C. BRENTFORD FC THE GOLDEN SHARE	20
D. AFC TELFORD LOCAL AUTHORITY PARTNERSHIP	26
E. FC UNITED OF MANCHESTER ENSHRINING COMMUNITY BENEFIT	30
CONCLUSIONS AND RECOMMENDATIONS	34
GLOSSARY OF TERMS	40
REFERENCES	42

EXECUTIVE SUMMARY

THE RESEARCH

This research has been commissioned from Supporters Direct by Wrenbridge to help inform their ongoing role in football stadia developments and to outline the different ways in which community benefit can be enshrined, delivered and protected through stadia.

This research has explored ways in which:

- i) The ownership structure of stadia can be organised to protect community and supporter interests.
- ii) Community benefit can be delivered through stadia.
- iii) Community benefit can be protected.

The research is based on five case studies:

- Chelsea FC: Stamford Bridge
- Huddersfield Town FC: John Smith's Stadium
- Brentford FC: Lionel Road Stadium
- AFC Telford United: New Bucks Head
- FC United of Manchester: Moston Community Stadium

OWNERSHIP

The ownership of stadia is critical to how community benefit can be delivered and protected. This can be achieved through:

- Supporter ownership of key assets such as the freehold on which stadia are built.
- Joint ownership with local authorities.
- 'Golden'/special shares held by supporters collectively.
- Ownership by clubs that are owned by or formed as Community Benefit Societies (CBS).

DELIVERY

The delivery of benefit for communities can be enshrined in:

- Joint ownership agreements between clubs and/or clubs and local authorities.
- Planning agreements and Section 106 agreements, or lease conditions set by local authorities.
- Ownership by a CBS Industrial and Provident Society (IPS), Community Interest Company (CIC) or similar social enterprise that has company objectives requiring that the organisation delivers benefit to the community.

PROTECTION

Community interests in stadia can be protected through:

- Supporter/community ownership of the club – a CBS is a democratic and open corporate structure that ensures all stakeholders can share in club or facility ownership.
- Supporter/community ownership of key assets.
- A supporters' 'golden share' that specifies the conditions under which a ground might be sold and/or which gives supporters a veto over such a sale.

KEY RECOMMENDATIONS

Supporters Direct makes a number of key recommendations so that community benefits can be more readily and effectively realised and protected.

NEW LEGISLATION

Supporters Direct recommends that:

- Central Government ensures that football (and other sports) grounds are listed as assets of community value under the Localism Act.
- The definition of 'assets of community value' is extended to include football clubs and spectator sports clubs (in addition to stadia).

FOOTBALL GOVERNANCE

Supporters Direct recommends that a new licensing system for football includes rules that ensure:

- 1) A club is not moved to another location without proper consultation and approval from local communities/supporters and the football authorities.
- 2) Club owners are prohibited from securing debt arising from trading deficits on stadia, unless approval is provided by the supporters and the relevant football authorities.
- 3) Club owners are prevented from separating the ownership of grounds from their clubs, unless approval is provided by the supporters and the relevant football authorities.
- 4) Club owners are prohibited from selling the club's ground for personal gain.

INTRODUCTION

PURPOSE

This paper has been commissioned from Supporters Direct by Wrenbridge to help inform their ongoing role in football stadia developments. Wrenbridge required a short piece of research that outlined the experience of developing football stadia at five case study clubs and the ways in which community benefit has been delivered and protected. The paper was to provide learning from each, highlight good practice and recommend ways in which the community benefit from football stadia could be strengthened and enshrined.

This work is important and timely for a number of reasons:

- i) The last two decades have seen significant re-development of existing football grounds and the building of new ones. At times this has involved:
 - Grounds being moved to 'out of town' or other 'new' locations, depriving communities and fans in urban areas of the local benefit of those facilities.
 - The separation of the ownership of grounds from their clubs often with some, or all, of the land value going to private interests rather than the clubs concerned (something that has happened 54 times in the top 5 divisions since 1992).
- ii) At the same time a number of stadium developments have sought to increase the benefit communities can derive from them in a variety of ways.
- iii) Both of these trends have involved various methods being employed to protect community and supporters' interests.

Often such construction and redevelopment has been justified on the grounds that it will deliver wider community benefits: yet little evidence has been presented as to how and why this is the case. As new developments increasingly highlight wider public (as opposed to private commercial) benefits, it is important to summarise evidence from cases where this has been attempted and learn from these examples.

Indeed the word 'community' is increasingly added to sports facilities or projects to suggest that the purpose is greater than merely securing commercially beneficial outcomes; and many (possibly a majority) of professional football grounds include some sort of 'community' facility within

their confines. However, it is important to understand which communities are to benefit, how such facilities are owned, plus what role supporter-ownership and community asset protection might play. Indeed, further than this, the very meaning and definition of 'community' and 'community benefit' is contested as has been explored in previous research¹.

The focus on 'localism' within the Coalition Government's agenda – which has produced the Localism Act - has also raised interest in securing 'assets of community value' for the benefit of local people. This has already led to some proposals from Supporters Direct about how football grounds might be considered within this context²; as well as a paper to be published alongside this one by Supporters Direct and Locality about the implications of the Act for football supporters.

Finally, there has been increased interest in recent years in the governance of football and its future regulation. This has included a House of Commons Select Committee on Culture, Media and Sport inquiry which made a number of recommendations to Government about how football's governance could be improved, including proposals for a new club licensing system. Such a system could provide a framework through which the benefits communities gain from football stadia could be protected.

The aim of this research therefore has been to provide an evidence base to inform:

- Potential community ownership structures.
- Strengthening stadia asset protection for the local community.
- Delivery and evidencing community development objectives.

FOCUS OF PAPER

Defining a 'community stadium' is problematic because it can cover a myriad of objectives, target communities and contexts. There is a considerable amount of research already undertaken that has looked at how football clubs and their facilities interact with local communities³.

In this short piece of research it has been important to limit the focus to three key areas of most interest to Supporters Direct and Wrenbridge:

- i) The ownership and ownership structure of the stadia.
- ii) The 'community benefit' that the stadium seeks to deliver.
- iii) The nature and level of protection of community involvement and benefit that is in place.

We have adopted an approach that seeks to highlight a number of examples of how this has been tackled in practice, ranging from supporters who simply wish to retain their club at their ground, to clubs that are seeking a much broader delivery of sporting and non-sporting local community outcomes addressing social problems. We have sought to show how these aims are being addressed and objectives protected, as well as identifying learning, limitations and potential measures to strengthen community benefit that might be adopted.

CASE STUDIES

The five case studies researched are:

- i. Chelsea FC: Stamford Bridge – illustrating supporter ownership of assets.
- ii. Huddersfield Town FC: Galpharm Stadium – a mixed ownership stadium at the heart of urban regeneration.
- iii. Brentford FC: Lionel Road Stadium – the supporters’ ‘golden share’.
- iv. AFC Telford United: New Bucks Head – the club and local authority partnership.
- v. FC United of Manchester: Moston Stadium – embedding community benefit protection.

These provided a range of:

- Different forms of ‘community’ benefit, ownership and asset protection.
- Different stages of development.
- A geographical spread.
- A range of stadia of different sizes and involving football clubs at different levels in the pyramid.

The questions explored in each case study were:

- i. What is the legal form of ownership of the stadium and how does this embrace community ownership?
- ii. What mechanisms are in place to protect the stadium as a community asset?

- iii. How is community engagement delivered at the stadium?
- iv. What are the funding and financial arrangements?
- v. How is community benefit monitored or assessed?
- vi. What are the innovations, learning points, limitations and potential remedies in each case?

The research involved both desk based research of documents as well as telephone interviews with key personnel at each case study.

STRUCTURE

The report is intended to provide a brief overview and as such summarises a wealth of material collected in each case and focuses on headline issues and learning rather than the detailed ins and outs of each case.

The report considers each case study in turn and provides information under the following headings:

1. BACKGROUND

- 1.1 SUMMARY OVERVIEW
- 1.2 DRIVERS
- 1.3 DESCRIPTION OF FACILITY
- 1.4 FUNDING ARRANGEMENTS

2. OWNERSHIP STRUCTURE

3. COMMUNITY BENEFIT, INTEREST AND PROTECTION

- 3.1 AIMS
- 3.2 CURRENT SITUATION AND RECENT CHALLENGES
- 3.3 FUTURE PROTECTION OF COMMUNITY ROLE

4. LEARNING

- 4.1 INNOVATIONS
- 4.2 LIMITATIONS
- 4.3 STRENGTHENING COMMUNITY BENEFIT AND PROTECTION



A. Chelsea FC: SUPPORTER OWNERSHIP OF ASSETS:

1.1 SUMMARY OVERVIEW

Stamford Bridge has been Chelsea Football Club's (Chelsea FC) home ground since 1905 and is an example of an unusual ownership structure, which has given one group of fans some level of protection over the use of the ground site.

The redevelopment of the East Stand in 1973 was regarded as a landmark in design, but saddled the club with debts, so much so that it struggled to survive. In the late 1970s, as part of a financial restructuring, the freehold was separated from the club; and when Ken Bates bought the club in 1982 he didn't purchase the freehold. This was owned by property developers, Marler Estates (subsequently Cabra Estates) with whom there was a protracted legal battle which ended when they went into liquidation in 1992.

The formation of Chelsea Pitch Owners Plc (CPO) in 1993 by Bates was designed to buy the freehold and thereby ensure that the club could never have its ground sold from under it again. CPO is a 'not for profit' company (it does not pay dividends on shares), not listed on a stock exchange, and has limitations on share ownership and voting.

It offers a form of protection for CPO shareholders in that it leases the ground back to the club on the strictly-defined proviso that the ground may only be used for football purposes. This effectively reduces the market value of the land and along with the broad base of altruistic ownership it has to date prevented Chelsea from moving home.

CPO also owns contractual rights to the name Chelsea FC (which is licensed back to the club on condition that the first team play their home matches at Stamford Bridge), the pitch itself and turnstiles. Ownership of the name in particular is a very significant asset held by supporters: if Chelsea FC moves to another stadium in the future, they would not be able to use the name Chelsea FC without permission from 75% of CPO voting shareholders.

Attempts have been made in recent years to overturn this position by the club's owner, as well as to buy up shares in the CPO to allow the club to move, although these have to date been unsuccessful.

An attempt was made by Chelsea FC to purchase the Freehold in October 2011 but this was unsuccessful and a campaign group of shareholders called 'Say No CPO' was subsequently formed in order to resist attempts to sell the CPO's assets to the club.

1.2 DRIVERS

The historical drivers for the arrangement were both the parlous financial state of the club in the late 1970s and early 1980s and the legal tussle over the Stamford Bridge site in the 1980s and early 1990s. However, this has resulted in a situation where the owners of the shares in CPO have a powerful bargaining chip over the club's owners, effectively meaning that they cannot sell the ground and move to another location without their permission.

1.3 DESCRIPTION OF FACILITY

The facilities at Stamford Bridge include a stadium with a capacity of 41,837, the main pitch and a number of community and commercial facilities: the Hub classroom within the stadium complex, hospitality facilities, together with two hotels, apartments, bars, restaurants, nightclub, Chelsea Megastore, Museum and gym including swimming pool.

1.4 FUNDING ARRANGEMENTS

CPO eventually bought the freehold with the aid of a non-recourse loan of £10 million from Chelsea Village plc, the parent company of the club, in 1997. The CPO in turn granted the club a 199 year lease on Stamford Bridge at a peppercorn rent.

A current conservative estimate of the marriage value of all the land that Chelsea occupies at Stamford Bridge is £0.5 billion. In order to repay the loan, CPO started selling shares at £100 each and its purpose is to raise the money needed to pay off the loan. Around £1.5 million has been paid off so far.

2. OWNERSHIP STRUCTURE

The club is owned by Chelsea Limited which is owned by Roman Abramovich.

CPO own the stadium site freehold, turnstiles, pitch and the Chelsea FC name but does not own

surrounding land owned by CFC. It currently has 17,000 shares owned by 6,500 individuals who are limited to a maximum of 100 voting shares each. Individuals can buy more shares than that but will not gain any additional voting rights.

The attempt by the club to buy the freehold from CPO exposed a situation where 70% of shareholders were unknown or had no correct contact details. With some tracking work, CPO now have a list which is 84% correct.

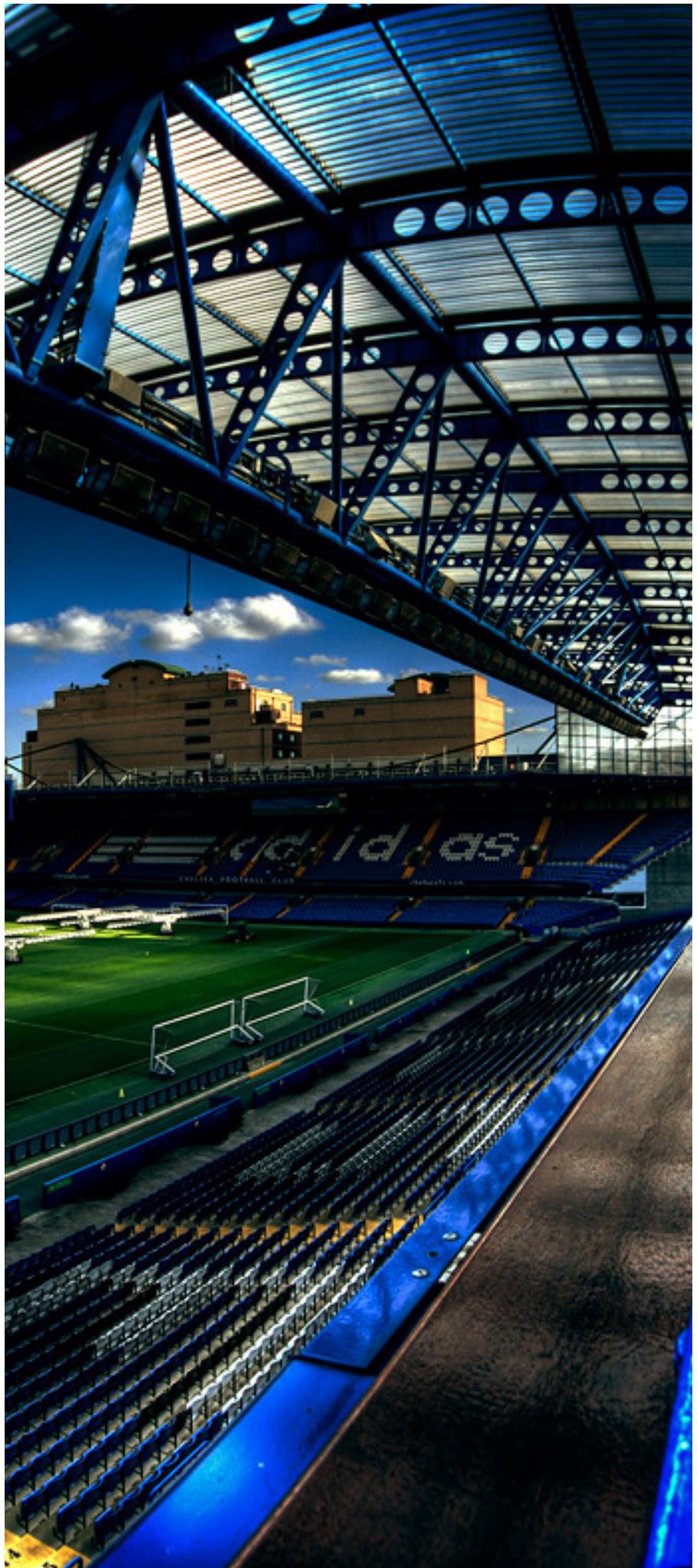
3. COMMUNITY BENEFIT, INTEREST AND PROTECTION

3.1 AIMS

The aims of CPO are to:

- Protect the club's occupancy of the Stamford Bridge site and avoid threats to the club through ownership of the freehold passing to property developers.
- Raise money through the sale of shares to repay the loan and broaden ownership of the ground.

The 'Say No CPO' campaign group has the additional aim of ensuring that the club plays at Stamford Bridge unless an expanded capacity proves impossible and a suitable alternative venue is provided within 3 miles of the ground. A sister group 'Campaign 55' has also been established to disprove the idea that the desired capacity cannot be achieved at Stamford Bridge.





3.2 CURRENT SITUATION

The ownership of the freehold and the name of the football club provides the owners of CPO with powerful leverage:

- The ownership of the site means that effectively the club cannot sell the ground to realise its market value (estimated at £0.5bn) and develop a new stadium elsewhere.
- The ownership of the club name means that the name 'Chelsea Football Club' can only be used by a team based at Stamford Bridge.
- Only a vote of 75% of CPO shareholders voting could allow constitutional change, i.e. selling the freehold, or allowing the club to move and keep its name.

RECENT CHALLENGES

This situation has faced a number of challenges in recent years, which are ongoing.

In October 2011, the club made a proposal to buy back the freehold land owned by CPO, in order to pave the way for a move to a new ground. CPO were given 23 clear days' notice of this meeting (the legal minimum being 21) and immediately launched a campaign against the move - "Say No CPO", eventually led by a steering committee of 6 people.

The campaign felt that if the club did not tell them where they proposed to move to, they would not sell up. It subsequently came to light that there may have been an attempt at bulk buying around 2,000 shares by individuals linked to the club (a 'concert party'), something the rules of CPO were designed to stop.

The proposal was brought to a general CPO meeting on 27th October 2011, but failed to pass, as only 61.6% of the total votes were cast in favour of the proposal, below the 75% minimum requirement. Share sales were suspended until a

full investigation had taken place into the alleged gerrymandering. Also, in May 2012, Chelsea lodged a bid to buy the site of Battersea Power Station, with the possibility of the club relocating to a 60,000-seater capacity stadium. It failed in its bid but campaigners at CPO viewed the plan as a tactic to get shareholders to sell their shares.

At an EGM in July 2012 attempts to strengthen the democracy of the CPO by reducing maximum voting shares to 10 from 100 was defeated. It was hoped by proposers that this would limit the power of the 'concert party' shares which to date are still active, un-investigated, and potentially represent around 40% of current voting patterns.

3.3 FUTURE PROTECTION OF COMMUNITY INTEREST

Campaigners at CPO cite four main threats to the current situation:

- The exercising of the 2,000 'concert party' shares' in addition to other shareholders leading to the CPO selling up to the club.
- The contentious claims by the club that Stamford Bridge cannot realistically be redeveloped to a 55-60,000 capacity stadium.
- That they are unable to hold on for a conditional sale, citing a move within a 3-mile radius as a key criterion which would be in 'the spirit of Chelsea'.
- That some shareholders are already convinced that they need a move away and that they should simply 'trust Abramovich'.

The suspension of share sales was seen as a necessary step whilst investigations were undertaken into the concert party allegations. This was relaxed at an EGM in July 2012 to allow 1,000 new shares to go on sale in order to raise finance to fund repayments. Anyone purchasing or seeking to transfer these or any future shares will once again be required to provide full name,

date of birth and proof of address which was not the case during October 2011. Furthermore the CPO Board has begun a dialogue with Chelsea FC directors and the London Borough of Hammersmith and Fulham with regard to the redevelopment of Stamford Bridge as an alternative to a move away from the site.

However, the recent process has exposed a number of weaknesses:

- Although there is a voting limit of 100, this is still some way from the supporters' trust model of one member one vote, an adoption of which might help broaden membership and make attempts at 'concert party' actions less likely.
- Although participation in votes has increased there remain a large number of 'dormant'/inactive shareholders as well as some unknown shareholders.
- The recent suspension and ongoing limitation of share sales to 1,000 new shares is understandable and warranted, although enlargement of the community stake has been impeded by slow take-up of these new shares.
- The club will engage with the CPO but according to campaigners only 'in so far as it has to have meetings with them'⁴.

There is little sense that the club structure at Chelsea particularly encourages community or supporter engagement at the stadium; nor is there a wider democratic involvement of supporters in the ownership of an important asset. However, the recent challenges faced have sparked a new activism amongst many shareholders of CPO: 4,000 out of 17,000 votes were cast at the July 2012 EGM, with hundreds attending, up from a low point of 26 people attending the 2010 AGM.



4. LEARNING

4.1 INNOVATIONS

- i) A group of supporters holding the freehold to the ground (in this case formulated as a company, with specific restrictions on shareholding) gives them significant leverage, namely preventing a move from the location without their approval.
- ii) The limitations on shareholding has so far helped to prevent a larger re-buying 'by stealth' or 'by a concert party' by the club, although this has not been without its difficulties.
- iii) The ownership of the Chelsea FC name is equally if not more important and gives the group significant additional leverage.

4.2 LIMITATIONS

- i) The supporters' group is formed as an unlisted plc with limitations on the number of shares that can be held and on the number of voting shares (100). However, it falls some way short of a truly democratic fans' organisation in the supporters' trust model:
 - It is not one member one vote.
 - It is not a truly 'open' membership – at present there is a temporary limit on the number of shares available (although these have not all been taken up) and the minimum cost of £100 could be prohibitive to some.

- ii) 'Say No CPO' recognise that governance has been lax in the past – until recently lacking proper membership records, no meaningful quorum for meetings or votes and at times poor governance structures for meetings and constitutional changes.
- iii) At the present time, the board of CPO consists of five Directors, who resign annually with their names being put forward for re-election at the CPO AGM. It is not an open election with shareholders being invited to put themselves forward to stand and a recent motion to change this was defeated.
- iv) The company constituted lacks any objective of community benefit function as offered by the supporters' trust model.
- v) Arguably the ownership of the land is not in itself sufficient to stop a club moving; but it does make it significantly less likely.
- vi) The structure lacks a binding 'asset lock' that specifies on what conditions the asset could be sold; and how profits should be distributed (or, for example, used for community benefit).
- vii) There is no monitoring and evaluation of the supporter or community benefit from the arrangement other than Chelsea's continued occupation of the Stamford Bridge site.



4.3 STRENGTHENING COMMUNITY BENEFIT

This CPO model, which is unique in English football has much to recommend it as it places important assets in the hands of supporters. However, a number of things could further strengthen the protection in place for supporters through the constitutional structures of the CPO.

- i. Strengthening the democracy of the CPO could be achieved by making it more accessible to a wider group of supporters through the opening up of share sales and by making it one member/share one vote.
- ii. Activating the 'dormant' members of CPO would assist in making decisions more democratic.
- iii. Governance could be improved through a more open method of composing the board with shareholders being given the opportunity to stand for regular elections, and the majority of places on the Board being elected not co-opted. This could be supplemented with more transparency and through the involvement of shareholders in on-going consultations and decisions.

More fundamentally, re-formation of the CPO as a CBS similar to a model used by Supporters Direct would deliver these changes and open up further possibilities.

In particular:

- i. Registration as a CBS involves a commitment to community benefit as the purpose of the organisation.
- ii. The Supporters Direct model provides for open membership, a one member one vote governance structure and a board controlled by elected members.
- iii. The assets of a CBS are dedicated to community benefit and cannot be distributed to members – it is possible to adopt an 'asset lock' so that this position is made permanent and cannot be changed by the members. Alternatively, if the supporters' trust at Chelsea – i.e. an organisation that is representative, inclusive and works on the one member one vote principle – could be given preferential status within the CPO (such as having greater voting rights than individual share holders). Whilst a supporters' trust might have a much wider remit than security of the ground, it could be a key objective of the trust to protect its location and be involved in any discussion to relocate or develop it. Such an arrangement could allow for the purchase of shares and raising capital (potentially via community shares) to pay off the loan by a collective and democratic organisation.



B. Huddersfield Town FC

URBAN

REGENERATION:

1.1 SUMMARY OVERVIEW

The John Smith's Stadium (originally McAlpine, then Galpharm, Stadium) was opened in 1994 as the new home for Huddersfield Town Football Club (HTAFC) and Huddersfield Rugby League Football Club (HRLFC), now Huddersfield Giants.

It was a landmark development and the first of a new generation of post-Taylor Report stadia, winning RIBA Building of the Year in 1995 and combining both sports and non-sports (commercial and community) uses.

The stadium is owned and run by Kirklees Stadium Development Limited (KSDL) which is controlled in a three-way partnership between the local authority, football club and rugby league club.

Due to financial and ownership problems at the football club the ownership of the site changed and there has been a protracted tussle over its ownership and revenue sharing, which finally seems to be coming to a satisfactory conclusion. Whilst in one respect it presents a precedent for local authority partnership and shared use, in another it illustrates some of the difficulties in sustaining this.

1.2 DRIVERS

The drivers for the development were:

- HTAFC's old Leeds Road ground was non-compliant with the terms of the Taylor Report post-1990 and the cost of redeveloping it was prohibitive.
- HRLFC was insolvent and facing extinction.
- The potential to secure capital from the sale of HRLFC's ground and HTAFC's leasehold to invest in a new property and availability of grant funds.
- The desire of Kirklees Council to regenerate a derelict brown field site, retain the two sports clubs in the area and develop new community facilities.

1.3 DESCRIPTION OF FACILITY

The stadium itself is all-seater and now has a capacity of 24,499, having expanded from its original three-sided format to four sides in 1997. The stands have a distinctive semi-circular shape and the corners of the ground are open. Two of the stands incorporate executive boxes and the main stand also houses the offices and suites. The stadium site has joint club ticket

offices and shop; a swimming pool and sport and fitness facility operated by the Council's partner sports and leisure organisation; commercial office space, occupied by a variety of parties, including Kirklees Stadium Development Limited (KSDL) and Kirklees Active Leisure; a golf driving range; a multi-screen cinema and associated restaurant / bar facilities.

1.4 FUNDING ARRANGEMENTS

In terms of capital, alongside private funding, the stadium has received significant funding from a range of commercial and government funding sources. These include:

- Sport England (the English Sports Council): £5.5m
- English Partnerships: £1.66m
- Football Trust: £2.75m
- Foundation for Sports and Arts: £1m

Around £2m in revenue from sponsorship has been received from Galpharm Plc, Panasonic and Lawrence Batley OBE over the years, along with significant capital funding from the stadium partnership.

2. OWNERSHIP STRUCTURE

The stadium is owned by a special purpose vehicle, Kirklees Stadium Development Limited (KSDL). KSDL are responsible for the management of the stadium, which was originally owned as follows:

KIRKLEES COUNCIL 40%

HTAFC 40%

HRLFC 20%

This was a ground-breaking deal at the time and the first of its kind reflecting the amount of contribution the football club made by giving up its leasehold on their old site; the provision of the site by the council and its guarantee of debt repayments; and the smaller size and use of the rugby club.

The shares are intrinsically worth little, except between existing partners:

- Shares cannot be used to secure loans by any party.
- They cannot be sold and pre-emption rights exist meaning they have to be offered to the existing shareholders first.
- Dividends are prohibited until the debts are paid off under the shareholder agreement, so there's also no income from them.





CHANGE IN OWNERSHIP

In 1994 HTAFC were a Championship side and HRLFC were at the bottom of the league. By 2003, HTAFC had gone into administration (due in part to the collapse of ITV Digital) and HRLFC were in the Super League.

The owner of the HRLFC (Ken Davy) agreed to buy HTAFC to help solve the financial problems, but he transferred the shares that both HTAFC and the Giants held in KSDL to his own company. This was agreed by Kirklees Council on August 20th 2003.

It resulted in a situation where Ken Davy owned 60% of the stadium, the council 40% and neither of the two clubs had any share. Fans of the football club knew nothing of this until after it had taken place; and even when Davy sold the football club to Dean Hoyle in 2008 HTAFC continued to hold no ownership of KSDL.

REVENUE ARRANGEMENTS

The two clubs pay a stadium fee to KSDL to help cover the costs of running the stadium and KSDL also earn revenue from other rental and naming rights to the stadium, stands and corporate boxes. KSDL also own all the rights to all the match day hospitality, food and drink as part of the deal.

This income is used to operate the stadium and to pay down the interest and capital on the construction costs.

Historically, the football club has paid 80% of the stadium fees and the rugby club 20%. However, as neither can take anything from catering and hospitality there has been a lack of incentive to promote revenue streams/earning.

Furthermore, the football club and its supporters have been particularly upset by this arrangement since the transfer of shares to Mr. Davy. The club is the main driver for match day revenues, brings value to the stadium naming rights and pays fees to play there, yet they have no share in the stadium company which is majority owned by a private individual and whose loan is underwritten by the local authority.

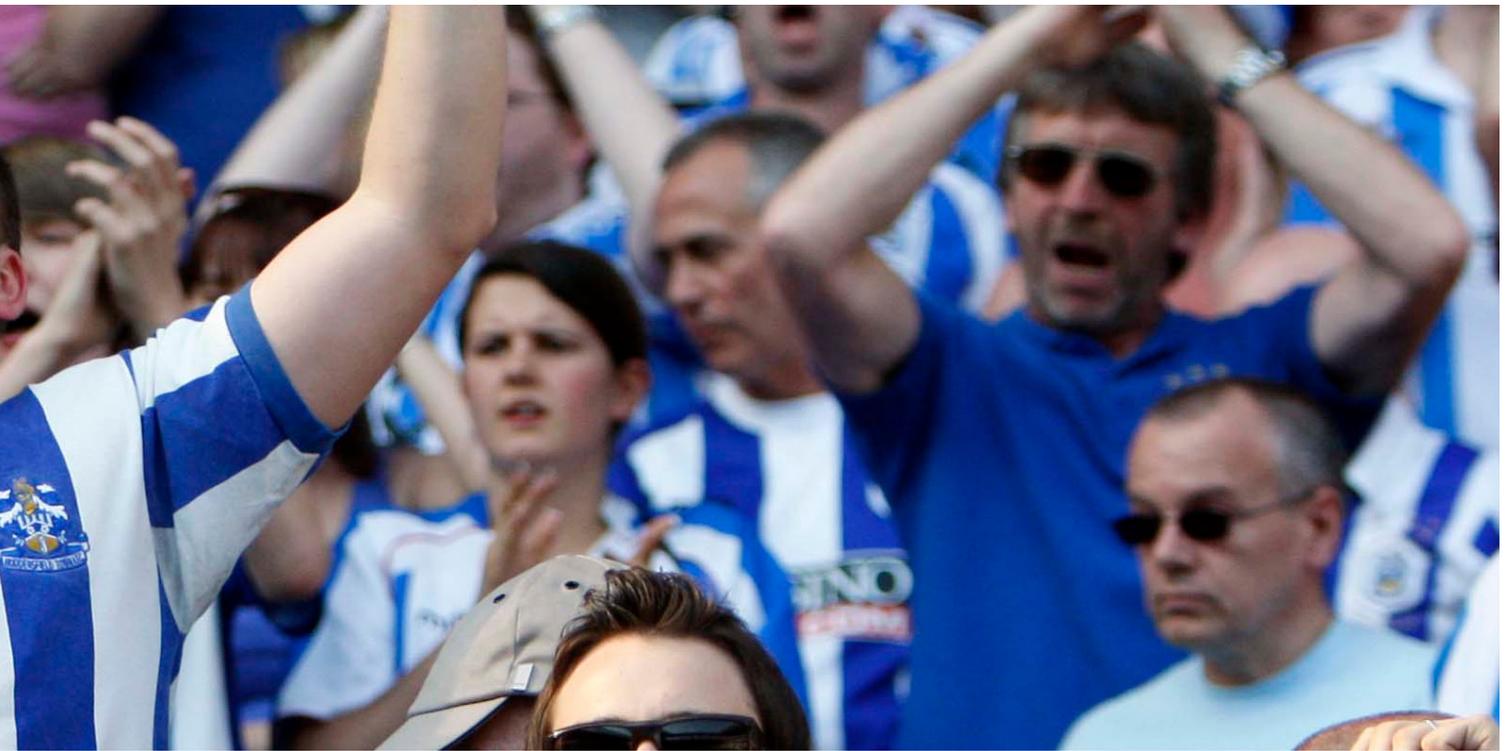
OTHER DEVELOPMENTS

Complicating the issue further has been the proposed £120m development of the 54 acre site that the stadium is on (and thus owned 40% by the council and 60% by Davy), called the HD1 project. This became a flagship regeneration project for the council aiming to bring them £3m per annum in business rates and generate around 1,000 jobs.

In 2010/11 a deal was agreed between HTAFC and Ken Davy which included:

- Davy transferring the remaining shares he held in HTAFC and the 40% shares in KSDL to the club.
- HTAFC creating a climate for HD1 to succeed.
- The council restructuring repayments due from KSDL to end its ongoing subsidy of the debt.

In August 2011 agreements were drafted to put this into practice. However, this deal collapsed when a further modification was requested, since when Kirklees Council, prompted by the Huddersfield Town Supporters' Association, has sought to bring the parties back to the negotiating table. These efforts have resulted in a new agreement being struck but not yet confirmed.



3. COMMUNITY BENEFIT, INTEREST AND PROTECTION

3.1 AIMS

The aim of Kirklees Council has been to regenerate a previously derelict urban area and to create a facility that has some community facilities ‘for both community benefit and to secure a positive future for the two clubs’.⁵

3.2 CURRENT SITUATION

The ‘public interest’ in the site is represented through:

- Council ownership of 40% of the stadium company KSDL with two board members.
- Council representation at board and management levels.
- A number of contractual documents which underpin KSDL and set out the rights and responsibilities of the parties as well as the restrictions on shares.
- Reinvestment of KSDL surpluses in the stadium.

The Council also feels that the informal channels of communication which stem from the KSDL model generates the most benefit from the relationship.

The Stadium does act as a venue for community events, such as a recent music festival involving over 5,000 local school children and has previously hosted the Kirklees Youth Games. KSDL hosts two events for a local hospice for free and offers free meeting space on an ad hoc basis to Greenstreams who are its official charity partner. KSDL also hosts tours of the Stadium by schools/ community groups on average once a week. The two clubs also hold community orientated events similar to other football clubs (not unique to a part publicly owned facility). However, this is ad hoc rather than a planned programme of community use.

The council has been heavily criticised for allowing shares to be transferred to a private individual rather than remaining as an asset of the sports clubs.

3.3 FUTURE PROTECTION OF COMMUNITY ROLE

There are two main issues relating to the future protection of the community benefit of the stadium.

On one hand the council has been criticised for allowing shares to be transferred to a private individual rather than remaining as an asset of the sports clubs back in 2003. This weakened their ability to demand specific community benefit outcomes from the stadium. However, the impending resolution of the shares issue and the reversion to the 40:40:20 split will also see the shares put into trust to ensure their protection.

On the other, since the construction of the stadium there has not really been a clear vision and definition of the ‘community benefit’ that the local authority and clubs want delivered through the stadium. This is a view shared by stakeholders at the football club.

- The Chief Executive of the football club thinks that the community vision lacks clarity and amounts to little more than ‘an aspiration to put 2 or 3 community events on per year.’⁶
- Huddersfield Town Supporters’ Association supports the view that the stadium is not used anything like as much as it should be to embrace community and other interests⁷.

4. LEARNING**4.1 INNOVATIONS**

i) This was the first large scale, new development of a stadium between a professional football club and a local authority in England, involving:

- Redevelopment of a brown field site.
- A funding package of public, private/club and grant funds.
- The local authority playing an ‘enabling’ role.

ii) The tripartite ownership structure was also unique at the time, involving the local authority, football and rugby clubs.

iii) The ‘dual use’ of the stadium was at the time an innovation – both in terms of part public ownership and dual use of some facilities.

iv) The development formed part of a wider regeneration project/plan for the area and a focal point for the regeneration and re-imagining of Huddersfield (architectural innovation etc.) which was ahead of the game in the post-Taylor era. The central location of the stadium in the town is in contrast to the ‘out of town’ location for many new build stadia, keeping the sports clubs in the heart of the urban area and placing the stadium firmly within a plan for wider development of Huddersfield.

4.2 LIMITATIONS

i) The ownership structure has been problematic. This is in part down to a lack of clarity of community purpose of KSDL beyond the initial development.

ii) Where parties with different interests jointly own an asset it is vital that clarity is achieved at the outset about how those interests are to be balanced (usually through a shareholders’ agreement). It is also important to try to address all the situations which might arise (particularly – in the case of football – insolvency). In this case, there seems to have been a lack of clarity about what the rights of the council were when Ken Davy bought HTAFC or on what basis those rights should be exercised.

iii) The ongoing public and community benefit derived from the council’s involvement beyond the initial development, was perhaps not adequately spelled out nor safeguarded. If this had been in place then the delivery of public benefit could have been ensured/enforced regardless of the vagaries of ownership and business performance.

iv) The revenue arrangement, combined with a changing ownership structure to the exclusion of the football club has resulted in a lack of incentive for the club to develop revenue streams at the stadium and indeed, resulted in the club staging events and some match day services elsewhere. Incentives on revenue earning as well as rate relief could encourage the delivery of greater community benefit.

v) As with other examples performance assessment and evaluation could be improved.

vi) The lack of any supporter involvement in ownership of the clubs has not helped this situation. The supporters’ trust model ensures wider community representation and involvement in ownership as well as objectives to deliver community benefit.

vii) The multi-sport use and ownership could have been more clearly thought through and proportionate.

4.3 STRENGTHENING COMMUNITY BENEFIT

A number of things could help strengthen the community benefit that such a stadium could deliver.

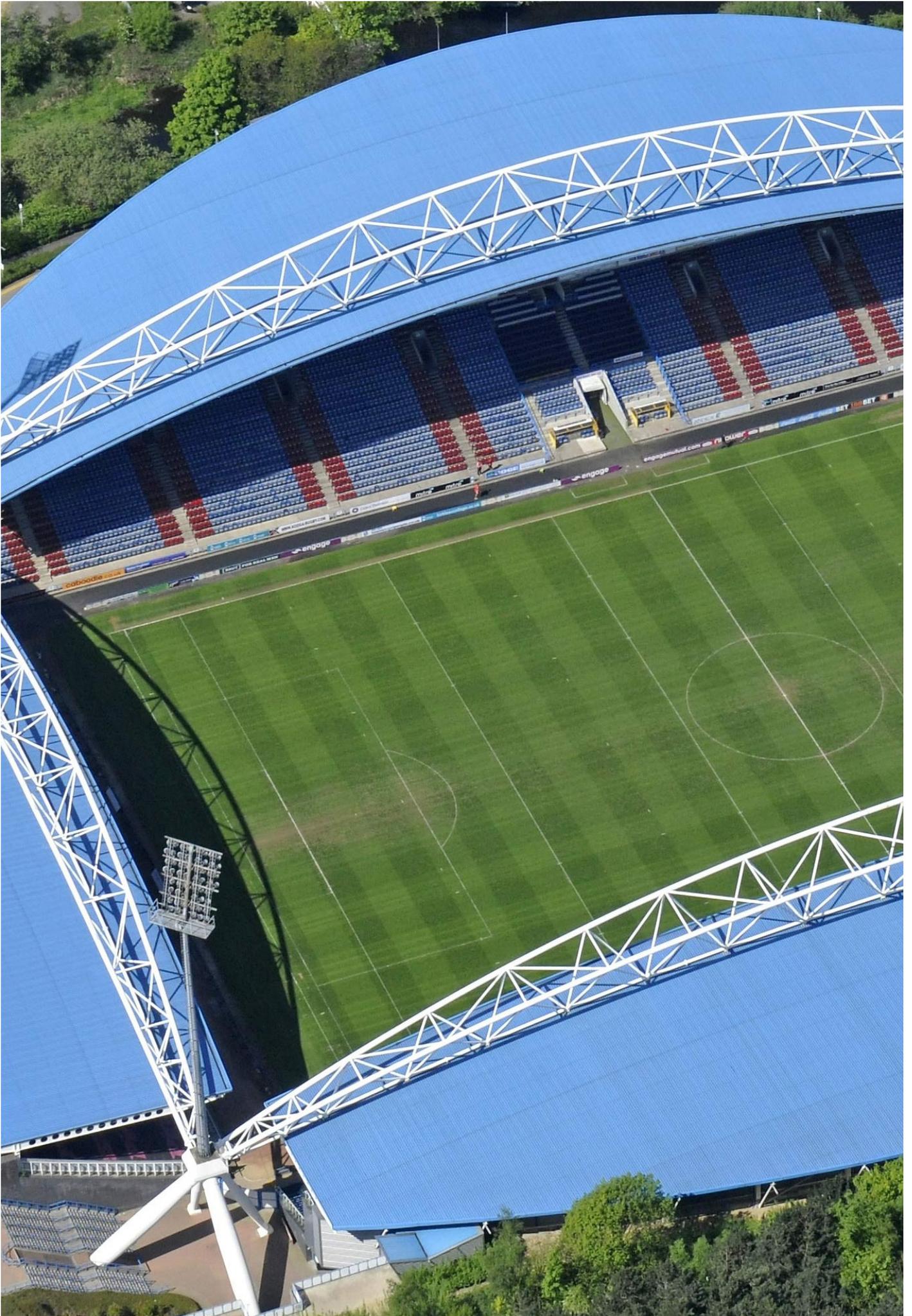
i) A binding arrangement through a shareholders’ agreement to prevent the majority ownership falling into one person’s hands with provisions dealing with major events such as proposed changes of ownership or insolvency.

ii) Implementation through lease and planning documents of a community use and benefit outcomes strategy to ensure public benefit regardless of ownership. This could also be applied to ongoing developments, including the HD1 development. Delivery of community benefit as part of lease agreements could also include, for example, rate relief for the clubs.

iii) A better designed revenue sharing arrangement that incentivises all parties to maximise both community and commercial use of the stadium.

iv) A more clearly defined role for the joint development company beyond the life of the development. If this clearer purpose was shaped around delivery of community benefit, then incentives to partners (which might for instance include revenue benefits in return for community benefits delivered) could be put in place.

v) Development of supporter ownership stakes in the stadium company held by a supporters’ trust (in this case HTSA) – this is a missed opportunity particularly when the council has had leverage over ownership of the sports clubs.





C. Brentford FC

THE GOLDEN SHARE:

1.1 SUMMARY OVERVIEW

In 2002, Bees United (BU), the supporters' trust for Brentford FC, began to develop proposals for a new stadium, moving from the club's historic home at Griffin Park to a new site on Lionel Road in Brentford. This was based on the concept of the football ground as a 'community hub', with a number of public sector services being provided at the site, as well as providing new commercial opportunities to make the club sustainable.

Bees United acquired the majority shareholding in the club in January 2006, with a strategy based on making the club sustainable by developing the new stadium.

There have been various iterations of the plans for the site and significant difficulties encountered along the way, not least the difficulty in persuading the original railway industry owners of the Lionel Road site to sell it to the Club and the economic downturn that affected the building industry generally and Barratt Homes, the Club's partners who bought the site in 2008, in particular.

Due to the financial challenges of sustaining the club without a new stadium and the increased revenue streams it would generate the club has recently changed from one which was majority-owned by the supporters' trust, to the single ownership of a business man and long time supporter and backer of the club, Matthew Benham. However, the supporters' trust retains a

'golden share' in the club which gives it specific powers to protect against an unreasonable sale of the club's ground; both the old and new facilities.

After Barratt Homes withdrew from the project, the original plans for the new stadium were abandoned and in June 2012 the site was acquired by the club, with new plans being drawn up at present.

Whilst the original concept of a 'community hub' integrating public service provision has been reduced, the club is seeking ways of retaining some community provision.

1.2 DRIVERS

Original drivers for the community hub approach included:

- i) The poor state of the Griffin Park ground and lack of opportunities to expand and develop, given the proximity of houses.
- ii) The need to develop new income streams to help make the club sustainable.
- iii) Local authority support for redevelopment and expansion of the community benefit the club was able to help it deliver.

- iv) Brentford's status as a 'community club' with an award winning charitable community trust; as well as being a leading example of a supporter owned club from 2006-2012.
- v) The financial situation of the club, including high level of debt.

However, a number of new drivers has led to changes in plans. These include:

- Economic circumstances, including severe public sector cuts and the property crash.
- Pressures generated by the difficulty of earning sufficient revenue at Griffin Park to fund a competitive playing budget and repay loans inherited from previous owners.
- The change of ownership.

1.3 DESCRIPTION OF FACILITY

The Lionel Road site⁸ is a 7.6 acre plot, a short distance from Griffin Park, in an excellent position near Kew Bridge Station, with good potential transport links. The original vision was of the stadium as 'a community hub, integrating sport with public sector health, education, leisure and other community activities'⁹ and it has been described as 'a pioneering model of social

enterprise for a football club¹⁰. The original plans included a 20,000 capacity stadium, local authority sports centre, public health centre, social enterprise centre and a learning zone, as well as ‘commercial’ hotel and leisure facilities.

However, these parameters have significantly changed in the last year. The new plans are being developed at the time of writing but changes include:

- The reduction of capacity to 15,000 (with option to increase to 20,000).
- The removal of plans for the sports centre due to local authority spending cuts.
- The removal of plans for a health centre due to the demise of the Primary Care Trust (PCT) and health sector changes and cuts.

The intention is still to house the Brentford FC Community Sports Trust (BFCCST, established as an independent charity with close links to the club) at the stadium which will include the provision of offices and classroom space and the existing education programmes run in the Griffin Park Learning Zone.



1.4 FUNDING ARRANGEMENTS

Originally the funding arrangements for the stadium were based on a partnership with Barratt Homes, the local authority and the PCT. In part this would allow Barratt to exploit the land value of the Griffin Park site as well as develop housing at Lionel Road and on the site of the existing Fountains leisure centre. However, given the property downturn in 2008/09, these plans were abandoned.

In June 2012 a number of developments happened to allow new plans to be drawn up:

- Matthew Benham converted the debt he was owed by the club into equity, made possible by the transfer of Bees United's 60% shareholding to him. This made him sole owner of 96% of the club.
- This reduced the debt the club had significantly (it still has an overdraft of £0.5m and a historic loan of £0.5m owed to Hounslow Council).
- Matthew Benham provided a loan to the club so that the club was able to purchase the Lionel Road site outright (by buying the company which owned the site from Barratt Homes).
- He has also provided funding for the stadium development team.

2. OWNERSHIP STRUCTURE

HISTORICAL

It is fair to say that the ownership structure at Brentford FC has historically been somewhat complicated and was unstable for a number of years from the 1960s-1990s.

The club became a leading light in the supporters' trust movement when Bees United, the supporters' trust, bought a majority share of 60% of the club in January 2006 to 'give football

supporters a greater involvement in the future of the club, and to bring the club closer to the community'¹¹. However, the club held significant debt and in 2010 Bees United agreed a deal which gave businessman Matthew Benham an option to buy their share in the future in return for investment in new preference shares in the club (of at least £5m) in 5 years.

CURRENT

In June 2012 Bees United sold its stake to Matthew Benham, who now owns 96% of Brentford FC. This was undertaken in order for plans for the new stadium to be taken forward, to reduce the debt owed by the club and to secure new debt to purchase the Lionel Road site for the new stadium. However, Bees United retains a 'golden share' in the club.

STADIUM COMPANY

The club set up a subsidiary company, Brentford FC (Lionel Road) Limited, in June 2007 to pursue the development of the new stadium. This company has two shareholders, Brentford FC Limited with 99% and Bees United who have 1% - a 'golden share' described below.

3. COMMUNITY BENEFIT, INTEREST AND PROTECTION

3.1 AIMS

Although plans for Lionel Road as a 'community hub' concept have been scaled back, the club is seeking ways of retaining 'the essence of the approach' to deliver both commercial and financial stability as well as local community provision and benefit.

This includes facility provision for the Community Sports Trust and Learning Zone as well as protection for the role of supporters through the 'golden share', which can be used to prevent a sale of the stadium which is not in the long term interests of the club.

3.2 CURRENT SITUATION

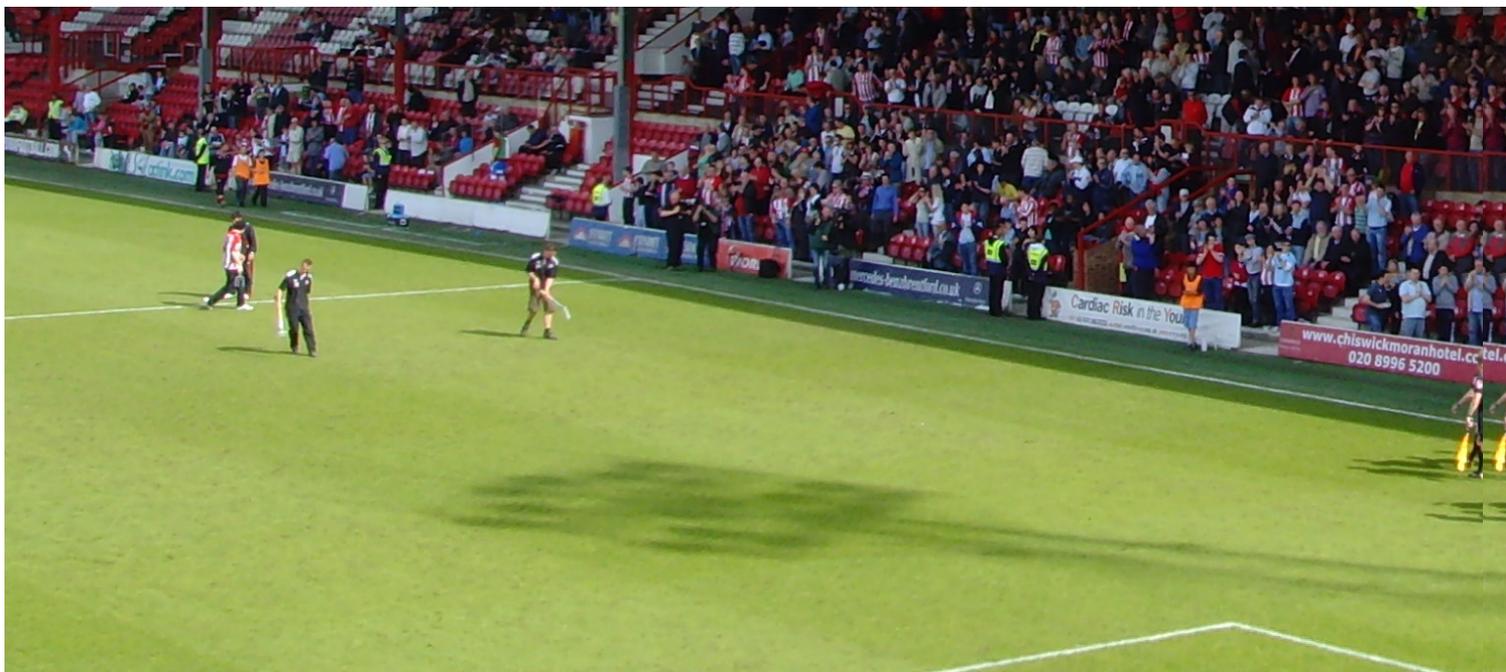
Griffin Park has historically been the focus of community benefit delivery from Brentford, undertaken by BFCCST. The club won Football League Community Club of the year four times and Supporters Direct's research into the Social Value of Football noted that the trust worked with between 25-30,000 young people a year and ran projects on 25 housing estates¹². Griffin Park also houses a Learning Zone to 'develop innovative and creative learning opportunities'¹³ in partnership with the local authority. This has been maintained despite national and local funding restraints and a new social enterprise model has been established. The learning zone and its staff have been transferred to the BFCCST, at a time when many similar schemes at other clubs have closed. Plans for the new ground include provision of space for the community trust, which won the Business in the Community CommunityMark in 2010.

3.3 FUTURE PROTECTION OF COMMUNITY BENEFIT

There are two main elements to the protection of community and supporter interests in the new stadium development.

- The 1% 'golden share' held by Bees United in Brentford FC(Lionel Road) Limited gave Bees United the right of veto over:
 - Any issue or transfer of shares.
 - The disposal of assets over a material level.
 - The use of land for any purpose other than that of a sports stadium.
 - The charging of assets.
 - The payment of any dividends.





In addition Bees United has the right to appoint a minimum of one director to the board of the stadium company.

In June 2012, in parallel with the transfer of the majority shareholding in the club from Bees United to Matthew Benham, the 'golden share' in Brentford FC (Lionel Road) Limited was replaced by a 'golden share' in the football club itself.

The share is enshrined in the club's articles of association. The rights it has over protection of assets at Griffin Road will also apply at the new Lionel Road site.

The 'golden share' conditions in the club's articles of association say that Bees United may only exercise its veto over the sale of Griffin Park (or any successor stadium) if it is backed by a vote of members and if it is not 'reasonable'.

The definition of 'reasonable' means that any sale for a move to a new stadium would have to be to a ground that:

- Is authorised to host professional football with 15,000 (or greater) capacity, of which 75% must be seated and all covered.
- Is in one of the boroughs of Hounslow, Richmond or Ealing.

- Has quality of facilities, overall, as good as or better than the stadium being vacated.

- Is held by the Company freehold or pursuant to a long term (99 years or more) lease (at no more than nominal rent).

ii) The new development will provide new facilities for BFCCST. They will be provided with:

- Offices for the BFCCST, which has 30 full time and over 70 part time staff.
- A new Learning Zone classroom facility for the delivery of some of its services.

Although plans are currently in development, ways are being explored of guaranteeing this provision long term. One way may be for the local authority to include conditions in planning permission or Section 106 agreements.

4. LEARNING

4.1 INNOVATIONS

i) Although original plans were scaled back, Brentford have pioneered the idea of a stadium being developed as both a commercial and a community hub.

ii) In terms of ownership, the Brentford case shows some of the benefits possible from creating special classes of shares, specifically the 'golden share' owned by Bees United in the club guaranteeing a certain level of democratic supporter control.

4.2 LIMITATIONS

i) The principle limitation to the original concept has been as a consequence of the twin pressures of public sector cuts and property development market collapse. This resulted in the 'community hub' plans being scaled back and a rethink in approach. Developing a facility with such a significant public sector role and one based on a partnership with a property developer was a risk; although few could have predicted the scale of the crash that put paid to these plans. Nonetheless the concept of providing stadium facilities that have significant community use and partnership with the public sector within a stadium remains valid.

ii) The sale of the majority stake in the club from BU to Matthew Benham has seen an end to supporter



ownership at Brentford, due largely to the pressures created by the historic debt on the club as well as the inflationary pressures in English football.

- iii) Whilst majority supporter ownership has been lost, the golden share does provide a significant degree of protection for supporters regarding the future use of the club's assets. However, these are limited by criteria that set parameters for what is 'reasonable'; and by BU's voting procedure. An EGM or similar would have to be held by BU, but a simple majority could vote to exercise, or waive, the veto, something that could be made more rigorous.
- iv) Although facilities will be provided for BFCST, the long term protection of their provision is unclear at present.
- v) Inevitably, as plans are in development, there are not yet any targets, performance assessment criteria or monitoring and evaluation frameworks to demonstrate community benefit going forward (although this is common to all case studies).

4.3 STRENGTHENING COMMUNITY BENEFIT

- i) The occupancy of facilities in the stadium by BFCST is very important as the most tangible and visible community use of the ground. Protecting this through a preferential, long term lease agreement will help embed this community benefit in the future.
- ii) BU may want to consider setting minimum requirements for any vote on the use of the veto enshrined in the 'golden share'. This could be analogous to the votes required to introduce a

statutory asset lock in a CBS. Requirements to make a vote valid could include: a minimum percentage (50%) of members talking part in the vote; and a threshold of two thirds or 75% majority for a vote to waive the veto to be effective. The ownership of the share itself could also be asset locked within the BU – ensuring that it cannot be sold for the benefit of trust members.

- iii) As part of a Knowledge Transfer Project run with the University of Westminster, a number of possible structures were examined and explored for community protection under previous plans for Lionel Road. These included consideration of developing a restrictive covenant at the new stadium¹⁴. If this was a possibility, it could for instance be held in a charitable trust that included the football club, Bees United and the Community Trust.

- iv) The local authority will be able to specify certain community benefits that must be delivered as part of its planning conditions and Section 106 agreement for the development to proceed. This could include how the club will minimise disruption to local residents on match days, but could also include quantifiable conditions about community use of stadium facilities.

- v) As with all developments in this report, setting specific performance criteria, with robust monitoring and evaluation, regarding the community benefit and 'social value' of the stadium will strengthen delivery in the future.



D. AFC Telford United LOCAL AUTHORITY PARTNERSHIP:

1.1 SUMMARY OVERVIEW

AFC Telford United (AFCTU) was established as a supporter owned football club in 2004, after the demise of Telford United.

The club played in the new Buck's Head ground for the last season of its existence as Telford United and there was a significant threat that the administrators would sell the site for development, leaving the new club without a home.

However, AFCTU had very strong local authority support which was critical in reforming the club as well as safeguarding and developing a ground that is both a football stadium and community facility.

This included the local authority's use of their ownership of the freehold to specify that the site could only be used for football which significantly limited any market value of the site, eventually securing the lease for the ground for £50,000 (instead of an estimated £4m).

The stadium sits in the heart of a regeneration area, with the highest percentage of black and minority ethnic residents anywhere in Telford; and the council and club have worked to make the stadium 'a big classroom, instead of just being used for football once every two weeks'¹⁵.

The stadium has been the site for ongoing development of community facilities, with

additional facilities and development planned. The club and the ground provide a landmark example of:

- The power of a partnership between a football club and a local authority.
- What can be achieved through the dual function of a stadium as both a home for a football club and an educational and community facility.

1.2 DRIVERS

- i) The collapse of Telford United FC in 2004 threatened to leave the town without a football club.
- ii) The desire of local supporters to form a new football club that was supporter owned in the supporters' trust model.
- iii) The resolve of the local authority to support this, due to its recognition of the community value of a football club in the area in general, but also the instrumental value it could bring to the delivery of community services and facilities.
- iv) The need for redevelopment and facilities providing education and community services in that area of Telford.

1.3 DESCRIPTION OF FACILITY

The stadium has a capacity of 6,300 including 2,200 seated and 2,600 covered standing. It includes the open Jack Bentley Terrace on the far side of the ground, behind which stands the AFC Telford United Learning Centre housing club offices, bar, meeting and education rooms.

In addition the Telford Whitehouse Hotel was built as an integral part of the stadium. A number of its rooms overlook the pitch from behind the Frank Nagington Stand.

1.4 FUNDING ARRANGEMENTS

The council paid for the lease to the site which was bought from the administrators for £50,000. Having paid £5,000 per year for the first 5 years, the club now leases the site from the council for a peppercorn rent.

Since the club took over the stadium is has built:

- The Learning Centre in 2006, with funding from the Football Foundation including classroom facilities used as a bar on match days.
- 5-a-side pitches for both commercial and community use.

- An artificial pitch with a Dome (also part funded by the Football Foundation, in partnership with the council and Telford College).

2. OWNERSHIP STRUCTURE

The club is owned 100% by the supporters' trust who appoint the board of the limited company that owns the club.

The freehold on the stadium, car park and the surrounding area is owned by the local authority. The council has transferred ownership of the Learning Centre to the club as well as some of the assets around the ground which they purchased in 2004 to secure the footprint of the stadium site and earmarked for development, including the 5-a-side development.

The Frank Nagington Stand (with hotel and a lot of the facilities) is not owned by the club, although the club has secured the spectator viewing area.



3. COMMUNITY BENEFIT, INTEREST AND PROTECTION

3.1 AIMS

The aim of the partnership between the council and the football club has been to:

- Secure the football club for the Telford area.
- Develop AFC Telford United as a supporter owned football club.
- Develop a partnership that also includes Telford College to provide educational facilities, sports development and health activities.

3.2 CURRENT SITUATION

The council's ownership of the ground and freehold, and granting of a 150 year lease to the club, provides the main form of protection of the club's occupancy of the site. The lease from the council also specifies the community role (see 3.3 below).

The 'community orientated approach' developed by the club and council means that the site operates as a place for a range of community engagement:

- The club supported around 75 local charities in 2011 and worked with schools.
- It has instigated a range of projects focused on addressing social issues of concern to the community, including men's health.
- Its work has brought people into the stadium outside of a match day who would otherwise probably not go there. This includes local Asian groups meeting with the police to address problems with the English Defence League in 2011; and attracting young people from other areas of Telford.

- The use of 5-a-side pitches by community groups and charities in the day and the local business community in the evening, has helped bring those groups into contact with the club.

3.3 FUTURE PROTECTION OF COMMUNITY ROLE

The objects of the club¹⁶ and supporters' trust are identical and specify the community benefit role it must play, including enhancing the social, cultural and economic value of the club to its community including provision of sporting facilities for the community.

The club's tenure is underpinned by a 150 year lease with Telford and Wrekin Council which specifies deliverables for the club relating to community benefit. These include: promoting football in Telford; promoting greater community and school use of stadium and other facilities; assistance in delivering council sports programmes; and delivery of educational and health outcomes through football. It also says that the Playing for Success educational centre must be secured long term at no cost at the site and it must submit annual performance reviews.

The club also signed a Community Use Agreement with the council in 2011. This was done as part of the joint development of a new five-a-side-facility but embraces the wider community use and role of the club. Under this agreement the club must provide 25 hours per week community use, free of charge of the 5-a-side facility, with a particular focus on 'hard to reach' groups'. AFCTU must also deliver 5 hours of coaching per week, allow 8 days use of the main pitch a year and support for the council in player appearances, corporate discounts and annual review.

A recent Peer Review of the club stated that 'Third party ownership of the West Stand is a material barrier to the development of the football club.' AFCTU are now investigating whether they can purchase the West Stand. This could be funded by a community shares scheme (CSS) which could help finance upgrading the facility, but would also embed the community use of the facility.

An upgrade would mean that more extensive community use would be possible as well as providing income to be reinvested in the supporter-owned club.

The review also highlighted the need to get more Directors on to the Board – in particular, one that is responsible for fan and community liaison. This Director will be tasked with developing policies and procedures to encourage and protect community use; and the club is also looking to maximise community value from the footprint of the site. The club is also seeking to: further develop fan engagement; develop more sustained programmes of use at the ground; continue work to attract people from across Telford; and monitor and profile the work undertaken at the stadium more effectively.

4.1 INNOVATIONS

- i) The approach of Wrekin Council and AFCTU has been hugely influential in demonstrating the potential of developing a partnership between a football club and a local authority.
- ii) The use of planning and freehold powers by the local authority to protect the use of the asset for sporting (football) uses – and thus take the attraction out of the land for developers was instrumental. It has helped limit the ability of owners/administrators/developers from exploiting the land value for non-football purposes and ensured the continuation of the club.
- iii) The development of shared agendas and aims focused around local community benefit has helped set the parameters for ongoing developments. This was enabled and enhanced by the supporters' trust model of ownership of the club, which stresses the objective of delivering community benefit, but it could be possible in other circumstances.



It has led to:

- The development of an ongoing delivery partnership between club, local authority and others (such as education providers).
 - The development of additional facilities, notably the education centre.
- iv) The dual use of facilities – such as the education centre facility that operates in the week and acts as a bar/catering venue on match day is another innovation.
- 4.2 LIMITATIONS**
- i) Some of the stadium (hotel and west stand) remains in private ownership and the club recognises the need to secure this to fulfil the full potential of the site – something they are working on with the help of Supporters Direct.
- ii) The club has also recognised that some aspects of its governance are weak and this was a feature of the recent peer review which it is addressing.
- iii) The lease and community use agreements require monitoring, evaluation and annual reporting. The club recognises that not only could this be stronger, but that a better assessment of the social value from facility use and community programmes would be beneficial.
- 4.3 STRENGTHENING COMMUNITY BENEFIT**
- The following could further strengthen community benefit protection.
- i) The club and supporters' trust should explore the development of an 'asset lock' to protect the community ownership, function and use of the stadium, especially if the club secures ownership of additional facilities.
- ii) The partnership and delivery of community benefit could be strengthened by:
- Further specifications in the lease agreement.
- Specifications in planning conditions or Section 106 agreement if there are future developments.
- iii) Any purchase of additional parts of the ground or site offers an opportunity to specify their community use. This could be done through:
- Planning conditions if it involves redevelopment.
 - A CSS specifying community benefit outcomes for those investing.



E. FC United of Manchester

ENSHRINING COMMUNITY BENEFIT:

1.1 SUMMARY OVERVIEW

FC United of Manchester (FCUM) was formed in 2005 by disillusioned Manchester United fans when the Glazer family took over the club with a heavily leveraged buy-out. FCUM play in the Evo-Stik Northern Premier League. It is supporter owned (established as a CBS) with a democratic one member one vote structure.

Since its inception, the club has had a ground share at Gigg Lane, (Bury) but started developing plans for its own stadium as early as 2006. The club developed a partnership with Manchester City Council (MCC) to take forward these plans from 2007; and in 2010 announced an agreement to develop the Ten Acres Lane site in Newton Heath, north Manchester.

For various reasons, this plan was shelved by MCC in February 2011 and an alternative 12 acre site at Ronald Johnson Playing Fields in Moston was identified. Plans have been drawn up for the £5m construction of a community stadium, with indoor multi-use and outdoor sports facilities. The development involves a partnership with Moston Juniors Football Club who will be anchor tenants of the community pitches.

Currently, the club has planning permission and funding in place to begin building, although the planning permission is subject to a legal challenge that is ongoing at the time of writing.

1.2 DRIVERS

As a partnership development, there are different drivers for different partners.

FOR FC UNITED:

- To have a home ground of its own, giving the club financial stability and sustainability as a community business by reducing rental costs and increasing revenues streams.
- To be able to enhance its ability as a CBS to meet its company objectives of being of benefit to its local communities.

FOR MANCHESTER CITY COUNCIL:

- To redevelop a community sports facility in an area of high deprivation, providing benefits in health, education and sport development for the local population.
- To achieve investment in the area in a project worth £5m.

FOR MOSTON JUNIORS FOOTBALL CLUB

(anchor tenant):

- Redevelopment of the site providing new artificial full size pitches, changing facilities and meeting rooms.
- To develop a partnership with a semi-professional football club able to assist its development.

1.3 DESCRIPTION OF FACILITY

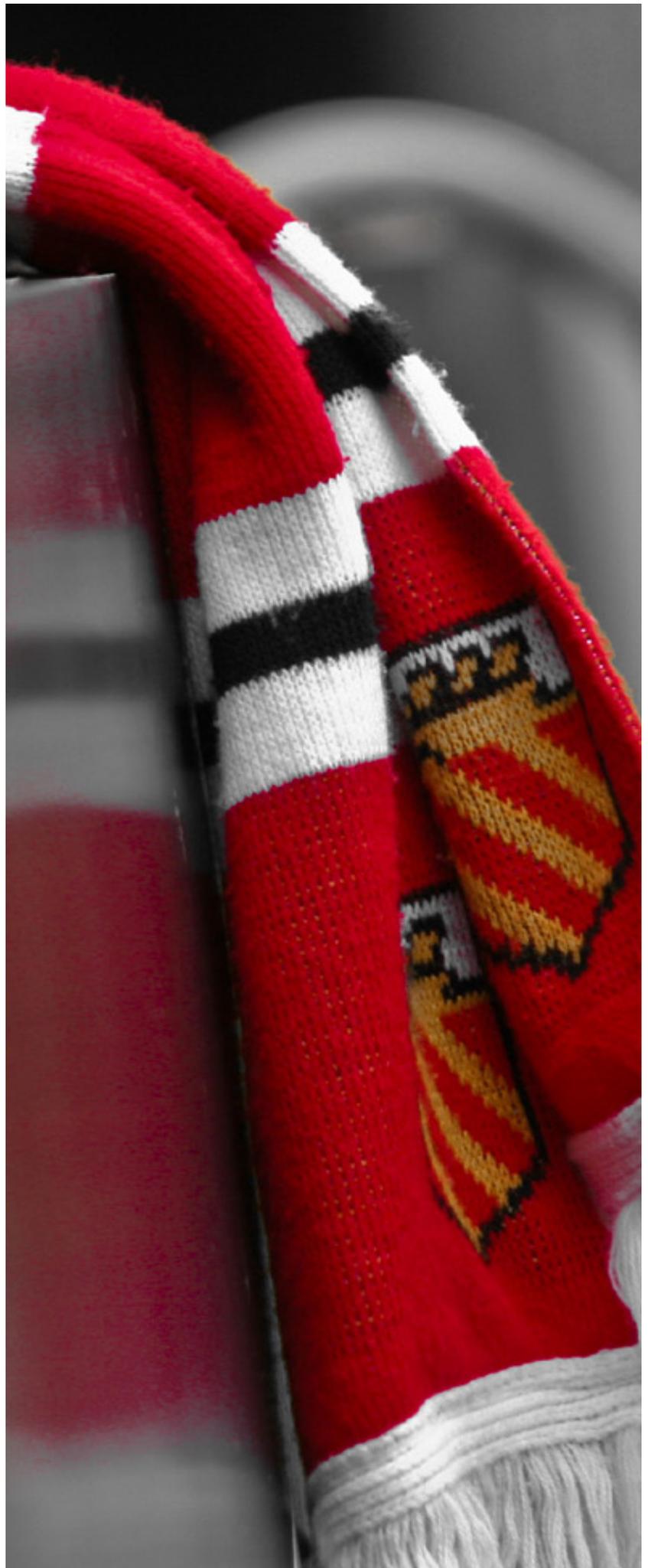
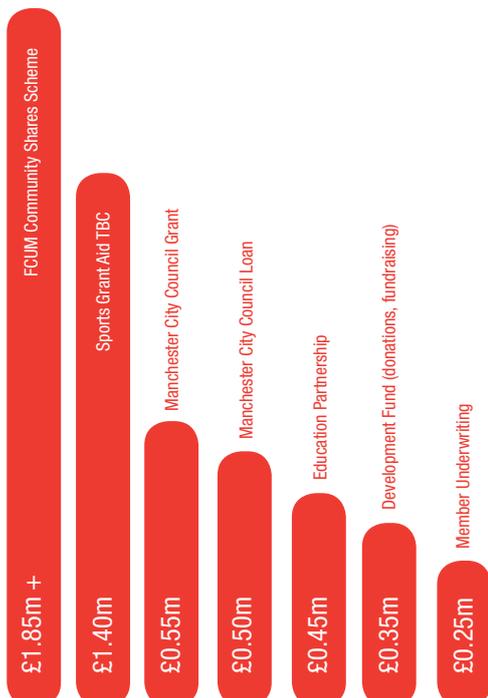
The facility will include a circa. 5,000 capacity football ground built to Conference standard with integrated club house housing a classroom and large, dividable multi-function room. It will also include a full size artificial grass community pitch, two junior grass pitches and changing rooms for community use.

1.4 FUNDING ARRANGEMENTS

Funding for the development involves a package of club capital (which includes a unique CSS that has raised £1.725m), grants and borrowing. The CSS is the 5th largest such scheme ever undertaken and it is seen as a pathfinder development for football and community sport development more widely.

'Community Shares' is not a legally defined term but has come to refer to a form of share capital within a CBS structure. It enables considerable sums of money to be raised by supporters' trusts without altering the one member one vote democratic structure. This means that the interests of supporter communities are democratically embedded within the ownership of the club and are not subjugated to the interests of large shareholders¹⁷. The scheme allows shares to be withdrawn (but not sold or transferred) and the payment of small levels of interest, but both are only allowable after community delivery obligations are met.

STADIUM FUNDING BREAKDOWN TOTAL: £5.35M





2. OWNERSHIP STRUCTURE

The club is a CBS with 3,500 members (2011/12) each of whom own one nominal membership share which gives each member one vote. The CBS will wholly own the stadium.

3. COMMUNITY BENEFIT, INTEREST AND PROTECTION

3.1 AIMS

The aims of the development are to embed community benefit within the facility on a long term basis. This involves not only providing a sustainable community business model, but also a number of measures described below to 'lock in' the delivery of community benefit in sport, health, education, volunteering and social inclusion from the site.

3.2 CURRENT SITUATION

At present the club is awaiting legal clearance in a judicial review of the council's planning process so that it can start building.

3.3 FUTURE PROTECTION OF COMMUNITY ROLE

The club has put in place a statutory asset lock which is a legally binding and irreversible restriction on what the club can do with its assets. It prevents the society from selling the asset and distributing proceeds to its members for private gain. It also embeds the community function of the asset that is to be developed. Furthermore, it makes the club less attractive for carpet bagging or demutualisation and provides assurance to other partners about the long term community ownership of the facility¹⁸.

The ongoing protection of community ownership and community benefit of the club and facility is therefore secured at a number of levels providing robust checks and balances:

- i) A long term lease agreement for the land that gives the local authority significant powers should community benefit not be delivered.
- ii) A Section 106 Planning Agreement that makes specific demands on the club as to the number of participant hours which will be made available for community use as well as aspects such as minimising litter, nuisance and parking.
- iii) The Section 106 also enshrines a Partnership Agreement between the club, MJFC and MCC which specifies minimum access and usage as well as ongoing operational relationships.

- iv)** A series of grant funding arrangements (to be confirmed) that specify deliverables from the site including: levels of community use (MCC grants); sports development outcomes (Sport England and Football Foundation); and educational delivery (education funding). These are a powerful tool for grant funders and public bodies to ensure that those running funded facilities deliver what has been promised.
- v)** These arrangements are strengthened by the main grant funders and the local authority all having an equal (pari passu) legal charge on the facility should the club go out of business.
- vi)** An asset lock in the club's rules as described previously.
- vii)** Conditions in the CSS specifying the priority of community benefit ahead of rights to withdraw shares or earn interest.
- ii)** The financing of the stadium has pioneered the development of a CSS which has set a new standard for what can be achieved by small, supporter- owned clubs. This has been seen as a pathfinder for other projects.
- iii)** The funding package – a mix of public, charitable and private finance – has seen the considerable cash the club has raised unlocking significant grants in a time of austerity. The attractiveness of the CSS has in part been because investors wish to support a club attempting to demonstrate an alternative model, based on supporter ownership, for football and facility development. This is a social return model with particular football characteristics.
- iv)** There is a 'multi-layered' approach to safeguarding and specifying community benefit outlined above which offers a higher level of guarantee than in almost any other case.
- v)** The partnership between FCUM and a local junior football club as anchor tenant of the community facilities at the site is unusual in football and seen as a test case for others.
- i)** Some of the restrictions on the site use, future development, and disposal help to prioritise the community benefit functions in a way that is probably unique in football, most notably the asset lock. This, along with the lease conditions, does, however, limit the club's future options.
- ii)** The history of the development in Moston, coming out of the failed proposal to develop a site in Newton Heath, has been problematic at times,
- with a small group of residents opposed to it. A judicial review process is underway at the time of writing.
- iii)** The club probably initially underestimated the resources required to bring forward this development – including the cost of design, planning and the promotion and administration of the CSS – which has proved a burden on other operations at a club of this size.
- iv)** Increased costs has had a negative impact on the future business plan, which may be more restricted than originally envisaged.
- v)** Much of the community benefit is specified in terms of outputs – numbers, throughput etc. which need to be reported to grant funders as part of their conditions. More needs to be done to develop specific social outcomes for different groups and individuals and measure these.

4. LEARNING

4.1 INNOVATIONS

i) The partnership with the local authority has in some ways taken the Telford example, learnt from it, and taken it on a step further. This has involved:

- A set of shared agendas about physical improvement, facility development and community benefit being agreed from the outset.
- An in-depth agreement about the specifics of what community use there will be.
- A strengthening of this shared understanding through FCUM's status as a CBS.

4.2

LIMITATIONS

4.3

STRENGTHENING COMMUNITY BENEFIT

- i)** A robust monitoring and evaluation framework (which is in development) needs to be put in place for such a multi-faceted scheme. This is essential for evidencing the community benefit functions of the development to club members and those buying community shares, the local community, the local council and grant funders.
- ii)** More time and resources would help overcome some of the difficulties and delays faced during the development.
- iii)** The club will need to put in place formal and informal processes to respond to any difficulties faced by residents when the club beds into the new development.

CONCLUSIONS & RECOMMENDATIONS

1. KEY RECOMMENDATIONS

i) NEW LEGISLATION

The Localism Act provides an important new route by which supporters can help safeguard the important community role that stadia play in local communities. The Act allows supporters' trusts to make a request to their local authority that their local football ground is designated as an asset of community value, meaning that the ground could not be sold without those groups being informed and being given the opportunity to bid for it. This has been discussed in a previous Supporters Direct briefing paper, and is also the subject of a sister paper to this document produced by Locality to be published at the same time.

Supporters Direct recommends that:

- Central Government ensures that football (and other sports) grounds are listed as 'assets of community value' and provide guidance to this effect.
- The extension of 'assets of community value' to include football clubs and spectator sports clubs in addition to stadia.

ii) FOOTBALL GOVERNANCE

Following the Parliamentary inquiry into football governance, the Government has called on the football authorities to implement a club licensing system and reforms of their governance.

Supporters Direct believe that this system enshrines a structured formal relationship between supporters (as represented by supporters' trusts) and their club to ensure community interests are protected.

Also, currently both the Football League and Premier League have rules governing clubs moving grounds. These state that no club can move to a new location without the league's permission and that the club must have in mind its relationship with its traditional locality and that the move should not adversely affect officials, players, supporters, shareholders, sponsors and others.

Supporters Direct believes that a new licensing system provides a framework in which current regulations can be strengthened and that the benefits to communities provided by football stadia should be enshrined and formalised within football's governance.

Supporters Direct recommends that this should include provision that:

- 1) A club is not moved to another location without proper consultation and approval from local communities and supporters.
- 2) Club owners are prevented from securing debt arising from trading deficits on stadia, unless approval is provided by the supporters and the relevant football authorities.
- 3) Club owners are prevented from separating the ownership of clubs from their grounds, unless approval is provided by the supporters and the relevant football authorities.
- 4) A stadium is not sold for the private gain of owners.

2. SUMMARY POINTS

The five cases summarised in this paper provide a variety of approaches to delivering and protecting community benefit from football (and sports) grounds. These methods are summarised overleaf. However, there are a number of points that need to be highlighted.

i) LOCAL AUTHORITIES

Local authorities can play a pivotal role in ensuring community benefit. In four of the five cases in this paper, they have been central to attempts at ensuring a wider public benefit from the facility. The use of planning, lease and funding conditions, rate relief and their wider coordinating and facilitating roles can be essential in delivering stadiums that have a wider community benefit role. However, local authorities need to do more in setting specific public benefit targets and monitoring the

delivery of them. They also need to be active partners helping to influence ongoing developments and incentivising increased community benefit.

ii) LOCAL AUTHORITIES

Grant funders can play an important role by making grant funds conditional on delivery of specific community benefit outcomes. Claw back of grants provided as well as draw down of funding can both be important levers to ensure what has been promised is delivered. Funders and lenders can also impose a legal charge on a site to ensure that should ownership change or the club move, community benefits can still be delivered from the facility.

iii) FOOTBALL CLUBS

Football clubs are important vehicles to ensure community benefits are delivered. In the case of clubs owned by supporters' trusts, the trust can ensure that stadiums are used for appropriate purposes and for instance are not sold or moved without full consultation and agreement of supporters and communities. Where clubs are not owned by trusts, the granting of a supporters' class of share, or a 'golden share' can grant supporters an important say in how the ground is used or disposed of. Even where this is not the case clubs can provide community facilities within the ground. A majority of professional clubs provide facilities for community trusts, foundations and departments. Embedding these with long term rent or lease agreements helps to strengthen this provision.

iv) SUPPORTERS

Supporters, and supporter organisations in particular, play a vital role as custodians of a club's long term interests, history and link to the local communities in which they reside. The supporters' trust model – open, democratic and with community benefit objectives – is the most appropriate form for the expression of this custodial role. Even where this is not the case, supporters' groups can own important assets that could be used to leverage community benefit from stadia. Where such organisations are not present or are excluded from involvement, the protection of community benefit functions is weakened.





2. SAFEGUARDING COMMUNITY STADIA

The table below summarises the main ways in which community benefit of facilities can be supported.

Aim	Method(s) for Guaranteeing Community Benefit
i) Encouraging community ownership of facilities.	<p>This can be achieved through:</p> <p>Different forms of supporter or community ownership:</p> <ul style="list-style-type: none"> • Freehold or pitch ownership by supporters, preferably in the form of a supporters' trust. • A 'golden share' in the club company and/or the stadium company. • Joint ownership of the ground e.g. with a local authority who can ensure local interests are heard. • Cooperative ownership by a supporters' trust in the form of CBS. A statutory 'asset lock' would also prevent distribution of sale of an asset to shareholders. <p>Tighter regulation:</p> <ul style="list-style-type: none"> • Football authorities' current powers mean that they have to approve a club moving grounds to ensure that supporter and community wishes are taken into account. This could be strengthened by a requirement to involve supporters and communities properly in the process of moving grounds within club licensing systems.
ii) Delivering Community Benefit	<p>This can be achieved through:</p> <p>Local authority Role:</p> <ul style="list-style-type: none"> • Conditions on a lease provided by a local authority that specifies community use levels and/or outcomes. • Conditions provided in planning permission agreements such as a Section 106 agreement that can specify community use levels and/or outcomes. • Additional incentives for community benefit delivery provided for example by rate relief. <p>Ownership:</p> <ul style="list-style-type: none"> • By a CBS, IPS, CIC or similar social enterprise that has company objectives requiring the organisation to deliver benefit to the community. <p>Funding:</p> <ul style="list-style-type: none"> • Conditions set in grant funding arrangements (whether sports funders such as Sport England or Football Foundation or regeneration agencies and charitable trust funding).
iii) Protecting Community Interests	<p>This can be achieved through:</p> <p>Ownership:</p> <ul style="list-style-type: none"> • Supporter/community ownership of the club – a CBS is a democratic and open corporate structure that enables all stakeholders to share in club or facility ownership. • Supporter/community ownership of key assets (such as the club name, or freehold for the ground site) provides significant leverage. • A supporters' 'golden share' that specifies the conditions under which a ground might be sold and/or which gives supporters a veto over such as sale. <p>Regulation:</p> <ul style="list-style-type: none"> • Football authorities strengthening their rules over the disposal of football assets could add further protection to community benefit.



3. MEASURING COMMUNITY BENEFIT

Whatever route is utilised to deliver and protect community benefit from stadia, it is vital that that benefit is properly measured. This should involve:

- Identification of key areas of benefit.
- Proper monitoring and evaluation of community benefits.
- Evaluation of benefits being integral to agreements made.
- Communication of those benefits to all stakeholders.

A common theme of all the cases we looked at was a lack of robust evidencing of the community benefit being delivered. This is essential, not just in demonstrating that a facility is producing the impact that it was designed to, but in underpinning agreements, legal arrangements and company objectives outlined above. It should also help clubs monitor and manage community use and the delivery of community benefit.

This should embrace both the performance of the facility and the benefits derived from the use of the facility. This could be achieved through the implementation of a social auditing framework for the club and the stadium – something that was investigated as part of the Supporters Direct's Social and Community Value of Football research.

The table on the right outlines how this might be organised.

1. CLUB AUDIT	POTENTIAL INDICATOR/EVIDENCE
Governance structure enshrining community benefit.	→ Governing document and board records.
Financial performance showing reinvestment.	→ Annual accounts.
Shareholder/member economic participation.	→ Ownership records.
Shareholder democratic participation.	→ Meeting and voting records.
Good employer.	→ Records showing staff training and development; low staff injury and absenteeism.
Representativeness.	→ Comparisons of staff profile with local area demographic data.
2. STADIUM/FACILITY DEVELOPMENT AUDIT	POTENTIAL INDICATOR/EVIDENCE
Community involvement in planning and design.	→ Evidence of consultation and involvement and its impact on eventual designs.
Local involvement.	→ Involvement of local businesses and extent of local employment in build.
Community involvement in management.	→ Resident and community organisation involvement in operational management.
Ongoing community consultation.	→ Records of public forums and complaints procedures.
3. PERFORMANCE AND ENGAGEMENT	POTENTIAL INDICATOR/EVIDENCE
Service delivery.	→ Evidence of the range of community work undertaken at the site; volume of work undertaken; participation of local people, outputs etc.
Users.	→ Accurate figures and demographic information on users to allow mapping.
Impact of work from community use.	→ Actual outcomes delivered for individuals and groups in sports development, social inclusion, education, health, community cohesion etc.
Valuation of outcomes.	→ Indication of the financial value of the delivery of these outcomes.
Stakeholder evaluation.	→ Regular stakeholder surveys; good neighbour surveys and ongoing consultation work.
Innovation.	→ New practices and approaches that deliver community benefit, success rates, learning and efficiencies generated.
4. LOCAL BENEFIT / SOCIAL RESPONSIBILITY	POTENTIAL INDICATOR/EVIDENCE
Local economic contribution.	→ Estimates of spending/invoicing with local companies; more in depth economic impact, employment and GVA estimates.
Ethical procurement and investment.	→ Evidence of policies and their implementation (e.g. purchasing records).
Environmental impact.	→ Staff travel to work surveys; evidence of waste management/recycling volume and expenditure; evidence of carbon footprint and energy usage per area; proactive environmental promotion undertaken.
Volunteer contribution.	→ Volunteering opportunities (numbers, hours, financial equivalent estimates, outcomes for volunteers); staff volunteering in other organisations/charities.
Investment in community.	→ Level of business conducted with local social enterprises, charities and community organisations etc.
Youth development.	→ Employment, internships, apprenticeships, training, sports development, social inclusion, education and health work undertaken with young people.

GLOSSARY OF TERMS

ASSET LOCK

A statutory asset lock is a means by which the community benefit function of an organisation's assets can be secured. Community Benefit Societies (CBS) and Community Interest Companies (CIC) can both implement this, preventing the organisation's assets being sold and proceeds distributed to members. To give an Asset Lock statutory force under section 1 of the Co-operatives and Community Benefit Societies Act 2003 requires two votes:

- i) A vote at a General Meeting of over 50% of the membership with over 75% in favour.
- ii) A second vote at a General Meeting within a month to ratify the decision.

BROWNFIELD SITE

Brownfield sites are derelict or under-used sites, usually in urban areas, that were often formally used for industrial purposes and are now available for redevelopment.

CARPET-BAGGING

Carpet bagging refers to a group of people who deposit money in a Society account in the deliberate hope that the Society is taken over or taken public, resulting in rewards for depositors such as cash bonuses or shares.

COMMUNITY BENEFIT SOCIETY (CBS)

A Community Benefit Society is a form of Industrial and Provident Society that has community benefit objectives. They are registered with the Financial Services Authority (FSA) under the Co-operatives and Community Benefit Societies Act 2010. All supporters' trusts are community benefit societies.

COMMUNITY SHARE SCHEME (CSS)

'Community Shares' is a means of raising money within a cooperative. All supporters' trusts can raise capital finance through this method.

Considerable sums of money can be raised by supporters' trusts without altering the one member/one vote democratic structure. It is also attractive in that it does not privilege those who can put more money in by giving them more votes or more say over those that can put in smaller amounts. This means that the interests of communities, as articulated through the democratic and collective shareholding, are embedded within the ownership of the club and are not subjugated to the interests of large shareholders. For more information see:

- www.communityshares.org.uk
- Supporters Direct Briefing paper No.3 (2011) Financing Supporter Ownership
- K Jaquiss and A Walsh (2011) Punk Finance: Capital Made Mutual, London: Mutuo

COMMUNITY SPORTS TRUST

A Community Sports Trust is usually a charitable organisation that delivers community sports services and/or facilities for a particular area. It has been increasingly favoured by football club community schemes as well as some local authority sports and leisure departments.

COMPANY LIMITED BY GUARANTEE (CLG)

A company limited by guarantee is a form of company often used by not for profit organisations. It does not usually have share capital or shareholders but members give an undertaking to be guarantors who commit to providing a nominal amount (typically very small) in the event of the winding up of the company.

COMPANY LIMITED BY SHARES

A company limited by shares has shareholders with limited liability and its shares may not be offered to the general public unless they receive authorisation from the FSA. The liability of shareholders is limited to the amount of capital originally invested, or the nominal value of shares.

Shareholders' personal assets are thereby protected in the event of the company's insolvency, but money invested in the company will be lost.

CONCERT PARTY

A concert party is a group of individuals or businesses that act together in order to take over a particular business. Activities of concert parties are strictly limited under the law.

ENABLING DEVELOPMENT

An enabling development usually refers to a property development where the local authority plays a facilitating role – e.g. by providing land, coordinating partners, or specifying preferred land use.

FREEHOLD

A freehold is the ownership of land and property (usually defined as immovable structures) attached to that land. A freeholder may issue a lease for others to use or occupy such land for a specified period of time and under specified conditions.

GOLDEN SHARE

A 'golden share' is a term used for a special share in a company that gives the owner(s) some specified rights. In the context of community protection of sports grounds, it usually refers to the owners (for instance a supporters' trust) having a veto over certain matters such as sale of the ground.

LEARNING ZONE

Learning zone usually refers to an area of a larger facility that is set aside for educational purposes. It was a term commonly used to describe classroom facilities within sports stadia which became commonplace in professional football grounds in the 1990s.

LEASE

A lease is the document that specifies the leasing of a land by a freeholder. This can include rental arrangements, length of tenure, as well as other conditions such as what is and is not permissible use of that property.

LEGAL CHARGE

A legal charge is a means by which a grant funder, or a lender, can ensure that they have a priority over a property should the occupier go out of business or move to another site. It means, for example, that sports grant funders can ensure that a sports facility can continue to operate for the benefit of the community if a club were to go bankrupt.

LIQUIDATION

Liquidation is the process by which a company is wound up and its assets distributed. Liquidation can be compulsory – when a creditor, receiver or shareholders of the company itself petitions a court to end the company – or voluntary, when members of a company vote to end the company.

NON-RECOURSE LOAN

A non-recourse debt or loan is a secured loan (debt) that is secured by a pledge of collateral, typically real property, but for which the borrower is not personally liable. If the borrower defaults, the lender/issuer can seize the collateral, but the lender's recovery is limited to the collateral. Non-recourse debt is typically used to finance commercial real estate and similar projects with high capital expenditures, long loan periods, and uncertain revenue streams.

ONE MEMBER ONE VOTE

One member one vote usually refers to a form of organisation where membership provides equal rights to have one vote in the organisation's affairs. It is one of the defining characteristics of cooperatives, including CBS's, and differs from most other companies which operate on a one share one vote basis.

PEER REVIEW

The peer review approach to organisational improvement has been used successfully in public sector organisations and in business. It offers a supportive approach undertaken by 'critical friends' to help improve governance, operations and other relevant matters.

PLANNING CONDITIONS

Planning conditions are the conditions set on planning approval for a development provided by a local authority. These can specify, for instance, dates by which a development must be completed, areas where further approval must be given, as well as other conditions such as travel plans.

PUBLIC LIMITED COMPANY

A public limited company (Plc) is a limited company whose shares are freely traded to the general public. A Plc can be listed on the stock exchanges or not and must have a minimum value of allotted shares to the value of £50,000 before it begins business. There are various different forms of shares and all Plcs must submit an annual return to Companies House.

RESTRICTIVE COVENANT

A restrictive covenant is a means by which someone disposing of a property (often land) can specify what does and does not take place on that land in the future. Covenants can be conditions on leases or on title deeds.

SECTION 106 AGREEMENT

A Section 106 Agreement refers to Section 106 of the Town and Country Planning Act 1990. It can entail agreements offered by planning applicants, or imposed on them by a planning authority to ensure that a development accords with local requirements; or it can involve a payment made by developers to offset the costs of the external effects of a particular development.

SECURED LOANS

A secured loan is a loan that is secured against the assets or property of the borrower. In the event of a default in repayments, the lender can take possession of the asset.

TAYLOR REPORT

The Taylor Report was the report into the Hillsborough Stadium Disaster in 1989 undertaken by Lord Justice Taylor. The report was in two parts:

- i) An Interim Report that recorded the details of the disaster and appropriated blame for it (particularly on the police and safety authorities);
- ii) Final Report in 1990 that made recommendations to improve the safety of sports grounds.

Although the Final Report included wide ranging recommendations for reforming how football was run and on issues including pricing policies, it is mostly remembered for ushering in all-seater stadia for the top two divisions of English football.

REFERENCES

1. Brown, A et al (2010) op cit., p.25
2. Supporters Direct (2011) Briefing Paper 1: Developing Public Policy to Encourage Supporter Community Ownership, London: Supporters Direct.
3. Brown, Crabbe and Mellor (2006) op cit; Brown, A et al (2010) The Social Value of Football, London: Supporters Direct.
4. Interview with Say No to CPO.
5. Quote from Kirklees Council.
6. Interview with Nigel Cribbins, CEO, Huddersfield Town AFC.
7. Interview with R Pepper, HTSA.
8. Visit Website:
www.brentfordcommunitystadium.com/vision/
9. Brian Burgess, quoted in Supporters Direct Issue 29, March 2008, p17.
10. Visit Website:
www.brentfordcommunitystadium.com
11. Brown, A et al (2010) The Social Value of Football, Final Report, pxx
12. Supporters Direct (2010) The Social and Community Value of Football, London: Supporters Direct.
13. Visit Website:
www.brentfordfcst.com/new-griffin-park-learning-zone.aspx
14. A further paper on 'The use of Restrictive Covenants at Sports Grounds' is in development by Westminster University.
15. Interview with Mark Donovan, formerly of Telford and Wrekin Council.
16. AFCTU Ltd (2012) Articles of Association.
17. For a fuller discussion, see Brown, A. et al (2011) Financing Supporter Community Ownership, London: SD, p7; and Jaquiss, K and Walsh, A (2011) Punk Finance: Capital Made Mutual, London: Mutuo.
18. See Brown, A. et al (2011) op cit, p.13

PHOTOGRAPHY CREDITS

With thanks to:

Press Association Images

Jackie Wu, Photography, <http://www.geckokid.net> | Chelsea FC

<http://fcunited.ru> | F.C.U.M:

The Examiner & Virtual Huddersfield Ltd. 2011 | Huddersfield Town FC

<http://www.borehamwoodfootballclub.co.uk>



CONTACT US

For further information about supporters direct's work and campaigns, please visit our website at www.supporters-direct.coop or contact:

Tom Hall

Head of Policy and Development
Supporters Direct
3rd Floor, Victoria House
Bloomsbury Square
London
WC1B 4SE

t: 020 7273 1657

e: tom.hall@supporters-direct.coop
www.supporters-direct.coop

substance.

Dr. Adam Brown

3rd Floor, Fourways House
Hilton St.
Manchester
M1 2EJ

t: 0161 244 5418

e: info@substance.coop
www.substance.coop