

# IronTrust

## MINUTES OF OPEN MEETING TO DISCUSS FORMATION OF A SCUNTHORPE UNITED SUPPORTERS TRUST

*Venue:* Glanford Park executive area, 7pm. Thursday December 15

*Chair:* Luke Thornhill (member of trust working group)

*Speakers:* Jacqui Forster (legal and constitutional affairs manager Supporters Direct), Peter Shaw (Wednesdayites)

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Introduction from Luke, explaining Supporters Direct (SD) had offered advice and that Jacqui was here to discuss how the organisation would work with a potential trust (ST). Peter is here to give some examples of how a trust works in action at Sheffield Wednesday.

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Jacqui explains her role at SD as the “lawyer on the team”, helping trusts form constitutions and training trust members. Points out widespread support from trusts at other clubs, highlighting presence of Barnsley and Doncaster trust officials at this meeting.

Explains SD aims, to ensure clubs are run sustainably and to promote fan ownership in clubs. Says SD is working with Uefa to promote idea across Europe. SD are a community benefit society. SD lobby football & rugby league authorities, including submitting evidence to cross-party select committee of MPS on football governance.

Explains SD is pushing for licensing, similar to fair play proposals put forward by Uefa, to push for this aim. Explains trust movement is inclusive, everyone is equal with one vote regardless of how much money they put in.

ST is a community benefit society - currently called industrial provident society -which is a co-operative group. Trusts are big part of co-operative movement. The first pound of membership becomes share in organisation, and impossible to have larger share in trust. An ST holds AGMs and has finances audited annually. Everything is transparent and available to members.

***“If you have the foundation, it is a bit like an insurance policy. There is no crisis here, but to have organised fans who know what they are doing and professional can do the power of good for the football club.”***

Explains how community shares could be used on a capital project. Uses hypothetical situation of a pub near ground being up for sale, trust. FC United raising. £1.6m, and have raised £1.2m through community shares. Minimum of £200 each and are withdrawable after a five-year period.

Discusses ongoing support role from SD, with regular regional meetings and annual meetings.

There are 179 trusts in England & Wales. 38 in Scotland. Two in Northern Ireland and three in Ireland.

There are trusts at clubs which won't talk to fans - Man Utd is an example - but highlights Swansea and Arsenal as examples where there is great partnership and dialogue (at Swansea trust own 20 per cent of club, Arsenal trust own three per cent).



Peter explains history of Wednesdayites (originally known as Owls Trust), which was gifted 9.46 per cent of shares in club by Charterhouse, which was later increased to 10.07 per cent. Held shares for nine years. Rt Hon David Blunkett is Hon Chairman.

Explains WI aim to provide "democratic, effective and influential role for Sheff Wed fans in the running of the football club" and strengthen bonds between club and community.

***"Players come and go. Managers come and go. Chairman and boards come and go, but the fans are the one constant. We believe that fact alone should count for something. This doesn't mean we are going to agree on all the issues all the time, you will have disagreements. But an effective, open and democratic organisation provides a channel through which the views of members can be channelled to the club."***

WI consults members frequently on issues concerning the club, articulating these views to the club. have two surveys a year for members, with regular fundraising events. Current WI benefits include subsidised matchday parking near ground, matchday lounge, away coaches, Smile tickets bought by trust and given to young supporters. Explains these are based from ideas put forward by members.



Luke explains that whenever subject came up for discussion for Iron-Bru.net there was plenty of support and people saying they would join, but "got put on the backburner" as there was no immediate crisis at the club.

Explained since pre-season a few supporters have done some groundwork to get to the point of this meeting. Met with Tom Hall and Jacqui from SD, and meeting with SUFC chairman Steve Wharton (SW) and the club's Official Supporters Club (OSC). Stresses we don't see trust as going up against any existing fans groups in terms of providing services.

SW encouraged formation of trust and for group to buy shares, and agreed in principal to regular meetings with trust officials.

***"People don't really understand why money is spent where, we feel that a trust can improve two-way communication and offer a temperature of where fans are in a way that doesn't seem to really be there at the moment. The chairman doesn't know what it's like to stand at the back of a terrace freezing while you go out of the FA Cup at home to AFC Wmbleton, we can provide a bit of that perspective."***

Trust would also have legal say in club as well as just moral owners. Fans could say they have a genuine stake in the club.

Trust could be “insurance policy” as a long-term steadying influence on the way club is run no matter who is in boardroom or what their attitudes are.

Trust can be really good conduit for fans who want to help SUFC. Cites example of one possible volunteer who emailed in who has raised £24million for charities over past decade. SUFC fan who wants to help raise money for trust and, indirectly, the club. Trust is a really good way of bringing in people with skills to help the club. Trust can be “stepping stone” between fan on the terrace and the club.

Exeter City raise £100,000 a year through their trust which goes into the club – a direct benefit to their club. That is extra money on top of season tickets, replica shirts etc.

Lukes asks for volunteers to guide where the trust goes next, and explains trust will use model rules from SD.

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### Q&A SESSION

**Only around 40 people at this meeting. Is there really interest from supporters?**

*Luke:* We want the highest membership possible. There has been interest from people who have said in person or on websites they are interested but cannot attend, so I do think membership will be higher than people in this room.

This is the first step, we can create a trust in a model how you guys tell us to. For this stage, for creating a trust and getting off the ground, we’ve got a good base and I think we can create a trust and hope members will come from that.

*Pete:* Sheff Weds have massive fanbase but started with just a couple of hundred. We have close to 2,000 members, which is not particularly high given the amount of fans we have. Some people need to see things in action before joining.

The people like yourselves here tonight are the core who will help drive things, and hopefully you can encourage people and show there are benefits from joining. Some will only join when they can see they can get something for their £10. I’m not saying Scunthorpe is a small club, but I don’t think it is a bad turnout tonight.

*Alan Bloore (Barnsley trust, from the floor):* People say to us “We know you’re doing it, so why should we bother?”. Don’t think you need thousands of fans, but that you have a strong board that will act in your interests when you go to them.

**Question for Peter, why did Wednesdayites let their shares in club go?**

*Pete:* It wasn’t an easy decision, but we didn’t really have any choice. We were gifted the shares and I feel we were responsible guardians and would not have given them up by choice. SWFC were on the brink of extinction, we got burnt after coming down from the Premiership and were haemorrhaging money at an incredible rate.

When Milan Mandaric came in he said if he was going to put his money in to clear the debt he wanted everyone to give up the shares so he had single ownership.

We wanted to retain our shares, but did it to save the football club. We were in a desperate situation and did not want to do it. Milan has been great, it was a fear he would not talk to us but we still have a strong voice. We’ve told him that when he wants to sell to talk to us first.

*Jacqui:* It’s quite unusual for that to happen, as buying shares is clearly a big part of fans ownership.

**You said you have met with Mr Wharton and he is prepared to meet with you, how much are you raising to try and get a seat on the board and would he accept that?**

*Luke:* Would he accept a fan on the board? To be honest I'm not sure he would still be around by the time we're in that position given he's looking to step aside. According to the most recent accounts Keith Wagstaff has 410 £20 shares (£8,200) so matching that would put us level with a director.

If we got to that point, which I hope we would, then we're in position where I expect we'd ask for a membership of the board. This puts us in a position, where if we can match that we would expect a say in the club. We're not a trust yet so can't go and have any meetings yet, and we'll have to prove we have support of fans.

We want to be able to turn round to members and supporters in general and say we understand where a decision has come from that in future when the decision is made to spend money on one of two different options, we are there to give supporters views across. We have an agreement in principle to regular meetings, but nothing more than that because we're not a trust yet.

**Once you've got a shareholding, what will happen to the annual membership fees. Is that going into the club, used to build up shareholdings or what?**

*Luke:* The membership of the trust will decide where it goes. Some of the services Pete discussed for Wednesdayites is being done elsewhere so is not in our short-term targets. We don't want to step on the toes of the OSC, we think a trust can build up a stake in the club and we imagine that growing year-on-year. I imagine money would go to buying shares first, that is our main aim to get a stake in the club and access to management to offer views when decisions are being made.

**(Graham Godson, OSC chairman) We're more than happy to support you and we all want to move the club in the same direction. The turnout tonight is the same as we get for OSC dos, have you had more response on Iron-Bru?**

*Shay Eddy (working group member):* I've had about 30 locals apologise for not making it tonight, with the same number of exiles you're looking at 100 people and given our hardcore support of 3,000 that's a reasonable percentage. Lincoln at their peak had 1,500 members, but at the end of the day the cornerstone is to build up a shareholding in our own right. There are people who will sit back and ask "what's in it for me"? We have had some supporters say they are willing to transfer their shares to the club, so I don't think it is a long-time before we have a reasonable stake in the club.

**Is the chairman going to limit the amount of shares you can buy? Will he see you as a threat of ousting board members?**

*Luke:* The trust does not intend to be a threat. If we went in with the attitude of trying to replace anyone or oust them, I don't think we'd get anywhere. They would close ranks. We've seen it in the past with takeover attempts when the board have fallen out and don't think we should go into it with that kind of approach. A trust has to be a long-term project. We have made efforts to have a positive relationship with the club to start with, they have given us use of the executive area tonight free of charge.

*Graham Godson (from floor):* There is a set limit every year that shareholders are entitled to and there are shares available.

*SUFC general manager David Beeby (from floor):* That annual limit is £25,000, but can be changed if we want to allot more shares in a year for an EGM. The board would need a valid reason to turn that down.

*Jacqui:* It is unconstitutional to put money into the club with nothing in return.

**With the OSC and everyone else who sets up to help the club, all SW seems to want is money from us. With the OSC we give small amounts to the club as and when, but at the AGM he never seems happy that we don't give more.**

**Over the past few years I've seen nothing that has led me to believe the chairman will answer any questions he doesn't want to answer. What makes you think we'll have any influence whatsoever with Mr Wharton?**

*Luke:* If the chairman doesn't want to talk to us he can shut up shop. At our meeting, Tom Hall from SD came up and went through how trusts work – SW was very interested in the idea and I have to take him on his word when he encouraged us to buy shares and said he's happy to meet with us on a regular basis. The level of openness we'll have to agree once we've got a trust.

*Jacqui:* It is about a build up of a relationship and building up dialogue, proving to the chairman that you are credible with a robust set of rules, backed by a national organisation and part of a network of trust that can help you. It is the same as any relationship, it sounds like you are starting from a fantastic platform and can only build. What you need to understand is this trust is at it's absolute formation. You have to start small and build-up. The democratically-elected board you have need to work on that relationship. It's a lot better being in harmony with the club than against them.

*Shay:* One of the reasons Mr Wharton has so many shares is other directors have not taken up their share issues. With a foot in the door we're guaranteed a percentage pro rata to what we own. As we convince people we're trustworthy, honourable and with integrity and they start to gift shares or join us it becomes a virtuous circle. If we put money into the club by shares it's for the club to decide what it spends it on. We can make sure we're not being treated as a cash cow. If we spend the money on shares, putting hard cash into the club, slowly and surely we'll make progress.

**The trust needs to form a massive communication into the boardroom. The boardroom has been heralded for too many years. We're sick to death of it.**

*Pete:* Let's not put the cart before the horse. You just need to be a little bit patient at the moment, decide if you want a trust and get people together with the skills to drive it forward. It will take time, it did with us as things evolve.

*Jacqui:* This is the first stage of a three-stage model. If you vote for a trust the working group go away with the off the peg model rules that we've prepared and prepare a constitution. Then they will have a celebration to launch the trust when people can join, six months after that you have an election for board members. At that point you decide who you want to take that trust forward in the direction members want the trust to go.

**My concept of what this evening is about is beyond some of our current frustrations about the chairman, who has steered us through our current success. I'm thinking about when he wants to step down and what happens when Mr Wharton passes on. Perhaps his family are not interested, we want to secure the stability SUFC not next year or five years but in 15 or 25 years.**

*Martin O'Hara (Doncaster trust, from the floor):* We were born out of crisis and have a great understanding with the chairman. We played a key role in getting the Keepmoat Stadium. We have one per cent of the shareholding, don't get too hung-up in the shareholding which is a statement more than anything else. It is showing the club and chairman that you believe the club, you will build a relationship and when you've got that you can talk about things openly. I could pick up the phone and speak to John Ryan tomorrow morning. We're in the same boat, if JR gets run over by a bus tomorrow we are the

insurance policy because we are an established legal shareholder in the club we can get involved in whatever happens next. JR doesn't appoint a director without talking to us. Prove to your chairman that you want to work with him and I'm sure he'll work with you. Without a trust in place you are at the mercy of the winds.

*Luke:* I think it is a long-term aim. The chairman has said he wants to step aside, we'd like to be a steady influence so in the future if there is any crisis we can be an insurance policy.

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Vote by show of hands for formation of trust.

37 in favour  
One abstention.

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**(Additional question from attendee who abstained) 95 per cent of what was said tonight the OSC should be doing. Mr Wharton and his family have enough shares to outride anyone. I'm a member of the OSC but not on the committee, they do a very good job and it seems a lot of what you're saying you want to do other than go on the board – which the OSC can't – is OSC duties. We even run a bus to away games, I think the OSC should be given a lot more help and be allowed to go into meetings like you want to. It sounds like competition.**

*Luke:* We are not trying to take over things like away travel, this is all fantastic stuff done by the OSC. What I see the key difference is our priority would be to build up a shareholding and have influence in the decision-making process. There is nothing stopping you also increase your shareholding.

*Graham Godson (OSC chairman, from floor):* I want to see you succeed, we've been to meetings with the chairman and ironed things out but when the trust actually gets a board together you might have more success. Steve Wharton is a cracking bloke but you have got to work with the guy. You said he doesn't stand at the back of the stand and that's maybe what he needs. AS OSC we will support and encourage you, we want to see this club improve.