

## Fan-Led Review on Football Governance: RamsTrust survey responses

- A small working group<sup>1</sup> of RamsTrust members is engaging closely with the [Government response to the Fan-Led Review](#) (published April 2022). RamsTrust aims to influence and shape the implementation of the recommendations through discussions with the Football Supporters' Association and MPs; and hopes to work collaboratively with other supporter groups and other football trusts too. To inform RamsTrust policy we conducted a short survey of RamsTrust members. This paper provides a summary of the responses with a detailed breakdown provided in an Appendix.
- The survey was open for just under two weeks and received 88 responses (8.6% of members). While this is a relatively small proportion of the total membership, respondents provided comments and suggestions on each of the questions which has provided rich feedback. Key feedback from respondents was as follows:
  - **Near unanimous support for the introduction of a new independent regulator for football and greater support from the Premier League for the financial pyramid.** It was noted that the current financial imbalances created incentives to take excessive risks in the hope of promotion which put the very viability of clubs at risk. It was noted parachute payments contributed to the problem.
  - **96% were in favour of a new 'integrity test' for owners / directors.** In addition to demonstrating an ability to financially support the club, respondents thought this should cover, amongst other things declarations of (i) other investments (for ethical / conflict concerns), (ii) political / other sensitive affiliations, (iii) past history of failing to meet regulations in other industries (incl. late submission of accounts / tax payments); (iv) past ownership of failed companies.
  - **There was strong (86%) support for a new corporate governance code to improve the internal running of football clubs (with 14% unsure and none against).** In addition to the use of NEDs and requiring processes such as appropriate financial controls and risk planning, respondents suggested standardisation of accounting policies, adherence to accounts filing deadlines, prompt paying of creditors including HMRC, with penalties in place for breaches.
  - **On the topic of Shadow Boards, 59% were in favour with 21% unsure and a further 21% against (rounded to nearest %).** Those in favour suggested the remit should variously include financial, community, heritage, matchday and other issues that have an ethical dimension. Those against noted that if an owner passed the new integrity test and is following the new governance code with a new regulator providing oversight, this was sufficient. While various skills were suggested as being useful, enthusiasm and a love of the Club were considered the only key criteria as expert advice could always be called on. Most respondents noted that representatives should be democratically elected with views split on whether that be directly by the fanbase or indirectly by supporter groups (with a number commenting that in the latter case it should be only those that have democratic processes in place to elect their members and representatives).
  - **There was a similar split in support for a fan representative on the DCFC Board with 64% in favour, 15% unsure and 22% against (rounded to nearest %).** Those in favour thought a fans' representative was the best way to ensure the fans' views were expressed directly to the owner. Some concerns raised were that if a single fan was on the Board, and required to sign

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<sup>1</sup> The RamsTrust Fan Engagement Group comprises Patrick Breslin, Pete Drew (Chair), Angie Kerry, Jill Matheson, Jon Pearce, Martin Rawson, Laurie Roberts, Jim Wheeler, and Ollie Wright.

NDA's, they would either be captured by the owner, or would be outvoted yet unable to tell the wider supporter base what was happening.

- Overall, **74% of respondents were in favour of either a shadow board or a fan representative on the Board of DCFC.**
- Strong support for **diversity, club heritage, player welfare and women's football** issues.

### **Next Steps**

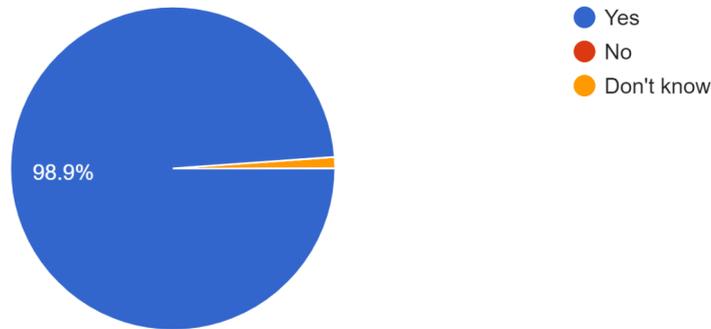
- This report will now be considered by the working group to help inform RamsTrust policy. It is likely our thinking will evolve as more detail of what the legislation will cover, and how it will be implemented, comes to light in the coming months, and we will also learn from feedback from other Trusts and Supporter Groups.
- We would like to thank all those who responded and we commit to communicating with members as plans develop.

## Appendix: Breakdown of responses

### Section A: Regulation and financial support for the pyramid

1. Do you support the introduction of an independent regulator for football (A) with a primary responsibility to oversee financial regulation of clubs to ensure their sustainability (B).

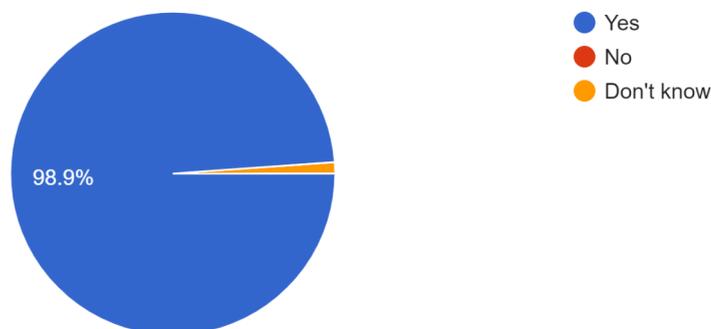
88 responses



Comments summarised: The support for an independent regulator was almost unanimous. Many respondents noted that the financial gap between the Premier league and EFL created an incentive for clubs to take excessive risks which threatened (as in Derby's case) the very viability of the club when such gambles failed. Numerous respondents noted that the EFL has not proven itself capable of managing the financial aspects of the game and has conflicts of interest. One respondent noted that an independent regulator should have the authority to be proactive rather than reactive and pre-approve/reject future business plans, based on affordability and sustainability with transfers signed off against the plan.

2. Do you support proposals to provide financial support from the Premier league to the football pyramid (H)?

88 responses



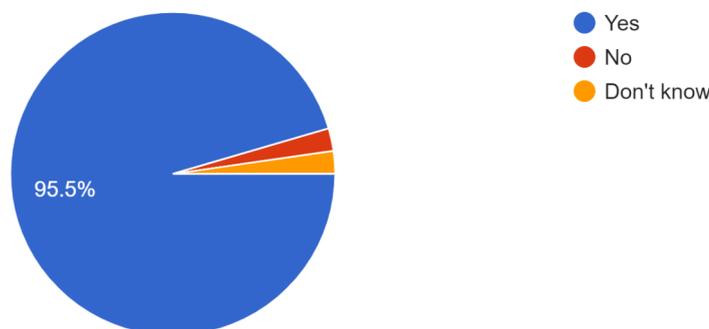
Comments summarised: Almost all respondents were in favour of greater support across the financial pyramid. It was noted by many respondents that the current process of parachute payments

was deeply inequitable and contributed to problems. Respondents again noted that the current income disparity created incentives for EFL clubs to take excessive risks to reach the Premier League but also noted that there were other arguments supporting better distribution of income. These included ensuring a more competitive playing field and ensuring there was a deep and rich talent pool of players, coaches and support staff which would benefit the game more broadly. It was also noted that clubs contribute to providing a sense of identity to local communities and it is important that clubs are financially sustainable in order to ensure that they can exist. It was noted that football has failed to self-regulate in this regard with a number of respondents citing the attempts by the top-6 to break away and some noting that the Premier League is increasingly becoming a 'closed shop' with promoted clubs usually favourites for relegation. One respondent suggested the money distributed from the premier league should be ring-fenced for certain purposes (provision of academies etc) that supported long term sustainability. The need for automatic salary reductions on relegation was raised by one respondent.

### **Section B: Enhancing corporate governance**

3. Do you support the introduction of a new 'integrity test' for owners and directors (C), to be re-run periodically? What factors (other than source of funds) should such a test consider?

88 responses



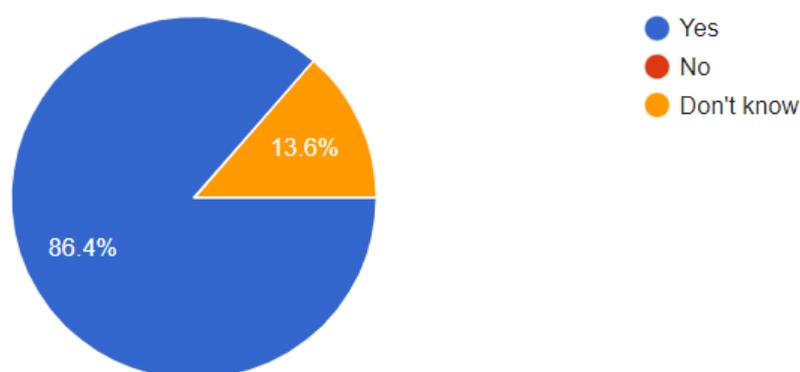
Comments summarised: Again, the vast majority of respondents were in favour of a new 'integrity test' for owners and directors. Suggested factors for this to cover included:

- Explanation of how regular investment to cover losses would be made
- Demonstration of business acumen in some way [to be assessed by regulator]
- Declarations of (i) other investments (for ethical or conflict concerns), (ii) political or other sensitive affiliations, (iii) past history of failing to meet regulations in other industries (including late submission of accounts or tax payments); (iv) owning failed companies.
- Evidence of club-hopping (which suggests owner may not be interested in community) or of owning more than one club
- One suggested the supporters' trust [comment: or Shadow Board] could approve (or veto) a prospective owner
- Source of funds (which should be in stable investments)

- Past history of owning a club that went into administration (which in some respondents' views should mean disqualification)
- Considering UK only owners and / or disbarring owers from regimes that don't meet human rights standards
- Making tests annual (i.e. not a one-off check)

4. Do you support the introduction of a new compulsory corporate governance code for football, based on the Sport England and UK Sport Code for Sports Governance to cover the roles of non-executive directors and requiring processes such as appropriate financial controls and risk planning (D)? To what extent should these apply to all clubs or only clubs of a certain size?

88 responses

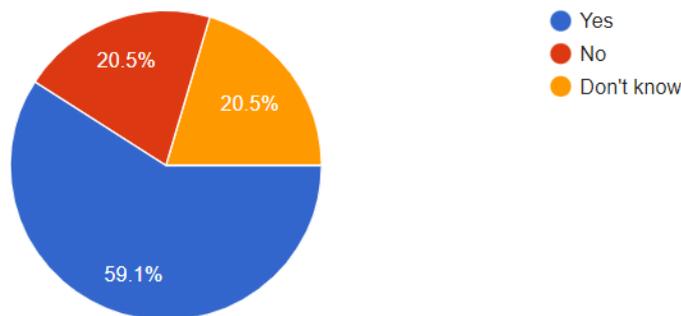


Comments summarised: There was strong support for a new corporate governance code to improve the internal running of football clubs. The majority of respondents thought signing up to such a code should apply to all professional clubs (and some suggested beyond). A number of suggestions for inclusion in such a code (beyond those in the question) included standardisation of accounting policies, adherence to accounts filing deadlines, prompt paying of creditors including HMRC with penalties in place for breaches.

A few respondents thought the more onerous requirements may be more suitable for the top two divisions and thought this needed more consideration once the requirements of the code were clearer, although even then respondents noted that there should be a way of holding owners to account. One suggested an "old boys" network where people moved from one club to another club should be avoided and there should be opportunities to train new NEDs, and to make them reflect the supporter and community base of the club, rather than just assuming people who've run clubs before are the only ones who know how to do it .

5. Do you support the establishment of a Shadow Board for a club of Derby's size, on which the owner is required to consult fans in key areas? Which areas do you think an owner should consult the Shadow Board on?

88 responses



Comments summarised: Three-fifths of respondents were in favour of a requirement for owners to consult a Shadow Board made up of fans, with a fifth unsure and a further fifth against. Those in favour suggested the remit should variously include:

- The strategic direction of the club and explanation of funding of operating losses.
- Community focus
- Heritage issues (strip, crest, stadium infrastructure)
- Matchday issues (including catering) and season ticket prices (although one thought these better dealt with in a separate forum specifically for such purposes)
- Sponsorship or other commercial relationships that have an ethical dimension, recruitment of senior staff (not necessarily players), discipline, long term and succession planning.

There were differences of view on the extent of the remit with some preferring a narrower remit than others. Another point raised was that the scope of the remit of the shadow board should be inversely proportional to its power; i.e. if the shadow board had a right of veto, its scope should be more limited.

Others suggested:

- If an owner has passed the new integrity test and is following the new governance code then this was sufficient and they should be able to make decisions without interference, with a new regulator providing oversight.
- Some were concerned that fans may prioritise short term sporting success and be more emotional about decisions when a long-term view on investment was needed
- It would be difficult to harmonise all supporter groups and the complexity of implementing it could prove unworkable. It could also lead to individuals being targeted by fans.

6. Were Derby County to establish a Shadow Board (F), what processes should be put in place to select representatives? (e.g. the fanbase could elect individuals or a number of supporter groups could be eligible to put forward representatives if they meet democratic processes in their constitution? Or some other process?)

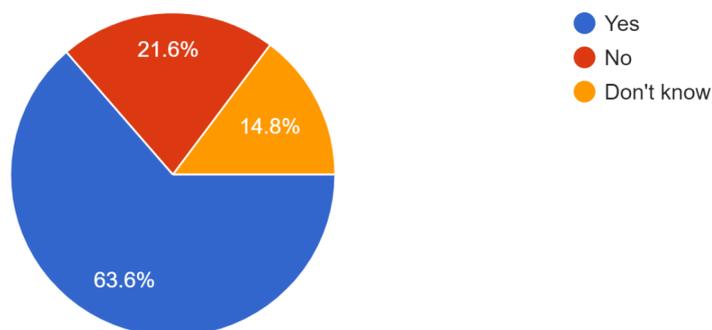
Comments summarised: Most respondents noted that representatives should be democratically elected (some suggested for a fixed term) by the fan-base. There were a range of views relating to how this could be done. Broadly speaking some suggested it be done directly by the fanbase (maybe those with a fanID who have been to a certain number of games in recent years) with individuals put forward with manifestos irrespective of whether they were in RT or an existing supporter group. Others thought it could be done indirectly by supporter groups albeit some said that should be limited to those that have democratic processes in place to elect their members and representatives (one suggested that voting power should be according to group size). In the latter case it was noted that size of group could be a factor to put forward a member for a Shadow Board although some thought that groups such as disability groups or minority ethnic or LGBT groups should be represented regardless.

#### 7. What skills do you think Shadow Board members need to have?

Comments summarised: A very large number of people felt there shouldn't be criteria that excludes anyone from sitting on a shadow board and enthusiasm and a love of the Club was the only key criteria as expert advice could always be called on. It was noted that having a diverse Shadow Board would be inclusive. Where specific skills were suggested it typically included the following (albeit any one person need not have all these): communication skills, empathy, leadership, an ability to listen to others and an ability to represent fans in an appropriate reasoned and controlled manner (one cited they would like someone "with tempered passion"). Finance / accounting / business / legal skills were cited and previous experience of operating at Board level. A number suggested a thick skin was mandatory

#### 8. Would you support the election of a fan representative (e.g. a member of the Shadow Board) to the Derby County Board were the owner to agree to it?

88 responses



Comments summarised: There was a similar split in support for a fan representative on the DCFC Board to that in favour of Shadow Board, albeit the comments suggesting that there were sometimes quite strong preferences (either way) on the best option. Those in favour thought a fans representative was the best way to ensure the fans' views were expressed directly to the owner. Some concerns raised were that if a single fan was on the Board, and required to sign NDAs, they

would either be captured by the owner, or would be outvoted yet unable to tell the wider supporter base what was happening. Some thought that if there was someone who met the requirements of being a NED (see above) and were a fan that would be better since they might have a stronger remit to challenge.

### ***Section C: Diversity, protection of club heritage, player welfare and women's football***

9. Do you have particular comments you would like RamsTrust to convey on the other measures: diversity plans (E), protection of club heritage (G), player welfare (J) and women's football (I)?

Comments summarised: A range of views were expressed:

- Protection of club heritage was raised multiple times as an essential part of the fabric of a club that shouldn't rely on the good voluntary work of some individuals
- Better links across supporters groups and the Community Trust was suggested
- Some noted that a strong diversity policy should be a key requirement in the governance of a club to ensure that all supporters from all backgrounds are welcome (albeit some respondents didn't agree with quotas).
- Better protection for Youth Team players was raised multiple times in regard to being important in terms of helping unsuccessful young players transition to a new career
- Numerous people noted that the DCFC women's teams should receive a higher profile and it was suggested that funding for women's football more generally should come from a fund levied on the Premier League.
- Making the matchday experience more family friendly