

## **Dons Trust Board**

### **Minutes of Meeting Monday 12 June 2017**

#### **Cherry Red Records Stadium Presidents Lounge**

#### **Members**

Matt Breach (MB)

Mark Davis (MD)

Roger Evans (RE)

Colin Dipple (CD)

David Growns (DG)

Tim Hillyer (TH)

#### **Invited**

Ivor Heller (IH) (part)

Tom Brown (DT Secretary)

Rob Crane (RC) (Secretariat)

Hannah Kitcher (HK) (Secretariat)

Michael Hayes (MH) (Secretariat)

### **1. Apologies and Thanks**

Apologies had been received from Nigel Higgs, Sean McLaughlin, Jane Lonsdale, Matt Spriegel and Erik Samuelson. MB reported that since Matt Spriegel's appointment as coach to the Surrey County 2<sup>nd</sup> XI cricket team and consequent qualification commitments, he has just emailed MB saying he has reluctantly decided to stand down from the board as he will be unable to commit enough time to fulfil the role. The DTB recorded its thanks to Matt for his contribution. MB requested ideas for how best to address the need for continuing with Youth Engagement. It was noted that replacing Matt directly with another co-optee at this point may not be the best way forward as wider use of co-option could be the best solution to the current actions relating to exploring how to get the widest and most diverse possible views from the membership to inform DTB decision making.

### **2. Approval of May Minutes**

MB noted that he had received two minor comments from MD, and requested any further comments within 2 days following which they will be taken as approved. TB undertook to post the March and April Minutes on the website.

### **3. FCB Update**

#### **(a) Merchandising Staff Proposal**

IH reported on the staffing situation resulting in it no longer being possible to run the merchandising operation on a voluntary basis. The operation has grown exponentially. For many years it was run by TH, then more recently by Gerry Hever, but it has now reached a stage where a full time paid employee is required. This will in any event be essential when we get to the new stadium. IH had been hoping that the appointment could wait until 2018 but the recent problems and the impact of

the switch-over to use of the new CRM system mean that this can no longer wait. Fortunately, a former volunteer (*Mat Haylock*) who left to go to South Africa has now returned permanently and is willing to do the job. IH is confident that Mat's previous experience with us and familiarity with the volunteers (he handled the mail order side of the merchandise for 2/3 years extremely well) means that he is the ideal candidate. [Redacted]

IH said he has brought this appointment to the DTB because he is aware that making a direct appointment to a paid position would break the usual protocol that all vacancies must be advertised externally. In this case however, IH thinks that Mat is the only person who would be able to do the job effectively due to his familiarity with it, his knowledge of the volunteers, and the urgency of the need to fill the role. IH stated that it would be disingenuous to advertise knowing full well that it is extremely unlikely that we would give the job to an outside applicant.

TH endorsed everything that IH said and thought it should really be regarded as an internal promotion given Mat's previous effective service as a volunteer.

MB noted that JL (prior to the meeting) had expressed her concern that the club should not make any exception to its usual protocol. After discussion, based on hearing IH's full explanation and TH's endorsement, the DTB members present voted in favour of agreeing the proposal in this exceptional case (5 votes for: MB abstained) and that it should be treated as if it were an internal appointment. MB undertook to explain the reasons for this decision to JL.

#### (b) Commercial Update

IH summarised the current position re sponsorships. The middle bar has now been sponsored [redacted]. A potential gambling sponsorship has gone away, but might revive depending on the DTB's position following analysis of the results of the ethical sponsorship survey. It was agreed that RC's meeting summary should mention the closing date for responses to the survey and RC should liaise with Chris Slavin to put a similar announcement on the club website.

In response to a question, IH said he given his input to the branding project.

**Actions: MB to explain merchandising employee decision to JL. RC to mention the survey deadline in the meeting summary and liaise with Chris Slavin to put reminder on club website.**

#### (c) FCB Report

MB went through his notes from the FCB meeting.

Mott McDonald reviewed the stadium cost figures from the two remaining tenderers. [Redacted]. A decision on the preferred tenderer will be required at or before the July DTB meeting. DG suggested that both [tenderers] should be invited to make further reductions. [Redacted]

MB reported that Terry Pritchard (our loan facilitator) is organising due diligence for the stadium loan facility. [Redacted]. The latest draft Development Agreement was sent yesterday to Galliard's lawyers, and ES felt there was nothing in this, the section 106 Agreement or the planning conditions that is likely to give major problems. Therefore the main current issue is Historic England, and possible further delay that a cabinet reshuffle might cause.

[Redacted]

MB summarised current player recruitment plans. Striker Cody McDonald (ex Gillingham) has signed a pre contract agreement to replace Tyrone Barnett who has had two offers one from Newport. The strike force will then be McDonald, Taylor, Poleon and Appiah. NA is still looking for a centre midfielder. He plans to take a goalkeeper on loan and to keep Joe McDonnell and Nik Tzanev.

Following the tribunal decision, the cash we are due from Hull for Will Mannion will now come in, plus there may be a sell on fee. [Redacted]. We have 3 [acceptable] offers for Joe Bursik – he and his father will decide which to take.

There was discussion about the imminent Elite Player Performance Plan Academy audit. It was agreed that ES should be asked to provide an update on preparations.

MB reported on friendlies and noted that the budget is now based on the estimated income from the agreed games.

[Redacted]

The Business Club proposal was discussed; this will kick off over the next few months and is centred around the new stadium

[Redacted]

Floodlights – RE asked if Chelsea have upgraded, or plan to upgrade, these. ES to be asked.

Escrow Agreement – MB noted that SM, MD and MB have signed the escrow agreement (which ensures the payment made to Kingstonian FC to enable them to buy equity in a new ground is not mis-used) in their capacity as officers of the DTB. They will report as necessary to DTB.

**Actions: MB to ask ES to provide a report on EPPP audit preparation. MB to ask ES whether Chelsea have upgraded the floodlights. [Redacted]**

(c) 2017/2018 Budget

The budget would be headed for a [large] loss if it wasn't reduced by the Joe Bursik transfer payment. [The proposed] level of investment is necessary to increase the playing budget to enable us to be confident that we can stay in League 1 until the new stadium is ready. Unless we can pull forward operational income from the new stadium (e.g. early start of Naming Rights) there will be little to prevent a further significant loss in the following year (2018/2019) so we need to do everything we can to maximise revenue over the next two years. Possible extra income not in the budget includes the film, any cup runs and further transfer revenue. The current budget assumes one FA Cup win and one EFL Trophy win, but no TV money.

TH asked the reason for the YDP cost increase; it was noted that the explanation is at section 2.8 of the Budget. MB said that following an announcement at the recent EFL AGM, the Academy will receive a further £14K which will improve that position.

TH queried why the end of season event shows budget costs but no income. IH said that it had been difficult for the commercial department to sell tickets in previous years, which is why the event was

changed to its present format. Income will be received (e.g from the bar) but it is shown elsewhere in the budget figures. RE suggested that figures showing the actual position (income against expenditure) should be requested.

**Action: MB to request actual figures (income against expenditure) for the end of season event.**

(Ten minute break)

#### **4. Feedback from EFL AGM**

MB had attended on behalf of the DT (the conference is aimed at owners/CEOs and the Club/DTB agreed that from this conference onwards the DT should be represented), and gave a verbal report of the major items of interest that were reported. Key points raised included:

- Junior season tickets: a 37% rise in sales across the EFL was reported.
- Financial Fair Play Rules: the QPR hearing is imminent and the other cases (Leicester and Bournemouth) will be settled in line with the QPR ruling once made.
- EFL Trust: the charitable arm of the EFL now has a turnover reported as £18.5 million. The average club charitable trust turnover is £750K.
- EFL Survey: themes coming out of the survey of EFL clubs were that:
  - weaknesses were financial dependence on PL, lack of unity, and lack of diversity
  - strengths were community activities
  - future concerns included widening gap between divisions
  - it was noted that one third of AFCW's wage bill is contributed by the PL; in all, the PL gives the EFL £139 million per annum
- Broadcasting: There was a presentation from independent experts detailing how the EFL was going to maximise broadcasting income. [Redacted]. It was noted that the rule against 3pm game screening in the UK will be retained.
- Whole game solution: this appears to be off the table at present.
- Rule changes: most proposals were trivial, but MB noted that one was a new rule that "no club shall unfairly criticise another club", which applies to directors, officers and employees. The criticism has to be manifestly unfair, so our current stance re: Franchise should not be a problem. MB ran through the other suggested rule changes. The yellow card totting up rules in future to be based on a fixed number of games rather than over a period of time. A new rule on substitutes will permit variations in numbers of subs allowed; MB voted in favour of five out of seven when an indicative vote between options was held. From 2018, failure to play a club-developed player will result in the loss of one sub. Regulation of electronic devices is proposed, as is a clearer definition of handball. The half time or full time whistle to be blown only when the ball is out of play, and potentially match time to be calculated only on time when ball in play. TH noted that Chris Foy, retired referee, offers a 45 minute presentation and made the suggestion, which was agreed, that he be invited to make this at a DT General Meeting.

- EFL Trophy: the slightly revised format will be kept for the next two seasons. There will be sanctions against boycotts, so the DTB / Club “official” stance needs to be considered.

MB was thanked for attending the meeting. TH asked a question about attendance and voting numbers at the EFL AGM. MB said that Oldham and Bradford voted by proxy, and some clubs failed to vote possibly not understanding the button pressing procedure.

TH noted that at a “structured dialogue” meeting that he had attended in MB’s place.

**Action: Chris Foy to be invited to make his presentation at a future DT General meeting.**

## **5. [Redacted]**

## **6. AOB**

### **(a) Status of Recent Surveys**

CD reported that 1900 replies to the Membership Survey had been received. 90% were happy with what they pay and get. The survey team are looking at reasons for not renewing membership, and the CRM should help (DG noted that he has a list of lapsed members). MD suggested that the interpretation tools on Survey Monkey should be used to draw conclusions from the survey. MB suggested that the “free text” responses should be analysed, as these are likely to contain specific suggestions for improvement. MB asked that the meeting summary should highlight the number of responses received and what the DTB is doing with the survey. TH noted that some of the questions were potentially too simplistic citing the difficulties of implementing discounts at the club shop without increasing shop prices. CD said that when the survey returns have been interpreted, the DTB must decide what to do with it; more detailed questions can then be asked in such areas.

**Action: Meeting summary to report number of survey responses and action being taken. CD, with input if necessary from MD and Survey Monkey to interpret results, in particular the “free text” submissions and report back to DTB.**

### **(b) Round the Table**

There was discussion about a webcam overlooking the new stadium. It was agreed the club should action this, subject to necessary permissions. Sponsorship options should be considered.

**Action: DG to approach ES to implement webcam proposal.**

TH raised a number of matters that the DTB should be addressing, including data protection issues (both existing and under new EU proposals); diversity training; the Supporters Summit 1 July; and a Football Supporters of Europe meeting in Ghent (which TH will attend).

It was agreed that Matt Spriegel’s resignation be announced on the website. TB undertook to post the March and April DTB meeting minutes on the website. MB reported that a sports law solicitor has approached him with a view to volunteer; his CV suggests he could be very useful recruit to the DT Secretariat. Agreed he should be interviewed.

The DTB expressed its sincere condolences to TH on the death of his father.

**Actions: Matt Spriegel's resignation to be announced on the website. TB to post March and April meeting minutes on website. TH to get details and availability of diversity trainer. MD to organise interviewing potential Secretariat recruit.**