

**While the situation isn't exactly unique, running a club owned by its supporters must present some interesting conundrums - how have you found it and have you found any issues particularly challenging or interesting?**

It's a slightly different model to many football clubs in that the Chief Executives at most other clubs tend to answer exclusively to the Chairman. At Pompey, naturally Iain and I have regular dialogue, but quite often Ashley [Brown], Mark [Trapani] and John Kimbell, are also regularly in touch about issues they may have been approached about, or which they may have picked up as an issue online. That's because they care about the club. As PST representatives, they ring me asking 'why have we done this, what's the reasoning for that decision' and so on, which is fair enough. When I speak to other chief execs the general feeling is 'how do you cope with Pompey being a fan-owned club...it must be a nightmare'. But the reality is it's not, and the input from the PST Board members has been helpful, productive, and informative.

All they and Mick [Williams] previously, want to do is help, as do all supporters generally. I have exactly the same relationship with our Presidents. They'll have an opinion, but ultimately I have to answer to the Board. I speak to the chairman regularly to keep him updated and he keeps the Board in the loop. I attend each and every board meeting and should I have any issues, which need their input, they will advise me straight away. I know that other fan-owned clubs have suffered as a result of people interfering in the decision-making process, but that hasn't really happened here. We've maintained strong governance of how the club is run, the board have protected me if they feel there has been any undue interference, but I haven't really needed protecting. By and large, Pompey fans have been great with me and I think appreciated the communication lines we have tried to develop. We answer every email, try to do as many newsletters as possible, we are regularly on *Express FM*, speak to *The News* and so on. We just try and keep everyone updated, and that takes a lot of questions and concerns away, which enables me just to get on with the job.

Touch wood, up to now it's been a relatively enjoyable experience. We haven't performed as well on the pitch as we would have liked, but what's gone on off of it I think has been nothing short of miraculous. So while I haven't been able to say to other CEOs that it's been a breeze, I have been able to make it clear that the perception they have of working for a fan-owned club isn't true, at Pompey anyway!

We function pretty much the same as any other club, other than the fact that if there's something that generally supporters don't agree with we'll possibly be more sensitive in terms of trying to either explain or change for them. That way we are accountable, and there's nothing wrong with being accountable. I think it's fair to say that when some, if not many, clubs make decisions, they don't listen to fans, and they don't care whether these decisions are popular or unpopular. They make a decision; they stick to it despite any supporter dissatisfaction. That's their model, ours is different. Fan opinion and feedback is important to us and helps us and is important in our decision-making process.

We are a fan owned club and what our fans think, the feelings of our fans, are vital to us.

**A number of supporters think that the 'community' aspect of club ownership should be reflected in policy [e.g. living wage; use of local firms first; more social responsibility; more use of volunteers]. Are these matters that are being considered by yourself and the board, or is it something on the agenda for the future?**

That's not a policy decision for me but for the Board. All I can do is explain to them the cost. For example if we were getting quotes for a specific piece of work and it was, let's say £50,000 in the general marketplace, but we had a quote from a local company which could do it for £75,000 then being honest if the company was in Newcastle and it was going to save the club £25,000, we'd get the company in Newcastle to do the job. So until I'm advised otherwise by the Board that would always be the case.

But I do have a bit of flexibility where the price is pretty similar, and in that case I would always use the local company. That makes perfect sense to me. My job is to get the best price, but I'll always try to use local companies if and when possible.

Volunteers are great, and when they've been called upon here they've done a fantastic job. But the volunteer aspect works best in short phases for a specific role. Like the pitch covers, as an example. If we have bad weather and the pitch covers are on we will put out a call for volunteers it works well. The community spirit kicks in and it all works. There is a problem when it's people with trades who also have to go off and earn money elsewhere. It is very difficult to manage the ad hoc nature of that. We need to know when it's going to be done, how long it will take and so on. So volunteering works in certain instances, but not in all cases.

One of the questions I get regularly asked is how come 'x' club with 3,500 fans have the same [level of] team as us on a 15,000 gate. It is a good question. First and foremost fans need to realise we are operating the club on a 'break even' budget. That means there is no individual or individuals who, at the end of the financial year are able to cover the operating losses of the club. We also have a strong commitment to ensure that we cover as many community obligations as we can. Some of these activities also have a cost attached but, as Chief Exec, I think it is important we make that commitment. However, that does direct money away from the playing budget. By and large I think we have the balance right.

In regards to the question of a Community Club, as a club I think it's fair to say we have yet to fully define what a 'community club' is all about at Portsmouth. All I can say is that we've got to balance our competitive edge in League 2 and even League 1, which comes from our fan base, and manifesting that into a competitive budget on the pitch. Community-wise we do a huge amount. We're lucky in that we've got Clare Martin at Pompey in the Community, which is recognised as being one of the best operations of its type in the country. We try to give as much help and support as we can, but we can't always be all things to all people.

It's a fine line because ultimately we are a football club. That's what we do – our product is what we put on the pitch on a Saturday. Everything we do must be geared towards that without taking away from our community responsibility.

As a club we pay the minimum wage in accordance with current employment law. When it comes to living wage, which is currently not law, if we were to pay that, we would begin to dissipate our competitive edge. We have a large number of casual and part-time staff, especially on a match-day with our large crowds. All I can do is explain to the Board the costs of doing this, and it would need the Board to then decide how the additional costs involved would impact on our overall budget, including our playing budget.

**What do you say to those who demand that a community club should be open, honest and transparent? And are there ways in which the club can be more 'transparent' in the future?**

Naturally I believe we should be open, honest and transparent within the realms of functioning as a functioning football business. So where do you draw the line? If, as an example, as a fan I want to know what, say, Gareth Evans is earning a week, if he knows we are going to publish his salary he might not sign for us. On top of that, if the rest of football knows what we are paying our players individually, they have an advantage. They might look at a player we've got in our squad and say, "Ooh, look they're only paying him £x a week. We could pay him £x+500. Then they talk to his agent, and you can imagine what might happen as a result. That's a simple example of why you can't always be as 'transparent' as many would wish.

We could publish every transfer fee, but to do that you have to have a deal with either the selling or buying club. We're not going to let a deal fall through on the basis of them saying "if you publish it there's no deal". Supporters will understand that if it's known that the selling club got £x amount for a player, when they approach another club for a player, the other club will know how much they have available and alter the price accordingly.

We have a similar issue with sponsors. Many of them do not want us to publish the details of the deal. We have to respect that. Get the best deal we think we can, of course, but respect the sponsor's wishes in what can or cannot be disclosed.

That said, I think the club does put a lot of information into the public domain and we are always responsive to questions from fans. As the principal shareholder, the PST holds regular forums, where shareholders and members can hold the executive to account. That is a good thing.

**Was the decision to use some of the Tesco money on what might be considered 'maintenance' a difficult one? Was there an alternative [i.e. diluting the Trust %age by HNW funding]?**

The Tesco money was ring-fenced by Portsmouth City Council. This money is held in an Escrow account that we do not control. PCC control what we can spend it on, because they had been concerned for a number of years about the decay of Fratton Park's infrastructure. What one person might deem as maintenance, another might deem as improvement, another essential works.

For example, consider the toilets. Yes, we could have carried on with the toilets in certain areas of the stadium where it's a wall painted black, which people urinate against, but they stank and were in the Family Section! There's no hot water - it's disgraceful for a club in the 21st Century to have facilities like that.

It needs to be made clear. The money was never specifically for a 'new stand', or to be put towards a potential new stadium, it was for the club to invest in the infrastructure and improve safety and security of supporters at Fratton Park.

**Just to clarify, then. You say PCC is involved in the use of that money. There would appear to be a general understanding amongst fans that as part of the deal with Stuart Robinson and the Tesco development, Stuart gave the club a sum of money which was then ring-fenced by the club for infrastructure improvements. That is not the case?**

The land behind the Fratton End was not the club's when the deal was being done, so we had no legal issue or interest in it, zero. The deal was, and it was negotiated well by the people involved in saving the club, that as a planning condition of building Tesco the developer would deposit a specified amount into a fund which was to be part-administered by the Council for improvements at Fratton Park. So it was never a case of Tesco or Stuart giving us the money. It was a condition made by the Council. We have to approach the Council to use that money for any work undertaken as part of the agreement.

This money was never specifically for a new stand or a new stadium. The sum involved is a small percentage of what a new North Stand might cost [around £15 – £20m+] let alone a new stadium. It might just have paid for the planning process!

I know fans are concerned about a new stand or a new stadium, and so am I, but there was essential work that needed to be done for us just to function on a match day and improve neglected facilities, or we might not have a stadium at all to play at, we must fulfill the obligations of our safety certificate. Now, we've got two options. You can take that out of the business - we could, we're financially doing well - but ultimately that will have a massive impact on the playing budget. Instead of producing a top end League 2 budget and attracting players such as Kyle Bennett and Gary Roberts, we end up with a mid-table one. The other option is you use the pot of money – subject to approval from the Council – which was specifically set aside for that purpose, and that's the route the Board has decided to go down.

**Have PCC given any indication that they might wish to be further involved in the development of the club [favourable loans etc.]?**

We've been a community owned club now for two years. For two years we've owned a house we inherited that had been allowed to deteriorate and in areas become dilapidated. We're now close to completing some long overdue essential repairs. We've now got the shell of a club rebuilt with solid foundations. The Chairman has recently publicly started the debate about our future ambitions and decisions over either redevelopment at Fratton Park, or a new site, are firmly on the agenda. I believe personally that we are at the stage where we need to decide on the best plan for the future. If you think of it in house terms we're in a terraced house, hemmed in on two sides, but at least it's getting to a stage where it is safe and habitable. However, do we rebuild our new house in this street, or do we look for land elsewhere and build a big new detached house with all mod cons?

I have read with interest the views of Mike Saunders, an architect who is also on the PST Board, and the plans he has produced. All of these views, opinions and ideas will I am sure form part of the wider debate on the future of our 'home'.

It's not something we can make a decision on overnight, or even in the next six to 12 months necessarily, but we need to start focusing our mind and open that debate. Once we make a decision and everything then focuses on that decision, rather than speculation about anything else. For instance, there's no point in building a new North Stand if the ultimate decision is to move away from Fratton Park.

In the end the question is: do we build on the existing footprint or move elsewhere. Every other decision after that cascades down from there. It's the initial key decision to be made.

We need to involve fans, the PST and Presidents in that debate and look at all options before we make it. People are always telling me that the club's been trying to find a site in the Portsmouth area for almost 50 years and failed. I personally think it's worth exploring again. It's such a big decision that every avenue needs to at least be explored.

There is no right or wrong with this decision, just different opinions. Looking at creating a sustainable business and football club we need as many seats, as many corporate facilities, and with as many additional revenue income streams as possible to give us the best chance to compete in the Championship at least. Putting my traditionalist hat on, I understand the desire to stay at Fratton Park, but putting my commercial hat on to a degree we are always going to be limited. I am as split as I anticipate many fans will be, that's why it's important, in my opinion, to attain all the facts and figures possible so that we can make a truly informed final decision.

To answer your original question would PCC support? I am sure if we went to them with a sustainable business model they would do all they can to assist.

**With the potential financing of any new development or stadium, do you see it being achievable with the ownership model we have now?**

It may be possible, but for the PST to remain as a 40% plus shareholder they would potentially need to raise many tens of millions of pounds to match any external revenue that needed to be raised.

As an alternative, I believe that we could potentially do it as two separate businesses. The ownership and running of the club would remain the same, but the development could be funded by various different revenue sources, as we've seen at Hampshire Cricket Club for example. The overall ownership of the football club could remain the same, and there isn't really any necessity to dilute the Trust ownership because development costs/income would be separate from the running of the core football business itself.

As an example there could be private equity with regards to a hotel and retail development, you could have debentures or bonds to help fund a stadium and there may be pots of grant money we can access if it is part of an urban regeneration project. At this stage people are literally floating initial ideas, nothing ruled either in or out, it's a blank canvas. I want to stress that these are just my own personal thoughts and that we have plenty of people associated with the club on all three boards and at all levels that have far more expertise than me in this area!

Someone had to put their head above the parapet and start this process and fair play to Iain for doing it. Iain will bring strong leadership to this debate and until a structure has been put in place everything else is and will remain speculation including me speaking to you now!

**We've spoken about firefighting, and that there's been plenty of it going on at the club over the past two years. But going forward from here, especially with regard to redeveloping or building a new stadium. Is there, or are there plans to develop a business plan which could shape the direction of the whole Pompey family [PCFC, the Trust, PitC] and if so when might that start to be developed?**

Football is a very difficult business to plan for because in two years' time, as an example, we could still be in League 2, or we could be in the Championship. In a detailed sense you can only ever plan for your current financial year or season, and then for the next, given that there may be different scenarios.

We know with a degree of certainty what we can deliver in regards of a playing budget in all four divisions, so the plan would adjust to that budget depending on what division we may find ourselves in the following season.

I can tell you that in League 2, providing our fan base holds up, we will always have a very competitive budget. In League 1 it may not be quite as competitive, but it will still be there or thereabouts. Our issues will arise if and when we get to the Championship.

In our current mode, we would likely be amongst the lower budgets in the Championship, and in the last few years the tendency has been that clubs with the lower budgets in that league get relegated. In that scenario we would always struggle because you're up against parachute payment clubs and others where the owners have put in vast sums of money and are prepared to lose £10 -25m a year in pursuit of attaining Premiership status. Our model simply isn't based on losing money. So if we want to compete at the top of the Championship, budget wise, something's got to fund that shortfall.

Iain has raised this issue and he is 100% correct. He doesn't want us to go through all the work of getting back to the Championship, only to become perennial strugglers.

There's no way around that, no way to dress it up, it's just one of those things. You can't be reliant on a player sale because that's a huge gamble. If you don't make a player sale and you've already committed the expected money to the player budget for that season, then you're heading back towards financial collapse, and I am sure we never want to get to that situation again.

So we can plan two, maybe three years ahead financially. We know that and it's not an issue. What we can in the longer-term plan for, and what the Board are looking at now, is a strategy for the evolution of community ownership. What does that mean? In short, how do we attract further investment in the future so that when we hopefully do get to the Championship it can be funded to make Pompey once again an aspiring Premier League club. How would that affect Presidents, shareholders, PST Shareholders? Do they accept the fact that more money might have to come in and their investment might be diluted? These are big questions that need to be discussed. We have got, perhaps a couple of years' grace, but we need to start that work now and I am sure that the Board is already looking at it.

**So I guess that this is where a business plan might be quite useful, isn't it? It seems at least a plan of action is needed to consider how to consult and get the opinions of stakeholders.**

Yes, absolutely. The thing is that it's a sensitive subject. When the Trust's share dropped below 50% they got very nervous about it. In my view there was no need, it was always just about figures, not influence. As long as the Trust retain 25% they can veto pretty much anything they would want to of significant importance. So the figure from 25 – 50% was always a bit of a diversion. It would be if the Trust's shareholding gets close to 25% that there would have to be big decisions made.

As a community club, the share offer could re-open again, but then the Presidents, rightly so in my opinion, would be just as entitled as the Trust to put more money in. That would shift the onus onto the Trust and fans to raise further capital and if they wanted to maintain the current level of ownership they would need to raise the funds to do so. It's important to remember that we only have one Board member who is not a born and bred Pompey fan, so you could argue that although not Trust owned, around 90% of our total share capital is owned by Pompey fans. I would further argue that the only non 'born and bred' Pompey Board member is as passionate, if not more, than the other Board members are! He is a Scouser and I think we are realizing the passion and commitment they show towards Pompey!

Another reason I don't get hung up on the relative Trust v Presidents investment percentage is because many of the Presidents are 'closer' to the Trust than people may think, that is to say they



are more aligned to the community/Trust ethos. It's not and never has been a case of 'them and us'.

Hypothetically, and I need to stress that this is just a 'for example scenario', we could see a President who has sold his business and says: "I want to fund the club not only to get us into the Championship, but I also want to fund us while when we get there". He's could well be a Pompey fan – would we turn that down? Likewise, would we turn down a Pompey fan that won the Euro millions and wanted to put in say £80m to rebuild the stadium and invest in getting us to the Championship and beyond?

Of course, you put the mechanisms in place to ensure that someone can put funding in but can never gain overall control of the football club – a 'Golden Share' model such as they have at Brentford I believe. There's loads of different ways we can structure it and that debate is an important one to have now that we can finally concentrate on moving the club forward in the future.

**As the largest shareholder do you think the Trust has enough of a role to play in the running of the club? The Trust has three people on the board. Do they come to the board with a Trust agenda to put to it?**

The second a Trust Board member becomes a Director their responsibility has to be to the football club, in line with the rules relating to being a Company Director. Obviously the Trust representatives on the football club Board will be always mindful of the wishes of the Trust Board and its members, but their obligation is to take decisions in the best interests of the football club. Ultimately, that is the role of the football club Board, not the PST Board.

Of course they bring forward numerous suggestions from the Trust, and the Board as a whole consider them carefully on a case-by-case basis. If the Board agrees that it's in the best interests of the football club, then there's no issue, it would only become an issue when there was a direct mandate from the Trust that could adversely affect the club, and to date, from memory, this situation has never arisen.

I cannot heap enough praise on the representatives of all three entities, PST, Presidents and main Board. It's remarkable what they have achieved, and the pragmatic, progressive way in which they look at each and every strategic decision taken. They have built strong foundations and have put the club in an amazing position to now move forward over the coming years.

***Mark Catlin was talking to Kim Richardson***