

## Non-League return on investment

"Sack the board, sack the board!"

We've all heard it in football stadiums, radio shows and social media forums up and down the country. Yet it is one of the most ludicrous statements football fans fall back on when things aren't going in the right direction on and frequently, off the pitch. Technically, nobody but the board themselves can sack the board and there's very little chance of that happening.

All football fans, irrespective of the level their club plays at, have felt anger and frustration at times about the performance of the club on and off the pitch. It only takes a poor performance on a Saturday afternoon and a few pints later in the evening for some of the loyalist fans to take to Social Media to vent their feelings about those running the club.

There are currently 383 clubs from the Premier League down to Step 4 of the National Game. At a guess less than ten percent actually make a profit every year, which means the vast majority will be financially supported by one or two individuals. These people tend to be directors and will be doing so on the most part because they love the club they are involved with. Of course, there will be some exceptions to this where the owners intentions are hidden, dare I say nefarious, but on the whole, football clubs exist because of illogical economic reasoning.

There are some businesses up and down the country that run at a loss but are supported by a labour of love. Some independent book stores in quaint town centres, where browsers of the books are plentiful but actual customer numbers are dwindling. Ever increasing rents, utilities and staff costs do not make up the shortfall on falling revenues and so they survive because of the loyalty of the owner. Many football clubs are the same.

For the vast majority of clubs, especially those in the Non-Leagues, volunteers fill almost every position. Volunteers who put their hands in their pocket to cover a bill, pay for some kit, replace essentials in the ground or simply ensure that players are paid on a weekly basis. Only a small proportion of fans really know or understand this, so to hear the dissent from the terraces often hurts. Many of them are only still doing the same thing that they always have because there is nobody else stepping forward and the alternative is no football club at all. Fans may want change out of frustration but often it is better the devil you know and unless there is a solid plan to replace the resources, fans may not really want to "sack the board".

Obviously, in the professional game, few directors feel they are obliged to continue in their roles out of a sake of duty. Three years ago in protests reach an all-time high (or is it a low?) at the "London" Stadium as West Ham United capitulated to Burnley. The events during the game, including three separate pitch invasions and the baying mob directing their anger at the Director's Box, were not spontaneous acts. Whilst many media outlets and respected journalists will tell you this was nearly two years in the making, the problems have been brewing at West Ham for over five years and despite changes in managers and high profile

signings, the movement behind the GSBOUT (David Gold, David Sullivan and Karren Brady, West Ham's majority shareholders) continues to grow.

But why would they, or any other owner of a Premier League club leave? They are sitting on an investment that continues to grow in value despite poor performances on the pitch. If they were to leave, pressured out by the protests, would the fans really be happy in the knowledge that the owners would walk away with a huge return on their investment, estimated to be in excess of £50m in the decade they have owned the club? Whilst nearly a decade ago the number of investors in the cash-strapped football club could be counted on one hand, the footballing world, well in England at least, has changed beyond all recognition. One look at Deloitte's Football Rich List, last published in February 2020, showed West Ham as the 18th richest club IN THE WORLD with a worth of €216. They are the highest ranked club to be in the list who have never played Champions League football - that is an incredible achievement yet one of the core issues of the protesters is the lack of investment in the team.

There's no doubt that if the club was put up for sale today, there would be a queue of potential investors stretching from the Olympic Park back to Upton Park. There's certainly been no shortage of rumours about potential investors, including a rumoured £400m bid just last month from a group of US investors.

Down in the Non-Leagues the situation is a bit different. Every summer we hear of another club being taken over by someone with money. "The plan is to be playing in the Football League within five years" or the like is a phrase we have all heard so many times. Only a very small number of clubs have managed that journey - Forest Green Rovers, Fleetwood Town and Salford City are notable exceptions to a rule that nearly always ends in tears.

Since I have become involved with Lewes I remember conversations with a number of visiting chairmen who were sure their financial clout was all that was needed to see them rise up the leagues - "our approach is different" they would say and then try to impress me with facts and figures on their latest former Football League pedigree. There's one team playing today in the Isthmian Premier League whose chairman told me six years ago that his aim was "seven successive promotions". Pointing out that he only needed six to reach the Premier League, he then claimed to be wealthy enough for his side to take their place in the as-yet (but will happen) formed European Super League.

The community, or in Germany 50+1 rule, does give power to the fans, and does allow them to "sack the board" in instances. Our model at Lewes FC means that anyone can sign up to be a owner and that one share not only means that the fans can vote (or not) for the board of directors, and stand themselves at the annual elections.

In the ideal world fan power would carry more weight in the governance of the game but with the current moves by the professional game and more importantly, the Premier League to create a financial model that suits them, the potential for fans to have a say on how their clubs are run is rapidly disappearing. At the top end football clubs are no longer viewed as "nice to have's" but serious investment vehicles for wealthy individuals and global

organisations. At the grass roots end, where investment comes in the form of time more so than money, there is no such thing as a return on time, resources or finance.

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