



SUBMISSION FROM
TOTTENHAM HOTSPUR SUPPORTERS' TRUST
TO DCMS FAN-LED REVIEW INTO FOOTBALL

JULY 2021



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EXECUTIVE SUMMARY

This submission sets out a clear set of proposals for improving the governance structure at large Premier League football clubs, with particular reference to Tottenham Hotspur. The focus is on improving the influence of supporters at board level.

It describes the current relationship between fans and the Club and the role played by the Tottenham Hotspur Supporters' Trust. It takes into account issues faced throughout the game, and it suggests a number of solutions.

The scale of the current problem at our Club is illustrated by the results of the latest comprehensive survey carried out by the Trust. With approximately 8,500 responses, it is the largest independent survey of Spurs supporter opinion and it is the seventh annual survey we've conducted. This year, in answer to the question of whether they were confident in the Club's owners' long-term strategy, 76% or more fans in the categories of UK-based fan, overseas fan, season ticket holder or club member said they had little or no confidence.

We believe the key flaw in the current relationship is that supporter consultation relies solely on the goodwill of the current owners of the Club. Our relationship with THFC has been described as one of the better arrangements between club and fans, and we acknowledge where it has worked. But we also clearly set out the limitations of the present set-up.

This submission suggests putting a two-tier board structure in place, and using a combination of independent non-executive directors and a fan director – with the same powers as other board members – to improve the function of and confidence in the governance of the Club.

We suggest how the roles of INEDs and the fan director should be set out, what the responsibilities of these roles could be, and how people to take on the roles could be selected.

Concerns about directors' duties and liabilities, and about ensuring any new governance structure has the confidence of the wider supporter base, are addressed directly. We draw on current business thinking and legislation to suggest solutions that, where possible, evolve rather than revolutionise current arrangements. But we do not shy away from suggesting significant change where it is needed.

We also introduce and address key issues around a board duty of custodianship and fan equity ownership.

The unique role of Supporters' Trusts is explained, and we articulate what it is supporters seek to influence.

We conclude by sharing the proposals we have put forward to THFC in response to the Club's initial proposals for improving fan engagement.

There are three appendices attached to this submission. The first is a copy of the letter and proposal we have sent to the Club. The second is an explanation and illustration of the Club's current ownership structure. The third is information

about the way THST has attempted to turn a volatile and negative situation at our Club into an aspirational and practical campaign – illustrating the role well-organised trusts can play in promoting constructive solutions.

We thank Tracey Crouch and the panel for the time they have put in to this much-needed review, and for the way they have structured it to ensure that supporter views are given a fair hearing alongside other voices in the game. We believe the current review process provides a once-in-a-lifetime opportunity to embed the kind of change needed to ensure the game we all love can thrive.

1 ABOUT THST

- 1.1 The Tottenham Hotspur Supporters' Trust was formed in 2001 when a number of existing independent Spurs supporters' organisations agreed to merge and form a Trust after the establishment of Supporters' Direct. The formation of the Trust came as ENIC took control of the Club from Alan Sugar. During his time in charge, Sugar had refused to meet fan representatives, and ENIC indicated it would be willing to speak to supporters about matters of concern.
- 1.2 In 2013, the Trust had to reset the relationship as supporters had lost confidence in it. Meetings between the Trust and Club were infrequent, and reports of meetings would often appear months after they had taken place, if at all. The Club's wide interpretation of commercial confidentiality was a major obstacle to agreeing reports. Trust membership was low, and channels of communication underutilised.
- 1.3 The Trust-instigated reset put regular meetings with the Club Board and Chairman at the heart of its approach. An agreement was reached for regular meetings with the Club that would be reported within 72 hours of taking place. A minimum of three board-to-board meetings a year were agreed to be held each year after a Premier League recommendation, stemming from a previous government inquiry, that a process of structured dialogue should take place between clubs and fan organisations.
- 1.4 The Trust also developed new branding and a new communications plan. Social media channels, particularly Twitter, were used to communicate Trust work, and the Trust also affiliated to national fan organisations the Football Supporters' Federation and Supporters' Direct and European fan organisation Football Supporters Europe for the first time.
- 1.5 THST now represents over 25,000 members and has a social media following of over 60,000. It is firmly established as the go-to organisation for supporter comment on off-field matters and is one of the most active supporter organisations in England. It publishes a monthly newsletter detailing its work which is sent direct to members and retained on its website as a record and explanation of its activities.

- 1.6** THST is one of the few fan groups to be represented on its local authority safety advisory group and participates in the Metropolitan Police Independent Advisory Group. Its co-chair Katrina Law is one of the three Premier League network reps for the Football Supporters' Association, and she was only the second fan, and first female fan, to sit on FA Council as a fan rep.
- 1.7** The Trust deals with a large amount of casework for individual fans, largely around ticketing, stewarding and safety matters. It discusses ticketing and matchday operations regularly with THFC. It has worked on local and national campaigns around ticket pricing, ticket allocation, safe standing, broadcasting and kick-off times, travel and catering. It has met regularly with the Premier League, Sky TV, and the FA and was recently part of a delegation to meet directly with UEFA – another first as UEFA has traditionally declined to deal directly with club-based groups.
- 1.8** For eight years, the Trust has conducted a survey of fans that is now established as the largest independent survey of supporter opinion at the Club. The latest survey was answered by approximately 8,500 people. Subjects covered include ticketing, stewarding, matchday experience, ground atmosphere, club governance, on-field performance, national football issues and the performance of the Trust itself. The size of response over a prolonged period provides the Trust with a vital picture of fan opinion and helps inform policy decisions. Results are also shared with the Club, but it has never been clear what conclusions the Club draws from the data it receives.
- 1.9** The Trust is involved in a number of charity and community initiatives, most prominently an annual cycle ride for Prostate Cancer UK in which it provides one of the largest teams of cyclists and has raised £137,000 in five years. It also supports a local mental health rehabilitation project, Studio 306 Collective, and the work of Tottenham and Enfield Foodbanks.
- 1.10** THST is the only formally constituted independent fan organisation at Spurs. It works with SpursAbility, the Proud Lilywhites and various geographically-based official supporters clubs where it can, and also with fan podcasts and media and grassroots atmosphere initiatives. It regularly puts the press in touch with individual fans when comment on on-field matters is sought.
- 2.2** Those day-to-day working relationships have proved extremely useful when the individuals concerned are allowed to deal with practical detail, and on a number of occasions working conversations have led to practical improvements.
- 2.3** However, it has become increasingly clear that the relationship is based on goodwill, rather than an agreed framework, and this has presented us with serious challenges. On a number of occasions, senior club officials have unilaterally withdrawn from conversations and closed down discussions, and it is not unusual for day-to-day contact with our regular contacts to go cold after disagreement with senior executives. It is frequently a battle to get reports of board-to-board meetings approved without the record being heavily redacted or changed so that what is suggested doesn't reflect the conversation. It's clear that input into strategic decision-making is not something the Club thinks is appropriate for a Trust to have, and we have frequently had our representative status questioned by the Club. The Club's latest proposals to create an advisory panel with little to no power and which dilutes the Trust's role do not show a commitment to genuine partnership.
- 2.4** One of the challenges we face is in convincing supporters of the value of dialogue. We've frequently been accused of being "too close to the Club" – a charge familiar to many organisations taking a pragmatic approach in a situation where there is a significant power imbalance. The fine line we have to walk is made more difficult when the Club appears to demonstrate a lack of commitment to genuinely taking fan opinion on board.
- 2.5** At times we have acted as the customer service arm of the Club, answering questions on issues around ticketing and the matchday experience that should be dealt with by full-time staff, not unpaid volunteers. We took the decision to stop doing this as it often meant we were the lightning conductor for unpopular decisions, and messengers can only be shot so many times. This didn't stop the Club quoting our support for a ticketing policy that had the potential to be unpopular with sections of the Club's support – a rare departure of acknowledging our work in public.
- 2.6** The Club has often said it sees the Trust as "a useful sounding board". This underlines the problem, because sounding boards have no power. And when the Club Board can decide to ignore the sounds it does not like or want to hear, the problem is made worse. To just address the catalyst for the latest discussion about reform, the European Super League – the Trust warned the Club on numerous occasions that the idea would not be popular with fans. The Club repeatedly told the Trust that it was not engaged in any discussions about a European Super League. We now know that assurance was false. In the event, the idea proved even less popular than we predicted.

2 RELATIONSHIP WITH THFC

- 2.1** The Trust's relationship with the Club has been held up as one of the better relationships between a Club and a supporter group. It is true that meetings are more regular than at many other clubs, that the Club Chairman attends, and that there is direct contact between the Trust co-chairs and Executive Board level. We have also built up productive working relationships with various key members of staff including the head of ticketing, stadium manager and safety staff, the SLO and various others involved in catering, safeguarding, community work and marketing.

2.7 Basing the relationship between fan groups and their clubs on the goodwill of club directors is clearly flawed. There needs to be a proper framework that balances power and responsibility, and addresses power imbalances without damaging the ability of the club to operate in a business environment. This needs to be part of a whole-game solution that addresses one of the major issues faced by any supporter group – the fact that in football no one is apparently responsible for things going wrong, only for when they go right. We have heard the line “it is not our decision to make” so often it is hard to identify who actually does make decisions.

2.8 We believe our experience at Tottenham Hotspur provides a case study of what is wrong with the goodwill-based approach. A decision with fundamental consequences for the very nature and future of the Club could be made without any prior information being given to fan representatives, let alone consultation. Here, we will address a number of practical challenges before setting out a rounded proposal for a framework that could be successful at our Club and beyond. This takes into account the unique challenges faced by supporter organisations when dealing with elite, global clubs.

3 THE ROLE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

- 3.1** We firmly believe the balance of club boards needs to change, to prevent single owners having so much influence. This would strengthen clubs as organisations and make them less vulnerable to the whim of individuals, reflecting the community roots and unique heritage of our football clubs.
- 3.2** Independent NEDs could be given the legal responsibility to prioritise the interests of the club as a sporting institution above those of the shareholders where there is a clash, and to ensure the supporter view is properly considered. Section 172 of The Companies Act 2006 talks of INEDs acting in good faith in a way that “would be the most likely to promote the success of the company for the benefit of its members as a whole”. The Act, in Section 172 (2), also says: “Where or to the extent that the purposes of the company consist of or include purposes other than the benefit of its members, subsection (1) has effect as if the reference to promoting the success of the company for the benefit of its members were to achieving those purposes”.
- 3.3** Giving INEDs the type of powers outlined above would, therefore, not be a departure but a recognition of the direction of travel in much of the business world. And members of the review panel will be aware of discussions around changing Section 172 to make the primary duty of a director the long-term success of the company, rather than the short-term interests of the shareholders.

3.4 Of course, every director will say they are acting in the long-term interests of the company, but this assertion must be open to challenge and require some proof. Establishing the separation between ownership and management that a two-tier structure offers would also help promote confidence in the way the Club is run among supporters. The successful operation of INEDs is also a key factor in promoting the diversity and range of skills often missing in football clubs at senior levels.

3.5 Even without changes in legislation, responsibilities such as those outlined above could be made a requirement of participation in competition. But given the repeated failure of football to satisfactorily regulate itself, we would favour a legislative route that embeds the best of modern business thinking.

4 SELECTION OF INEDS

- 4.1** Defining independence is always a challenge, and one we know the review panel will be facing when it discusses a potential regulator for football. We have drawn on the UK Corporate Governance Code (UKCG) to attempt to define what independence should look like.
- 4.2** An independent NED would not be someone who:
- Has been an employee of the company within the last five years
 - Has in the last three years had a material business relationship with the company
 - Receives remuneration from the company (other than a director’s fee)
 - Has close family ties with any of the company’s advisers, directors or senior employees
 - Has links with directors through involvement in other companies or bodies
 - Represents a significant shareholder
 - Has served on the board more than nine years
- 4.3** The INED would, as a matter of course, need to be approved by the executive board. But the additional requirement that they should also be approved directly by supporters would help to ensure the kind of constructive consensus and confidence necessary to make the relationship work. This could, in our opinion, be best achieved by requiring the approval of a second board in a two-tier structure.

5 FAN DIRECTORS

- 5.1** The establishment of direct fan representation on the board alongside the INEDs is vital to complete the jigsaw. The Fan Director should be elected by and accountable to a supporter body and should be a full member of the main executive board with the same rights and responsibilities as all other directors.
- 5.2** We are particularly keen to ensure that the Fan Director is drawn from as wide a pool of candidates as possible, and we understand this presents challenges

when also ensuring that director meets the normal standards expected of company directors. We think the requirement to be endorsed by a recognised supporter body should be given appropriate weight when criteria for eligibility to meet the standards expected of a company director are considered. This could open up the potential pool of candidates while not diluting the requirements for directors to be fit and proper.

6 DIRECTORS' DUTIES

- 6.1** Concerns have been raised that having a Fan Director would expose that person to excessive responsibilities and risks. The suggestion has been made that it would be better to have a fan representative who is not a member of the board. We disagree.
- 6.2** We believe that it is imperative that the Fan Director is a full member of the board, with a full right to participate in all discussions and vote on all decisions. If the fan representative was not a full member of the Board, then discussions could take place on a European Super League (or similar) without the knowledge or involvement of the Fan Director. This would not address the fundamental failing which gave rise to this Review.
- 6.3** It is true that all board directors of a company have legal duties, and rightly so. We have discussed those duties above and suggested changes to them. Those duties apply to executive and non-executive directors and would also apply to a Fan Director. This imposes responsibilities, collective and individual, that are appropriate for the stewardship of an organisation which employs staff and has responsibilities to its stakeholders and the community.
- 6.4** This is not the same as saying that the Fan Director faces personal liability, putting her or his own assets at risk. Company directors are only personally liable for a company's failings in very limited circumstances – essentially where they have been party to activity which is criminal under company law or insolvency law. Prosecutions of directors and personal penalties are very rare. Directors who carry out their duties to the best of their abilities, have regard to their duties and take professional advice where appropriate have nothing to fear. Insurance is readily available covering any claims made against directors and officers of companies. The whole essence of company law is that liability rests with the company, not the individual officers.
- 6.5** It is correct, however, that a Fan Director is not a panacea. It is necessary but not sufficient. Merely appointing or electing one fan to the Board would not solve the underlying problems. That fan would be one voice in the boardroom and could be outvoted, or more likely would face considerable pressure to fall into line behind decisions.

- 6.6** That is why it is essential that the Fan Director is underpinned by the creation of a Supervisory Board. The Fan Director would be accountable to that Supervisory Board and would have the right and responsibility to report to that Supervisory Board. To re-emphasise the point, if the Fan Director could not discuss with the Supervisory Board any proposals for a European Super League (or similar), then the reforms would not resolve the fundamental issue.
- 6.7** The Supervisory Board would have the powers set out elsewhere in this submission.

7 BOARD DUTY OF CUSTODIANSHIP

- 7.1** We have set out the changes we believe are necessary to the balance of club boards, but we also believe that a fundamental change to the function of club boards themselves is required. We see the introduction of a specific duty of custodianship as vital. This duty should be made a requirement of all directors, and directors should be required to demonstrate an ongoing commitment to the principle of custodianship.
- 7.2** We'd define a custodian as someone who promotes the success of an entity or institution, and who manages that entity or institution for the benefit of all stakeholders and future generations.
- 7.3** When applied to football clubs, a duty of custodianship could require:
- Promotion of long-term, sustainable success over short-term profit
 - Protecting and building on club assets
 - Recognising supporters as stakeholders and ensuring they are fully and genuinely involved in club decision-making
 - Recognising the impact of decisions on the balance and future sustainability of the wider game

8 EQUITY

- 8.1** Opening up the opportunity of owning equity in the club they support is important to many fans, but at the top level of the game the size of the business presents some challenges to developing this course of action.
- 8.2** Any equity stake built up by fans is likely to be a small minority stake, and therefore administering such a scheme could involve much effort for little reward. If Trusts at the elite level of the game were required to administer equity ownership schemes, it could make it very difficult for them to perform other functions, and change the nature of the Trust itself.
- 8.3** We would also not want to see equity ownership become a requirement for supporters to have a voice in club governance. We see the option to own equity as an additional benefit for supporters to take advantage of, as a part of the process of rebalancing the ownership of the club, and as a way of generating funds.

8.4 Our proposal is for a specific commitment to establish and administer a fan share ownership scheme to be written into the responsibilities of the Executive Board, and for the right to own shares to be written into the Club's articles of association.

9 ROLE OF THE SUPPORTERS' TRUST

9.1 A supporters' trust is a formally constituted, democratic, independent organisation subject to regulation by the FCA. Its remit covers off-field affairs and it is required to be mindful of the best interests of the club it is attached to.

9.2 The definition of best interests can, of course, differ from the definition adopted by the club's directors – and this difference over definition is invariably the cause of tension between trusts and clubs. This is one of the many reasons we think governance reform is necessary.

9.3 Trusts play a unique role because they are required to take an overview of fan concerns, rather than promote a sectional interest.

9.4 For all these reasons, we believe trusts should be regarded as the primary representative body of fans, with guaranteed weighted representation in any board structure. Where no trust exists, the football regulator and the FSA should be empowered to establish one and be given the resources to do so

10 WHAT SUPPORTERS SEEK TO INFLUENCE

10.1 The argument most often used against supporter representation at board level is that it means fans would want to pick the team. No supporter organisation sees picking the team or choosing tactics as its prime role. Instead, supporters seek influence over the way their club is run in the longer term, and on issues that directly affect them such as ticket pricing, safety, catering etc.

10.2 As Jane Purdon, who once worked for the Premier League and is now Chief Executive of Women in Football, put it, governance is “how checks and balances are managed, and what we take into account when making decisions”. The point about what is taken into account when making decisions is key to answer the question raised about what the difference is between the kind of fan representation we are proposing and the often-repeated statement by those in positions of power in football that “we are all fans”. It is too often the views and interests of fans that are not taken into account when decisions are made, and the inclusion at board level of directors whose primary responsibility it is to represent the interests of fans would help to ensure that those interests are properly considered alongside the other considerations board members must take into account.

10.3 There is some area of overlap between a club's overall strategic approach and what happens on the pitch, but in our opinion the establishment of a governance structure that is fit for purpose would allow boards to address how that balance works.

10.4 We see a number of areas as being essential for supporters to have direct influence over. These are:

- Home ground and facilities (location and ownership)
- Club heritage - name, badge, colours, role in community
- Competition the club plays in
- Engagement with supporters
- Equality, diversity, safety and well-being
- Approving the Club's general strategic approach and business plan

10.5 This allows for influence over general direction while leaving the specific business decisions to the executives paid to make them. The key here is to establish a two-tier structure, which would prevent a situation in which the executive board could claim commercial confidentiality in order to avoid scrutiny of a decision. One of the key questions to be addressed when considering any governance reform is “would this have prevented club boards discussing a breakaway in secret?” If the answer is no, it is the wrong solution.

11 THE WAY FORWARD AT THFC

11.1 On the basis of the principles set out above, we are putting forward a set of proposals for adoption at THFC. Those proposals are attached as an appendix. We are aware that any final decision on governance reform rests with the Chair of this review. Our intention is to provide an example of what real change could look like, and to advance the discussion.

11.2 We're aware THFC has put forward some proposals of its own. We don't believe they deliver what fans want, or what the game needs. So we wanted to outline why before concluding.

12 THFC'S CURRENT PROPOSALS

12.1 On 11 May, and in the aftermath of the collapse of the plans for an ESL and the widespread criticism that brought, THFC announced plans for “fan representation on the board”. It said it had “learnt lessons” and had “reviewed fan engagement as a priority”.

12.2 The Club says it will “be liaising with key stakeholders and establishing a Club Advisory Panel, comprised of elected representatives from the different constituencies of our fanbase, inclusive and reflective of our fans' diversity. The Chair of this Panel will be appointed annually as a full Non-Executive of the Club Board. We believe this provides for authentic, genuine representation and will ensure fans are at the heart of Club decision-making, something we greatly welcome.”

12.3 It continued: “The selection criteria, mandate and constitution will be developed by independent advisors in consultation with fan groups to ensure it is truly representative of our supporter base. Further details will be released in due course. Going forward we shall constantly look to review and improve these new lines of consultation. We shall also fully support the government review into football governance.”

12.4 We do not believe these proposals deliver a system that will have the confidence of fans.

12.5 As we have detailed above, every improvement in communication between the Club and its fans over the last 20 years has come because fans pushed for it, or the game’s authorities directed the Club to take action. The fact that this latest apparent conversion to the cause of genuine representation at board level comes only after widespread criticism of the Club at best invites some doubts.

12.6 To address the detail of the Club’s proposal:

- The process of liaison is not defined
- Key stakeholders are not defined
- The Club Advisory Panel has no defined powers, and the nature and scope of the ‘advice’ it will be permitted to give is not defined
- The process of election to the CAP is not defined, and constituencies are not specified
- The Chair of the CAP is to be appointed, not elected, by persons unspecified – although subsequent conversations indicate the Club may be considering allowing the Panel to vote from a list of approved candidates

12.7 The detail is, we are told, to be decided by “independent advisors” – unspecified – “in consultation with fan groups” – again unspecified. Further details will be released “in due course”.

12.8 There is a commitment to make the appointed Chair of the CAP a full Non-Executive Director of the Club Board, but this comes nowhere near the kind of elected, independent representation that is required. Not separating the Fan Director role from the CAP Chair role could create real problems around the functioning of any two-tier system. And the pledge to “constantly look to review and improve” arrangements suggests to those of us with experience working with the current Board that it is retaining the right to change things it doesn’t like. The Club has said that the CAP would not have been informed of the ESL proposals or consulted on those proposals.

APPENDIX 1 – THST PROPOSAL TO THFC

Fan representation on the main THFC Board

We note and welcome the proposals for future fan engagement at Board level at THFC set out by the Club in its [statement of 11 May 2021](#) and, in particular, its stated desire for any future structure at our Club to set the standard for the game. We have taken the time to research the issues and consult with a number of our members who have expertise in the fields of corporate governance, business and law, and we wanted to set out how we think your initial ideas can be built upon for the benefit of all of us.

THST welcomes the commitment to introduce fan representation at Board level. However we believe the Club's initial proposals need refinement before they can be said to deliver genuine fan representation or set a benchmark. It is worth noting that the Club's proposal does not specify which Board this representation is to be on, and also that the current structure of governance at the Club may be required to change as a result of the Government's fan-led review. A mechanism would need to be introduced that required the main Board to approve decisions taken by any subsidiary companies.

When fans talk about representation at board level, they mean representation on a board that takes strategic decisions about the direction of the football club, and the ability to influence what is taken into account when making decisions. The current structure of THFC does not provide a clear picture of how various parts of the business are linked together, and we believe greater clarity in the structure and ownership of THFC is a prerequisite for any improved system of governance.

It is our belief that the football club, the stadium, the training ground, and commercial operations directly connected with the football club are the areas on which supporters seek to have a voice, and that one Executive Board – with independent NEDs and a Fan Director – should be responsible for decisions relating to those areas.

The question that must be asked in relation to any proposals is “would these changes have prevented club hierarchies from signing up in secret to a European Super League or similar initiative?”. We appreciate and understand that commercial confidentiality must apply to some conversations. Our proposal to establish a two-tier structure of a new Executive Board plus a Supervisory Board directly addresses this issue.

Members of both Boards would be subject to confidentiality in the necessary circumstances, but the requirement for the Executive Board to seek approval from the Supervisory Board for general principles would prevent a repeat of a situation in which the Executive Board pursued a course of action that is not backed by the fanbase. If Directors, including Fan Directors, are required to act in the best interests of the Club, they will not break confidences in a manner that would damage the Club, and if there are any transgressions there is ample provision under current company law to deal with offenders.

In addition, the inclusion of a Fan Director and two independent NEDs on the Executive Board, with legal responsibilities to prioritise the wider interests of supporters, would provide a further check and balance.

Having outlined some general principles, we will now clearly set out our detailed recommendations. We believe they build on your original proposals, and if adopted would embed robust fan representation at Tottenham Hotspur Football Club. The Government review will set the baseline for future fan engagement across the game, and so it's important to emphasise that we are aware any agreement will need to meet the standards that review sets down when it delivers its final recommendations in October.

Our hope is to agree, with you, an in-principle framework that can subsequently be put to Trust members for approval. This would then form the basis for any final implementation of a representative structure following the Government review.

Club Executive Board representation

Our suggestion is to reconstitute the current main Club Board to include the addition of three Non-Executive Directors, two independent and one nominated and elected by a fans' Supervisory Board (SB). We think the INEDs and Fan Director (FD) should be legally required to prioritise the long-term sustainable interests of the football club and its fans ahead of the shareholders in the event of a conflict. The INEDs and FD would have the same status as other members of the Board. We are also suggesting the Club's articles of association should be updated to recognise the main Executive Board as the sole authority on matters associated with the football club, the stadium, the training ground, and commercial operations directly connected with the football club.

Under this arrangement, our proposal is for the agreement of the SB to be required for any decisions on a number of nominated issues. We are suggesting that the following issues should come under this initial list, but that the Club Executive Board or Supervisory Board should have the right to add issues if a majority vote of both Boards decides to do so.

- Name of the Club
- Location of the Club stadium
- Club colours and crest
- Competitions the Club plays in
- Location of competitive home games
- Sale of physical tangible assets such as stadium or training ground
- Changes to the Club's articles of association or legal structure
- Dividend policy
- Strategic plan

The SB should also have the right to call an EGM or an AGM and to require full accounts to be laid before it.

We'd like to see the status and powers outlined above included in the Club's articles of association, in the section detailing powers of Directors, so that the status of INEDs

and the FD is established legally. The Club's articles of association should also be revised to include and formally underpin the specific right of supporters to prior consultation. The positions created should be subject to rolling fixed terms, staggered to ensure continuity of service.

On the subject of eligibility for nomination as a NED, we do not think members of the current Board of THFC or members of the Board of THST should be eligible for nomination.

Supervisory Board

The Club has proposed a Club Advisory Panel to operate alongside the Club Executive Board. We would like to see such a body given more than a merely advisory role. Our proposal is for the establishment of a Supervisory Board (SB) that operates in conjunction with the main Executive Board. The Supervisory Board's position would be enshrined in the Club's articles of association and would adhere to a contractual agreement specifying terms of reference, code of conduct for members and diversity of representation. The operation of the SB could be subject to review by the football regulator we hope the Government will establish as a result of the fan-led review.

We are sure you will agree that the composition of the SB should reflect the diversity of the fan base. Our suggestion is that diversity takes into account membership relationship to THFC (i.e. ticket status, membership of an Official Supporters' Club) and demographic group (i.e. gender, race, sexuality, disability). The SB should be of a manageable size, we advise no bigger than 11 strong, with THST taking three seats on the basis of being the largest independent group with the most fully-rounded, rather than sectional, remit. The SB would elect its own chair, and also separately elect the FD on the Club's main Executive Board from its membership. If no suitable candidate for FD can be found on the SB, the SB could invite nominations and conduct a selection process. Requiring the FD to have the endorsement of the SB in order to take up position would help to give the role legitimacy in the eyes of the wider fanbase.

We think SB decisions should require the endorsement of a majority of the SB, and that members of the SB should serve a fixed term. The majority consent of the SB should be required to endorse any decision made by the Club Executive Board on the agreed list of nominated issues.

We'd also like to see the Club's articles of association updated to formally and contractually recognise THST as the independent supporter organisation at the Club.

Equity

We are also proposing an equity access scheme to generate funds and to give fans a greater financial stake in the Club. The formal constitution of the Club's new governance structure would include a specific commitment to establish such a scheme, and to enshrine the right to share ownership for all supporters. We recognise you expressed doubts about such a scheme when we first discussed it, so one of the first tasks of the new structure could be to examine the viability of such a scheme.

Finally, as a gesture of good faith, we are asking the owners of THFC to make an explicit commitment to cover any costs arising from the creation of and withdrawal from the European Super League from their own funds, and to show clearly that Tottenham Hotspur Limited or any of its subsidiary companies have not been subject to any cost as a result of the creation of and withdrawal from the ESL.

We believe the proposals we have set out here give supporters real influence on the Club's decision-making process, balance rights and responsibilities, and can be implemented without restricting the Club's ability to operate effectively as a sporting institution or a business. They could set the standard for football – an aim we are sure we'd all support. The proposals put fans and football first, at the heart of something that is a sporting institution above all else.

We thank you for taking the time to consider our proposal. We're sure you'll have questions and we're happy to work collegiately with the Club to jointly develop a robust and advanced structure for fan representation at THFC. We have submitted these proposals in detail to you in the first instance, as we believe that is the right way to continue this discussion. We will shortly be sharing these proposals on our website, to promote the atmosphere of open discussion we believe fans want to see as we all attempt to move forward on this very important issue.

We look forward to your positive reply and further discussions.

APPENDIX 2 – THFC’S CURRENT GOVERNANCE STRUCTURE

Understanding the Ownership and Corporate Structure of Tottenham Hotspur

In the aftermath of the ill-fated ESL the governance of football has come under the spotlight, most notably through the Government’s Fan-Led Review of football governance, to which THST has already submitted evidence. As part of our work, we have conducted a review of the legal structure of the Club. Tottenham has a relatively complex set of arrangements (although comparable with those at Arsenal) and understanding how they work is important to inform discussions on future governance and ensuring fan influence.

Our work involved reviewing the financial statements (as at 30/06/2020) of the Club’s subsidiaries held at Companies House, supplemented by reference to planning applications to Haringey Council for the various property developments that the Club is pursuing. We believe we can now set out a reasonably accurate picture of the corporate structure of the Club in one place for the first time.

The review splits the structure into three parts: ownership, operations and property. We have referred to the sole financial statements of relevant subsidiary companies where this helps inform our analysis.

1. Ownership

The main holding company of the Club is **Tottenham Hotspur Limited (“THL”)**, incorporated in the UK with its registered address at Lilywhite House. The ownership structure is set out in Figure 1 below.

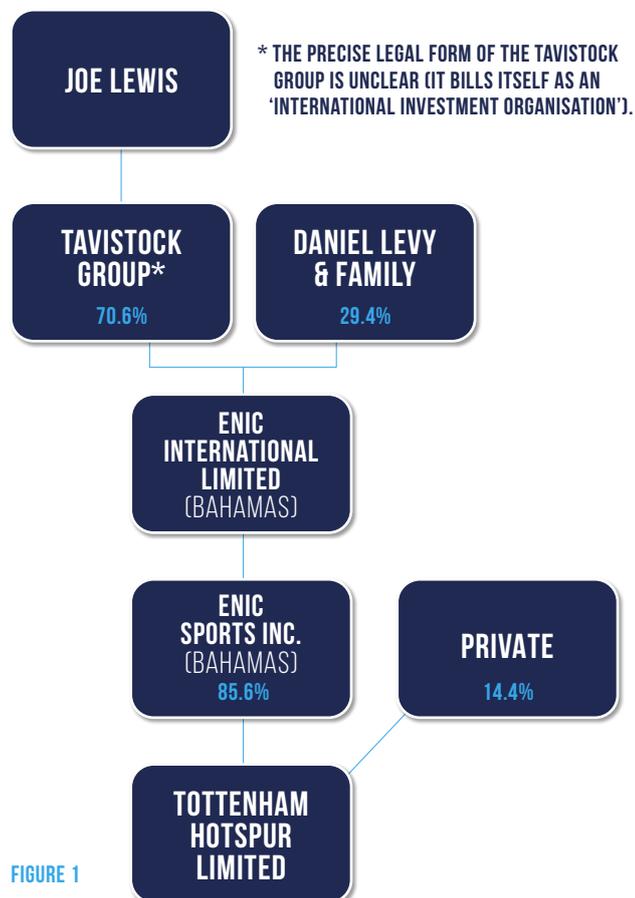


FIGURE 1

85.6% of the share capital of THL is owned by ENIC Sports Inc., which is in turn 100% owned by ENIC International Limited (“ENICIL”); both of these entities are incorporated in the Bahamas. 14.4% of THL is owned by private shareholders, most likely fans who took the opportunity to purchase shares when they were readily available through previous flotation on the London Stock Exchange.

ENICIL is in turn ultimately owned 70.6% by Joe Lewis and 29.4% by Daniel Levy although the mechanism by which these shares are held is not entirely clear. ENICIL is listed as part of the Tavistock Group, which appears to be the vehicle through which Joe Lewis manages his interests in a multiplicity of companies spanning property, hospitality, restaurants, energy retail, technology, agriculture and finance (**Portfolio - Tavistock Group**). The precise legal form of the Tavistock Group is unclear – it bills itself as an “international investment organisation” and does not publish financial statements. Joe Lewis is assumed to own 100% of Tavistock but there is some unverifiable online comment suggesting there may be a small number of minority interests.

According to the financial statements of THL, “Daniel Levy and certain members of his family are potential beneficiaries of discretionary trusts which ultimately own 29.41% of the share capital of ENICIL”. The rationale for such arrangements is not disclosed but the use of such trusts is common in inheritance tax planning. If these trusts work in the typical manner, then Daniel Levy and other beneficiaries do not have day-to-day control of these shares. Rather, this is left in the hands of appointed trustees to manage the assets in accordance with the trust arrangements.

2. Operations

There are four main operating subsidiaries underneath THL, of which the two making by far the largest contribution are **Tottenham Hotspur Football & Athletic Co. Limited (“THFACL”)** and **Tottenham Hotspur Stadium Limited (“THSL”)**. All but one of THL’s subsidiaries are incorporated in the UK.

THFACL is the original Tottenham Hotspur company, established many years ago, and is responsible for the majority of the Club’s revenue generation, contributing £292m of THL’s £392m revenues for the year ending 30th June 2020. THFACL earns income through competition prize money, TV money, sponsorships, NFL income, stadium tours and club memberships. THFACL owns the players’ registrations.

THSL owns and operates the stadium and contributed £96m in revenues in 2019-20. It earns income from ticket sales, corporate hospitality and, we presume, matchday food and drink sales. THSL is owned by an intermediate holding company, Tottenham Hotspur Stadium Development Limited (“THSDL”). The rationale for this additional layer is unclear. THSL also holds the majority of the Club’s debt.

There is a management agreement in place whereby THFACL provides a team to THSL to play at the stadium and similar arrangements are in place for use of the training ground.

The legal structure of the Club at this level is set out in Figure 2 below.

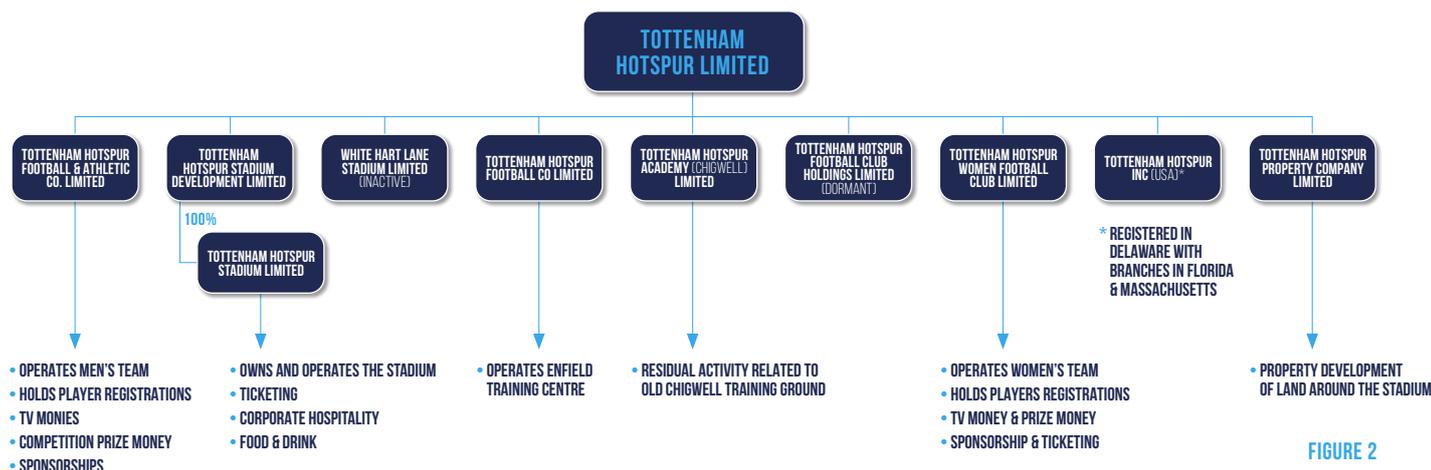


FIGURE 2

The other two operating subsidiaries are **Tottenham Hotspur Women Football Club Limited (“THWFCL”)** and **Tottenham Hotspur Football Co Limited (“THFCL”)**. THWFCL appears to operate in a similar manner to THFACL, albeit at a much smaller scale. It is currently heavily loss-making (or at least was as at 30/06/20). THFCL operates the Enfield training ground and makes it available to THFACL under a management agreement as well as renting it out to 3rd party users (it is reported that England have used it during the European Championships). It holds the Investec debt (£22m as at 30/06/20) used to finance the training ground’s construction.

Other subsidiaries make a minimal contribution to the group:

- White Hart Lane Stadium Limited** operated the old stadium and is consequently currently inactive. Financial statements for 30/06/20 have not been presented.
- Tottenham Hotspur Academy (Chigwell) Limited** owned and operated the old training ground. It retains certain residual assets but as at 30/06/20 generated zero revenues.
- Tottenham Hotspur Football Club Holdings Limited** is listed at Companies House as a dormant company. Its previous purpose, if any, is unknown.
- Tottenham Hotspur Inc (“THI”)**. is a recent acquisition and is incorporated in Delaware, USA with branches in Florida and Massachusetts. Financial statements are not readily available although it is clear from THI’s accounts that as at 30/06/20 it made a negligible contribution.
- Tottenham Hotspur Property Company Limited (“THPCL”)** owns the club’s property portfolio on and around the High Road via a number of subsidiaries (see opposite). Only one of these companies made a (very small) profit in 2019-20.

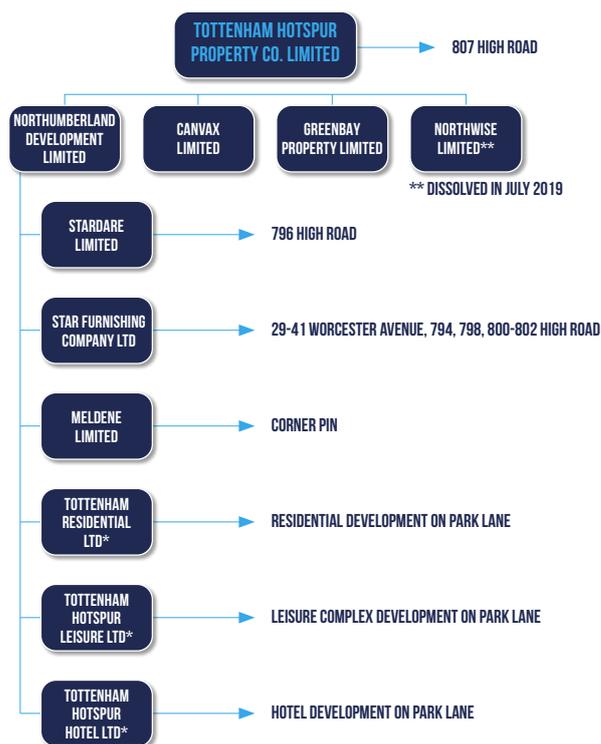
THFACL (and presumably some of the other subsidiaries too) pay a management fee to THL. Of the group’s 647 employees as at June 2020 the majority (526) were employed directly by THFACL. THWFCL accounted for a further 36 with the balance presumably employed directly by THL. Despite its revenue generating activity THSL had no one directly on its payroll.

3. Property

THPCL manages the Club’s property portfolio via a number of subsidiary companies. It does not own or operate assets in its own right. The structure of this arm of the group is set out in Figure 3.

Financial statements for these companies provide little detail of the assets under their management and we have resorted to other public sources, primarily Haringey Council’s planning portal, to obtain further detail. Figure 3 almost certainly does not set out the entirety of the Club’s property interests.

Of these companies, only **Star Furnishing Company Limited** and **Canvax Limited** generate revenues, and only the latter posts a profit (of just £74k). We would suspect that these two companies act as landlords and receive rental income from businesses and private tenants.



* NEW COMPANIES REGISTERED IN NOVEMBER 2020

FIGURE 3

Not all property developments may be channelled through THPCL. We are aware of two developments (798-808 High Road and 867-879 High Road) where the applicants are listed as THL and THFACL respectively.

There is also another company, **High Road West (Tottenham) Limited**, which is not ultimately owned by THL but directly by Joe Lewis (between 50-75%) and a certain Donovan Wijsmuller (between 25-50%). Daniel Levy and Matthew Collecott are listed as the sole directors. The company was registered in Oct 2019 but has no activity and is listed as dormant.

Conclusion

While the legal structure of the Club is relatively complex there is nothing in it that is necessarily unusual or untoward. Separation of assets and cash flows can aid transparency and facilitate external finance. But it is important when we talk about football governance to recognise that our Club comprises a number of separate legal entities.

Supporters are mostly concerned about the key assets of the Club – players, stadium, trademarks and the training ground. Ownership of such assets is often held at a subsidiary level and decisions concerning such assets (e.g. their sale) is taken by the boards of such companies. THL could sell the stadium for instance through the sale of its shares in THSDL but it cannot sell the stadium directly because it does not have legal title.

In practice, the Club is run as a unified entity. The Executive Board members of THL are, in various permutations, also the Board members of the subsidiary companies. The Club has offered fan representation on the Board (presumably of THL) but in designing a new governance structure it is necessary to ensure that new arrangements accommodate the legal complexity of the Club's corporate structure and that fan influence is not bypassed at the subsidiary level.

APPENDIX 3 – POSITIVE CAMPAIGNING

The end of the 2020/21 football season didn't rank as the best of times for the Club or its supporters. At the end of a difficult year, the Club missed out on qualifying for the top European competitions, a manager who had divided opinion was sacked, and the Club was left with no permanent manager in charge. Criticism of the Club's Board over on-pitch issues combined with outrage over the attempt to join a breakaway league, and there was concern about potential damage that could be done to the Club as a result of the decisions taken by its Board. All this combined with residual dissatisfaction about the Club's approach and treatment of supporters to fuel vociferous and aggressive calls for the Chairman and owners to leave the Club.

While we believed the Club's Directors should take responsibility for potentially damaging decisions, we resisted calls to campaign for a change of ownership. We did so because, with no prospective new owners on the horizon, this would have just been opposition for its own sake. We also knew there were sections of the Club's support who were less strident in their criticism of the Club hierarchy, and who were concerned at the way some of the criticism was being articulated.

We started to think of how we could harness fan feeling in a more positive way, and the announcement of a fan-led review into the way football and football clubs was run provided an opportunity to create an aspirational, positive mood for change. We launched Fans and Football First, basing it on a simple six-point response to the immediate crisis and signalling the beginning of our work to construct this submission. Making governance issues simple and interesting to understand is not the easiest of tasks, and so we tried to convey some basic principles.

The purpose was to build support for and confidence in the possibility of change, and to give the Club the opportunity to positively engage with that change while also showing the strength of supporter feeling. We enlisted the help of a number of fans who work in the advertising, marketing and communications industries, and the result was a powerful short film in which ordinary fans expressed what the Club meant to them, alongside a number of more high-profile supporters.

Details of who helped make the film, plus the film itself, can be seen on our website.

The film has been viewed over 250,000 times, and has been endorsed by a number of Spurs fans from the world of entertainment, sport and politics, including Hilary Benn MP, radio presenter Paul Hawksbee, musician Jah Wobble, cricketer Rikki Clarke, singer Antony Costa and former BBC correspondent Norman Smith.

It is an example of the talent within the fan base, of what a Club means to its fans, and of why change is so important. It also shows how a Trust puts its obligation to be a critical friend to the current custodians of the club it is constitutionally obliged to act in the best interests of into action.

Most of all, it allows us to conclude this submission with the voices of those who are too often not heard enough – the fans.

TOTTENHAM HOTSPUR SUPPORTERS' TRUST

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