



## Notes of the CFU meeting held on 8<sup>th</sup> March, 2018 at 7.30pm

### In the Blues Bar – Swansway Chester Stadium

The meeting was attended by 82CFU members and 50 on the streaming service.

1. **Welcome and apologies** – apologies were received from Mark Howell and Mark Jones.
2. **Notes of the last formal meeting held on 25<sup>th</sup> January, 2018** – Marion Needham said these had been published on the CFU website and any matters arising would be covered during the meeting.
3. **Chair's introduction** – Simon Olorenshaw said he had recently been nominated by the board to take on the role of chair and he was glad to be leading the board again and moving things forward. A lot of work had been undertaken over the last few weeks with the biggest issue being the level of funds raised from a variety of different sources. He referred to the issue of the new home kit for season 2018/2019 and some of the previous problems relating to supply. He said that it was necessary to make a quick decision because of the time constraints relating to supply and this meant it had not been possible to consult members on what was a limited choice – plain blue, plain white or blue and white stripes. The decision had been made to go for the blue and white stripes with blue shorts and a sample of the kit was shown to members. Noted that the kit would not be available until the end of April and not having a bespoke kit would make supply much easier.
4. **Portfolios** – SO said that the board had agreed to go for individual portfolios so that progress can be measured and it will be clear who is responsible for each area ; Directors present were introduced and gave an outline of their portfolio:
  - a. **Andrew Morris – People** this covered all aspects relating to staff and volunteers including development and human resources. In addition to current volunteers AM would be contacting those people who had indicated in the 'Black the Blues' survey who had expressed an interest in volunteering.
  - b. **David Williams – Fundraising** – this would include seals lottery, squad builder, events, raffles, charitable fundraising and loan notes.
  - c. **Laurence Kirby – Finance** – this will cover all areas of the business, a key issue will be the production of a budget for next year with input from directors; progress and performance against the budget will be regularly monitored and there will be some challenges next season
  - d. **Mike Day – Systems (IT)** – this includes liaison with Obsidian, also the technical side of media and the website, including photography. The CFU website is currently being upgraded and is likely to be launched within the next 10 days. The upgrade of the CFU database which is being undertaken in conjunction with Veda consulting will provide improved functionality from the data base and payments by direct debit will become available. MD said he was also part of the Football Working Group with a specific interest in the **Youth Academy** and he is also a member of the **Community Trust Board**.
  - e. **Mark Howell (not present) - Youth Academy and Systems (on line shop)**

- f. **Mark Jones (not present) - Governance** – this includes risk, policy review and safeguarding. The governance group are leading on the implementation of the General Data Protection Regulations (GDPR) – this relates to how personal data is managed and it will be necessary to be compliant by May 2018.
  - g. **Calvin Hughes – First team** – this includes working with the football manager and football secretary and issues relating to player contracts, recruitment, scouting and player recruitment.
  - h. **David Harrington-Wright – Commercial** – DHW emphasised the importance of looking after all sponsors and also the need to recruit new sponsors; Richard Lynes is also providing support in this area.
  - i. **Jeff Banks – Membership, Fan engagement and Community** – see item 6e for details relating to this area.
5. **Finance** – LK referred to the report given in January when cash flow was under severe pressure and said he could now report things looked much better with £200k in the bank and the latest projections showed a stress free three months. Outgoings remain at £80k per month and a payment of £43k is due to HMRC. Key income received since January includes the James Alabi transfer (£22.5k) and the balance of the transfer fee for Sam Hughes (£50k) with Leicester City being very helpful in progressing this matter. A big factor in the change is the support received from so many sources including the youth team game, bucket collections, all stars game, sponsored walk, race night , bucket collection at Wrexham and increase/renewals of CFU membership. In respect of overall income the shortfall of season tickets and pay at the gate on match days continued to have an impact as did the fact that no income had been secured from the proposed 100 club and a figure of £35k had been set for this. Marcus Bignot had been allowed to refresh the squad bringing new players in on the understanding that some players would move on, but this had not happened until recently. Next season the new board will need to set a budget and redefine the business model based on lower income projections and a more frugal playing budget which will be severely reduced from the current level.
6. **Working groups:**
- a. **Fundraising - SO** provided an update on behalf of Jonathan Kerr who was leading this group but was unfortunately ill. The new logo was displayed and income from key events highlighted (see finance item 5.) There will also be a series of auctions using EBay using a drip feed approach. The Blues on the march event will be held on 17<sup>th</sup> March, which is MBNA day and this sponsored walk will raise funds specifically for the Youth Academy. Future events include:
    - i. A race night on 24<sup>th</sup> March at the Red Lion with all proceeds to the club
    - ii. Golf day on 12<sup>th</sup> May at Walton Hall golf club
    - iii. Potential event – a Question of sport competition – trying to get teams together
    - iv. 70s/80s disco
    - v. Beer and wine festival
    - vi. Spiritualist evening
    - vii. Car boot sale

Seals lottery and scratch cards will continue to be promoted but help is needed to continue with fundraising, it's not possible to rely on the same people all the time.
  - b. **Football** – Calvin Hughes provided the update from this group which includes Mike Day, Mark Howell, Laurence Kirby, Bernard Concannon, Martin Williams and Steve

Jones – a group with a wealth of football experience. Going forward they will be looking at recruitment and scouting; the aim will be to recruit from the north west and scouting arrangements will also support recruitment to the Youth Academy. CH said he was in constant discussion with MB and recently the focus had been on moving players on. Work is underway now to look at pre season friendly games which will be attractive. A better salary structure is being considered which will be based on 1<sup>st</sup> and 2<sup>nd</sup> year professionals along with some younger players and a few experienced players. CH said that offer letters had been given to Ryan Astles, Tom Crawford and James Jones and this complied with the UEFA 60 day rule and their response is awaited. The intention was to have 44 week contracts, rather than 52 week contracts.

- c. **Commercial** – David Harrington-Wright said that a major review of ground boards is being undertaken, some boards need refreshing as they do not look attractive, they generate a large amount of revenue and this is a relatively cheap way to sponsor the club. A meeting had taken place to look at how the land around the club could be used more effectively and there had been a significant number of enquiries from a number of potential new sponsors. The first meeting of ‘The Pitch’ had taken place when 19 businesses that had no previous involvement with the club had attended and 23 businesses will be attending the next meeting. DHW said he would be disappointed if this initiative did not raise between £15k and £20k. Everyone was invited to suggest possible new sponsors so that further new income may be secured.
- d. **Strategy** – SO said the overall aim remains *‘to be a financially sustainable supporter owned, community focused football club playing at the highest level possible in the English pyramid.’* Based on this aim, a vision will be developed for the next 5 years; this will focus on 5 key elements that underpin how the club moves forward, these are:
  - i. Membership
  - ii. Community
  - iii. Organisation
  - iv. Football
  - v. Commercial

In the ‘Back the Blues’ survey a number of people who are not able to join the working group had indicated an interest in helping with the development of this strategy. The draft document that describes what comes under each of these headings is being circulated to them so that they can have an input before the document is finalised.

- e. **Membership, fan engagement and community** – Jeff Banks provided an update and said how membership had increased and the target was now to try and achieve a membership of 2018. Consideration is being given to tiered membership to include a new youth category and life membership. There is also a 1-1 challenge, for each member to try and recruit a new member and details of this will be published shortly. The board had agreed that anyone renewing membership or joining from January, 2018 should have membership to 31<sup>st</sup> May, 2019 and would not be expected to pay a further membership fee from 1st June, 2018. The board had also agreed to retain the membership fee at £12 for 2018/2019 but members could pay

more if they wish to. Over the next year there will be a consultation on the level of membership fee and what possible improved benefits could be introduced. It was also expected that the new arrangements to introduce direct debit payments possibly from 1<sup>st</sup> April would be helpful. It is planned to have a gazebo out before the next home game promoting membership. Prices for season tickets for next season have also been discussed and it is expected that a paper will be presented to the board at the next meeting; consideration has been given to prices for the national league and the national league north. The 'Back the Blues' survey had provided a lot of data relating the fan engagement and the working group will be analysing this over the next few weeks and a key issue will be to respond to offers of help. A link has already been established with students from the University of Chester who are keen to set up a Chester FC Society there and local pubs have also been contacted to try and get them more involved. In respect of general communications JB said that in response to criticism that members don't know everyone on the board, a lot more information will be provided by directors on a regular basis including progress on their portfolios.

7. **Governance** – SO said that Richard Lynes had agreed to take on the role of Non Executive Director on the board, in this role he will be able to challenge everything being done by the board. RL said that he had been the governance lead at the club for the last 5 years and had held a similar role with Iceland Frozen Foods. As a NED he does not have a vote on the board, but as the auditor, he can challenge decisions and ask why, what and how. This role will be a key part of ensuring that the board do and say the right things and that the board works in a way that there is transparency. He referred to the stress and pressures that directors face and the constant turnover of board members in the way that the board is constituted. Through the governance group work has been undertaken to try and improve processes and procedures, but RL said that he was as angry as any member that risk and contingency plans were not in place that would have ensured that matters had been reacted to earlier and members would have been aware of problems sooner. As a result of this SO had asked RL to undertake a review of what went wrong, this would not be a witch hunt but learning from mistakes.
8. **Q and A**

Question	Answer
Where does the Operations Board fit in.	Has control of the day to day running of the club, not working at present and will report to the CFU board who lead on strategy.
What do you get out of CFU membership.	Consultation will take place with members about possible benefits.
Noted there is no CEO in the structure.	Future roles still need to be considered and there is a need to take a long hard look at what is needed, it may be someone on the commercial side or someone to deal with day to day issues to support volunteers.

Question	Answer
Volunteers – what was the response to the survey.	About 750 responses, some incomplete, but about 500 split across a variety of areas, responses now being worked through and have been given to the working groups. Two events to be held for current and prospective volunteers, one in the day time and one in the evening. You can actually volunteer without being here, for example reviewing documents.
How many players are left on two year contracts and what will be the impact on the budget next season.	Kingsley James, Ross Hannah, Jordan Archer, Matty Waters, Craig Mahon; Paul Turnbull has now left and KJ is on loan to Barrow until the end of the season. Liabilities remain about £100k but everything possible is being done to get this figure down. Andy Halls has signed away his right to a further contract after 30 games.
Stadium maintenance group – volunteers will be needed during the close season.	We will ask for volunteers based on the type of work that is required once this has been identified.
44 week contracts – is this the norm, would 44 week v 52 week contracts be attractive.	There are clubs in both the NL and the NLN who have players on 44 week contracts, 44 week contracts is our plan and we know that is sustainable going forward. No decision yet made about whether or not we will be full time next season.
Is there any move to improve merchandise.	New shirts – yes we will be able to get a better supply, work is constantly being undertaken to look at different types of merchandise.
Players released so far – is there a cost or do they just walk away.	No player will walk away it's a process of negotiation which may mean they go to another club and are not financially disadvantaged or a confidential compromise agreement is reached. Any costs have been phased forward so they don't all hit at the same time.

- 9. Date of next meeting** – SO said the next meeting will be informal and the plan is to have it off site, negotiations are under way regarding a venue and date and venue will be published as soon as available. Before the meeting closed JB reminded everyone that 8 years ago on the 10<sup>th</sup> March, we lost Chester City and asked if everyone was up for the challenge to keep things going now and there was a positive show of hands to accept this challenge.

**The meeting closed at 10pm**