Members Newsletter – Autumn 2019

In September, following a Special General Meeting of its members, Cambridge Fans United agreed to sell its shares to Cambridge United's majority shareholder, Paul Barry, which enabled him to take full ownership of the club, in exchange for agreeing to underwrite its losses for a minimum period of five years.

It was a decision by CFU which was not taken lightly or easily, since experiences elsewhere in football have shown that a sole owner, usually someone who has had no previous track record of involvement in football, have often proved to be unhappy and led to the demise of long established clubs, following financial crises which could not be resolved.

In our case, the choice appeared to be the deal offered by Paul or an uncertain immediate and long term future, given that other interested parties' bids had not proved to be a match for his offer. Members voted, by approximately 7-1, to sell CFU's shares, subject to assurances being received concerning three issues:

1. That CFU would continue to appoint a Fans Elected Director (FED) to the Club's Board throughout the five year period. *This was agreed though, as currently, a nominee for the FED position can be refused by the Board, provided that approval is not withheld unreasonably. This is seen as necessary to prevent access to confidential information by an individual. In practice, CFU's rules on eligibility to stand as a candidate for FED should pre-empt any such likelihood.*
2. Any profits made by the club during the period (eg from a lucrative cup run) would remain in the club and not be paid to the owner. *This was agreed.*
3. The minimum period of support would be five years, with a guaranteed period of financial support of up to a year, in the event of the demise of the owner during that time. *This was confirmed.*

CFU's shares have been sold to Paul Barry and an initial payment of approximately £21,000 has been received, with a further £40,000 to follow within the year.

Most shareholders would not have been expecting to receive money back, as they put money in so as to help the club, rather than as an investment which would pay them a dividend.

The change in status from significant shareholder to Supporters Trust with a representative Board Member raises some issues which CFU needs to consider for the future.

For example, to what use should the windfall income from the sale of shares be put? The rules which govern Community Mutual groups, of which CFU is one, place restrictions on how its funds can be used – principally in support of the community and, in particular, the football club. Funds may not, for example, be distributed to CFU members.

CFU has always had, as its main objective, the ongoing welfare of the football club and has used its resources and energies on behalf of members and supporters to stave off financial insolvency and liquidation. It has sought to influence decision making at the club, where possible, and to represent fans as integral and essential elements in the business of Cambridge United FC.

CFU members have been, and continue to be, part of volunteer groups undertaking essential work around the club, including the ground maintenance team, matchday staffing and other tasks which enable the club to function and meet its obligations.

Much of the day-to-day liaison with the club over practical matters, such as the operation of tea bars, customer satisfaction with the ticketing, travel and shop and the audibility or otherwise of the tannoy in the ground is now in the hands of the newly constituted Cambridge United Supporters Panel (CUSP), CFU continues to raise issues via the FED and it also manages the CUFC Lottery, which has provided funds for many of the items which make life for supporters more worthwhile – improved toilets, more outdoor seating at the rear of the Habbin, more modern tannoy equipment, essential snow clearing blowers etc.

CFU Trust Board Chair, Robert Osbourn and CUSP Chair, Nigel Browne, met with Paul Barry recently to discuss his plans for the future and the relationships he wants to have with supporters and supporters groups and were encouraged by his responses and, in particular his view that all EFL clubs should be required to put up a financial bond with the EFL before the start of the season, to demonstrate that they have the resources or backing to enable them to complete the full season. He and CFU are agreed that the EFL test for new owners has been inadequate and requires tightening up to prevent the Bury and Bolton scenarios in the future.

It has been suggested, elsewhere, that CFU ought to have been more vocal in demonstrating its role in achieving a full audit of the club's accounts and some of the other areas in which it has sought, successfully, to influence and challenge the club, thereby boosting its membership.

Maybe this is a widely held view and maybe we should have been more vocal in recent times and sought to have a higher profile amongst fans. Some Trust Board members have decided not to continue in the role, and that leaves vacancies for which we shall seek new blood to come in and shape CFU for the future.

I want CFU to appeal to a broader range of Cambridge United's fan base, especially younger supporters, who, up to now may not have recognised the value of a well organised fans group or wanted to be part of one. It is an area in which we have not, perhaps, performed very well up to now. We are developing the Fan Zone, along with CUSP and the club, and this is starting to become popular with a wide range of fans. Can this be a way forward for a more inclusive organisation?

So, then, what do you, as a CFU member, want to see CFU doing in the future, particularly in the next 5 years, say? What might you be prepared to do to help make this a reality?

CFU will shortly be asking you to complete and return a Questionnaire, to help us decide on the direction it should take. Please look out for this and let us know what you think.

Robert Osbourn November 2019