



# Analysis of Fan-Owned Football Clubs’ Constitutional Arrangements with Summary and Recommendations for Stirling Albion Football Club

## Background

Stirling Albion Football and Athletic Club Ltd (“SAFC”) is majority-owned by the Stirling Albion Supporters’ Society Limited (“SAST”), who hold 83.4% of the shares. There are no constitutional documents in place which govern this ownership situation. Prior to a recent minor update in October 2022, the Articles of Association of SAFC date to August 2010, just prior to the purchase of SAFC by SAST. They therefore do not reflect the current ownership structure. There are no other constitutional or contractual documents in place which govern the relationship between SAFC and SAST.

It is normal for governance rules to be in place to make the board of a company accountable to its owners, to provide rules for the directors to follow in running a company, to clarify delegated powers for the board of a company and to specify other important matters, e.g. the make-up of a company’s board. That there are no such rules in place for SAFC has been a reason for historical conflict between SAFC and SAST.

It has been recognised formally by the boards of both SAFC and SAST that SAFC should have proper and appropriate governance rules in place consistent with other fan-owned football clubs and in line with current best practice for corporate governance to protect and benefit Stirling Albion into the future. I was formally requested by both boards to create appropriate documentation to put those rules in place. This report is the first part of that process.

## Purpose

The purpose of this report is to:

- Analyse governance arrangements of other fan-owned clubs;
- Provide a summary of those arrangements;
- Provide recommendations with a view to implementing suitable governance documents for Stirling Albion Football Club.

## Scope

The governance arrangements of the following fan-owned football clubs have been analysed:

- St Mirren
  - Morton
  - Heart of Midlothian
  - Exeter City
  - Motherwell
  - Darlington
  - Dundee
  - Annan Athletic
  - Clyde
- Majority fan-owned
- Minority fan-owned
- 100% fan-owned
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Analysis has been structured under the following headings:

- A. Ownership
- B. Governance Documents
- C. Board Structure
- D. Reserved Matters\*
- E. Other Matters

*\*Reserved Matters are decisions relating to a company's business where a company's board must seek the prior approval of the company's shareholders, being the relevant supporters' society for fan-owned clubs.*

Summaries and Recommendations will be presented in the same structure.

In addition, discussions have been held with the Chairman of Exeter City and a Director of Motherwell, both of whom are also board members of their respective supporters' societies, to understand arrangements further and gain additional insight into the working practices of those clubs.

Assistance and support has been provided by Alan Russell, the CEO of Supporters Direct Scotland, an organisation set up in 2000 to help supporters gain influence in the running of their club and experienced in helping establish supporters' trusts and working with supporters to develop community owned clubs.

## Summary and Recommendations

### A. Ownership

As can be seen from the Scope section above, of the 9 clubs analysed, 6 are majority fan-owned, 1 is minority fan-owned and 2 are 100% fan-owned. SAFC is majority fan-owned so its situation bears the strongest resemblance to these clubs. The minority fan-owned situation has elements of relevance too. The two 100% owned clubs, however, have a completely different set up. In the cases of Annan Athletic and Clyde, the community benefit society (or community interest company in the case of Clyde) is the club (i.e. they are one and the same) and its board runs the club. There is only one organisation involved, being the community benefit society / community interest company - there are no other shareholders. This situation doesn't apply to Stirling Albion therefore the set-up of these clubs is not relevant.

The majority fan-owned clubs have fan ownership ranging from 51% (St Mirren) through c. 65%-80% (Hearts, Motherwell, Exeter, Darlington) to 90% (Morton). At 83% fan-owned, Stirling Albion's situation fits in this group.

### B. Governance Documents

#### Background - General Corporate Practice

All limited companies must have articles of association. These set the rules company officers must follow when running their companies. A company's articles are registered with Companies House and are a matter of public record - they can be accessed by anyone through Companies House's website. "Model"



articles of association are prescribed in law through the Companies Acts and are the standard, default articles a company can use. Model articles are automatically adopted as articles in the absence of a company registering their own. To give an example of the typical contents of articles of association, the contents of the latest Model articles cover:

1. Definitions and liability of shareholders
2. Rules governing directors' activities, including directors' responsibilities and powers, decision making by directors and appointment of directors.
3. Rules regarding shares, dividends and other capital distributions.
4. Rules for general meetings, including organising meetings and voting procedures.
5. Rules on other administrative matters, including communication methods, directors' indemnity and insurance, inspection of accounts and records and use of the company seal.

Model articles and previously registered articles can be amended to include any other rules to govern the running of the company. Once registered with Companies House, changing a company's articles involves passing a special resolution requiring at least 75% of the shareholders to vote on it. A special resolution can be passed as a written resolution signed by the shareholders or by casting votes at a general meeting.

It is also normal practice in certain circumstances to have other rules on how a company must be run contained in a separate agreement, typically called a Shareholder Agreement ("SHA"). These agreements typically exist where there are a few key shareholders and are agreed between those shareholders and the company. They often contain more detailed rules for the directors to follow in running the company and rules for shareholder representation on the company's board; they can overlap or conflict with the articles.

Where the SHA overlaps or conflicts with a company's articles there will often be a clause in the SHA stating the precedence of the SHA over the articles and making clear if any provision of the SHA conflicts with any provisions of the articles the provisions of the SHA shall prevail.

As an example, typical Shareholder Agreements can cover:

- Board rules including number of directors, shareholder representation on the board, number of board meetings, board decision-making and voting, matters requiring board approval.
- Requirements on directors to produce and distribute management information, including management accounts, and other information as required by the company's board.
- Requirements on the production and approval of budgets and business plans.
- Reserved matters (i.e. director actions which need some form of shareholder consent), e.g. actions relating to the company's share capital structure, dividends, financial authorisation limits on capital expenditure, taking on debt.
- Rules governing shares e.g. transfer of shares, including e.g. permitted and compulsory transfers, valuations of shares, rights on the selling of shares.
- Rules on external communication.
- Any restrictions on the actions of shareholders.
- Other administrative matters.

Where there is a two-document set up for a company, i.e. where an SHA exists, it could be summarised that the articles contain the standard or basic governance points which are rarely revisited and the SHA contains more specific and detailed governance rules.



A critical difference between articles and an SHA is that articles are in the public domain, easily accessible by anyone, but an SHA is not. An SHA is a confidential company document which cannot be accessed by the wider public. Another key reason for having an SHA is that an SHA is far easier to change – articles require a special resolution whereas an SHA just needs the agreement of the parties to it.

### Fan-Owned Clubs' Governance Documents

The fan-owned clubs use three options for codifying governance rules: in a separate, standalone agreement (like an SHA as described above); within the articles of association of the company; or a mix of both.

Of the six majority fan-owned Clubs, the three situations regarding governance documents are as follows:

1. Three clubs (St Mirren, Morton and Motherwell) have articles of association which pre-date fan-ownership and therefore contain no governance rules relevant to their fan-ownership situation. All their governance rules relating to fan-ownership are in a separate agreement (although in Motherwell's case that agreement has not yet been written).
2. Two clubs (Hearts and Darlington) have some aspects of governance arrangements in their articles, primarily relating to board structure, but no reserved matters. All the reserved matters and some other rules are in a separate agreement.
3. One club, Exeter City, have their governance rules within their articles. However, the rules are in two separate agreements which are attached as appendices to their articles so in creation they are more like situation 1 above. Furthermore, the Exeter chairman's recommendation is to keep governance agreements outside the articles and he is proposing to the Exeter board that they move to having standalone agreements.

Therefore, it is quite acceptable to have governance rules either in articles or in a separate agreement and it is indeed far more common among fan-owned clubs to have governance rules either wholly or partly in a separate agreement.

A normal corporate SHA is signed by the company and all shareholders. The agreements in place for the fan-owned clubs are an agreement only between the majority shareholder (i.e. the supporters' society) and the company (in St Mirren's case the other significant shareholder, holding 27.5%, is also a party to the agreement).

### Governance Rules in Articles of Association or Separate Agreement?

- The articles of association are typically the main document containing rules for operating a company.
- However, as has been shown, they are not the only way to create a legal agreement requiring the directors of a company to follow certain rules in operating that company.
- Changing articles is much more onerous than changing a separate agreement. A change involves passing a special resolution, and both using the written resolution route or holding a general meeting require administrative time and cost, in drafting and sending a resolution to shareholders for signing or consideration at a meeting and in holding a meeting. Given SAST holds 83% of SAFC's shares, it is not an issue for SAST to get a resolution passed, but it requires SAST to involve all the other shareholders of SAFC. Further, consideration may need to be given whether SAST needs to seek the approval of its members before voting.



- Changing a separate agreement merely requires the agreement of SAST and SAFC (acting through their boards or directors).
- Ease of changing the governance rules going forward is particularly pertinent for:
  - Reserved Matters of a financial nature e.g. specific authorisation limits on spend (e.g. “£xxk on capital expenditure”) which may need to be updated from time to time.
  - Additional matters which may arise, either due to earlier omission or changes in law. For example, Exeter want to add a paragraph on reputational damage but need to organise a general meeting to do so.
- As has been noted, a company’s articles are in the public domain whereas a separate agreement would be private. Any wider distribution of separate agreement would be the decision of SAFC and SAST.
- Articles of association can contain other areas not relevant specifically to the shareholder / company or director relationship. Any update to articles would sensibly need to include updates to other areas as well to take account of changes in law or best practice.

## RECOMMENDATIONS

As has been shown, other fan-owned clubs favour a combination of either some rules in their articles but most outside, or all rules outside in a separate agreement.

The recommendations are to:

1. Create a standalone governance rules document. This document would be an agreement between SAFC and SAST and would take precedence over the current articles of SAFC.
  - a. It makes far more sense to have all the governance rules in one document rather than split across both the articles and a separate agreement.
  - b. It will be far quicker and easier to get rules in place through a separate agreement than through the articles. The articles can be amended at a later date if it is felt worth it.
  - c. The agreement should be called a “Working Together Agreement.” This is the name used by both Morton and Hearts and I think highlights a positive approach and sense of unity between SAST and SAFC.
2. At a later stage, consideration could be given to amending the articles of association of SAFC to:
  - a. Be in line with the latest Model articles.
  - b. Incorporate governance rules.

## C. Board Structure

This section has four sub-sections: Numbers, Term, Appointment Process and Roles.

For this section, “Trust” is being used to mean the relevant club’s supporters’ society organisation.

## Numbers

The table below shows the make-up of the board of directors of each of the fan-owned clubs, covering total numbers, numbers representing each type of director, linkages to relevant supporters' societies and chair appointment types.

In the table and the sub-sections which follow, a Trust director is one representing and nominated by a Trust. An independent director ("Ind." In the table below) is a director who is not a member of the relevant club's Trust board or has been nominated to be a director by the Trust or is otherwise a Trust representative director (in some cases they may be members of the Trust and in some cases may not). An "Other" director is one representing another major shareholder – these only apply to 3 clubs: St Mirren and Hearts, which have a large 27.5% and 17% minority shareholder respectively; and Dundee, which is minority fan-owned.

The "Trust Directors on Trust Board" column shows whether the Trust representative directors are also on their Trust board or not.

"U" indicates Unknown, which means either the information is not available or is not applicable.

*Table: Make-up of Boards of Fan-Owned Clubs*

Club	Number of Directors					Trust Rep Directors on Trust Board (Y/N)	Chair <sup>(1)</sup>
	Max Total	Trust	Other	Ind.	Exec.		
St Mirren	6	4	2	0	0	N	I
Morton	7	3		4 <sup>(2)</sup>	0	Y	U
Hearts	8	2	1	2	2	Y	I
Exeter	8	4		3	1 <sup>(3)</sup>	Y	T
Motherwell	5 <sup>(4)</sup>	2		2	1	Y	I
Darlington	3-6	Max 3		Max 2	1	Y	I <sup>(5)</sup>
Dundee	8	2	U	U	U	U	O

(1) T = also Trust chair; I = not on Trust board.

(2) Currently 3, but 1 is an ex Trust director and 1 works as finance lead for Trust, so heavily linked.

(3) Also Chair.

(4) Actual total rather than maximum as governance documents not written yet.

(5) Also CEO.

### Key Summary Points:

- In only 2 of the 6 cases does the Trust have a majority on the board.
- In almost every case the Trust representative directors are also on their Trust's board.
- The Chair is typically independent i.e. not one of the Trust representative directors.
- Every majority-owned club bar one has independent directors.
- 4 of the 6 majority ownership clubs also have executives (i.e. the people who run the club day to day) on their boards.



## Term

Typically, the maximum term for a non-executive director appointment is 3 years. After that term, the director can stand to be reappointed. Sometimes a maximum number of terms is imposed (e.g. 4 x 3 year terms in the case of Hearts) and sometimes not. In some cases (Morton, Darlington), a proportion of the non-executive directors (typically a third or a quarter), being those longest in position, must stand down at each AGM (and can stand for reappointment).

## Appointment Process

In every case where there is a codified appointment process (which is all majority-owned clubs except Motherwell), directors are appointed on merit compared against objective criteria of skills, knowledge and experience required by the club.

Both Trust representative and independent director appointments and reappointments are either voted on or ratified at the Club AGM.

### *Trust Representative Directors*

In all the cases but one, Trust representative directors are also Trust board members. In these cases, the Trust representative directors are chosen by the Trust board; the Trust membership do not vote to choose these positions. The Trust membership elect the Trust board and the Trust board then choosing which of their number will be Club board directors is a delegated authority of the Trust Board.

Where a Trust board member who is also a club board director ceases to become a Trust board member, they also relinquish their club director position.

In the one case where Trust representative directors are not necessarily Trust board members (St Mirren), they are selected by the Trust board after an interview process and then put to Trust members for approval.

### *Independent Directors*

In all cases, the Trust board ratifies the appointment of independent directors. In four out of the five cases where there is clear information, the club board sources and nominates independent directors and they are then presented to the Trust board for approval. The other case is very like this but has an additional step – for Morton, a nominations committee, comprising 2 from the club board and one from the Trust board, choose candidates and then present their recommendations firstly to the club board and then the Trust board for approval. Morton follow this process for Trust representative directors too.

Independent director candidates are sometimes known to Trust or club board members, due to them being in the club's fan base or due to their position in the local community, and approached directly. Sometimes an external recruitment process takes place (e.g. Exeter City use Nurole, a specialist non-executive director search firm).



## Chair

The appointment of the position of chair of the club's board is mostly not specifically mentioned in the club's governance documents. In both cases that it is, the chair is chosen by the club directors from within their own number and in one case is subject to the prior approval of the Trust board. The chair of the board is typically a non-executive role, not involved in day to day operations. The chair's role is to:

- Lead the board and ensure it operates effectively.
- Set the board's agenda.
- Ensure the board is setting and implementing the company's strategy.
- Provide support for the operational management.
- Maintain governance standards.

## Roles

While reference in this report is made to non-executive directors, this is merely to distinguish them from an executive director role, being a director who is also running the day-to-day operations. For a club the size of Stirling Albion, the "non-executive" directors will be required to undertake operational duties and responsibilities not traditionally associated with non-executive director roles. This operational aspect of the role and time commitment needs to be clear in any job description.

It should be noted that, by company law, a director is required to exercise independent judgement. So, although a director may be a Trust representative director, he or she must make decisions independently and not be controlled by anyone else.

The key roles of a Trust representative director are to:

- Use their skills, knowledge and experience to the best of their abilities to act in the best interests of the company to promote its success (which are key legal fiduciary duties for all directors).
- Represent the views of the Trust on the club board.
- Keep the club board informed of any relevant Trust matters.
- Report back to the Trust board on club matters.

As noted above, directors should be appointed on merit compared against objective criteria of skills, knowledge and experience required by the club. These club needs may change from time to time. Also, the needs of the club from directors are intrinsically linked to the structure of the operational management of the club and the people carrying out those roles. For example, having a strong General Manager or Operations Manager or the like with extensive football club management experience may lessen the requirement to have a director with extensive experience in this area.

Some roles for directors on the club board are critical e.g. one director must be designated as having responsibility for Child Protection as this is a requirement of SFA licensing. Others depend on the roles, and level of the individuals in those roles, amongst the operational staff, paid or voluntary. Other specific director roles depend on the specific circumstances of the club. Given many operational roles at SAFC are voluntary and that any General Manager / CEO / Operations Director role may be part time, it makes sense for SAFC for directors to assist operational staff by assuming oversight roles over certain areas of SAFC's operations.





## RECOMMENDATIONS

A key objective in choosing non-executive directors is to ensure that club director candidates are a fit for what that club needs, in skills, experience and knowledge. To ensure the best possible choices are made, a selection process should be undertaken, including interviews with prospective candidates. The people most closely involved in managing a club, being the members of the club's board, have the best knowledge of a club's requirements and should be involved in the selection process, at the very least to specify what the club's requirements are.

In all but one of the fan-owned clubs' situations, the Trust board has the authority to (a) appoint Trust representative directors, and (b) ratify club-proposed independent directors.

Only one club, St Mirren, has a vote of its Trust's members for director appointments. They do so after new candidates for appointment are chosen by the Trust board following a selection process, including interviews. These candidates are then put to the Trust's members for approval. Only the candidates selected to be club directors by the Trust board are put to a vote of the Trust's members.

This last part is particularly important. A vote of the membership should not be to choose candidates but to approve them or not. The choice for best candidate must be done through a rigorous selection process and it is impractical and not optimal for all Trust members to be involved in that process.

Note this is how voting works for publicly listed companies - a vote on the appointment, ratification or reappointment of a director is a For/Against vote on that director only and is not a competitive vote amongst candidates for limited positions.

It should be noted that St Mirren is also different from the rest in that they have no independent directors – all are either Trust appointees or representatives of the other major shareholder.

SAST has publicly promised that there will be democratic voting by its members on the appointment of directors to the SAFC board, so it would seem the St Mirren model for voting is the one to follow for the appointment of the first board after the current interim stage. Thought should be given as to whether this model is the best to follow after that, or whether the process of all the other clubs is followed, which is that the Trust board appoint Trust representative directors and ratify independent directors nominated by the club board. While not explicitly covered, the current SAST rules likely allow the SAST board to act themselves to appoint or ratify without recourse to a member vote.

For every club, all non-executive director appointments or reappointments are voted on at the club's AGM. Therefore, the other option for SAST to allow Trust members a vote on director appointments is to direct the Trust's vote at a club AGM.

In making recommendations on board numbers and appointment process, consideration must be given to the relatively small member numbers in SAST and the numbers in the wider SAFC fan base. It is in the best interests of SAFC to fish in the biggest possible pool to attract the best talent to be on its board.

Board Structure recommendations are as follows:



## Numbers

1. The club board should consist of 5-7 individuals, of which 2 should be SAST representative directors.
2. One director could be executive, being the role responsible for day to day operations, if such a role is in place. This position is automatically a director and does not need the same ratification as non-executive directors. The approval for the person in this role is on appointment to the position.
3. The remaining directors should be independent, meaning not SAST representative directors.
4. The Chair of the SAFC board should be chosen by the board members of SAFC and this choice should be ratified by the SAST board.
5. The SAFC board may invite persons to board meetings it deems have the appropriate skills or knowledge to enable the board to consider a specific agenda item. These invitees must be present for that specific agenda item only.

## Term

6. The term for a SAFC director should be 3 years after which the director must resign. A director is eligible for reappointment at the end of their 3-year term for a maximum of 3 further terms, giving a maximum of 4 terms.
7. When the first SAFC board after the current interim period is set up, the initial terms should be staggered (i.e. 1 year, 2 year or 3 year) so that all directors are not resigning at the same time.

## Appointment Process

8. Both the SAST representative directors and the independent directors should be chosen by a Selection Committee made up of two members of the SAST board and two members of the SAFC board. The selection process should include submission of CV and at least one interview. In the case of a reappointment, a document describing achievements as an SAFC director should be provided.
9. Candidates for SAST representative directors could be members of the SAST board or members of SAST or not a member of SAST prior to their appointment. If a candidate is not a member of SAST prior to their appointment as an SAST representative director, they must join SAST on their appointment.
10. An SAST board member wishing to be considered as an SAST representative director should first indicate this willingness to the SAST board.
11. There should be job descriptions for directors and the ones for SAST representative directors should include the key roles of SAST representative directors as noted in the "Roles" section above.
12. Candidates for directors should be identified by requesting applications through a recruitment process or by personal approaches to known individuals.
13. The chosen candidates must be ratified by the SAST board.
14. The SAST board will seek the approval of their membership for chosen candidates, both SAST representative directors and independent directors. This step may or may not apply to future boards after the first board after the current interim set up – this is for the SAST board to consider.
15. Both SAST representative and independent directors can be co-opted onto the SAFC board at any time. Any directors appointed in this way should have their appointments ratified at the next SAFC AGM by a vote of the shareholders of SAFC.
16. Chosen candidates, both SAST representative and independent director candidates, need to be chosen in sufficient time to meet the notice requirements of the AGM at which their appointment will be voted on by the shareholders of SAFC.

## Roles

17. The following roles are required to be undertaken by directors on the SAFC board (note a single director may fulfil more than one of the roles):



- a. One director must be designated as having responsibility for Child Protection as this is a requirement of SFA licensing.
- b. A director should have oversight responsibility for all football club compliance, as required by the SFA, the SPFL and the law.
- c. A director should be a qualified accountant or experienced financial manager to oversee and be responsible for the club's financial management, working in conjunction with the SAFC's accounting services provider.
- d. One director should be responsible for overseeing commercial income generation e.g. sponsorship, advertising, hospitality, retail i.e. any income outside direct football income (being gate receipts and prize money).
- e. One director should have a strategic oversight role for junior and youth football, and be responsible for football development i.e. moving from junior to youth to 1<sup>st</sup> team.
- f. A director should be responsible for overseeing community engagement activities.

#### Other

18. It may be an idea to have an agreed programme of observers from the SAST board (who are not SAST representative directors) to attend SAFC board meetings from time to time. This should aid understanding, foster good relationships and is sensible for succession planning.

An example of part of the appointment process outlined above in action can be seen with St Mirren here: <https://www.smisa.net/news-archive/5-general-smisa-news/337-applications-invited-to-become-smisa-s-next-club-board-rep>

#### **D. Reserved Matters**

Reserved Matters are decisions relating to a club's business where a club board needs to seek the prior approval of the fan-ownership shareholder. Generally, they cover the following areas:

- Safeguarding the club's heritage or assets, e.g. changes to the club's name, colour or badge.
- Structural changes to the company, e.g. a reorganisation of share capital.
- Approvals for plans e.g. strategic business plans or budgets.
- Borrowings or contracts outwith the normal course of business.
- Authorisation limits e.g. on capital expenditure or leasehold agreements.

In addition, it is good practice for company boards to be required to provide majority shareholders with regular reporting on the company's financial affairs.

## RECOMMENDATIONS

The following matters require the SAFC board to seek the prior written approval of the SAST board:

#### Heritage

- (i) Any actions that could impact on the identity of SAFC, including but not limited to any change in:
  - a. stadium location or name;



- b. the colours and style of SAFC's home playing strip;
  - c. SAFC's badge;
  - d. the name or nickname of SAFC;
  - e. SAFC's status within the Scottish Football Association or Scottish Professional Football League;
- (ii) A change in the playing surface from grass to an artificial surface;

#### Corporate

- (iii) Any reorganisation of share capital;
- (iv) Any payment of dividends;
- (v) The incorporation of any new subsidiary or associated company;
- (vi) The extension of SAFC's activities into significant new business areas and any decision to cease to operate all or any significant part of SAFC's current business;
- (vii) The appointment of an administrator or liquidator.

#### Planning

- (viii) SAFC's annual budget, which must be approved by the SAST board within one month of the start of the financial year to which it relates;
- (ix) A strategic business plan, which should be updated from time to time;

#### Financial

- (x) Any borrowings apart for those agreed in the ordinary course of trade;
- (xi) Capital expenditure exceeding £25,000 excluding VAT;
- (xii) A leasing commitment with a duration of more than 5 years and/or for a total value exceeding £15,000 excluding VAT.
- (xiii) Contracts at a cost to SAFC exceeding £25,000 excluding VAT per annum, including non-playing staff contracts;
- (xiv) Any overspend greater than 5% in the staff costs approved in the annual budget;
- (xv) The purchase or disposal of any land or buildings;
- (xvi) Remuneration of any directors.

#### Organisational

- (xvii) Appointment of a General Manager or CEO or Operations Director or such position which is the head position for managing the club's operations.

#### Reporting Requirements

The SAFC board will provide to the SAST board on at least a quarterly basis, management accounts showing financial performance against budget. The SAFC board will create, maintain and report against a risk register containing all material risks to the club's operations and delivery of its business plan.

#### Other

The appointment of a first team manager will be undertaken by a selection panel of 4 who may be directors of SAFC and may include independent specialists in football management recruitment.



## E. Other Matters

The key other area which is contained in the governance arrangements for fan-owned clubs but which is not covered by the preceding topics is a governance manual. The contents of a governance manual are less about rules and more about principles and best practice. For example, content would include:

- Principles of governance (e.g. fan owned not fan run).
- Roles of the parties involved (i.e. club's board, club's directors, club's management, Trust's board).
- Best practice working arrangements and behaviours (e.g. minutes shared between boards).
- Guidance on effective communication between the parties.
- Guidance and rules around external communication.

Of the five fan-owned clubs whose governance documents contain or reference these subjects, there is a mix of how it is done: St Mirren have no separate 'manual' as such but effectively do in the clear principles and guidelines published on their Trust's website; Hearts have elements included in their primary governance document; Morton have elements included in their primary governance document but also a desire to have a separate manual; Exeter and Darlington have separate governance manuals.

## RECOMMENDATIONS

SAFC should have a separate Governance Manual or Guide to be agreed between the boards of SAFC and SAST. This should be written as an easily readable document which can be shared with SAST members and the wider fan base, so they can clearly understand the principles behind governance and the roles of the SAST board, SAFC board, SAFC directors and the SAFC management. They would also see how the two key bodies, the SAST board and the SAFC board are going to be working together. I believe this would help considerably in elevating everyone's understanding of overall situation and help remove knowledge gaps where they exist. It would also be a very visible sign of significant progress in the working arrangements between SAFC and SAST.

A paragraph should be included in the Working Together Agreement between SAFC and SAST that a governance manual needs to be produced, maintained and adhered to by the SAFC and SAST boards.

I have already started drafting a separate governance manual or guide as part of this exercise, using the material from other fan-owned clubs and from Supporters Direct Scotland.

**Alasdair Dunn**  
**January 2023**