

16 Colchester Road,
Wivenhoe,
Essex

Harry Welsh
Dave Whymark
Wivenhoe Town Football Club

8th July, 1995

Dear Harry and Dave,

I thought I would write to you both following the two occasions we met this last week in what I hope are the closing stages in securing the the Football Club's future. I understand the concerns you both share about the arrangements under discussion and it is obviously necessary that these should be properly addressed.

As you know I have been trying to assist Geoff Langsdon since early 1994 in his and your efforts to acquire the Broad Lane site.

Since it did not seem feasible for the Club to raise the money to buy out David Watts and for you all to take direct control of the site as well as the Club, it seemed natural to turn to the Borough Council for assistance.

They however were not able to either lend the Football Club the money or act as guarantor for a bank loan for a variety of reasons. Indeed they have been very reluctant to help the Football Club at all. However it is through the idea that there should be some Body between the Club to whom the Borough Council can have the financial arrangement, and if this Body were to be responsible for widening the use of the site, as discussed in Philip Wood's business plan prepared September 1994, then the Borough Council have been persuaded, and largely by the intervention of Bob Richardson, to use public money for the purpose of acquiring the site for the public good as well as the benefit of the Football Club.

It is the willingness of you and members to widen the use of the site which has encouraged this process and, from what I have seen, would not have got the situation this far. For choice, it is quite clear that the leaders of the Borough Council would rather not be lending any money at all. However it seems almost probable that they will, but on certain terms, and these must be resolved quickly before they change their mind.

As you know, we have changed the proposal to create Wivenhoe Sporting Facilities Ltd into the idea of a Trust. In part this is due to the fact that the Borough Council were having difficulty in distinguishing between the WSF and WTFC, as the same people seemed to be involved in both entities, and therefore was the Borough Council really lending public money to the Football Club after all and not for the wider benefit of the public as well.

I believe that the Trust arrangement has a number of advantages for the Football Club which I would like to repeat here:

1. The concept of a Trust is one that the Borough Council appear to be reasonably happy with.
2. There are no issues of ownership as the Trust is set up as a legal entity, with no shareholders. Its purpose is defined in a Trust Deed in which certain objectives are stated and to which all the Trustees must legally abide.
3. This arrangement gets the first £80,000 of the money David Watts wants and effectively at a rate of interest of 6 pct.
4. Whilst the Borough Council will technically own the site, by granting a lease to the Trust, the Trust has use of the site and its future can never again be in jeopardy.
5. The Trust will have two principal objectives. One is to support the Football Club and to provide it with a long term home. Thus it can never be ejected from the site for example, as this would be against the Trust Deed, and the Trustees whoever they may be, could never allow that.

The other objective of the Trust must be to widen the use of the site. As I have already mentioned, this is effectively a condition of the Borough for using public money.
6. Widening the use of the site will, in my view bring certain advantages to the Football Club, although not having exclusive use all of the time will inevitably lead to certain tensions from time to time. The principal advantage will be that of hopefully getting charitable status for the Trust. This will assist considerably in attracting grant money to develop the site.
7. Charitable status will lead to a reduction in rates/Council Tax by 80%.

8. Ownership by the Council puts the restrictive covenants into abeyance whilst the Council lets the site be used for a statutory purpose i.e. sporting activities.

9. Through the site being used by others, will bring the site within a new Borough Council policy to enhance sporting facilities in Wivenhoe, something as a Town Councillor I have been looking to achieve for a long time. This therefore means that the Borough Council are much more likely to favourably consider making capital grants to the Trust in the future.

10. The Wivenhoe Town Council have now approved a much stronger measure of support for the Football Club and the development of facilities there. This is made possible by the contemplation of a charitable Trust.

11. And if other organisations eventually settle there, they will both use the bar, a principal source of revenue, as well as contribute to the £5,000 Borough Council annual lease cost and the running cost of the site. This will be beneficial to the Football Club, reducing its own costs and allowing more money to be spent on players etc.

And what do the Football Club members get for raising the £70,000 balance?

An interesting question. First and very clearly, without the balance being raised, there is no future for the Football Club. Therefore that last £2,500 is as important as the the Borough Council's £80,000, as without it a deal cannot be done with David Watts. Buying out David Watts interest secures the site.

They should have the satisfaction of knowing that never again will the future of the Club be put at risk, and that they have indeed become, once again the owners of the Football Club.

Thus those who have been part of the Club's history will be responsible for giving it a future.

They can become shareholders in the new Club whilst others of us who are willing to also put in money can be recognised in a different way.

Can the Trust dominate the Football Club?

I am aware of the concerns. I believe that as one of the two principal objectives of the Trust directly concerns the Football Club, the Trustees must always act in the interests of the Club. The benefit of having some independent Trustees will be to ensure that a) the objectives of the Trust are

not quietly overlooked and b) no other group or groups can also dominate by a ' back door'.

Furthur, the day to day running of the site, its premises, and the use thereof will have to be administered by a Management Committee.

Whilst in time this Committee will need to include representatives of other organisations for whom Broad Lane has also become home, the Committee will be the Football Club Committee.

It would be foolish indeed for the Trust members to want to upset the current arrangements whereby so many people voluntarily do so much, especially bearing in mind that the Borough Council want the Trustees to personally guarantee the lease cost (furthur re-inforcing the commercial nature of their attitude toward this arrangement).

Broad Lane, as a sporting facility, will only ever be successful if it is essentially run by volunteers, otherwise its running cost becomes too great to substantiate. And only if the Football Club members relate to the facilities will they continue to put in the effort which has gone in over a long period of time.

My original invovement in helping Geoff was simply to help save the Football Club and this remains a principal objective, but I have also seen something on which to build. However having a successful football club has got to be strategically so very important. Without it, the place has no future.

Whatever changes take place, these will only be gradual and must be fully considered before their implementation. The careful balance must not be upset.

Therefore I believe ownership of the site will not become an issue. Having some independent Trustees, representatives of the Wivenhoe Town Council, the Borough Council, the University as well as the Football Club will provide a base for development, although implementation of such will be in the hands of the people who actually use the place.

Whilst it will be necessary to have many more meetings yet for all these issues to be fully determined, I believe that a final decision to proceed along these lines must be made as soon as possible or else we risk the situation with the Borough Council. I hope these notes help you and your members to come to a decision.

Yours sincerely

Pete Hill