



Structured Dialogue Meeting
Thursday 12th January 2023, 11am
Bearwood Park

STAR Board members in attendance: Paula Martin and Roger Titford

Reading FC officials in attendance: Mark Bowen, Bryan Stabler, Graham Odell, Mark Bradley & Jackie Evans

The main agenda is to discuss the Fan Led Review

1. STAR's overview of the Fan Led Review and its progress to legislation:

The progress is good and it is STAR's understanding that the White Paper will be published in a few weeks and will be included in the King's Speech in May 2023. The political wind is behind it with the Prime Minister, the Government and the Labour Party all supporting the FLR recommendations.

The Chief Executive of the FSA met with the Sports Minister recently and we are aware that the DCMS has advertised for 3 football policy regulation jobs, all of which shows positive intent.

The National League, the EFL (as a body) are onside, the FA have had some doubts but now seem to be onside, PL executives are onside but some PL clubs are against it (as the biggest losers in monetary terms).

2. The Club's overall response to the original report and the 'one year on' follow-up document which shows the Government largely accepting its recommendations:

The club feels the biggest stumbling block is the redistribution of money. The club understands that the EFL is determined to make this happen but so far the club is unaware that the PL has agreed to a meeting with the EFL on further solidarity payments or any changes to parachute payments.

The creation of an independent regulator (IREF) will probably be necessary to get the PL to negotiate and this will take some time. Most EFL clubs agree with most of the report but there are a few points they would dispute. RFC is generally supportive.

A potential consequence of the FLR could be that the leading PL clubs might resurrect attempts to form a European Super League again - if the FLR impacts too much on their current business model.

3. If the recommendations of the report are fully enacted by legislation, what are the main opportunities for, and threats to, the Club and the present way of running it?:

The Owners and Directors Tests will be tightened by FLR but this should not be a concern. It should be noted that the current Directors have to submit a declaration every year and so there would be no change there. The PL Owners and Directors test, which is seen as more stringent than the EFL's, should not pose a problem as, when there was a possibility of promotion, it was determined that the current owner would pass the test.

Real time financial reporting is already in League 1 and 2 and may well come to the Championship anyway. There are currently two audits per year so by the end of each March it will be known if the Profit and Sustainability rules are breached. If the FLR recommendations come into force, P&S would potentially be replaced. Either way the goal is to have 'in-season sanctions' rather than punishments that come a season or even two seasons later.

There is now a Club Financial Reporting Unit which is independent of the EFL (though financed by them) and its findings and judgements go to an independent panel to decide on the sanctions / punishments. The panel comprises 2 KCs, 2 Football representatives and 2 Accountants so the decision on sanctions will not be taken by the EFL Board.

4. To agree in principle the recommendation on the Golden Share on the protection of club heritage items, with STAR as the custodian and without the need to await legislation:

A Golden Share would necessitate a change in the Company Articles of Association but as presently EFL clubs have to change their Articles in line with the FA model any change to allow this has to come from the FA. If it were implemented there would need to be a Golden Share custodian that is a community benefit organisation and so that would be STAR. It was noted that changes to the club name, crest, and basic home kit design / colours could not then be made without approval of the FA and endorsement of supporters.

5. To discuss the possibility of non-executive directors (NEDs) and a Shadow (or Fan Advisory) Board. Specifically, if there were to be NEDs, from what culture or talent pool would they be recruited? If there were a Shadow Board, from which supporter groups and interests would it be recruited and how would it interact with STAR's role at Structured Dialogue Meetings:

The Board is currently Dai Yongge, Dai Xiu Li, Narin Niruttinanon and Dayong Pang and it would be difficult to include Non-Executive Directors because of the geographical diversity. It could be possible to include NEDs at a senior management level in a similar way to the current arrangement of Operations Meetings.

A Shadow Board would duplicate, and so replace, the current Structured Dialogue Meetings. It could be expanded to involve supporters other than STAR Board members, though there would have to be the same terms of reference and confidentiality agreements in place. If a Shadow Board were to be created it would be done so independently of the club.

Any Other Business

1. Coming out of EFL sanctions in June 2023?:

The club's forecast is for RFC to be compliant. Club are now striving to meet that forecast and remain compliant.

2. Interaction with the EFL's new Financial Unit?:

RFC had a meeting recently which was useful, positive and productive – compared to the previous EFL approach they are dedicated solely to the financial management of the club.

3. Owner's satisfaction with the new Bowen / Carey recruitment regime?:

Yes, these are challenging times but if this season can be survived without further sanctions or relegation then there is a two-year plan going forward. Mr Dai appreciates that the high wage and long term contract approach was not successful and supports the current approach.

4. Dates for the next 2 meetings to prevent slippage of the meetings:

Thursday July 13th 2023 time TBA

Thursday January 11th 2024 time TBA