

The Meeting with the trustees of the PTFC Trust

The Elected Jags Foundation Board

Thursday 10th November 2022

1. Getting to know each other

We can confirm that representatives of The Jags Foundation (TJF) Board (Sandy Fyfe, Heather Iona Holloway, Ian Mackinnon, Gary Tanner and Andrew Holloway) met with all five of the PTFC Trust trustees on Tuesday 1st November. We thank the Trustees for having the meeting with us.

It is worth noting, from the outset, that the spirit of discussion was at times positive, and there was some broad agreement on some important themes. This is the first time that the two organisations had met. Naturally, there was some time taken to introduce each organisation and to give a form of update as to their respective current positions etc.

While it was agreed to not dwell on the past, naturally there was some discussion on certain points – this was a robust but respectful exchange. TJF directors sought clearly to set out what our strategy had been during our own “negotiations” with Three Black Cats (3BC). We:

- highlighted our democratic legitimacy (all TJF directors were democratically elected, not hand-picked);
- focussed on the strengths of our organisation in terms of corporate structure and ability to identify and liaise with our members and the wider support;
- noted in particular our demonstrated ability to fundraise (which we consider to be vital to the Club’s future); and
- emphasised how we have sought to live by our key values, especially transparency and accountability to our members.

In those discussions, we felt that the trustees were respectful and prepared to listen on most points made. The two notable exceptions were any attempts to discuss either the historic Trust minutes or the involvement of Stewart McGregor, both of which were shut down very quickly.

2. The position of the trustees

We (TJF) were keen to be in listening mode. We heard-out the new trustees, who explained some of their motivations and approaches. Nothing they said here was especially surprising, but it was helpful to hear it directly from them.

They told us that they had been concerned about the direction of travel. They made particular reference to when the old TJF Board had been dismissed from the process by 3BC. The trustees emphasised that they had to come together very quickly and had to make decisions quickly to “secure the shares for the fans”. They had decided, as we understood it, to worry about almost everything else later.

There was a broad acknowledgement from the trustees that this approach had been far from perfect and that they had not always got things right. They particularly acknowledged this was the case with regard to communicating with fellow supporters. They also acknowledged that there was still a difficult road to travel even with the shares transferred.

We asked the PTFC Trust what they would like to see from TJF in terms of working together. We took away three key themes from their “ask”. Those were that we (TFJ) could/should:

- give them “time” to move forward with their communications strategy, so that they could engage the Thistle support, identify their beneficiaries, set out their strategy and secure fan backing for their proposals;
- help them with engagement by working with our members to give them “time” to deliver their strategy; and
- collaborate with the Trust on certain projects (which, ultimately they suggested TJF’s fundraising would pay for).

3. TJF response to “what the Trust wants from us”

Our overall sense was that the PTFC Trust trustees want patience, mutual trust, the use of TJF members’ funds, to be given time, and (on some matters) for TJF’s leadership to seek to influence our members on their behalf.

This kind of working relationship that they envisage is not one that we can, in good conscience, enter into unconditionally, and certainly not as things stand. For there to be a basis for working together, the trustees must *first* demonstrate real, meaningful and specific progress towards making their organisation, and the fan ownership model, properly representative and democratic. As we set out later, the ball is firmly in their court.

It is clear for all to see that the PTFC Trust has a credibility deficit in the eyes of (at least) many hundreds of Partick Thistle supporters. We, of course, agree that the PTFC Trust should be given *sufficient* time to act, and should be judged on their actions and outputs.

However, any trust, credibility and time with TJF and the wider support has to be *earned* and *justified*. We don’t yet feel, given the total lack of communication with the fans since acquiring the shares some seven weeks ago, that this has in fact been earned or justified.

We find it especially difficult to accept that the PTFC Trust needs significantly “more time”. It has already had a lot of time to get this right. The current trustees began to come together in early May when Richard Beastall met with Stewart MacGregor (the football agent who runs Ark Sport). That meeting between the two was just over six months ago.

By way of comparison, the current TJF Board was elected more recently than that (in very late May). In the space of barely a fortnight (in early June) TJF addressed issues of corporate governance, membership rights, fan representation and working together protocols in our proposal to 3BC. We got our house in order swiftly. Where there is a will, these things can happen both properly and promptly. It doesn’t have to take a year or more to sort out, as the trustees appear to be asking for.

It is also hardly as though the fundamentals of their proposal itself are new. It was presented to 3BC four to five months ago. It even bears striking similarities to a proposal developed by Gerry Britton and Alan Caldwell, in their then capacity as trustees back in April 2022, more than six months ago. It still strikes us as bizarre that the share transfer had to go ahead when it did, if these fundamental issues had been left completely unresolved.

We now sit in November 2022. Despite promises months earlier, we are no further forward to seeing how the Trust and the Club propose to work together. We don't know what any fan representation on the Club Board of Directors will look like. The Trust still does not know who its existing beneficiaries are. We appear to be no closer than we were in August to getting an updated Trust Deed with a sensible and inclusive definition of a beneficiary.

4. "It was a gift"

One other point we want to highlight was that the trustees argued that the ownership structure at Partick Thistle should necessarily be different to conventional fan ownership models because the shares were given as a gift, rather than purchased.

We completely disagree with this. Whether the shares were a gift, or purchased in a commercial transaction, has no bearing at all on what a "good" model looks like with respect to fan ownership. It is not a justification for ignoring or diverging from the conventional models of fan ownership, including their mechanisms for providing inclusive democratic influence, accountability and transparency.

This isn't just our view. At the time Colin Weir was asked by Thistle For Ever to become their Community Investor, only conventional – *existing* – models were discussed. Indeed, we have been told that representatives of 3BC at the time acknowledged and agreed that the PTFC Trust would be an unsuitable structure and vehicle to deliver fan ownership at Partick Thistle. This is precisely why the Working Group was set-up in the first place: to develop a suitable corporate vehicle along the lines seen at other fan-owned Clubs.

5. The position of the TJF Board

We were asked by the trustees what TJF would like to see from the Trust. This is a fair question. We, at TJF, have always believed in total transparency and accountability to our members, but we are also firm believers in compromise and in working together to achieve what all of us want, successful Partick Thistle football teams on the park, and a thriving fan-owned model off the park with unity throughout the Club.

In that spirit, we set out our three "red-lines" for working with the Trust. These were:

- (a) A confirmed timeline for initial elections (anything later than May 2023 not being acceptable);
- (b) For a *majority* of trustees to be democratically elected at the first elections;

- (c) For an open consultation to take place on areas of the Trust Deed that need to be updated, and for the most important of those changes to be made well before the end of the season.

We do not believe that these red lines were particularly challenging and hoped that this would demonstrate our desire to work together with the Trust. The trustees acknowledged and appreciated us not setting out a long list and noted that two of the three – red lines (a) and (c) – would or could be possible.

It was point (b) that was a sticking point in the meeting, and it was agreed that the Trust would give consideration to these “red lines”, in the round, as a group after the completion of the meeting.

We have subsequently heard back from the Trust, after providing them with a draft of this statement. They have said:

“With regards to your red lines, we are happy to confirm timelines for elections. We aim to hold the election for our first two trustees in May 2023 and are happy to pin down fixed times for subsequent elections.

We are not prepared to put a majority on trustees posts up for election at the time of the first elections.

We are happy to have open consultation regarding the reconstruction of the trust deed.”

Why is majority democratic control essential?

We consider majority democratic control to be absolutely essential if an organisation is credibly to be regarded as a fan ownership vehicle. This isn't just our view; it's the conventional view of and approach taken throughout the fan ownership community.

Anything short of majority democratic control is, *at best*, a fan consultation vehicle, along the lines of the original PTFC Trust, with all its many flaws. No credible reasons have been given to us for why the PTFC Trust cannot be made majority democratic in its first set of elections.

Majority democratic control is even more important however, when the trust deed itself is in the control of the trustees. Normally with members organisations, such as TJF, it is the members who decide what the fundamental rules of the organisation are. The leadership group (e.g. directors) will obviously take a role in drawing up proposals, but it is always for the members to have the final and binding say. This is why, for example, we had to hold an EGM to approve the adoption of our new Articles of Association.

The trust has *no legal requirement* to put any decision whatsoever to a vote of the beneficiaries. As we have seen with this organisation before, the rules can be changed, unilaterally, by a majority of trustees. This isn't theoretical. This reality has, quite literally, prevented any new set of elections to the PTFC Trust since 2018.

This is exactly why trusts are an inappropriate vehicle for fan ownership. That was the view set out at the outset of this process by advisors to the initial transaction, and it remains the case today. The PTFC Trust has yet to answer the question as to how fans and beneficiaries can be protected against further future trust deed variations.

6. A point of unity

On areas of common alignment, there was complete and united agreement that personal and abusive targeting of individuals (trustees, TJF Board Members, Club Board members and staff) was not appropriate.

We noted to the Trust that a few months ago we had made an approach to the Club (Jacqui Low and Gerry Britton) that some form of joint statement would have been sensible on this. That suggestion was rejected. Everyone in the room shared the disappointment in the stance taken by Jacqui Low and Gerry Britton on that point.

7. Our considered response

We believe this was, on the whole, a useful meeting. It helped us to understand some of the thinking underpinning the trustees' approach. It helped us put names to faces and to understand the individuals as much as the vehicle.

However, in the days subsequent to the meeting it has become clear that our red line on democratisation of the Trust by the end of the current season is not a value they share.

We want to be able to work with the Trust. We are willing to work with any fan organisation that is genuinely committed to and lives the proper values of fan ownership: democracy, representation, transparency and accountability. But this requires certain minimal commitments that the trustees have chosen not to provide.

We call on the trustees to confirm whether any agreement exists that precludes them from democratising the Trust in an earlier timeframe than they currently propose.

The ball now rests firmly in the trustees' court. They still have an opportunity to unite the fanbase. It is time for them to *earn* the trust of the Thistle support, not simply to *claim* it. That will not be done by ignoring democracy, the wishes of the supporters, nor convention.

8. Our "litmus test"

There was also agreement, in the meeting, that we would give each other sight of future announcements ahead of time, so that there were no surprises. There had been some discussion about publishing a joint statement after the meeting, but we wanted to include what the red lines were, so everyone knows where we stand. The trustees seemed keen on the notion of a Joint Statement, but not to include such content.

However in the spirit of working together and reducing the chance of surprises, we offered the Trustees sight of some of the key themes of our commentary on the Football Club's accounts before this was released to members. We offered them the opportunity to influence that communication and to assist us in educating the fans as to the Accounts.

This would have been a real door-opening moment to build trust and work together. After initially suggesting they would do so, which was most encouraging, they ultimately decided not to as they felt it was 'not appropriate' for a major shareholder to comment on the Accounts.

9. Conclusion

With any fledgling relationship, trust needs to be built. We, on behalf of our members, will always seek to do what is right by the Football Club. We remain committed to delivering a fan ownership model for all of us to be proud of, whatever the precise vehicle may be.

However much we believe we can unite the fanbase, we do not believe we can compromise to the point of accepting a flawed model without democracy at its heart.

Without the shares, TJF must stand for something. It stands for all of our members, for convention, for democracy, and for transparency.

This whole exercise has caused disunity and mistrust among our fanbase. We can all apportion blame for how that has arisen. But the unifying of the fanbase will only ultimately be achieved by working together.

The PTFC Trust needs to put fans first. If and when they do, our values will be more closely aligned. Until then, we remain committed to campaign for the democratic election of a majority of trustee positions by May 2023.