

# Proposed Wembley Stadium Sale

## Summary

- The FA has received an offer from Mr. Shahid Khan to buy Wembley Stadium
- Having assessed the offer, The FA believe it is worthy of serious consideration for the following reasons:
  - Selling the Stadium will save The FA money in the long term (primarily due to the removal of CAPEX - see below)
  - A sale would provide significant capital for a transformational investment into facilities for community football
- This paper summarises the [Key Terms of the Offer](#) and a [Reinvestment Plan](#) for the funds. Further details can be found here: [www.thefa.com/proposedwembleysale](http://www.thefa.com/proposedwembleysale)
- The FA Council will vote on the sale on 24 October 2018

## Key Terms of the Offer

### Objectives

- In assessing the offer, The FA set out the following objectives (agreed with the Public Sector Funders – DCMS, GLA and Sport England):

Wembley Stadium to remain the <u>National Stadium</u>	Wembley Stadium to remain the <u>Home of English Football</u>	Wembley Stadium to remain the <u>Home of The FA</u>	The FA to <u>maximise financial value</u>
DCMS	GLA		Sport England
<i>Approvers</i>			

- We believe the offer meets all of these objectives.

### Wembley Stadium to remain the National Stadium

- Wembley Stadium will always be called “Wembley Stadium”
- The Stadium will remain UEFA Category 4 (or equivalent highest standard)
- The Stadium will remain available to host international major events
- The Stadium must comply with certain “Mandatory Technical Requirements” (e.g. world class spectator facilities, media facilities, retaining the royal box and other hospitality areas, grass playing surface)
- No anchor tenant (other than a NFL franchise) permitted without consent from both the FA and Sport England

### Wembley Stadium to remain the Home of English Football

- FA, EFL and National League events will continue to be staged at the Stadium
- Football events prioritised above all other events outside of the NFL window (Sept - Dec) – only autumn England internationals may have to be played on the road
- The FA will sell all tickets for FA events and set all ticket prices
- The stadium will retain the “look and feel” of a football stadium (e.g. the Bobby Moore statue will remain, imagery of historic football matches at Wembley will remain)

### Wembley Stadium to remain the Home of The FA

- The FA to remain headquartered at Wembley (rent to be paid in line with market rate)

### The FA to maximise financial value

- The FA would receive £600m in cash and retain the Club Wembley business (valued at c.£300m), the profitable element of Wembley National Stadium Limited (WNSL)
- The FA would be financially better off by not owning Wembley Stadium, e.g. The FA would save £72m in capital expenditure over the next 6 years (netted down by some profit and loss impacts).
- If a sale is approved, a market testing process will be undertaken to ensure maximum value is achieved

### Additional Key Terms

- The FA and Sport England will retain a guardianship role (e.g. FA and Sport England will have approval rights over any future sale of the stadium)
- Debt against the stadium subject to consent and restricted
- A buy-back clause should the new owner fail to meet key conditions with a buy-back price of between £100m and £200m; or between £1 and £200m if WNSL became insolvent

## **Reinvestment Plan**



- The quality of facilities remains the number one issue for players, coaches and volunteers in grassroots football
- If the sale of Wembley Stadium is approved, 100% of the net proceeds would be invested into community football facilities. This has been agreed by the National Game, the Professional Game and the Public Sector Funders.

### **How much would be available for reinvestment?**

- The FA would receive £600m in cash. We estimate deal costs of £10m. £590m would be reinvested.
- We estimate that with accrued interest and matched funding; this could amount to an additional £1.5 billion of investment into community football facilities. This is based on the following assumptions:
  - The investments would be made over a period of 20 years
  - Income/interest earned on the capital amount would be 5% per annum
  - Matched funding would be provided by recipients of the funding (e.g. local authorities) at a rate of 40%

### **Where would the net proceeds be held?**

- The net proceeds of £590m will ultimately be transferred to The Football Foundation to deliver projects on the following basis:
  - £429 million, being The FA's share of the proceeds, would be transferred to a newly formed Wembley Stadium Legacy Fund. This fund will be governed by football stakeholders from the National Game and the Professional Game, with funds then transferred to the Football Foundation on an annual basis
  - £120 million, being Sport England's share of the proceeds, would be transferred to a Sport England Wembley Stadium Lottery Agreement, with funds then transferred to the Football Foundation on an annual basis
  - The remaining £41 million, being DCMS and the Greater London Authority's share of the proceeds, would be directly sent to the Football Foundation following the sale

### **The process for reinvestment**

- All funds would be invested via the Football Foundation
- Only projects that have been identified in Local Football Facility Plans will be developed and delivered by the Football Foundation
- A Local Football Facility Plan is being produced for every local area, 326 in total, and projects contained therein are being identified by local stakeholder groups, including the relevant County FA, larger community clubs and leagues and professional club community trusts
- In addition, every project must: a) benefit local community clubs and leagues; b) be accessible for community football at peak times; and c) include provisions for maintaining the facilities
- The Wembley funds are for football but multi-sport projects will be considered and often encouraged, but in all cases, community football must be at the heart of every project
- The National Game will have representation on the Football Foundation Grant Panel, in addition to its existing representation on the Football Foundation Board
- The Football Foundation will have specific support added to its executive to provide grant development support for CFA projects

### **Making it easier to secure funding**

- New investment bias towards football entities: Community clubs, County FAs, Professional club trusts
- New flexible matched funding model: the Football Foundation to fund up to 80% funding
- Reintroduce revenue funding to support capital grants
- New focus on improving grass pitches in addition to new artificial pitches

### **How could this impact community football?**

- We estimate that each County FA area would receive an additional £32m of investment in their area on average, and together with current levels of funding, this would amount to £70m in total over 20 years
- By way of an indication, this could equate to: a new CFA playing hub with 3G pitch; 27 new full-size artificial grass pitches; 330 upgraded grass pitches; and 31 new changing pavilions
- The impact this investment may have in your County can be found here: [www.thefa.com/proposedwembleysale](http://www.thefa.com/proposedwembleysale)