



PRESS STATEMENT FROM HULL CITY SUPPORTERS' TRUST

SCRAP THE SCHEME!

Hull City Supporters' Trust calls on Hull City to scrap the planned membership arrangements for next season.

The Trust conducted a survey of City fans over a four day period. We had well over a thousand respondents, mainly non-members and mainly passholders. In line with the wider media comments the vast majority were deeply unhappy about the membership scheme. The zoning and pricing proposals, developed without any meaningful consultation with supporters, were widely reviled. In particular, by removing concessions for both older and younger supporters, the club was felt to be behaving in a morally reprehensible way, failing to reward loyalty (as it boasts the new scheme does) and severely impacting on the long-term support of Hull City. In the short term, it seems the scheme will certainly be economically damaging, with the majority of our survey's respondents saying they would be unlikely or very unlikely to join the scheme.

HCST has on its board experienced accountants who have worked up a model that offers an alternative – keeping concessions and removing all zoning. We believe our model will deliver at least as much revenue as the club's plan, whilst delivering cheaper season passes all round.

We propose three courses of action:

- 1) Hull City immediately suspends the introduction of the new membership scheme;
- 2) The club's board and senior officials meet urgently with the Trust and other fan groups to discuss the issues and the way forward;
- 3) The club works in partnership with the Trust, initially on refining costings for a continued season card scheme for 2016/17 and then later on refining an opt-in membership scheme.

The consequences of ignoring the fanbase will, the Trust believes, be disastrous. Whilst the club's owners have, in the past, shown no inclination to take heed of what supporters say this is an opportunity for them to alter course and enter into a dialogue with fans – for all our benefit.

If Hull City's owners opt to yet again ignore the supporters then it is clear that their continued ownership of this football club is untenable and that they must now come good on their promise to sell up to someone who can understand and nurture a loyal supporter base rather than treating it with disdain. The Trust will respond by campaigning against the membership scheme in its current form as well as the continued ownership of the club by the Allam family. [ENDS]

Hull City Supporters' Trust is the trading name of Tigers Co-operative Limited, a Community Benefit Society registration number 29021R.
The registered address is
 HCST, Suite 2, 117-119 Walkergate, Beverley, HU17 9BP.

Elected Trust Board Members (9): G Bielby (Chairman), G Cannon, C Dyson, S Dyson, P Fleming, A Hemingway (Treasurer), A Mills, R Richardson (Vice Chairman), P Walton.
Interim Secretary: M Scott

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Notes for Editors:

1) **Why is HCST calling on the club to scrap the membership scheme and associated arrangements?**

The club has introduced a potpourri of measures for next season, these being: a rolling membership scheme with continuous monthly payments instead of season tickets; zoning of the KCOM Stadium with different costs for each section of the ground; the removal of concessions for children, young people and seniors; the potential eviction of supporters from the West Stand Upper. These measures have been introduced without any meaningful consultation and in spite of criticism of the proposals. Whilst the club have made some changes to the original scheme, the key components remain.

These arrangements have proved to be deeply unpopular, perhaps more so even than the name-change the owners wished to foist upon Hull City, and they continue the alienation of fans by the club's management. The scheme has significant, possibly catastrophic, short- and long-term implications for the future support of the club.

We can evidence the opposition to the scheme. We can point to the furore in the local media and on social media platforms, and the resurgence of "Allam Out" chants at recent away games following the news of the scheme, but we have conducted a more structured exercise. Over the past few days we conducted a survey of fans which had over 1,100 respondents, some of whom are Trust members but most of whom are not, and three-quarters of whom are current season passholders drawn from all four stands. 60% of respondents said they were unlikely or very unlikely to join the scheme, whilst a huge majority – 85% - were unhappy or (mainly) very unhappy with it. The respondents were encouraged to tell us why they felt the way they felt; we will give examples of their answers below.

If the point of the changes is to improve the poor attendance in the stadium, then they will have the opposite effect. If, as has been suggested, a major reason for the scheme being introduced is to address the problem of adults entering the ground fraudulently, then it's a sledgehammer to crack a nut. Unless the club has a way to prevent it, the problem of fraud could obviously be simply transferred to fans buying tickets in a cheap zone and sitting in more expensive, empty seats, of which there will be plenty.

2) **What are the issues causing discontent?**

Football clubs traditionally support children, young people and seniors by offering concessions. They recognise that those groups have no, or little, disposable income compared to adults. Clubs recognise the long-term contribution of their older supporters, and realise that nurturing youngsters is important to the club's future. Not so Hull City. Providing concrete evidence that the owners view the fans as "irrelevant", the club have removed all such concessions, with children only being discounted if they are part of a family group in the South Stand. Hull City's

claim that the new scheme rewards loyalty is deeply ironic considering its treatment of older supporters; the scheme's motto of "Earn Your Stripes" strikes many as being deeply objectionable.

"Earn your stripes coupled with the penal fee structure is offensive to long-term supporters of the club. Seems very ill thought out and reflects again the fact that owners of the club and staff have little clue of how to run a football club."

The Trust, along with most supporters, views the removal of concessions as morally reprehensible and economically self-defeating. Contrast this approach with Rochdale, a club with far fewer resources, that next season will be letting in under 11s for free.

Imposing price zoning on a ground where there was none previously, treating supporters as if they are counters to be moved at will, has caused a dilemma for fans who cannot afford to stay where they are – move elsewhere and leave the group of people they like sitting with, or quit attending matches at the KCOM. The scheme, it appears, has been developed by people who quite simply do not understand football fans, do not understand the very different ways in which they choose to watch football.

"I sit with my two children in E6. Whereas my price has come down theirs have gone up by a whopping £426 each. I have sat in my seat since the KC opened and the children since they were born, I like my seat and the people around me and don't really want to move."

"As a student at university I relied on being in the 19-22 concession bracket due to my limited income. I have been a pass holder for 9 seasons in E6 and now can't afford to sit in my seat for twice the price. I am also unwilling to move (why should I). I am not willing to move to cheap seats or give any money to the current regime which is ripping the heart from our club. It saddens me as I love going to home games but I will stick to away games next year and give another club the money instead."

"As a family group of 1 adult, 2 junior concessions and 2 senior concessions in E6 our overall increase is in excess of £1,000 although I save £60 as an adult. The club's answer is to move to cheaper sections but after 14 years why should we? It is absolutely disgusting that the club even suggest this, true loyal fans are being punished on the basis of age."



“My son sits with me and my Dad in the East Stand (a seat I have sat in since the stadium opened). My son’s seat increases from £60 to £498 unless I move away from my seat and family and friends! My son loves going but I can't afford £1,000 for both of us to go and sit where we sit! I don't want to move either! I have been a season pass holder since 1999 and this is how they repay loyal fans.”

Whilst the club has retreated on evicting adults from the South Stand, the threat still exists for passholders who sit in the West Stand Upper. The rationale for emptying this stand is dubious – why not seek to fill the ground through reasonable pricing instead?

The scheme is hugely complicated. To understand it you are required to read a 24 page booklet (one which has no mention of the term “Hull City”, another way in which the club’s management alienates the fan-base) and 21 pages of Terms & Conditions. Yet even then not all questions are answered and, it appears, there is confusion at the club too, despite an imminent deadline for applications looming.

“It's too complicated and too contentious. Simply reduce the prices!!! Whilst they're at it keep concessions and get rid of category banding for games. Was a season ticket holder for 11 years prior to this season. I do miss it but I won't be returning under this membership scheme.”

When the scheme was initially launched Ehab Allam said, "For too long, the price of football in this country has been much too high. This new scheme will at least ensure the same cannot be said of Hull."

This was blatantly untrue. (It should be pointed out that, only days before, Allam had told The Yorkshire Post that the Premier League was wrong to cap the price of tickets for away fans and that instead market forces should prevail whilst, of course, he himself had raised season card prices at the KC by 40% over two seasons.) This week the club amended its stance that to say that 58% of fans would be better off under the new scheme. But, as we’ve seen, even that is misleading. An adult who goes to the match with children, for instance, might personally be better off but as the kids won’t be, the family as a whole is worse off.

Ironically, given the approbation levelled at it, the least contentious element of the package is the membership scheme itself (essentially a rolling monthly direct debit). This has merit but we believe that it requires further work and clarification. For instance, will the club raise payment levels within the season? What about data protection? At present the Terms & Conditions do not allow members to opt-out of the club handing their personal information to a third party.

3) What’s the alternative?

Both HCST and – as evidenced by the survey, the wider fan base – believes the removal of concessions and the zoning of the ground is completely unnecessary. We are proposing the alternative of a simple system, easy to understand and apply, which relies on the tried and tested method of cheaper season passes to attract more people. We believe our proposals will fill the stadium. We know that the club's will certainly not.

We have three experienced accountants on the Board who have worked on producing a model based on certain assumptions – the details are outlined in the appendix. Their workings are based on retaining concessions and the complete non-zoning of the ground (corporate seats apart). We believe the club is aiming to grow its revenue derived from membership to £5.33m. We have produced various scenarios of pricing. To achieve that equivalent figure - with prices of £400 for adults, £300 for seniors, £200 for 19-22 and £100 for 18 and under - we would need 16,781 pass sales. (To achieve the figure we think they'd get - a very conservative assumption of a drop of 25% in take-up – the club would have to sell 12,783 passes.)

But we believe that the club could make the passes even cheaper and propose Hull City follows the example of Huddersfield Town in using some of its television revenue to reduce the prices of passes for its loyal supporters. The aim should be to bring season pass levels down roughly to the level they were prior to the excessive price hikes of 2014/15 and 2015/16.

4) What are the next steps?

We propose three courses of action:

1. Hull City immediately suspends the introduction of the new membership scheme;
2. The club's board and senior officials meet urgently with the Trust and other fan groups to discuss the issues and the way forward;
3. The club works in partnership with the Trust, initially on refining costings for a continued season card scheme for 2016/17 and then later on refining an opt-in membership scheme for 2017/18.

5) What are the consequences if club goes ahead with the membership scheme?

We believe the implementation of the scheme will be, as we have already said, disastrous. There has already been a significant backlash from supporters. The club has rightly been vilified for its treatment of young and old alike, and its disregard for how the ordinary fan attends matches – where they choose to sit, and who with. Its treatment of senior supporters mocks the claim that the club rewards loyalty, its treatment of juniors puts at risk the long-term support of the club. If it means nothing else to the owners, the result of their actions will be much diminished attendances and lower income.



Hull City's owners have shown no interest in entering into a dialogue with the club's supporters, deeming them "irrelevant". They alienated a large section of support with the name-change proposals, and have continued with a petty and self-defeating policy of never using the club's proper name. Draconian price rises deterred other fans from attending matches. The membership scheme is a step further. Our survey (which drew responses from the whole supporter base, not just Trust members) and the wider media reaction show that City supporters are almost universally against the membership scheme. We ask the senior executives of the club to listen to the supporters and work in partnership with the Trust to develop a fairer model for the forthcoming season.

It's worrying to think where the club will end up if it continues to be run in the way it has been for the last couple of years. More and more fans are walking away at a time when attendances are already depressingly low. We've always resisted calling for the Allam family to leave the club, hoping that they could be convinced to work with supporters. If, as has always been the case to date, they again ignore the need to do this then the time has obviously come for them to leave for everybody's sake, to sell the club to someone who has that interest and can understand and nurture a loyal supporter base rather than treating it with disdain. For its part, the Trust will respond by campaigning against the membership scheme in its current form and the continued ownership of the club by the Allam family.

6) For Further Contact and Discussion with Hull City Supporters' Trust

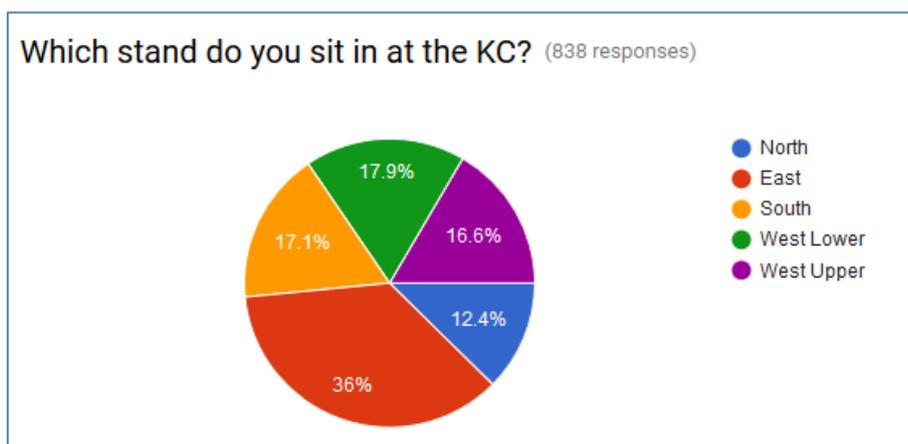
Please contact us at contact@hullcityst.com, or @hullcityst

APPENDICES

I) Survey statistics

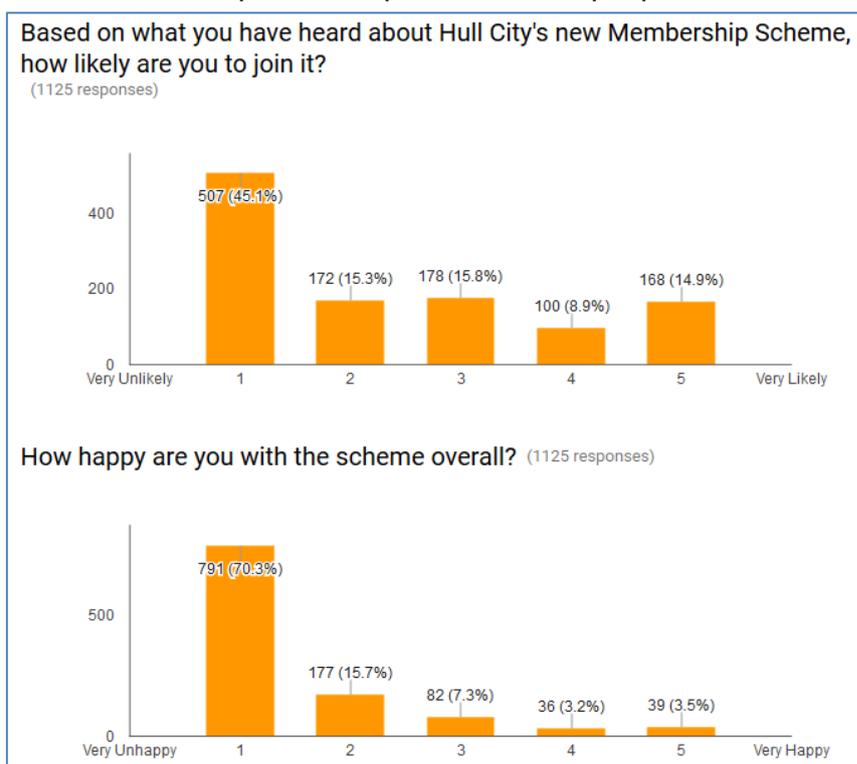
Sample

- 1,125 respondents in total
- 36.9% of respondents are HCST members, 63.1% are not
- 74.5% of respondents are current Hull City season ticket holders, 25.5% are not
- Breakdown of the stands that season ticket holding respondents sit in is shown by the pie chart below

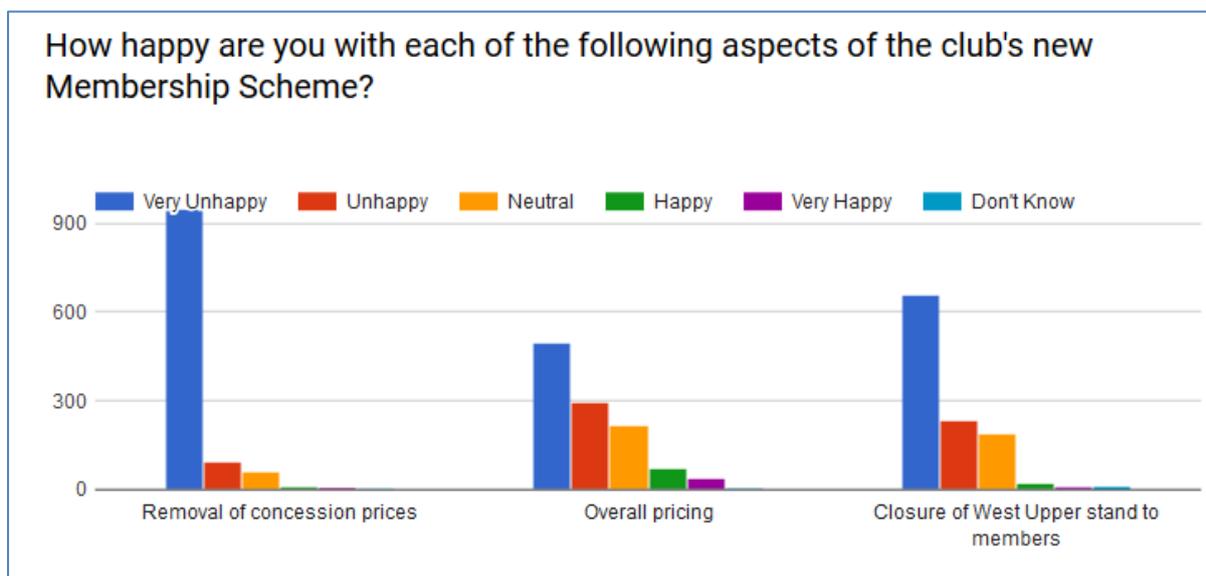


Results

- The below bar charts show responses to questions about people's views on the scheme overall



- The below bar charts show responses to questions about specific aspects of the scheme



2) Alternative pricing model

Notes on the model from the Trust's accountants

As we had no access to all of the data we have had to make estimates on the current number of passholders, and make assumptions on the concession splits, but our estimate on current season ticket revenue is £5.01m. Based on the same volume and mix, we forecast revenue of £4.83m with the new scheme but the club will be saving £0.25m on season ticket administration (this from a statement by Ehab Allam) and we have estimated the same on the closure of the West Stand Upper. This would mean total revenue of £5.33m, which is an increase on the current figure.

We all know that these volumes will not be achieved on the membership rates. We have calculated that to keep the net revenue at the current year's the club can cope with a fall of 6.7%. We anticipate the fall to be much greater; if the drop is 10% the revenue would be £4.85m, by 25% it would be £4.12m and if the club get a massive backlash of a 50% reduction, the figure drops to £2.92m.

With dropout levels based on the survey results, but anticipating some of these people will change their minds and sign up at the last minute, we calculate the actual drop in season tickets will be nearer 25% - 30%.

We have looked at possible alternative pricing and all the figures assume that West Stand Upper is open. Based on adult prices of £408, senior and 18-22 year olds of £204 and others at £96, we forecast £5.33m of revenue and over 17k of passes sold. We do not think we would get near that pass volume.



Based on prices of £450 , £250 and £100 for the age groups above, you would need just under 15,500 pass sales to get to £5.33m, which is what we believe is the value the club is hoping for on the current membership scheme.

Our final scenario is prices of £400 for adults, £300 for seniors, £200 for 19-22 year olds and £100 for 18 and under. Again to get to £5.33m, we calculate we would need 16,781 pass sales.

If we assume that the club will suffer a 25% fall in passes on the new membership scheme, thus attracting revenue of £4.12m, using the final scenario we would need to sell 12,783 passes to hit this.

Volume change:	Volumes	Current 16-	Proposed	Proposed	Proposed	Proposed	HCST proposal 1			HCST proposal 2			HCST proposal 3			
		16	16-17 Current Volumes	16-17 -8.7%	16-17 -10%	16-17 -26%	16-17 -50%	Prices	Volumes	-50%	Prices	Volumes	-50%	Prices	Volumes	-50%
Revenue:																
Adult	7,247	£ 4.07 m	£ 2.80 m	£ 2.52 m	£ 2.52 m	£ 2.10 m	£ 1.40 m	£408	9,987	£ 4.07 m	£450	8,978	£ 4.04 m	£400	9,733	£ 3.89 m
65+	1,499	£ 0.47 m	£ 0.58 m	£ 0.54 m	£ 0.52 m	£ 0.43 m	£ 0.29 m	£204	2,066	£ 0.42 m	£250	1,857	£ 0.46 m	£300	2,014	£ 0.60 m
19-22	625	£ 0.18 m	£ 0.24 m	£ 0.23 m	£ 0.22 m	£ 0.18 m	£ 0.12 m	£204	861	£ 0.18 m	£250	774	£ 0.19 m	£200	839	£ 0.17 m
13-18	1,250	£ 0.18 m	£ 0.48 m	£ 0.45 m	£ 0.43 m	£ 0.36 m	£ 0.24 m	£96	1,722	£ 0.17 m	£100	1,548	£ 0.15 m	£100	1,678	£ 0.17 m
12 & Under	1,874	£ 0.10 m	£ 0.72 m	£ 0.69 m	£ 0.65 m	£ 0.54 m	£ 0.36 m	£96	2,583	£ 0.25 m	£100	2,322	£ 0.23 m	£100	2,517	£ 0.25 m
	12,486	£ 6.01 m	£ 4.83 m	£ 4.61 m	£ 4.56 m	£ 3.82 m	£ 2.42 m		17,218	£ 6.08 m		16,479	£ 6.08 m		16,781	£ 6.08 m
Costs saved:																
Season pass admin			£ 0.25 m	£ 0.25 m	£ 0.25 m	£ 0.25 m	£ 0.25 m			£ 0.25 m			£ 0.25 m			£ 0.25 m
Closure of West Upper			£ 0.25 m	£ 0.25 m	£ 0.25 m	£ 0.25 m	£ 0.25 m			£ -			£ -			£ -
Revenue net of savings:		£ 6.01 m	£ 6.33 m	£ 6.01 m	£ 4.86 m	£ 4.12 m	£ 2.82 m		£ 6.33 m		£ 6.33 m		£ 6.33 m		£ 6.33 m	
Total passes sold:		12,495	12,495	11,663	11,246	9,371	6,248		17,218		15,479		16,781		16,781	