

## **Football and finance in Scotland: a dream alliance in Gretna?**

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On the 3<sup>rd</sup> of November 2008, Brooks Milesen, the former owner of Gretna Football Club passed away after a long battle against illness. Better known for centuries as a haven for eloping English lovers seeking to wed in defiance of their parents and English law, in recent years, fairy tale romance in Gretna has centred not on fleeing lovers but on the attempts of this English businessman to live his dream through a Scottish football club.

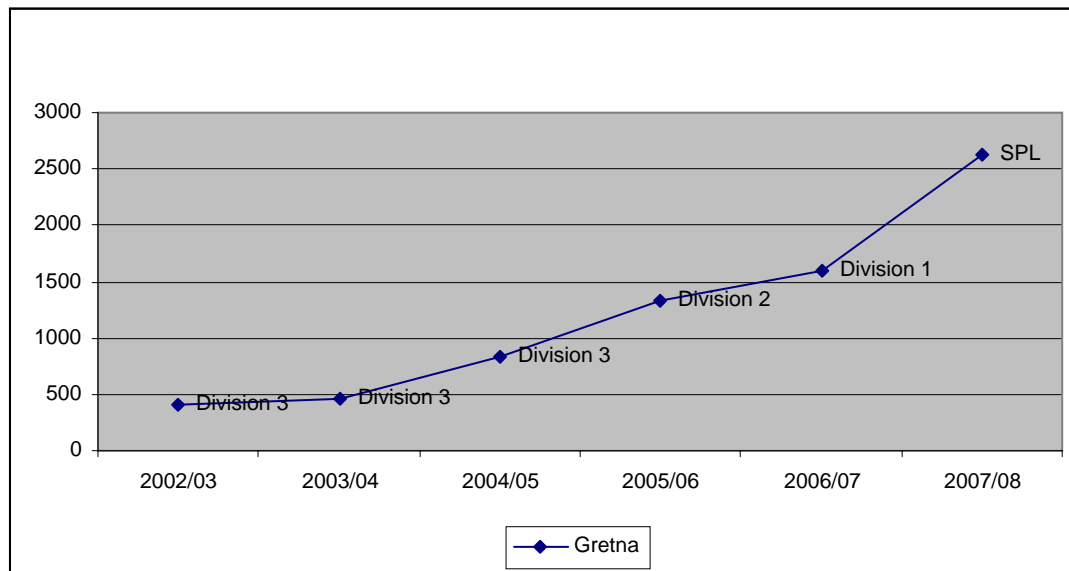
Formed in 1946, Gretna FC spent much of its early history playing in the Carlisle & District League, but played more recently in the English Unibond League until it was admitted to the Scottish Football League in season 2002/03. The club has tried unsuccessfully to join the Scottish Football league on previous occasions in 1993 and 1999. Its then Secretary, Ron MacGregor, described its desire for admission as being motivated by 'a combination of football and commercial development'. Looking back, while Gretna was highly successful in its football development, the root of its problems was its inability to develop commercially. Indeed the club's geographical position, coupled with the economics of football in the lower leagues of Scotland, leaves the question how realistic such a development model could ever have taken place.

Senior professional league football in Scotland is divided between two separate leagues, the Scottish Premier League (SPL) – the top division of 12 clubs - and the Scottish Football League (SFL) – three divisions of 10 clubs each. While there is promotion and relegation between the SPL and the SFL, the SPL is an independent organisation, and has been since its inception in 1997/98. The stated purpose of the SPL breakaway was to increase competitiveness of the top division of Scottish football and improve the performance of Scottish clubs in European football. It was clearer, however, that an important motivation for the breakaway was to concentrate a much higher proportion of the broadcasting and sponsorship income amongst the clubs in this new smaller elite division. Previously, income had been more equally divided between the clubs in all 4 Scottish divisions. The net effect of this has been to remove the prospect of any significant television broadcasting income for SFL clubs except where they are drawn against SPL clubs in televised CIS or Scottish Cup matches.

Hence the financial situation and outlook for clubs in the Scottish Football League is markedly different from that of SPL clubs, never mind any comparison with clubs playing in more lucrative leagues like the FA Premier

League or the Championship. With no television deals and very limited sponsorship, gate receipts remain the key source of income. For Gretna, its projected turnover for its first season in the SFL was only £250,000, a figure that is unsurprising when one considers its attendance records (see Table 1).

**Table 1 Average home attendance - Gretna**



In this financial and operating context, it is understandable that the emergence of a wealthy businessman, interested in buying into the club was well received. And while nothing in sport is guaranteed, a serious financial investment in the lower reaches of Scottish professional football brings with it a good prospect of delivering football success. So it proved with Gretna. An estimated investment of £8m by Brooks Milesen ensured the club's football development. Gretna's approach was to expand by winning football matches; an approach which it achieved with great success. In its six seasons in senior football in Scotland Gretna became the first British club to achieve three successive promotions, culminating in gaining a place in the SPL in season 2007/08. Among other achievements it amassed a record number of points in a season - 98 points out of maximum 108 in season 2004/05 in Division 3 - as well as reaching a Scottish Cup Final in season 2006/07 and participating in the UEFA Cup.

But Milesen's involvement with Gretna was always about more than football. In season 2002/03 prior to his investing in the club, at his first meeting with its then manager, Rowan Alexander, Milesen handed Alexander a cheque for £20,000 as a contribution to the club's Skillseeker programme (McColl, 2008). Subsequently what underpinned his investment was Milesen's desire that the club must contribute to its community; that it must give something back to the town. One example was his decision to commit somewhere in the region

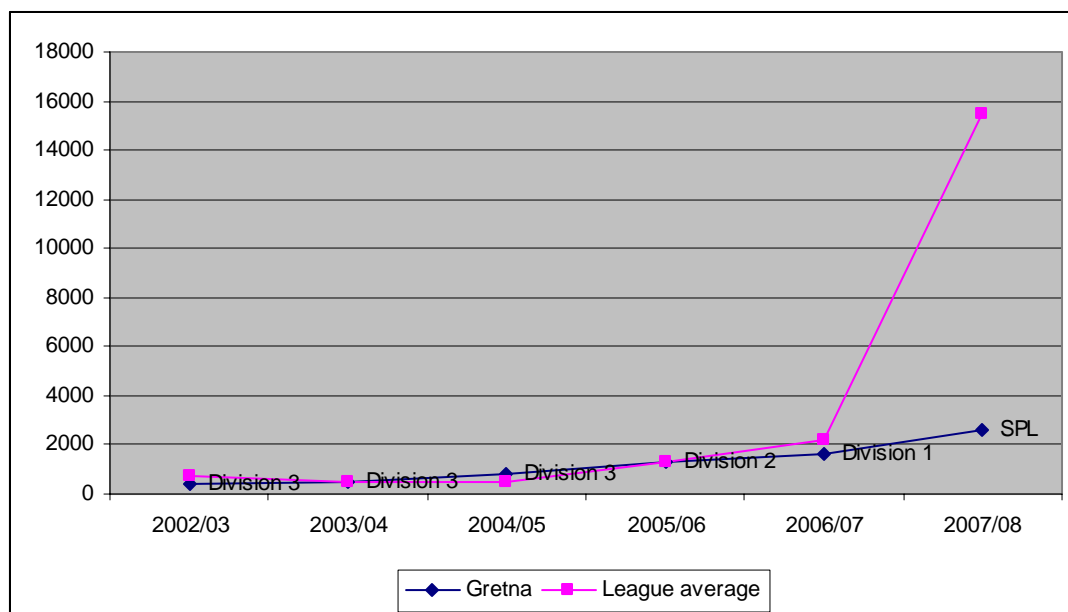
of £200,000 pa to developing a community programme for the club, involving, for example, free coaching in all of the region's schools. Another was investing in education programmes for his young players to provide them with a security net should they not make it in football. As the club's former manager, Davie Irons, observed after Milesen's death: 'he gave so much to so many people in Gretna and the surrounding area - and I don't just mean financially' (Chiesa, 2008).

Arguably, however, it was Gretna's success on the field of play which contributed to its downfall, with the club's infrastructure and commercial development unable to keep pace with its football development. Put simply, Gretna was an example of over-trading; its sporting performance accelerating too far ahead of its business potential. While it was an exciting adventure and certainly generated interest in Scottish football, particularly in the lower leagues, with limited attendances and no history of community support, the club was wholly dependent on its rich benefactor. As long as Milesen was willing and able to fund the club, then there was an opportunity for the dream to be sustained. But what was not prioritized was any consideration on how to put in place a sustainable football business.

From this perspective, the club's success in reaching the SPL was the critical point in the business cycle. With its Raydale Park stadium not close to being compliant with the SPL's requirements, the club was obliged to play its home SPL matches at Motherwell, with inevitable financial implications both in terms of income via attendances – Motherwell is 75 miles from Gretna – and expenditure via rental costs.

Focusing on attendances the club's support base was immature. As Table 2 demonstrates its attendances over the period of its successful progression through the leagues were not markedly different from the average for those leagues. But requiring supporters to make a round trip of 150 miles to watch the club's home games was always going to be challenging, particularly given the nature of the club's supporter base. Moreover, dilution of the novelty value associated with the club - a club which after all had now been in the Scottish Cup Final and secured a place in the UEFA Cup - coupled with the risk of poor on-field results in a much more competitive SPL meant that it was not difficult to predict that the club could quickly end up with very low attendances and interest in Gretna.

Table 2 Home attendance – Gretna vs. Division average



While the financial details of the ground-sharing agreement were never disclosed, when Gretna went into administration the list of creditors indicated that Motherwell was owed £44,000. But it has been reported that the rental was on a match-by-match basis. Given this, a more relevant indication of the likely drain on the club's resources is the fact that the last SPL ground share agreement between Inverness Caledonian Thistle and Aberdeen, in season 2004/05 cost ICT approximately £35,000 per match. It is interesting to wonder what might have happened if the club's first season in the SPL had seen home games in Gretna, providing a great boost and focus for the club and the area as well as adding some interest to the SPL as a whole. That said it is challenging to provide an economic rationale for building a 6,000 seated football stadium in a town with a population of 2,075.

The club was put into administration in March 2008 after Mileson took ill and apparently withdrew his financial support. While it looked at one stage as if it would go out of business during the season, thus impacting on the integrity of the SPL and possibly threatening its future commercial appeal, support from the SPL enabled Gretna to fulfil its fixtures. At the end of season 2007/08, all of the club's staff were made redundant and the club was initially relegated to the Third Division as a consequence of its inability to guarantee fulfillment of its 2008-09 fixtures. Still unable to find a buyer thereafter, the club was then placed into liquidation in June 2008 and resigned its place in the SFL, being replaced by nearby Annan Athletic.

Thus on the first Saturday after Brooks Milesen's untimely death, two new East of Scotland league clubs came together on Saturday 8 November 2008 in the Image Printers Club; both clubs new to this semi-professional league which lies below the Scottish Football League. One was the newly formed University of Stirling side, including a number of the University's football scholars; the other was Gretna (2008), the club which had risen out of the ashes of Gretna. In the end, Gretna (2008) prevailed 3-1 after extra time in front of a crowd of about 100, and a camera crew from the BBC's Football Focus there to mark the passing of Milesen (see pictures). In the same month the previous year Gretna had enjoyed home SPL matches against both the Edinburgh clubs; Hibernian (lost 1-0) and Heart of Midlothian (drew 1-1), emphatically demonstrating Gretna's rise and fall. Its story over the last few years has at times been romantic, thrilling and surprising. But while the dream was inevitably to come to an end, ultimately what brought it down was its disregard for business and financial planning. Unfortunately, while many aspects of Gretna's tale are unique, that criticism does not set it apart from many other Scottish clubs in recent decades.

#### References

- Chiesa, A. (2008). 'The man whose dream led Gretna to European football', *The Herald*, 3 November.
- McColl, G. (2008). 'Romantic dream becomes living nightmare at Gretna', *The Times*, 3 March.



Both teams observe a minute's silence in memory of Brooks Milesen.



BBC Football Focus covering the Image Printers Club between The University of Stirling and Gretna (2008).