



State of Play: GOTP10-year review

Birmingham City

A brighter future, perhaps?



DESPITE bearing the name of England's second largest metropolis, Birmingham City Football Club has invariably been in the shadow of local rivals Aston Villa, an infinitely more successful club over the decades. With a population of 1.1 million in Birmingham itself, and an urban catchment of over two million, the city should, arguably, have been more competitive than it has been over the past half century.

The malaise that has affected Midlands' football for so long received a boost in 2016 when Leicester City won the Premier League, but at the same time, Aston Villa were relegated and West Bromwich Albion were only six points clear of the same fate. Nevertheless, in the past year, there has been a growing

interest in the region's clubs, with Aston Villa, West Bromwich and Wolverhampton Wanderers all benefitting from Chinese investment. With the very top clubs difficult to take over and firmly established with stable ownership, the Midlands may offer foreign investors the ideal platform to enter the lucrative world of English football. Birmingham, with its significant regional presence and crowd potential, sits among the second strata of the game that could be ripe for expansion.

Rising from the east?

The most recent breakdown of Birmingham's shareholders reveals that 96.64% (78,769,201 shares) of the total issued share capital in Birmingham City PLC is owned by Birmingham International Holdings Limited (BIH). These shares are traded on the Hong Kong Stock Exchange and 27% (some 22 million) are owned by Carson Yeung Ka-Sing and 15% by Wang Lei.

Carson Yeung Ka-Sing was imprisoned for money laundering, but is currently on bail. In 2011 when he was arrested, shares in BIH were suspended and in the continued absence of reliable financial information, a transfer embargo was pinned on the club. Yeung resigned from his positions with Birmingham and the past few months have been dominated by a proposed takeover by Paul Suen Cho-hung's Trillion Trophy Asia group.

In 2015, the Football League made public concerns over Yeung's attempts to impose his choice of directors on the BIH board despite his conviction disqualifying him from any influence. Relationships became strained, as illustrated by the failure of three directors, including the club's *de facto* chief executive Panos Pavlakis, to gain re-election. In February 2015, the board voluntarily appointed receivers from EY to manage the company.

Paul Suen Cho-hung is known as the "king of penny stocks" and has a reputation as a troubleshooter. Some sceptics believe he will restructure the club and then move on after turning a profit, but generally, the takeover is being viewed as a big positive. Director Panos Pavlakis said: "This is one of the most important and significant steps for Birmingham City Football Club which could lead us further in the right direction."

City news

Birmingham City has experienced financial crises throughout its history. The first major problem came in the 1980s when control of the club passed from Clifford Coombs to Ken Wheldon. He presided over a major cost-cutting programme that resulted in the club being relegated to the third tier of the game for the first time. Wheldon, who had previously been with Walsall, eventually sold the club to the Manchester-based Kumar brothers. In hindsight, his lack of popularity has often overlooked the fact he kept the club alive during a very stormy period. With the Kumar's business compromised by the collapse of Bank of Credit & Commerce International in 1991, Birmingham City found itself in administration until it was bought by David Sullivan, the proprietor of Sport Newspapers. The club was floated on the Alternative Investment Market in 1997 with an issue of 15 million new shares, raising £7.5 million of new investment. The regime that included Sullivan, chief executive Karren Brady and David and Ralph Gold, stepped down with the arrival of Carson Yeung Ka-Sing in 2007.

By 2013, Birmingham's turnover in the Championship, at £24.2 million, was the fifth highest in the division. The wage bill was 95% of turnover and the club's net debt was £ 24.6 million. Turnover and wages both dropped a year later to £20.1 million and £18 million respectively, but losses increased from

£4.1 million to £ 5 million. In 2014-15, Birmingham's revenues were still around the £ 21 million mark, but £ 8 million was derived from parachute payments. The wage bill had fallen significantly since the Premier days and totaled £ 14 million – 67% of turnover. Debt had come down to around £ 10 million. Although on the field Birmingham supporters may continue to be frustrated, the club seems to have some momentum in making itself more financially resilient. Certainly, messages coming out of St. Andrews suggest that the club is now living within its means.

On the field

In 2016-17, Birmingham will come up against Aston Villa, which may give the Blues the chance to tip the local balance of power in their direction. City are now considered to be the Birmingham's third club, after Aston Villa and West Bromwich Albion. But they can claim to be the last team from the city to have won a major trophy, lifting the Football League Cup in 2011. It was only the second major honour that the club has secured since its foundation in 1875.

The club was originally called Small Heath Alliance and then dropped the last part of that name. They have never been champions and have just reached two FA Cup finals, losing in 1931 and 1956. Their only other piece of silverware was in 1963, when they beat Aston Villa in the two-legged Football League Cup final. It is often overlooked, however, that Birmingham City reached two Inter-Cities Fairs Cup finals in 1960 and 1961.

	League	FA Cup	FL Cup
2015-16	10 th Championship	R3	R3
2014-15	10 th Championship	R4	R2
2013-14	21 st Championship	R4	R4
2012-13	12 th Championship	R3	R2
2011-12	4 th Championship	R5	R3
2010-11	18 th Premier	QF	Winners
2009-10	9 th Premier	QF	R3
2008-09	2 nd Championship	R3	R2
2007-08	19 th Premier	R3	R3
2006-07	2 nd Championship	R4	R4

Since the start of the Premier League, Birmingham City have spent seven seasons in the top flight, including three in the past decade. They enjoyed three promotions: in 2002, 2007 and 2009, and although in 2011-12, the parachute payments probably benefitted Birmingham and almost resulted in a quick return to the Premier, the club has been in something of a slow decline.

Getting personnel

Surprisingly, Birmingham's consumption of managerial talent is not as short-sighted as many clubs. Current manager, Gary Rowett was appointed in October 2014 and he has been in charge for 86 games. The club's average over the past 20 years is 174 games. They have had a couple of long-servers in that time – Steve Bruce was in charge from December 2001 to November 2007 and Alex McLeish was manager between November 2007 and June 2011.

Rowett has a better win rate than both Bruce and McLeish, although he has yet to be tested at the highest level. There is talk of a bid for the play-offs in 2016-17 and the highly-rated Rowett has been

adding to his squad in the summer of 2016. In fact, Birmingham spent some £ 2.5 million in the close season, more than they have paid out in some years.

Maximising the audience

Birmingham City’s ground is situated in the Bordesley area of Birmingham, in particular the Nechells ward. This is an area that has a typically mixed demographic for the city – 59% English, 7% Pakistani, 4% Somalian, 3% Bangladeshi. The population is around 34,000 with only 69% English speaking – Birmingham, overall, is 85% English speaking.

Birmingham have long enjoyed patronage from a mixed demographic. Their renowned hooligan fringe, known as the Birmingham Zulus, sprung up in the 1980s and comprised youths with different ethnic backgrounds.

Support-wise, Birmingham’s attendances have slumped down the decades and from enjoying the fourth best average in England in 1973 (36,663), they are now running at around half of that figure. But Birmingham’s crowds have recovered from the 1980s when they fell to alarming levels for a club of its size.

	League	Average
2015-16	Championship	17,603
2005-06	Premier	27,392
1995-96	Division 1	18,090
1985-86	Division 1	10,900
1975-76	Division 1	28,003
1965-66	Division 2	14,398
1955-56	Division 1	33,683
1946-47	Division 2	32,653
1935-36	Division 1	24,501

In recent years, Birmingham’s crowds have fluctuated, but their average attendances have not climbed above 20,000 since they were relegated from the Premier League in 2010-11. In the Championship, they have averaged crowds from 15,000-18,000. In 2015-16, gates at St. Andrews averaged 17,603 which showed an increase of 9.3%. Within the Birmingham area, crowds are remarkably consistent, with total attendances across the four clubs (Aston Villa, Birmingham, Walsall and West Bromwich) reaching more than 1.6 million during the season. Birmingham’s share of this market has also been stable over the past five years, ranging from 19% to 23%, often dependent on the performance of their neighbours as much as their own on-pitch displays.

In the city: Percentage of spectator market share in the city and environs, past five years:

	BCFC	Aston Villa	WBA	Walsall
2015-16	22%	41%	30%	7%
2014-15	20%	43%	31%	6%
2013-14	19%	44%	31%	6%
2012-13	21%	43%	31%	5%
2011-12	23%	41%	30%	5%

Compared to the top Premier clubs, Birmingham's digital following is relatively low. Their combined social media following is under 500,000 which is higher than other Midlands clubs like Nottingham Forest, Derby County and Wolverhampton Wanderers, but trails city rivals Aston Villa (3 million) and West Bromwich Albion (1.1 million). These figures pale into insignificance when compared to Chelsea's 46 million and Arsenal's 36 million, underlining the awesome power of the Premier League and gulf between the top two English leagues.

Ground works

St. Andrews dates back to 1906 and has a capacity of 30,000. At current levels of support and on-pitch success, this is more than adequate for the club. There has been talk of the club moving and of major modernisation programmes. In 2010, an ambitious revamp was tabled, but was subject to public appetite for the club. The scheme involved a £ 20 million redevelopment that included more seating and a hotel, but comments made at the time suggested the club lacked confidence that it could attract more fans to make the project viable. A few years earlier, a proposal was put forward to build a sports village in the form of the City of Birmingham Stadium, which would have been partially funded by the sale of St. Andrews. In 2013, the Birmingham City Supporters' Trust applied for the listing of the stadium as an Asset of Community Value under the Localism Act of 2011. It seems unlikely that the club will move in the immediate future.

Conclusion: Peaky blindsiders?

Birmingham City is one of a group of clubs that are sizeable in the Championship but not quite resourced or large enough for a sustained spell in the Premier. Without significant money, the best they can currently hope for is a yo-yo existence that sees the club win promotion and then struggle for a year or two before dropping back to the second level. Despite lean times, Birmingham can realistically hope for 20,000 attendances at St. Andrews, which underlines the potential of the club. In order to break out of their current cycle, Birmingham needs stability – on and off the field - and a plan that looks beyond survival. On the face of it, they have moved out of their post-Premier slump and two successive seasons in 10th place hints at some level of progress. With the ownership structure changing, it is not unrealistic to hope that Birmingham City could see, at least, a modest upturn in their fortunes. For those that see English football as more than just the top half dozen teams, a "Brummie" renaissance would be welcomed by more than just the St. Andrews regulars. It would also demonstrate that the traditional heartland of the game in Britain has a future. The Premier has probably not seen the last of the Blues.



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