



Rachel Reeves MP
Chair
Business, Energy and Industrial Strategy Committee
House of Commons
London SW1A 0AA

29 March 2020

Dear Ms Reeves

I have been passed a copy of your correspondence by Tom Piper dated 24 March 2020 and write to respond on behalf of Newcastle United Football Club (the Club).

For ease of reference I have (where applicable) aligned our response to the specific points you raised in your letter. For clarity, we agree that the current situation related to Covid-19 represents a national emergency on an unprecedented scale. Like many others we face numerous challenges and as a Club have never before been in the position in which we now find ourselves, as the 2019/20 football season remains in suspension and our core business has in effect ceased. Our overriding objective has been and continues to be, to protect the health, safety and wellbeing of all of our staff, partners and all connected to the Club and to secure the long term financial stability of our business, which in turn safeguards all who work for and with us.

How many staff will be designated as “furloughed workers” and therefore able to receive 80% of their wages through the Government’s Coronavirus Job Retention Scheme;

As you know, we are operating in an environment which is rapidly changing and in relation to our Club the decisions we make are informed by Government & NHS advice as well as the decisions made by football’s governing bodies including the Football Association and the Premier League. As things stand we do not yet know when the 2019/20 football season will recommence, or indeed if it will and clearly this significantly impacts on our core business and income including payments due from the Premier League. That said, we are proactively reviewing our resourcing model to identify staff who may be designated as furloughed workers.

Currently we anticipate that significant numbers of our staff will be designated as furloughed, however clearly additional detail is required in relation to the Job Retention Scheme. Specifically:

- The Government guidance indicates that staff on flexible or zero hours contracts are eligible for the scheme. Is it the Government’s intention that the scheme applies to all casual workers regardless of their contractual status, provided that they are paid through PAYE?



- In relation to the point above, in the event that we pay our match day casuals (largely Stewards) for matches already postponed on the basis of their average earnings, will we be able to claim the government grant of 80% of these wage costs notwithstanding the fact that if the season reconvenes we will have to pay them for any postponed matches subsequently worked?
- The minimum period for furlough is stated to be 3 weeks. Does the Government intend to enable organisations to change the status of those designated as furloughed workers not just between three week periods but also on an exceptional basis during the three week period so that work can be completed as a need arises? Like many businesses, we face an uncertain future and one in which things can change rapidly; it would surely be in our common interests to ensure that the scheme enables this level of flexibility. Can staff be designated as furloughed, recalled to work and furloughed again to meet changing demands, for example sicknesses or emergencies?

The proportion of staff designated as “furloughed workers” on full-time, part-time and zero-hours contracts;

Please see above; the designation of our staff as furloughed workers in each of the categories outlined is under review and we await further clarification as indicated above before a definitive response can be given. We are finalising processes to communicate with affected staff; I am sure you appreciate the sensitive nature of the situation and our need to ensure proper channels of communication are adhered to so that we can support our staff at what is a worrying time for us all.

The amount that Newcastle United will contribute towards the remaining 20% of staff wages under the Coronavirus Job Retention Scheme;

It is our intention to continue to pay our staff their usual salaries until the end of April 2020; the date on which the Government has indicated that the Job Retention Scheme will be fully operational. We fully anticipate that a significant number of our staff will by then be designated as furloughed and we will keep our approach under review meanwhile. I am sure you appreciate that our commercial position as a business is subject to external forces outside of our control and an unprecedented level of unpredictability. We are committed to maintaining the health and wellbeing of our staff and this includes a commitment where possible to maintain their current salaries; our ability to contribute to the 20% differential will be dependent on whether, when and how the 2019/20 Premier League season is recommenced. We will review salaries and our approach at the end of April 2020 in light of relevant developments, the operation of the Job Retention Scheme and the information available at that time.



The number of staff who will be made redundant;

As things stand we do not yet know whether the 2019/20 Premier League football season will recommence and if it does, what impact Government measures in place at that time will have on broader commercial considerations. Our staff are naturally anxious regarding the potential longer term implications for our business; we are doing all we can to reassure and support them and therefore will follow due process and communicate directly with them if and when any redundancies become necessary. Given the intense and often adverse media scrutiny to which we are subjected and our desire to protect our staff and workers from distress, I hope you understand our caution in relation to this point.

Confirmation that Newcastle United will continue to pay the wages of staff in full until the funding from the Coronavirus Job Retention Scheme becomes available;

Please see our response above; we have responded where possible however our position is dependent on further developments and measures in relation to Covid-19, the resumption of the 2019/20 football season and further detail and clarity regarding the scheme.

Whether any extra staff taken on for deliveries will be paid the National Living Wage;

This is not applicable to our business.

The measures taken in Sports Direct and House of Fraser warehouses to ensure workers are safe, including the provision of handwash and hand sanitiser, sufficient distance between co-workers, and the cleaning of workspaces.

Whilst not specifically directed to our business, for clarity – we have followed Government and NHS advice throughout and have regularly communicated to all staff the measures necessary to protect their health and wellbeing and to prevent the spread of the virus.

This has included but is not limited to:

- Additional cleaning, sanitising and hygiene measures including rigorous anti-bacterial environmental spraying of our premises;
- Display of posters and reinforcement of hygiene measures (including hand washing, ‘catch it, kill it, bin it’ and social distancing) several times a week;
- Restriction of travel to that which is business critical, including between our three main sites;
- The provision of individual hand sanitisers for every employee, supplemented by additional hand sanitisers at key points of contact (meeting rooms, kitchens etc.);
- Support and guidance from our Club Doctor;
- For those staff still working onsite, communal seating and rest break areas have been spread out, to facilitate social distancing;



- All staff falling within a higher risk or extremely vulnerable category have been sent home. Those with household members in these categories are also enabled to work from home and have been sign-posted to Government and NHS advice in relation to additional precautionary measures and self-isolation.

Finally, I would like to draw your attention to the significant efforts the Club is making to continue to contribute to and serve our community. We are as ever mindful of our position and role in the community and of the impact that the outbreak is having across our region. Our work, largely delivered through our Foundation, includes but is not limited to:

- The provision and distribution of food to several thousand families in this city whose children usually receive free meals at schools;
- Offering free parking for NHS staff at our St. James's Park facility;
- The donation of a significant number of food items to Newcastle West End Foodbank.
- Staying connected with almost 2,000 of the club's most frail, vulnerable and/or isolated supporters through telephone calls to check in on their wellbeing and be a human voice.
- Providing additional support to our Memory Café members (supporters affected by dementia)
- Collating and sharing digital resources for primary school aged children to support home schooling and wellbeing.
- Regular contact and remote support to vulnerable young people
- Mental health support provision through our Be a Game Changer campaign.

We would be delighted to welcome you to visit our Foundation and see the work we carry out and the impact this has on the communities we serve, when Government measures allow.

We are committed to doing all that we can to safeguard the health and wellbeing of our staff and to working to secure the long term financial health of our Club in these uncertain times. We await and look forward to receiving further detailed guidance on the Job Retention Scheme to support these aims.

Yours sincerely

Lee Charnley
Managing Director