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## Magpies in the mire



*These are troubled times indeed on Tyneside. Relegation from the Barclays English Premier League has left Newcastle United firmly entrenched in the mire and facing an increasingly uncertain financial future. Premier Football's Mark Bowering takes a look at what the future could have in store for this crestfallen club.*

By Mark Bowering, PA Sport

These are troubled times indeed on Tyneside. Relegation from the Barclays English Premier League has left Newcastle United firmly entrenched in the mire and facing an increasingly uncertain financial future.

With no manager yet in place to start planning for life outside the top flight and owner Mike Ashley still apparently desperate to end what he himself has described as a "catastrophic" reign at St James' Park, the club remains in limbo some two weeks after their fate was sealed on the final day of last season. It is hard to believe that in two months Newcastle will be rubbing shoulders in the English Championship with the likes of Peterborough United and Scunthorpe United, a far cry from the third-place finish they achieved in the Premier League six years ago under Sir Bobby Robson.

The Magpies, however, may not have reached the nadir of their astounding slump in fortunes just yet. A mass player exodus appears on the cards in an attempt to slash the club's GBP70million wage bill by at least half, and some pundits believe Newcastle could even follow in the footsteps of Leeds United by dropping down to the third tier of English football unless drastic changes are made. The latest figures released this week by accountancy firm Deloitte have also revealed that Newcastle were GBP245million in debt at the end of the 2007/08 season, making Ashley's task of attempting to sell up even harder.

All this makes for grim reading and the Ashley era - which began in 2007 - has left Newcastle in a precarious position, according to Stuart Whitwell, the joint managing director of London-based Intangible Business, who specialises in brand valuation, brand strategy and brand development. Whitwell also believes that the summer of wholesale changes behind the scenes will undoubtedly have a huge impact on the club's attempts to make an immediate return to the Premier League.

"If Ashley walks away and leaves Newcastle in debt, which he might, he will have done them a huge disservice," Whitwell told Premier Football. "The debt is bigger now than when he arrived, which I think was GBP100million then. The value of Newcastle is completely undermined. "If Newcastle are in fact GBP245million in debt in the Championship then it is a phenomenally bad situation. "They've got a wage bill of GBP76million currently and they've got to get it down to just over GBP30million. "If you look at the players they've got, the ones that will go will be the likes of Nicky Butt, Michael Owen, Mark Viduka, Alan Smith, Joey Barton and Obafemi Martins. I'm sure Newcastle fans would like Martins to stay, but he won't.

"They'll have to keep the best players they can and then offload the rest, and offloading them won't be easy because none of them have done anything for a year. "The players they can offload are the ones they don't want to - and they've all got huge wage contracts, which apart from Owen are not up. "So you've got the same situation as at Leeds United - where the wage bill of the players that you don't want to play for you is actually bigger than the wage bill of the players that actually want to stay at your club. "That's Newcastle's new reality - a bad investor, a disruptive management system, a hated owner in the eyes of the club's supporters - and I think the chances of them coming back to Premier League are hampered by all those things."

Losing the GBP30million minimum windfall per season for a place in the Premier League will undoubtedly hit Newcastle hard, as will the dramatic fall in turnover generated from sponsorship deals and corporate hospitality. The future may be bleak but at least the Magpies should be spurred on in numbers by the club's fanatical supporters, no matter who is in charge both on the and off pitch next season and which players will be donning the famous black and white shirts come August. "Newcastle fans love their club and thousands will turn out wherever they play," added Whitwell.

"Locally it's a great brand and going into the Championship hasn't affected that - those guys will turn up and watch them anyway and will believe in their club. They will support the club no matter what. "So I think the brand is very strong and will retain its strength anyway. Unfortunately, its latched on to a business model that is an absolute joke and which undermines the loyalty the fans give to the club. "It's not just been Ashley, it's been a litany of failure from management up to management up to management. You've got to put it (blame) at the board of directors.

"Newcastle have had some good managers but time after time they've disrupted them and since Sir Bobby Robson [left] it's been terribly badly managed. "I think Alan Shearer had to deal with that last season and can see it is an absolute mess. So, Shearer is no longer at the helm and it seems like Ashley won't be able to sell it (the club) and I would say that the omens look like Newcastle are going to stay in that division for a while."

Newcastle fans have been warned.