HOUSE OF COMMONS

Digital, Culture, Media and Sport Committee

Oral evidence: Wembley Stadium and the future of English football, HC 1026

Wednesday 18 July 2018

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Watch the meeting

Members present: Damian Collins (Chair); Julie Elliott; Julian Knight; Ian C. Lucas; Christian Matheson; Jo Stevens; Giles Watling.

Questions 1 - 126

Witnesses

I: Gary Neville, broadcaster and former professional football player; Katrina Law, Football Supporters' Federation.

II: Tracey Crouch MP, Parliamentary Under-Secretary of State for Sport and Civil Society; Martin Glenn, Chief Executive, The Football Association; Nick Bitel, Chair, Sport England.

Written evidence from witnesses:

– The Football Supporters' Federation

The Football Association

Sport England

Examination of witnesses

I: Gary Neville, broadcaster and former professional football player; Katrina Law, Football Supporters' Federation.

Q1 **Chair:** Good afternoon. I call the meeting to order. This is a special session of the Digital, Culture, Media and Sport Select Committee to consider the issue of the future of Wembley Stadium and the investment in grassroots football in the UK. This session was arranged some time ago when the idea of the sale of Wembley was first raised. Given that it is a matter of significant public interest and the building of the current stadium involved the support of public money, the Committee felt there should be some public scrutiny of the thinking around the decision, even though a decision is yet to be made. We are grateful for the witnesses coming forward today, particularly those who have come back from Russia and made time for the Committee hearing today very shortly after their return. I think I will be speaking on behalf of the whole Committee to say upfront at the beginning that we send our congratulations to the FA and to Gareth Southgate and the England team for the fantastic showing in Russia, which the whole country got behind. It was incredibly exciting.

I thank the witnesses, Gary Neville and Katrina Law, for coming to give evidence to us today. I would just say as well that Katrina, although part of the Tottenham Hotspurs Supporters' Trust, is here today as the representative of the Football Supporters' Federation as a whole.

Katrina Law: That is correct, yes.

Chair: You are not just speaking about Tottenham; you here to represent the whole of the FSF.

Katrina Law: Thank you.

Q2 **Chair:** That is great. Gary Neville, you were, as a player, involved in Euro 1996, which is the last time England reached the semi-finals of a major championship, so you will have experienced that. That was a home tournament—and we know the level of excitement that can generate—and I certainly think as a spectator and a viewer the World Cup seemed to generate very similar levels of excitement here during the tournament itself. As in 1996 the focus was on football coming home, do you feel that English football needs a home to come back to?

Gary Neville: If I was the ex-player, Gary Neville, I enjoyed travelling around the grounds. I enjoyed playing in Sunderland or Old Trafford—I was an absolute advocate of it. In terms of the home of Wembley I am not emotional about it. My position on Wembley is not related to my own personal feelings as a football player. I do like Wembley. I do believe that it has a special place. I do believe that every time an England international game is held at Wembley that the opposition team do feel

very—it feels like a special moment for them to come and play at Wembley because it does have a great reputation around the world. However, I am not emotional about Wembley in the sense of, "It is ours, we must keep it"—the ownership of it. It is more related to the fact that we have to sell it or we feel we have to sell it to fund grassroots football. So my position comes from that side rather than from the side of, "We cannot lose Wembley". I loved playing at it. I cannot believe the FA are considering it from that point of view. So I am coming at it from a different angle.

Q3 **Chair:** Great. I think we will probably have some more questions about that specifically in a moment but if I could just ask you, Katrina, I suppose on the emotional question, as Gary has addressed it, do you feel emotionally that fans connect with Wembley and therefore would expect it to be owned by the governing body rather than by a commercial operator?

Katrina Law: I think that there is certainly a significant body of the fan community who do have an emotional investment in Wembley Stadium. Wembley was partly constructed with taxpayers' money so it is fair enough that there is a sense of ownership there. Fans have bought into the whole "home of football" rhetoric. It is largely irrelevant to them that no other national association owns their stadium. The FA decided to own Wembley fairly recently, 1999-2000, and the fans went on that journey with it.

Fans have memories. They remember the seven-year build, the overrun, the trips to Cardiff and that was all accepted. Fans were not consulted at the time, so thank you very much for consulting us today.

I think for a section of our fans Wembley is viewed as a national asset. It is an iconic landmark. It is the home of the national team. It is the home of our showpiece finals. It is the home of the FA and the FA is the oldest football association in the world, so therefore Wembley is the physical embodiment of that. There is certainly a significant body of fans who think that although the stadium has been in private hands before, this is probably the first time that our national sport might play second fiddle to another sport, which would be American football, and that does not sit easy with a certain section of our fans.

I should say that in the research that we have conducted so far we have roughly a third, a third, and a third split of fans who are supportive of the sale, fans who are against the sale at any cost on principle, and fans who require more assurance and more details of a deal before they would commit either way.

Q4 **Chair:** It sounds a bit like Brexit.

Katrina Law: Yes. There you go.

Q5 **Julian Knight:** Thank you for mentioning Brexit before calling me up. I have to leave shortly so it is very kind to call me so soon. I raise one

point about this—interestingly I am not against the idea of selling Wembley itself. I have never particularly felt probably the same as many football fans do about the place, but there is something that strikes me. The Premium League is the richest league in the world. Liverpool is about to pay £65 million apparently for a goalkeeper, probably one that does not throw it into their own net. £200 million a year is spent on agents, yet here we are scrambling around to find money in order basically to put into the grassroots of the game. Doesn't that show exactly how fundamentally disorganised the game is in this country? We are selling our national stadium for less than it cost to build it, in order to do something that should be a responsibility of the Premier League Clubs—these super rich clubs. I just wonder what you think, Gary and Katrina, on that.

Gary Neville: Yes. I will begin my rant. I believe football and sport can be an amazing power for good in this country, not just feel good. It can tackle issues like education, health and wellbeing, obesity, crime, community; all those buzzwords that are thrown out there all the time. Once we start to see sport as a potential political answer to the social issues then we can truly create a long-term Government-backed funding programme. This is a short-term play. To have £500 million brought in, which will dissipate away and be gone inside probably 15 to 20 years is ridiculous to me. You talk about the Premium League TV deal. The Premier League TV deal this year is £3 billion. The agents' fees from last year in English football are £250 million. The prize money for the Premier League last year was £2.5 billion. The top club received £150 million. The bottom club received £100 million.

I had to ask this morning, because the document was not very clear, but I believe that this raises an extra £70 million per annum for 20 years. How that is going to happen I do not know, but that is another question. Let us just take the figures as being right at £70 million per year. Place a 25% levy on agents' fees. That money is disappearing out of the game. There is your £70 million. Don't sell Wembley. Whatever you do, do not sell Wembley when you can just place a levy on agents' fees.

The bottom Premium League club receives £100 million. How about it receiving £96.5 million and the top club receiving £146.5 million? They all receive £3.5 million less and we get the £70 million that way.

I do believe the FA are a fantastic organisation. I do believe they have the wishes of the national game at heart, but they are working with their hands tied behind their back. The Government have to intervene in football and show that the revenues that are created within the game are not only used to support the Premier League and Football League—we do need a fantastic Premier League and Football League—but that grassroots football and accessibility for fans are protected more. There are so many ways, innovative ways and simple ways of creating this amount of funding.

Councils up and down this country supported by Members of Parliament are lending tens of millions and hundreds of millions of pounds to private businesses to stimulate growth for regeneration projects. Lend the FA the money. They can pay you back. They do have surplus. Surely we have not explored all the innovative finance solutions that are available to us. If we talk about Government support, we should be one. The Government, the FA, the Premier League, the Football Supporters' Federation, the Football League should be one to make sure there is a long-term sustainable programme for football in this country, and for sport in this country.

I think the last MP intervention into football was to suggest that England should not play a world cup in Russia. That is the opposite of what we need. The harmony, the love, the spirit, the passion, the common interest that was created in this last month is incredible—absolutely incredible. That would have been lost if we had not participated in Russia. Sport can be a political opportunity. It is not a weapon.

From my point of view the idea of us having to raise £500 million—it is a pittance in the game of football, a pittance. It is a pittance at Government level, and the FA feel that to fund the grassroots programme they have to sell the national asset, a national stadium. It is simply ridiculous. I completely agree with everything that you have put into that statement before the question finally came. This is a nonsense. It is a nonsense.

This is not me being emotional about Wembley. I am not emotional about Wembley. Forget Wembley. What is it next, St George's Park has to go because we need to build another 500 4G pitches, and then what happens after that? This is not long-term thinking. I would not want to be Martin and the team sat behind me having to make this decision, and to be the people who are responsible for selling Wembley Stadium as a national asset to an international investor. I would not want to be them. I feel for them if that is what they feel they have to do to create this funding. It is absolutely ridiculous.

Katrina Law: I hear an awful lot of what Gary has just said. I also spent the last year as a supporter representative on FA Council so I probably have more of an insight as to the FA's thinking here as well, but it is not my job to explain that. I am sure that Martin will do a great job of that on the second panel. My understanding is that the FA is already investing a significant amount of money into grassroots football. They have already invested over £600 million since the year 2000.

They are in better financial health than they ever were, so Wembley is not a forced sale. The investment will continue in grassroots football regardless of whether or not Wembley is sold. What Wembley does is present an opportunity for a transformational amount of money to go into the grassroots game—I just want to put that out on record and clear that up.

From a fan's point of view we see the eye-watering amount of money that the broadcast deals bring in. The Premier League are meant to have a commitment—I think it is 5% of the broadcast deals that should filter down the football pyramid. I am not sure that is happening. You look at the money that players have been transferred for, the agents' fees and everything else, and it is something that the average fan cannot relate to. I completely concur with Gary on the fact that I am sure that they could find money from somewhere else, but I feel that this is an added opportunity to accelerate some targets that are already there within grassroots football, as opposed to being "it either happens or it does not happen if Wembley is sold".

Q6 **Chair:** Gary Neville, you said in some of your public statements on Wembley previously, "That this was short-term play we'll regret forever". Is that because you feel that the short-term decision to sell Wembley means the creation of a longer term strategy will be put off because of that short-term injection of cash?

Gary Neville: I do not believe in short-term. If the £500 million would last forever it would create a long-term play for English football—I get that—but we are talking about investing in grassroots facilities that have a shelf life, that need operation and maintenance, need looking after, and that need probably a commercial venture wrapped around them—it is probably £80 to £100 an hour to hire a 4G pitch. That is not grassroots football. That is basically creating playgrounds for people who can afford it.

From my point of view the idea of investing in grassroots football is essential but it needs to be a long-term play. I just cannot help feeling that every time we have sold something of this nature—there will be many examples of that; I can point towards many national institutions that have been sold over these last 50 to 100 years, and we always have the opinion, which I heard mentioned this morning, But we cannot operate these things. We cannot run these things". Why not? Employ the people who can run it, and let us do it properly. We are about to become debt free in Wembley in five years. I cannot but think that we are going to sit back in 30 years and say, "What did we do?"

There is a little bit of gut instinct in this. If a multi-billionaire knocks on your door and says he wants to buy something off you, straightaway you curl up into a ball and think, "He must know something I don't". There is just something instinctive about that. You know what I mean. I don't know the science behind the sale but there is something that is quite instinctive that says, "I feel a bit uncomfortable with this".

Q7 **Chair:** We certainly have lots of questions for the next panel on the valuation and the decision to sell, but you have raised a lot of issues that are relevant to an inquiry the Committee has recently started on the social impact of sport and culture, looking at the community benefits and the wide range of benefits, not just the development of elite young players. We will be visiting Manchester in September to visit the work of

the United Foundation in Manchester City, and the city as well to look at some of that community work. There is the question of raising the money, and then there is a question of how well will it be spent. Do you feel that the sort of development money that is spent in football today—which is more than is spent on any other sport—is spent well, and do you feel that some of the communities, some of the individuals that may need it most, do not seem to benefit from the money that is spent now?

Katrina Law: At the end of the day it is not down to fans to dictate where the FA spends their money, so we were clear on that. I think it is well documented that there is a lack of especially 3G all-weather pitches within communities, and that a lot more could be done to drive participation through more diverse communities. We must improve health and wellbeing, as you suggested, through participation in football, and maybe develop some more elite players that would help the national side and so on, so there is work to be done there. There is also work that can be done to assist those clubs outside of a football pyramid, such as the non-league clubs with the way that they are set up, in a better way of governance, so that they are better financially managed to make sure that they can contribute more to their communities over a longer period of time. I am not an expert on where they should be deploying their money at that level so I will stick my hand up on that one. From a fan's point of view the FA have a strategic plan. They should know what they are doing. All that we would ask as supporters is that any decisions that they make we are consulted on or we are considered, and that we are not just seen as a source of income.

Gary Neville: I think my from point of view, looking at the nine-page document, I am imagining that there is—I am hoping—a significant amount of detail behind that, because one of the most alarming things for me is that this was not part of the FA strategy. This was a knock on the door, "Do you fancy selling?" and, "Oh, this might be an opportunity". I would expect there to be an inch-thick document to describe where the money is going to go and how it is going to be invested. That might be available but I have not been supplied with it. I do, however, have a sceptical attitude to the investment of the money because the numbers that have been provided—I had to ask one of the officers who set up this session—which suggest that there will be an extra £70 million per annum for 20 years. Is that the right number? Is that the number that everyone else is working off here? Please correct me if I am wrong.

Q8 **Chair:** Yes. I believe that is correct, yes.

Gary Neville: Is that £1.4 billion? I think it is.

Chair: Yes.

Gary Neville: How is £500 million to £600 million, when £70 million per year is going out of the door, going to be become £1.4 billion? I am asking the question because obviously I invest in things—perhaps like others in this room—and I am thinking, "Every time that I invest in

something the returns are not that attractive. Normally if they are that attractive I either do not believe them or they come with a great risk". Let us just take year one. So from £500 million to £600 million you have lost, because you have invested £70 million in year one. Does that £600 million then become £530 million or has there been an investment return in that year that has created the surplus that means it goes—I am unsure within the document how the £600 million turns into a £1.4 billion pot. I am sure there are finance experts and accountants who have the answers for us but I am speaking first. I would like to have heard probably a bit more evidence but I do have some scepticism as to how that money is going to be invested—I might not even have the right numbers but I was presented with them.

For me in terms of access, this has to be through schools. That is the only real true place where you can say that everybody has free and real access, otherwise you have to pay for it. Community 4G pitches are expensive. You have to be part of a sports club. You have to have money. If you go into a school and there is a 4G pitch, equal access to facilities, equal access to cultures for everybody—that is true grassroots. Grassroots is not whether you can afford it or not, or whether you live next to a pitch. For me the investment has to be based around schools. I know there are 4G pitches being placed in schools. I do know it is happening, but if we are talking about a Government-backed long-term sustainable programme where football or sport is at the heart of it, then every school in this country must have a 4G facility. Every school in this country must have qualified sports coaches, and every child in every single school must have access to those coaches and facilities, and then you have a programme. Then we are talking about the other social issues coming into it. We can talk about education, health, wellbeing, mental health and community—all the things.

You talk about community, I hear it all the time. What is community? Community is people. The only time I share time with the community is when I take my 8 and 9-year-old daughters to netball on Sunday morning. We have a coffee together, we share experiences together, and we talk together. Other than that we are all ships in the night with each other. We are just passing in our lives, it is so fast.

Sports and community hubs: community hubs, youth centres have gone. They have been destroyed. School playing fields have been sold. We need these football centres, these sports hubs, to be the heart of the community as well. There is so much we can achieve here but we are thinking so small—£70 million per annum. It should be £370 million per annum. It should be £570 million if we believe that that could impact these other major issues. This is just so blinkered, this small amount of money.

Q9 **Chair:** You have raised an issue about the way we should have an integrated strategy across schools, Government, local government and what sports put in themselves. One of the reasons we are doing this

other inquiry is because I think that is lacking. I know that colleagues want to come in so just one final question from me for now. I do not want to draw you on to an area of private interest, but in my constituency there are no big football clubs. There are good non-league clubs but there are no big clubs and it seems to me that if you lived in a part of the country that is served by big Premier League clubs, then you benefit from the active interest that those clubs take in the communities that they serve, and you also benefit from the existence of almost a micro football pyramid, which is the scouting and selection of players to join the academies of Premier League clubs. That creates a kind of ecosystem of its own, but not all parts of the country have that, certainly in more rural areas.

Given your involvement with Salford City, do you feel that non-league football clubs are a neglected part of the community football pyramid because they themselves will run junior teams and local teams? They often have very poor facilities as well. Do you think we should look at non-league football as part of the development structure, as well as looking at schools and other community sports centres?

Gary Neville: Yes. There are improvements that can be made. I can give you one example. We have an academy—we are an academy obviously. We invest in it quite heavily and we are not looking for third-party investment into our academy; we do it ourselves. What I would say though is that we are not able to set up an academy and sign players up. We have to have them on non-contract, because I think only the top four tiers of English football are allowed to have academies. We can have an academy but it is not registered, it is not regulated. If a Premier League club comes tomorrow and wipes out four of our players from our academy they can take them. There is no protection for us whatsoever.

There is no protection for the player either if we decide to get rid of them during the programme, although we would not do that. So there are improvements that can be made in terms of down the pyramid and access, but again you are talking about elite programmes and academies. I am more interested in the idea that football—this is something I felt when I was younger growing up—should be accessible to everybody, whether it be in the street or the park. Now it feels quite inaccessible; it feels like it is not easy to play football anymore. It should be the easiest thing in the world. You need a ball between 12 or 15 of you. I used to go to school at 8.15 in the morning, 45 minutes early, just so we had the football game in the playground. I am not sure that that is happening anymore. Football was a way of life when I was growing up—it was embedded. But there has been a selling off, a cut in funding. I live in Trafford and Salford and Manchester, and they are scrambling around trying to pay for health, education and transport. They do not have money for sport. They do not have money for facilities. They do not have money for all these programmes. Yes, there could be improvements made, and to be fair I am talking to the FA about how we can improve

things at non-league levels, but I would still say that is probably too high. We need to think lower down than that.

Q10 **Ian C. Lucas:** I am the MP for Wrexham so I think you play Salford City this year in the league. Gary, I was very taken by your passion for the fact that we have this game and this vast amount of money in it, and we all, as fans, feel frustrated that part of that is not being delivered to the boys and girls who increasingly want to play the game. What seems to me to be the fundamental problem here is that we have so many structures within football. You have just mentioned the complications of Salford City not being a league club in terms of academies, and the complications that are there because we have the Premier League, we have the Football League, we have the Vanarama League and we have a whole lot of leagues. At the moment creating coherence, and a policy that can be delivered within our current structures—I cannot see how that can be done. Do you agree that we need to have a cohesive single football structure, and do you agree with me that that is where Government need to play a constructive role?

Gary Neville: I am on record on this that Government have to intervene. They are the only ones who can intervene. I would imagine that the FA, the Football League, the Football Supporters' Federation go into meetings and just bang their heads against a brick wall trying to scramble around for a few pennies. Since in the break in 1992—that was a bad deal for the FA—there is a situation whereby the revenue split. The revenue in the game is huge. We do need a fantastic Premier League. You go all around the world, it is amazing, and that can still happen, but it needs a little bit more sharing, a little bit more distribution.

The idea that we have to sell a national stadium to raise £70 million per year is quite ridiculous. It is a fallback.

Q11 **Ian C. Lucas:** One of the issues that I have raised with Martin Glenn before is levies on agents and transfers that are happening, and I think you mentioned that in your introductory remarks in terms of creating a sustainable revenue stream. Do you think that will be a good way to go?

Gary Neville: I only looked on Google so these numbers may be right or wrong. It was £257 million last year, and I think it was £225 million the year before—you are talking about £470 million over two years that has disappeared out of English football to agents' pockets. They have a role to play in football but we are trying to sell a national stadium for £500 million. That is just two years of agents' fees. Two years of agents' fees.

The Government have to intervene here. They are the only people who can because of course the FA would take more money from the Premier League if they could. Of course the Premier League will give less money if they could. Of course the Football League would take more money. There has to be a reset. There has to be a reset so that we have a wonderful Premier League product that goes around the world. I benefited from that. I want an elite football league. I want the best coaches. I want Pep

Guardiola, Jürgen Klopp, José Mourinho, Unai Emery and Mauricio Pochettino—all these great coaches coming into our country. Sorry, I remembered you are a Tottenham fan.

I want them all in this. I want the best players. I want De Bruyne, Silva, Pogba, Grayson because I was inspired by those players when I was growing up. That is a way of inspiring young people so we want that, but we are talking here about £3.5 million a year less prize money—£3.5 million a year for each club.

Q12 **Ian C. Lucas:** In what is a world game—you have just come back from Russia obviously—that would have to be operated in some way on an international basis, wouldn't it?

Gary Neville: Why?

Ian C. Lucas: Because the transfer system is international.

Gary Neville: Different countries have different regulations and rules around youth pathways, youth players that should be in certain squads, TV distribution—the German Association and the German League are intrinsically linked and together. That is why you have fantastic transport for fans, why you have low ticket prices, because everyone is connected. In this country we are all detached. Everyone is looking after their own shop. Simple as that. You are absolutely right in what you say—it needs bringing back together and resetting so that there is a central board for English football, a strategy created that means we do not have to make short-term decisions and that everyone benefits. You have just seen last week 26.6 million people tune in to watch an England game. What else does that in this country? What else makes 10,000 people in Sunderland, in Brighton, in Bournemouth, in Birmingham, in London, in Manchester, in Salford turn up to fan parks on the same night and for a common interest? I cannot think of anything else.

Q13 **Julie Elliott:** Even I watched it and I do not particularly like football but there we go. I want to ask two things to start with. It is very clear you do not think this is a good idea, Gary, to sell the ground. Am I right in that or wrong?

Gary Neville: I despair at the thought that the FA Board and executive management are having to sit there to scramble to raise this money to think they have to fund a grassroots programme. We talk about valuation and sale process. Rothschild has been appointed. There is a major step before that. There should be an independent study split into two parts—one is keeping Wembley with innovative finance solutions and a long-term strategy for the game. The other is selling Wembley with a real detailed investment plan. We do not have that yet. Then you can start to talk about the sale.

If it is the last resort, the Government and councils do not want to put any funding in, the Government do not want to intervene. You want to sit there and be commentators rather than do something about it. The

Premier League do not want to give any more money. The agents' fees cannot be tapped into. It is absolutely the last resort for the FA and it looks like a good investment plan, maybe, but if we have to get to that point then we are seriously in a bad situation, we really are.

Q14 **Julie Elliott:** What about you, Katrina?

Katrina Law: Obviously representing the wider fan community I had already alluded to the fact that there is not one straight position on this as is so often the case.

Q15 **Julie Elliott:** What is your view?

Katrina Law: I am one of the ones in the middle. I am not, "Don't sell at any cost" but I am not supportive until I know what safeguards are in place and what protections will be there for certain key factors that are of massive importance to supporters. That is my own personal point of view. It would depend on the value of the deal being not just a fair deal, but the best deal possible. I, like Gary, have concerns over the valuation of Wembley at £600 million with the added £200 million to £250 million from Club Wembley across the lifetime of that deal—that will be drip fed down, so let us focus on the £600 million. I do worry that that is not enough for an iconic stadium that is world famous, and I also concur with what Gary said earlier: if somebody is willing to pay that much money for it then you are thinking that they are seeing something that we are not. Let us not forget that the NFL also offer a very favourable relocation package as well. At the end of the day it is not, in my opinion, enough money but that is for you guys to probably explore.

In terms of me personally and the significant body, and the third of the fans who are on the fence at the moment, the areas that they would need safeguarding are assurances that key football events would still take place at Wembley Stadium—so the FA Cup Final, the League Cup Final, the Playoff Finals and so on, Community Shield, whatever, and that ticket pricing for those events would still be set by the competition organiser. That is vastly important. Hopefully it would be at a slightly more favourable rate than the FA Cup pricing after the increases to £145 for a general admission ticket for this season. There is concern that the name would not be changed from Wembley—there would be no naming rights. At the very most there would be a presenting partner, which you have the moment with EE. It is that the catering at Wembley would be vaguely affordable, which is not something you can levy at Delaware North now. Their tariffs are incredibly high for their food and drink. It is that a change of ownership would not prevent the FA from bidding to host major tournaments moving forward—protection of all that would be key for us to be supportive of a deal.

Then there are other concerns as to whether we are getting the best value out of this or whether we should be looking for an awful lot more. I appreciate it is a competitive bidding process. I appreciate that someone else could step forward if the FA Board decided to progress with this

sale—yes, it is a competitive process, but realistically how many other bidders are going to be out there to buy a national stadium? I would wager it is a fairly niche market so then we need to start looking at the sum of money but not just the £600 million. We need to remember that there is also £161 million of public sector funding in there, and there are no assurances yet that that money would be reinvested back into the programme of grassroots football.

We also need to remember that there is a bank loan outstanding on Wembley Stadium that would not be repaid by that sale. That would carry on until that debt ended in 2024, but the banks have yet to agree that. We are looking at what some consider to be a smaller amount of money than is ideal for an asset such as Wembley Stadium, then we are not quite certain what is happening with all the other funding that has gone into that stadium and then also the bank loan. There are serious concerns about the money and how that money would be deployed afterwards. That is what we would need reassurances on, whether in the heads of terms or through the FA, through their latest updates.

I should just pause and say that I would commend the FA for the way that they have been so transparent in this process so far. The information that they have made public has been very much appreciated, and has helped us understand more the journey that they are on and the process that they are going through so long may that continue.

Q16 **Julie Elliott:** If we move to the other side of this discussion, which is if this sale goes ahead, the money is being said to be spent in grassroots football. What are the challenges that grassroots football faces at the minute, and why have those challenges emerged?

Gary Neville: The biggest problem for grassroots football is Government selling off playing fields and school playing fields over the last 20 to 30 years. That is the biggest challenge. This idea that pitches are unplayable; they were always unplayable. They were always muddy. I remember playing in mud baths growing up all the way through the winter, so this idea that pitches are now unplayable has always been the case. There were just a lot more pitches. There was a lot more access to pitches, a lot better access to pitches.

What are the challenges? The challenges are the same as they have always been. English football over the last 20 years has taken a bit of a battering in respect of coaching standards and the success of a national team. What the team have done this summer and what Gareth has done this summer, to be honest with you, is most welcome in English football and was needed because we have lost faith in ourselves. The top managers in the Premier League, none of them are English. You would never get an English coach being appointed at a top club anymore. I cannot think of a situation where it will occur in the near future either. It is the same with players. Premier League I think is now 32% from English football. Twenty or 30 years ago you think of Bobby Robson, Terry

Venables; they were managing Barcelona, not just the top clubs in England. They were managing the top clubs in Europe.

In terms of getting English football back with a seat at the table—that is what the team have done this summer where there is a level of respect, given the way the team have played. The challenges are there to improve the standard. The Youth Teams have started to do well in tournaments, which again is fantastic. Gareth has done a great job this summer, which means that he has built some respect on a world stage, which again is starting to move that up and facilities at grassroots level and access to pitches has always been something that—20 or 30 years ago I could choose 30 pitches locally to me. A lot of them are not there anymore, they are built on; they are built on or they are sold. They are gone and that is a fact. It is a fact. It is not just a cliché for football people to say, "The Government have sold our playing field". It is a fact. It has happened before our eyes.

We talk about green belt and all the protection of green belt, a sports field should be treated at a higher level than green belt in my opinion. Recreation for people, health and wellbeing.

Q17 **Julie Elliott:** Katrina, what do you think?

Katrina Law: I should say that there obviously is a crossover here between match going fans and fans of football, and users of community facilities. I know a lot of fans are players themselves, or their kids are or their grandkids are, and I know the frustrations that they experience when the games are constantly called off. The pitches are unplayable. The changing rooms are in a terrible condition. There is no floodlighting. These are common bugbears. There would be support from that section of the fans for investing in improving that whole grassroots experience. I think it is one in six games that were called off over the winter due to bad weather, which is not good enough. There is an awful lot of lost playing opportunities there.

From our point of view we would be supportive of more money going into grassroots football, through whichever channel and whichever avenue that that came from obviously. The issue is then whether it is sustained and the infrastructure is in place—that is something that can be built on long-term.

I would just like to go back to coaching because we have mentioned coaching. I think I am correct in saying that the FA coaching badges are the most expensive in Europe. It is £15,000 to qualify for a FA Level 5 coaching badge, which is UEFA Pro Licence, which is inaccessible to anybody unless they are being sponsored by a club. That is hardly encouraging diversity and participation. I think that is another area that needs addressing.

Q18 **Julie Elliott:** If we look at how the state of grassroots football is in this country compared with other European countries or other countries

across the world, how does it compare? Are other countries doing things better than us? What is the situation? What is the landscape?

Gary Neville: I will be honest with you—I would not be an expert on that in terms of exactly what other countries do, and I am sure that FSF will be able to fill you in on that. What I am aware of, I believe, is that in France and Germany every village or town has access to a community sports facility and pitch. It would not surprise me. I do not think that is the case obviously in England.

Katrina Law: No. Germany is always held up as the gold standard here. I have to also say, like Gary, it is not my particular area of expertise, but I am sure we have some stats and if you want us to follow up in writing then we will do afterwards.

Q19 **Julie Elliott:** That would be useful. You have mentioned coaching. These top coaches that are working in this country, what are they doing differently to get to that level that our coaches do not seem to be doing now?

Gary Neville: I have always been of the view that if there was a real link between the Premier League, the FA and the football in this country, when the top coaches come to our country there would be a transfer of knowledge. Obviously English coaches they do welcome in, if someone was to contact Pep Guardiola and say, "Please can I come and watch a few sessions?" But I am talking about a real transfer of knowledge, I am talking about recording sessions and those sessions becoming available. There is some level of privacy and secrecy but if you are coming into the English Premier League—it is a wonderful league and a global brand—and if there was a real transfer of knowledge from the great coaches that we have from Spain, from Italy, from France, from other countries, and if there was an integrated programme whereby these coaches did transfer their knowledge into the English coaches, properly and in the right manner, you could see a real benefit to that.

Coaching in other countries—Spanish coaching, German coaching—is all very different. They all teach in very different ways, but English coaching in the 1970s and 1980s was seen as being very much at the forefront. Nowadays it would be well down the list—I am part of that by the way, I should say. From that point of view I am part of the problem. I do not see myself as being sat here as a commentator. I failed with the best of them. From my point of view it would be absolutely fantastic if there was a transfer of knowledge from the great coaches that we have coming into our country to coach because they are great coaches. You can see when you watch a Jürgen Klopp team or a Pep Guardiola team or a Mauricio Pochettino team or a José Mourinho team who have won over this last 10 years; they are fantastic. They have an identity to them. We talk about DNA, a bit of a buzzword in football, but they do have a DNA to them. They are able to transmit their message to 22 people and let them all play in that same way, and that is all a coach wants. We obviously do jump around a little bit. Pep Guardiola comes in, "Well, let us be

possession". Jürgen Klopp has, "Well, let us be pressurising football". We always seem to jump around depending on what coach comes into our country, rather than identifying the transfer of knowledge that we can have from them and creating our own identity and culture.

Q20 **Julie Elliott:** Finally, there is a huge amount of money in football. I have seen some ridiculous amounts of money at certain levels in football but how did we get to this situation where there is all of that money and yet there is not enough going in at the bottom? In any game or business or anything you have to have that pipeline of everything coming through. How did we get to this situation, and what needs to change fundamentally to make that work again?

Gary Neville: Last week it was the biggest single channel audience in the history of television: 26.6 million. The people of this country love it. It is an advertisers dream. It is a brand dream. I think the last television deal over a three-year period was £10 billion coming into the Premier League. I think it is watched by 1.2 billion or 1.5 billion globally, every weekend. The Premier League, it is huge, it is off the scale. If you go to Asia or if you go to Africa or if you go to Australia—if I say Manchester they will say "Manchester United", not "Manchester City", no. They might start saying Manchester City in the future maybe if they keep on winning, but they will mention Manchester United straightaway without even knowing that I play for the club, Manchester United, it is a huge thing. The teams and so on are on pre-season tours in America and Asia. There will be 50,000, 70,000, 80,000 people watching them. There could be 20,000 people watching our teams, our English football clubs, train. It is a huge brand so the money is coming into the game from obviously TV audiences, brands, sponsorship, and that money is washing down through into the clubs. But because of the split between the FA and the Premier League in 1992, the distribution of those funds is not equal. In fact it is far from equal.

That is the crux of this matter. We are in the position now, 26 years after splitting the FA and the Premier League up, where we have to sell our national stadium to fund the grassroots football, with £10 billion coming into it over three years. That cannot happen.

Q21 **Christian Matheson:** Just a couple of questions, if I may. Gary, Katrina talked about there being a rough split of a third, a third, and a third within the fan base in their attitude to this proposed bid. You are very well plugged into the professional side of the game—a highly esteemed former player, now a broadcaster and journalist. A lot of you will have been away in Russia recently and might have been talking about it. What kind of response have you had there?

Gary Neville: Being honest with you I met quite a lot of people who said that they believed that the sale was right. It be wrong of me to sit here and say otherwise. In fact people who I would trust and have good standing in the game and feel about the game said "Well, what's the point? We can sell it and still play there. What's the problem?" That is the

view of many. It is probably the view of some as well that they cannot understand why we would even contemplate selling it. If I was talking about the people that I have come across I would not say that there are more in favour of not selling. I would say it is probably 50/50, which probably is where you are at. There is people undecided but a 30/30 split.

For me it just feels very desperate. I hate the idea of short-term decisions. I hate the idea of just doing something for a short-term fix and then in 20 years waking up and the money has gone and we are like, "Right, okay, we have sold it. What is next?" That just does not feel right. I am not thinking as a football player, broadcaster; I am thinking from a business point of view. Once you have the money you then have to think about how you are going to use it and how it is going to create a long-term play for yourself. That is why we need see something that suggests that this money is going to be the saviour of the grassroots football for the next 100 years—I think it will all be gone in 10 or 15 years—and the facilities. You can create sinking funds now out of 4G pitches and facilities that maybe can mean that they are, but there are also a lot of failed 4G community centres in those community centres with 4G pitches as well. My honest view is it just feels like such a short-term play but I have also met people who are of the opinion, "Raise the money, still play there and why get emotional about it? Why worry about it?"

Q22 **Christian Matheson:** Can I ask you both, if this sale was to go ahead, what mechanism would you be looking for to protect and distribute those funds?

Katrina Law: The FA has said that they would use the Football Foundation as their relationship there and they would deploy the finances and the money that way. We do not have the detail of how that would play out yet, and that is something that we would be keen to learn more about.

If I may I just want to touch back on a point that Gary just raised there, which was, for me—I am not quite sure how anybody can be completely pro sale at this moment in time because we do not know the details of the deal. We do not know how much it is going to cost the FA to hire Wembley back, the staging agreements. We do not know what protections would be in place for future sell-ons. There are too many question marks out there for me personally to be completely backing that, but one thing I do agree with what Gary said was that a decision to sell Wembley is irreversible. Once you have decided to do that you are never going back. A decision not to sell Wembley is not irreversible because there may well be a future bid at a future date that is more attractive at a better time with a better plan in place—that is just one thing that I will add in there. The delivery mechanism is something that we need a lot more details on. All that I have been told is that it would be via the Football Foundation who seem the most logical body for me there, but we do not have any more detail at this stage.

Gary Neville: I think the Football Foundation has been going nearly 20 years now. I was a Football Foundation ambassador. I think I still am. In the first 10 years there were definitely some teething problems, but my understanding of it is they now have a model that does deliver the right results in terms of grassroots and community facilities. There were teething problems. They are now getting it right. I think in the first 10 years they were ending up having to reinvest again at the end of the cycle when the pitches were not maintained and operated correctly and the sinking funds were not in place. My understanding of it now—I am being told this from third parties and from the Football Foundation—is that they are. My view would be that if you do have capital to spend on grassroots facilities then you would issue that money to them because that is what they do. They are experts in it and they are specialists in it and they do have the absolute correct principles, so do the FA. The FA want to invest as much money as possible into grassroots football, so do the Football Foundation. They are not for profit. They are not lining their own pockets with money here. The ethic is right within these two organisations.

Q23 **Christian Matheson:** You have both mentioned the potential role of the Government in stepping in trying to, if not intervene then at least have some kind of influence on this process. What are the downsides for the Government doing that? I worry, for example, there would be a kickback from people saying, "Well, it is not the role of the Government to get involved in something like this". Are there any potential risks for the Government either from the point of view of the supporters or the point of view of the professional game?

Katrina Law: I think that while there is £161 million of money that has gone into Wembley then the Government have every right to play a part in that. From a supporter's point of view we are just going to step back and wash our hands of that one. That is down to you guys but I think you are very valid in having a say in that. I believe the Secretary of State for DCMS has to sign off on the deal. There is an obvious role for the Government to play in that.

Gary Neville: The Government decide when they want to get involved or when they do not want to get involved in football—that is my opinion. If it suits then the Government will get involved. If it does not suit then they will not. It depends whether there is political gain. That is my genuine opinion.

I think that my view would be that the Government do need to intervene in the distribution of funds in English football. They have to because it is never going to be corrected unless the Government intervene. There will not be one single football fan in this country that would disagree with Government intervention into English football. I cannot believe one single fan would disagree with it. For instance, let's say the prize money for the Premier League in one season is £2.5 billion. Forget the £70 million per year extra that we are going to create by the sale of Wembley—£2.5

billion. Let's make it £2.25 billion, shall we, just for hypothetical sake? That is £250 million per year goes to the Football Foundation extra every single year, not £500 million as a one-off, not £70 million extra; £250 million extra every single year out of the prize money, which means each club in my reckoning has to give up around £12.5 million per year extra. They will not like that but in the end they will get it back because they will get it back through better coaches. They will get it back through better players, better facilities, better community relations, so you do get it back. You get it back in other ways. It is not just a case of returns coming in one way or another. If we just said £2.5 billion reduces to £2.25 billion so the Premier League can still compete with the best leagues in Europe, bring the best players in, the best coaches in. The tipping point is £12.5 million, but the tipping point for the English game is that we are selling our national stadium to try to fund grassroots football when we could put £250 million a year in extra for the next 30, 40, 50 years. We could put billions into the grassroots football and no one would notice. This means you maybe have to spend £50 million less on a right-back one year or a left-back. It is not the end of the world.

Q24 **Christian Matheson:** Just on a final entirely parochial point if I may, Gary. I am the MP for Chester next door to you and Chester have just appointed a couple of your former employees as joint managers so I am sure you will be watching our results as well.

Gary Neville: I will be.

Christian Matheson: Grand, thank you.

Gary Neville: They are trying to get some players off us at the moment.

Q25 **Chair:** I just want to ask, Gary, because you talk about Government intervention. I just want to be clear on what you mean. It sounds to me what you were talking about was the Government intervening in a way that would help broker a new settlement whereby football gave more of its own resources to fund the grassroots.

Gary Neville: Yes, and maybe the Government match it. How about that? Because your Prudential borrowing rates are 2%, you are lending up and down the country to private investors, private developers, it is not the end of the world for you to lend to the FA at a very favourable rate or a sensible repayment. My view would be, why not put some money in as well alongside the Premier League and create a fund that is that big? Let's stop thinking small—£70 million a year—let us build another 50 4G pitches. Let us make every village in this country have one. Let's make it sustainable. You are absolutely right, I would think Government do need to step in and you are a facilitator. You reset the deal. You act to them moving forward. There is a central power in English football that the Premier League, the Football League, the supporters, the FA absolutely have a seat at the table but you appoint an individual to be in control of the distribution of funds in English football outside of obviously the fact that the Premier League has its own business, the FA has its own

business, but we are talking about a reset deal. You have to intervene to make that happen. You have to or else it is never going to happen and we are always going to be scrambling around for funds but the Government should contribute as well.

Q26 **Chair:** I think we would agree on the Government contribution and I am sure the Minister will give us her view on that too. We are simply raising it today, but one of the problems we have always found with the way the football is structured in this country is the FA Board often does not have the power to make these decisions on behalf of the whole game because it is—

Gary Neville: It is a cobweb. Just pull it down. It is a cobweb. It is stuck. I have been part of the FA for 25 years. It has always had a great ethic, but the regulatory stuff and the council members and the hundreds of people—that needs to change.

Q27 **Chair:** You say there is Government intervention around money, but from what you are saying if it came to it you would favour Government intervention in terms of looking at the structure of the game in this country and the management structure—not to run it but to help restructure it.

Gary Neville: Look, intervention could mean that you facilitate and mediate and bring together the parties to create a deal that is better for English football moving forwards, and that includes the Premier League and the supporters. It includes the FA. There has to be a fair distribution of the revenues that are being created. We need an elite football league. We need an amazing Premier League. I am not talking about pulling all the money off them by the way and all of a sudden we cannot complete with the best leagues in the world. I am talking about the small chunks that I was talking about before. I am talking about you facilitating, mediating, and if you cannot get anywhere with it you step in. I do not know how you step in but you have the power to do things so you might as well do it.

Q28 **Chair:** Final question from me. People who talk about this talk about a levy on income that goes through TV money, and other money into the game. It could be a levy based on transfer income into football. But from what you are saying rather than this being an annual, every two or three years, bargaining between the various bodies about how much they are going to put it, having a fixed income stream that is based on some sort of levy that is—

Gary Neville: Yes, absolutely. A long-term play that is Government-backed, FA backed, Premier League backed and basically just a redistribution. Let's say a small amount to the Premier League but large amounts to the FA when we are talking about raising the money and that is my biggest problem with the sale of Wembley. It is the idea that we have this short-term play. To me it is ridiculous.

Q29 **Jo Stevens:** Can I ask you first, Katrina? I know we will have the second

panel in shortly but what do you think about the proposed figure of £600 million? Do you think that is best value?

Katrina Law: No, but I must say that I am not a financial expert and I am aware that the FA have consulted with Rothschild so it is in no way trying to question their expertise. For me, no. I do understand that the value of a sports venue, a sports ground, is not the same as a value of land for property redevelopment or the housing market. For me there needs to be question marks over how that figure has arisen. How we got to that figure. I am aware that Mr Khan had made previous approaches to the FA, which they had not deemed sufficient to advance to taking a proposal to the FA Board. Obviously there is something about the £600 million threshold that the FA Board consider to be fair value, but unless there is another bidder out there then I think we are at risk of selling off a national asset for under value, which is of great concern.

Q30 **Jo Stevens:** I am thinking about the fact it is a sports stadium. This is a sports stadium, but what it is for the NFL if this is purchased is an opening of a door to what London offers and what the rest of the UK then offers for the NFL in terms of it being an economic powerhouse. How do you place a value on that? Do you think that that has been thought about sufficiently?

Katrina Law: No, to be absolutely honest with you. I think you need to look at the value to the buyer as well as just the price, and somebody who is savvy and who has great marketing skills, and someone who can tap into all those other areas definitely could make a gold mine from Wembley Stadium. For me I would either like another bidder in the competitive process or another valuation. I do not think it is enough money.

Q31 **Jo Stevens:** I know, Gary, you do not think we should we sell it.

Gary Neville: No, I have no comment on the valuation. It will come down to, I am sure, the FA will protect themselves on that and do independent valuations. In fact it says within the document that there has already been an independent valuer appointed. It is not a valuation point for me, £600 million; £700 million. The FA will get the most that they can for it, of course they will. I am not quite clear how it has happened that someone is able to knock on the door then there is a big PR exercise around the fact that he is the forerunner for it. It does not feel very FA-ish to me, I will be honest with you. The FA is a very honourable organisation and I would imagine if someone came and knocked on the door and said, "Can I bid for your stadium?" they would say, "I am sorry. To do that we would have to go through the proper procedure. We could not accept it or encourage a bid at this time." That is the one bit that does not sit well with me to be honest with you in terms of how this individual has all of a sudden put himself in the frontrunner seat. I do not know how that happens.

If the FA strategy is to sell Wembley, which it is not, it has just been the case of an opportunity, it would go through the proper process and I am sure it will. It is just a little bit unsavoury that this is all being pushed out in the press all the time around Mr Khan obviously trying to buy the stadium, and he is the forerunner and the deal looks like it might have been done. It has not been done. I am sure it has not because I do know the people behind it. They would not have done a deal with him and they are transparent so I know it has not been done, but there is always that suggestion about what meetings have been had. I am surprised that they are exposed to those things. He should not even be in the equation. He forms a part. Once there is a strategy, once it has been accepted, it is the right thing to do. Once we have accepted that the proceeds are going to go into the right place then you do a valuation and then you accept bids. We are still back here. We are nowhere near Mr Khan. As far as I am concerned he is a bit of an irrelevance at this moment in time. He should not even be talked about. He forms part of a person who may want to bid at the end of all the things that we need to do first. That is why I said we are a step in front.

Q32 **Jo Stevens:** Assuming we get to that point, so there is going to be a sale, and both of you talked earlier about what you thought the Government should be doing. The FA have said what their red lines would be around protections on a sale and I think, Katrina, you outlined your position earlier on behalf of the fans. What do you think the Government's red line should be, Gary, because the DCMS Department have not published any? They have not told us if they have any red lines. What would you say to them about what they should be?

Gary Neville: I do not know. You are going into contract clauses and to be fair the document states there will be strong contract laws to protect FA against dilution in the future. That will be near on impossible because over time those clauses will start to fade away. How can you set rents for the next hundred years? There must be rent reviews at certain points.

Q33 **Jo Stevens:** What about things like protecting the name and all of that?

Gary Neville: The name is the easiest one of the lot for me. It is more about the rent review. Let us say for instance the FA Trophy Final or the Women's Cup Final—not big crowds. What is the rent for those games? They might have them set for the next 200 years as being free matches at Wembley. They might be but they pay market rent. I do not know. There is no detail in the document that has been issued that tells me that we are anywhere near being able to understand whether this is going to be an acceptable deal in terms of the contract clauses.

The name is the easiest one. You do not change the name. Trust me. That is the star here. That is the one thing I would say is Wembley is a special brand all around the world. No one is changing that name. They would not do even if they could because it would devalue the asset. I do not think I am worried too much about that. It is more around the rent

increases, access to the stadium as time goes by, and the dilution over time and control.

What happens if the NFL all of a sudden, decide that they are going to play 12 months of the year, or 10 months of the year, or different times of the year and there are England internationals? What happens then? Where is that struggle? It might be set that you can never play on this time. To put that in a contract, when you are buying something for £600 million, £700 million, I would say you are going to want a little bit of flexibility in the contract somewhere.

So I would suggest that it would be quite difficult to pin it so it is perfect for a period of 50 to 100 years. It might be perfect for 10 years or 15 years, but I cannot think how you can pin a contract over a period of 100 years. If the FA can do that, then that would obviously fit and make everybody feel more comfortable moving forward.

Q34 **Jo Stevens:** My final question is: you have both talked about—particularly you, Gary—where is this additional income that the FA will generate from the initial sale. I do not quite understand the position around Club Wembley on this and what happens there. It is income from events that currently the FA generates and keeps and can use from all events, including football, but other events as well. What is your understanding about how this might work?

Gary Neville: As I understand it, Club Wembley is excluded from any sale to a third party. I have not focused on that because the FA retain that revenue. My focus was on if we are selling Wembley Stadium what proceeds will it bring into the FA; it says £600 million. So if there is £600 million sat in your bank account, the document states that there will be an increase from £31 million with a Wembley sale to £100 million, and I had to ask Jo for those numbers. So that is £70 million extra. Apparently, there is going to be £70 million extra per annum out of this Wembley sale invested over 20 years. I equate that to be £1.4 billion. I do not understand that just from pure and simple economics. I am talking about economic returns.

Any time you invest money into something, if you bring it down, you have £600,000 and you want to try to make it £1.4 million, but that usually brings investment risk. The detail may be there, I might not be understanding it, but from what I can see it looks like a very aggressive return because at the end of year one, if you have £600 million in the bank and you have invested £70 million extra that year, you have lost £70 million. You are at £530 million. You might have some interest. Banks are paying 1%, 1.5%, 2%; so do the sums. It does not stack up just from being what would be a safe—it might be that they are investing in something that is 4%, 5%, I do not know, but the numbers do not seem to add up from what I am being told. I am not a financier and I do not have the full detail but, from what I am being told, it does seem to me to be vague and slightly aggressive from what I am seeing.

Katrina Law: I will clarify the Club Wembley situation to the best of my knowledge. The boxes are part of the stadium that will be sold. The boxes go into the stadium inventory but the Club Wembley seats are what will be retained by the FA for events that they host. That is where that money would come from.

I am absolutely certain that Martin would be able to explain exactly the finance breakdown for you. We were fortunate enough to sit through a presentation at the FA Council meeting in May. It made sense. Hopefully we can drill down a bit further for you there.

Jo Stevens: We should ask Martin the question?

Katrina Law: Exactly. To clarify, the boxes are included with the stadium, the seats on Club Wembley would be what the FA keeps the revenue from.

Q35 **Chair:** Just a couple of questions from me before we close this panel. Katrina, first of all, as we discussed, there are a lot of stages to go through before a decision is made. What sort of consultation do you think fans want to see before a final decision is made? Do you think there should be a proper consultation on the draft contract and the terms contained within it?

Katrina Law: We have been pleasantly surprised. Historically fans have been overlooked and a lot of significant decisions in the game have been made. It has been appreciated that the FA have adopted a consultative approach. I—as one of the supporter reps last year on FA Council—have discussed with the chairman, with Greg Clarke, and there is a consultation process that is going on with the FA. They have helped the Football Supporters Federation develop a survey that we will be canvassing a wider fan base for their views in the very near future.

Yes, we very much would like to continue down that path so that we are considered—and not just as a source of income—in the decisions that are made. That would be the impact on ticket pricing. Yes, moving home internationals. I will very quickly touch on this.

There is a vast body of support among the fan base for taking England home internationals on the road. The fact that the NFL season would overlap with those autumn home internationals is not an issue for us. But that is also not dependent on a Wembley sale. Costa Rica at Elland Road, the upcoming game at Leicester; the FA could choose to take the national team on the road that is not dependent on the sale of Wembley. But that is favourable.

That kind of thing impacts on ticket pricing if there is a new staging arrangement and the FA obviously have to pay to use Wembley from somebody who is not WNFL. Those are the kind of areas that we would like to be involved in, if that make sense. Just to be considered.

Q36 **Chair:** Gary, something you mentioned earlier on I wanted to ask you

about. The discussion rightly has been around the strategy for investment in community football—a sport for all strategy—from which young players emerge who will play at an elite level. As you rightly said earlier on, the more boys and girls that are playing football at a young level the bigger the pool and the more chance more talent will be developed. But you mentioned something else with regards to the national team. The development of England players, which is the relatively small number of English qualified players that play in the Premier League compared with what that level would have been like 20 years ago or so. Do you think this is still an issue? The FA have raised this in the past. If you look at the under-17s, there are a lot of very talented players there but how much game time do they get in adult division? Do you think that is a separate issue that still needs to be addressed, thinking about the future of the England football team?

Gary Neville: Yes, absolutely. I have been consistent on this for many years before I became a coach with England and the FA, and after I have left. I believe that the international management players that we have had come to play in the Premier League have been a gift to us. An absolute gift. They lit up our lives, if you are a football fan. They are absolutely amazing. This is not a, "I do not want international players to come to England or international coaches to come to England". I love playing and watching with international players and managers, however the balance has tipped too far. We have lost faith in our own and my view is that 20-odd years ago the idea was that if you are good enough you would get through. I don't believe that is the case anymore. I genuinely believe that this tournament has proved that more than ever. Players like Kieran Trippier or Harry Maguire or Jordan Pickford or Jamie Vardy, who were playing at lower clubs a few years ago, have shown that they can compete, given the opportunity, on a world stage.

You are not telling me there are not another five Kieran Trippiers or another four Harry Maguires playing in the lower leagues somewhere that are not getting the opportunity, or three Jordan Pickfords. They are there. They just cannot get the sort of pathway through anymore. My view would be that I have always felt—maybe from the fact of the club that I played for—that it was the best international talent, the finest British talent, and then the best young English talent. That was the sort of model of Manchester United for 20, 25 years. It was a good model because you had the integration of all aspects of styles, of culture, and everything.

My view is almost like a 50/50 model. 50% of your team should be English and British and 50% of your team should be the best international players. I think if it was at 50% that would represent this country. Not just football. It would represent what we are as a country in terms of acceptance and making sure that we think about international relations, international employment. People are being employed in our country. I believe in that wholly. From my point of view, a 50/50

approach is about right. At the moment 30% is too low. That is far too low.

It is not just the 30%. When you dig a little bit deeper, a lot of that 30% that are playing in the Premier League are playing with the lower clubs like—I say "lower clubs" sorry. Birmingham had the most amazing season but West Brom, Sunderland over the last few years or Hull; those types of clubs have a lot more English players in them. Then the top clubs—the top six, the real elite teams—have a lot less; one or two at best.

My view is that absolutely it does need to be addressed as part of the wider look at obviously creating a better system.

Q37 **Chair:** Are you saying that you think Football should look again at the minimum number of English qualified or UK qualified players that are in the Premier League squads?

Gary Neville: I do. I have always thought that.

Q38 **Chair:** It is quite an interesting topic for Parliament because Parliament will have to consider legislation on effectively how the new immigration legislation will affect all sectors of the economy, including sport as well. There is a balance there certainly on the question of bringing in young players from continental clubs to come and play here—14, 15, 16 year-olds—and whether that should be as open as it is now.

Gary Neville: It is critical that we have that transfer in players into our country and that hopefully one day English players can go the other way more. My view is it is absolutely critical that that is allowed. Think of Rafael da Silva, who is a young Brazilian player who came over at the age of 15, 16. Wonderful. Came into Manchester United, loved Manchester, loved the game; why would we not want him in the future? Gerard Piqué came over and then went back to Barcelona. Examples of where there is that sort of transfer absolutely should continue to happen.

Q39 **Chair:** We need to preserve that, we also need to keep a decent proportion of the squads available, those places available for home-grown players.

Gary Neville: It can only happen through quotas, to be honest.

Chair: Unless there are any other questions the members want to bring in at this point? Thank you both very much.

Examination of witnesses

II: Tracey Crouch MP, Parliamentary Under-Secretary of State for Sport and Civil Society; Martin Glenn, Chief Executive, The Football Association; Nick Bitel, Chair, Sport England.

Q40 **Chair:** Good afternoon. We will call the meeting back to order and start the second session. Before we start the questions, I would just like to say to Martin Glenn, again, just to offer our congratulations from the Committee for the performance of the England team in Russia and everything associated with it; the conduct of the team, the operation all seemed to go extremely smoothly. We are also very grateful as well—I appreciate you had a very busy schedule with the team in Russia—that you were still happy to go ahead with the session today so soon after coming back from Russia.

Martin Glenn: It is important but thank you.

Q41 **Chair:** It is nice to be in a position where we can talk about the future from a position of something good having happened rather than talking about the future on the basis on what we do next. Perhaps to start off, Martin, you could just give us a bit of a sense of the background to the decision to consider selling Wembley. I appreciate, as it stands at the moment, no formal agreement has been made, but could you say: is this an issue that the FA was thinking about or is it a question of responding to an offer that happened to be made to you?

Martin Glenn: Yes, the strategy is not to sell Wembley. The strategy is to grow football in England as best as we can. Whether that be through improving the provision at community level to grow in the women's game, or providing more support to the senior team.

The issue around community football and playing pitches, in particular, is a longstanding issue. You heard it very eloquently from Gary. I was brought into the FA in 2015 with a mission, from the then chairman, to find £30 million of savings so we could increase investment into a couple of key areas. Supporting the England team—thank you for the kind words you said about Gareth's team. Gareth would be the first one to say that one of the reasons that we have been more successful in this tournament is a world-class support team: analysts, sports psychologists, strengthening and conditioning. So we have invested a lot more in St George's Park, and similarly we ramped our investment into the Football Foundation because, frankly, the state of pitches, the number of 3G facilities in England is lamentable compared with an international benchmark.

I was brought in to find £30 million in savings, and we went through a difficult restructuring. We took 120 jobs out from administrative-type areas to redeploy in areas that we thought were more useful.

I agree with 95% of probably what Gary said. I remember at the time when we announced the restructuring within the FA and a member of the FA Council, who is a former chair of the Premier League, Sir Dave Richards, said, "Why are you bothering? Why are you bothering with all this work trying to make the FA more efficient for £30 million when that is a drop in the ocean for the Premier League?" The answer to that is: I do not have the Premier League money. I have FA money.

I think the FA has waited for years on some of these issues hoping that something around the corner might turn up—whether it be a levy on gambling or a windfall tax on the Premier League—and we just need to get going. Against that context of having an ambition to spend more money into community sports facilities, we reorganised the FA and got a lot more efficient. We managed to sell our rights of the international FA Cup for significantly more money in 2017, which takes our revenues from £330 million up to £450 million, which has allowed us to invest a lot more into the Football Foundation. We had this ambition of saying we need to do more with Sport England, with the Government, to do this.

The context with which I looked at the offer to consider the sale of Wembley was simply one of: how do we accelerate? We know we are trying to improve a bad situation. We have a plan. It is a pretty good plan. But the sale of Wembley, if we can release £160 million of Government money, which is locked in a stadium, redeploy it into hundreds or thousands of playing fields up and down the country—why would we not consider doing that, especially if we could retain control and use of the stadium so it stays the national stadium? It is a bit like going to your favourite restaurant. I bet you do not know whether the restauranteur owns it or is a tenant of it, you just want to have a great service.

A bit like Gary, I was shocked when I first had the idea pitched to me. We all go through that, and you have seen that in the opinion polling. As I reflected on it I thought this could accelerate what was a good plan and make change happen in a much shorter period of time rather than hoping for something to happen out of my control.

Q42 **Chair:** Minister, just on that particular point, Martin Glenn said that selling the stadium could mean that £160 million of public money, which is currently locked into the stadium, could be released to be spent on community facilities. Is that how the Government see it? That that money would be there for the FA rather than being recouped by Sport England or the Government to be spent elsewhere?

Tracey Crouch: These are conversations that we are having, as part of the discussions on the sale of Wembley. The first thing to remember is that Government invested £20 million into the original rebuild, of which that was a part of ensuring that the transport infrastructure supported the stadium. The stadium continues to act as a catalyst for that regeneration within the London Borough of Brent.

But we do want to ensure that the public benefits that are expected to return from the sale are safeguarded in an appropriate way. The discussions we are having with Sport England, as public-sector funders, will, in part, consider what happens in the future.

Q43 **Chair:** At this moment in time, there is no commitment that that money would be spent on football?

Tracey Crouch: There is an expectation that it will go to our community facilities but already we are looking through Sport England at how you can maximise the use of those community facilities. Already Sport England is investing in multiuse facilities, which ultimately benefit the whole community.

Q44 **Chair:** If I can bring Nick Bitel on that point as well. I am sorry, I meant to do it at the beginning. I believe you wanted to make a declaration of interest as well.

Nick Bitel: All I wanted to declare was an interest that I used to be, until very recently, a trustee of Wembley National Stadium Trust and that my law firm gives pro bono legal advice to that trust. So there is that interest. I also should mention that I used to act for the old Wembley plc many years ago.

Chair: Okay, fine. If you had shares in a 4G pitch company that would be a different matter but I think you are okay on that.

Nick Bitel: Good.

Q45 **Chair:** Again, this is an important question. There would be a concern on this, if this ends up being a rob Peter to pay Paul exercise that the FA raises money by selling Wembley but then Sport England claw back its money, and there is not necessarily a guarantee of any additional money or, even worse, some of the funding bodies might say, "Now the FA has all this cash we can step back a bit now because they can spend that and they do not necessarily need us".

Nick Bitel: No, we have been having very positive discussions with the FA, and we certainly see that this money should come back to Sport England but then be reinvested into football and—as Tracey has said—into other facilities that can be used not just for football but for other community uses. It should all be invested in accordance with the national football facilities, strategy, and our own strategy. Because this is lottery money coming into Sport England we have to follow lottery rules; it has to go through our approval mechanisms. But we will be working closely with the Football Association, with the Football Foundation who after all—as I think Gary mentioned—have acknowledged are the experts in this area to ensure that there is one plan for investment.

Q46 **Chair:** It is quite an important point because from what you have said already, there is a bit of a divergence in how this money will be spent. The FA's idea is that the money—correct me if I am wrong—raised from the sale of Wembley will be redistributed to football through the Football Foundation; is that correct?

Martin Glenn: Yes, Nick touched on it. We believe we have a sustainable plan. I think I was the first CEO of the Football Association to sit on the board of the Football Foundation. One thing I was very keen to achieve was to get a long-term plan based on a needs analysis on a local

authority or local authority basis, and that is called the National Facilities Plan. That is what will guide us.

What we need to understand is—local authority by local authority—what pitches exist now, what the type of demand is and half of the projects the Football Foundation currently invest in are multiuse. Football is always going to be the lead because I would say it is the best game. But it will always be the lead. That is happening now.

We believe this money should be rolled into an infrastructure fund to make a tangible and immediate improvement for the experience of people playing football and other sport.

Q47 **Chair:** Tracey is familiar with it. In my constituency in Folkestone there is a multiuse sports centre that has hockey, cricket, 3G football pitch, all using the same effective clubhouse and infrastructure facilities to support all those different sports; so it can work well. But I want to be clear on this. Nick Bitel, your idea is that the money would come back to Sport England as a consequence of the sale of Wembley, and that that would be invested in community sports facilities, which could be multiuse, but that would be done through Sport England rather than through the Football Foundation?

Nick Bitel: Ultimately, when a person takes the grant we have to sign off on that grant as Sport England Board, if it is over £2 million, or through our investment committee. However, it would be a single plan, which we would agree with the Football Association, with the Football Foundation leading on advice to us and also on the valuation monitoring.

It is just a technical aspect, but the final decision in terms of our money going out—we cannot let the Football Foundation make that investment on their own. We have to have a sign-off of that procedure, mainly because it is lottery funding.

Tracey Crouch: We are all partners in the Football Foundation.

Nick Bitel: My chief executive sits on the Football Foundation as well.

Q48 **Chair:** Do you think you would be in a position, both for the Government and for Sport England, to say that if an agreement is made on the sale of the stadium this is the amount of public fund that is locked into that and will come back? That you would commit to say that those funds will be spent on community sports facilities as part of an agreed plan with the Football Foundation, rather than just spent on whatever you usually spend it on?

Nick Bitel: That is certainly the aim, absolutely. That is part of the negotiations and discussions we are having at the moment.

Chair: It is the aim, okay.

Nick Bitel: Yes.

Chair: Probably a lot of people will want to know that it was not an aspiration/aim but it was locked down by the time a decision is made.

Nick Bitel: It would have to be before the decision is made, absolutely.

Q49 **Ian C. Lucas:** Can I just bottom this out? I am asking boring questions now. First, the freehold is owned by the Football Association in Wembley, is that right?

Martin Glenn: Wembley National Stadium Limited, yes.

Q50 **Ian C. Lucas:** Do the Government have a charge on this on Wembley?

Nick Bitel: Sport England has a share within that limited company that owns it.

Q51 **Ian C. Lucas:** Is that a mortgage?

Nick Bitel: It is not a mortgage but under our shareholders agreement with the FA we have an ability to agree or not agree with the sale of the shares. As the evidence shows at the moment, this is projected to be a sale of shares rather than a sale of Wembley.

Q52 **Ian C. Lucas:** Before any sale can take place you would have to consent to it?

Nick Bitel: Correct.

Q53 **Ian C. Lucas:** What is the role of the Government in this? Is there a formal—

Tracey Crouch: It is the same. When there is the suggestion of 100% sale of the shares we have a consent practice here. So the Secretary of State has to have the final say.

Q54 **Ian C. Lucas:** Are there any other parties involved other than those three?

Nick Bitel: The GLA.

Tracey Crouch: So it is the public-sector funders; we have three public-sector funders: Sport England, ourselves and the GLA.

Q55 **Ian C. Lucas:** Before any sale can take place and anybody gets any money from that sale all parties would have to give consent?

Nick Bitel: Correct.

Q56 **Ian C. Lucas:** That would mean that there would have to be an agreed plan at that point as to what was going to happen as far as the money is concerned, is that correct?

Nick Bitel: Yes.

Q57 **Ian C. Lucas:** The proceeds of sale?

Martin Glenn: Yes.

Q58 **Ian C. Lucas:** You will all have to agree what is going to happen with the money before the sale is completed?

Martin Glenn: I think you needed a principal level, and you have heard it, which is there is a National Facilities Plan, which would benefit the whole of England, including London. So the GLA would get benefit from that. As a guide to any investments, you go and develop an execution plan to deliver that.

Q59 **Ian C. Lucas:** To what extent have you had discussions about this, at this point, about what the distribution of the funds looks like between yourselves, between the four organisations?

Nick Bitel: We have had very detailed discussions about what that money would look like in terms of investment—both the money that would go to the FA and the money that would come to us and other funders. At this stage, there is very good broad agreement as to what would happen to that money, as has been outlined.

Q60 **Jo Stevens:** This is for Tracey: the UK taxpayer has put money towards Wembley through the DCMS portion of the money and obviously UK lottery ticket purchases have put money into it through the National Lottery grant. Where is the dividend or is there going to be a dividend for Wales, Scotland, and Northern Ireland out of this, if it goes ahead?

Tracey Crouch: I do not know the answer to that. But clearly, what we are working on as public-sector funders at the moment is in terms of recouping the money that we paid. We do not have to have that money back. It is not, as far as I am aware, one of the things that we do, but everybody thinks that it was the right thing to do to return the investment. As the FA put it in their own written evidence, clearly if the sale were not to go ahead then we would not get any return on that investment. I do not know the answer to your question in terms of the other home nations.

Nick Bitel: All I would say is at the same time as the investment into Wembley of course National Lottery invested £6 million to £9 million, for instance, for the redevelopment of Hampden Park.

Jo Stevens: Yes, I am interested in Wales.

Nick Bitel: I give that as an example, it was not just one investment.

Jo Stevens: If there is any money left over we would quite like to have some in Wales. Thank you.

Q61 **Chair:** Just following on from this, let us address the point that we talked about in the earlier session—the point that Gary Neville raised about the long-term funding plan. We have the FA's written evidence submission here. The figures are slightly different to the ones Gary quoted but, just for the benefit of the record, point 65 in the FA's written evidence says, "From the £600 million gross sale proceeds, the FA and its partners would significantly accelerate its investment into community football facilities to

more than £100 million per year for the next 20 years". It goes on to say, "This will be transformative", which indeed it would. It would be a substantial increase on what we are spending now. Gary raised the point that the figures on their own, just based on the sale of Wembley, do not really make—so is that based on the assumption that the other funding partners would match fund the increase from the FA?

Martin Glenn: Not quite. I can understand why he was a bit unsure. If you start with currently the funding partners—ourselves, FA being the biggest one and the Premier League—together they invest, I think it is £64 million into the Football Foundation. That then is match funded. If you go back to history—and this is why the £600 million, if we get that as a proceeds of sale, is important. £600 million is about the amount the funding partners have put in over the last 18 years, which then the Foundation have very successfully leveraged through matching grants from local authorities or schools into a much bigger number. I think £1.4 billion was the number Gary mentioned.

You have to start with the gross numbers we put in, and then work it through. £600 million is what we are putting in to date, and that will continue.

Our view as the FA—and we think Sport England and Government—is that this should be seen as an incremental investment. All of our planned investments into the Football Foundation that we have in our five-year plan will continue. We also plan to pay off the debt from Wembley as a separate issue funded from our current cash flows. We have made a representation to the Premier League, which have been certainly initially favourably received, which is to say we would expect and hope that their contributions would continue.

£64 million could get to £100 million by a combination of ways. We could spend a chunk of that money quite quickly but we would put the bulk into a trust fund or a tapering fund, which we could drain down over the years, and accrue income. It is a scenario, it could be different, but that is how you get there.

On top of that, we would expect it to be a catalyst to generate even more match funding because we want that to create a cause in the country about the opportunity to improve grassroots facilities. The reason Gary was passionate about it—briefly in my journey I played bad football for many years in my life. Never a sniff of playing for money but I played a lot of it. I worked in Germany for three years. It is only when I went there did I realise what a different world football could look like. Every small town, every village, had normally a very well-kept pitch and a community changing rooms, and so on. When I came back to England and carried on playing I did not see that. We have got used to a deteriorating surface.

To me, it is an important thing that we make a cause of this. We are inviting all of the representatives from local authorities into Wembley in

September to sell, bang the drum, for the National Football Facilities Strategy, the extra money we might bring—nothing to do with the sale of Wembley. I think what this dividend, if we sell Wembley for that kind of money, can do is re-energise the country's commitment to making a real difference to the lamentable state of both grass pitches, which have been the problem child because local authorities have just not been able to afford to maintain them, and the very big gap in the availability of 3G or 4G pitches, which are frankly played in the evening in the dark compared with Germany, Holland or countries like that.

Q62 **Chair:** So that I am clear, the figures that have been included in the written submission from the FA—those are working on the assumption that the amount of match funding that the Football Foundation attracts at the moment, and the funding you receive from other bodies, at least continues and if not slightly increases alongside the increase in funding for them?

Martin Glenn: It is important for the FA that in the nicest possible way Government and Sport England remain on the hook for ongoing investment and do not see a potential Wembley dividend as a reason to pull back. I would not have taken the proposal to the FA board had there not been an agreement in principle that that should be the way that we look at it.

Q63 **Chair:** Tracey, is that something that the Government can commit to?

Tracey Crouch: As you know, Chairman, we are in the run-up to a Spending Review, and certainly one of the things that we are trying to make sure that we do is very much show the value of investment in these facilities, because as Gary was eloquently talking about, and you as a Committee are hearing about through your current inquiry, the social value of investment in those sports is enormous. That is why we work I think incredibly well as a partnership so that we can demonstrate that the return on investment is not necessarily something that can be put into a spreadsheet but is something much greater than that. I am sure when your Committee is nearing its conclusion and we can have a longer discussion on the social value of sport that is something that is going to be incredibly helpful for our discussions when we start going to the Chancellor in the near future for our settlement.

Q64 **Chair:** Even so, there is the question of the Department's budget and lottery money that goes into sport. Even assuming that the Department's budget in real terms remains the same you, as the Sports Minister, will have other sports, for instance basketball, coming to you saying, "Well, why is football getting all this money when it does not need it?"

Tracey Crouch: We already have a commitment into the Parklife fund and into the single site facilities through the Football Foundation, and I would expect that to continue subject to what happens in the future Spending Review. You would not be surprised to hear that I think that we have to have first rate facilities in order to continue to grow grassroots.

While my journey is not as exciting as Martin's in football, as you know I have been playing football since my late teens, early twenties. The state of grass pitches is not a new phenomenon. What is helpful is that we are now seeing more all-weather pitches spring up. We could see many more, but we also need to ensure that we have the maintenance in grass pitches. Whether you are a player, manager or coach of a football team at the grassroots level what you do not want to see is the continued decline in the state of the pitches, so therefore I would certainly hope to see a continuation in the long-term funding plan for football facilities.

Q65 **Chair:** This is quite a fundamental decision. If a decision is made on the sale of Wembley before the end of this year I imagine the FA would want some reassurance that the other funding that comes from football would be sustained. It would be I think a terrible outcome if the very big decision was made to sell the FA's biggest single asset and the consequence of that was the net investment in football stayed the same. There is no uplift not because the FA is not putting that money in, but because other people are stepping back and there was no initial benefit. People would then rightly say, "What was the point?" or if anything the decision has been to the detriment, not through any fault of the FA.

Tracey Crouch: I think we also need to remember that one of the other partners to the Premier League as well who have invested a phenomenal amount into grassroots is the Football Foundation. You will also recognise that in the sport strategy there is that long-term plan to continue to commit to funding facilities, and that very much includes football as the most participated in team sport in the country.

Nick Bitel: The other partner of course is local authorities, and one of the issues that have been in terms of maintenance of grounds is the decimation there has been in funding from local authorities into sport. Sport is not a statutory obligation of local authorities, which I personally think it should be. I think it should be up there with health and wellbeing, but I think it should be part of that. The amount of money going in from local authorities to sport in this country has gone down from £1.5 billion to under £1 billion in the last five years, so that is also a major driver for the problems that have occurred. We have lost 150,000 fixtures so far this year because of the weather, and this investment could be absolutely transformational in changing that picture.

Q66 **Chair:** I think the local authorities would say they are dealing with the world in which they live. Their core funding has been cut very substantially and therefore they are working with the budgets that they have. Unless the Chancellor is being very generous as part of this deal it is unlikely there is going to be a big cash boost to local authorities to spend on sports facilities. Is there not a danger here as well that if the strategy relies to some extent on significant amounts of match funding at a local level, be it from charities, donors or local authorities, that in the harder to reach areas that money just may not be there?

Nick Bitel: I think one of the things that the Government's strategy has done is really highlight the benefit of sport, which is what Gary talked about. This is not sport for sport's sake. This is sport in terms of social inclusion, health and all of the other agendas. One of the things that we have to do is really convince local authorities that it is absolutely in their interest to invest in sport. We are doing that; we have a very good programme going on, for instance, with Manchester who now have health responsibilities, where they see sport as being absolutely the core of their other delivery purposes.

Q67 **Chair:** I understand that, but they do not have the money to do anything about it. Now, there may be best practice they can learn from other authorities, maybe examples they can see about how it could be done. By its nature we are talking about investment in the places that have not already been able to benefit from the money that is there, have not been able to put a successful bid in to the Sporting Foundation because they have not been able to raise enough money themselves to make it happen. To get the real benefit of this by its real nature what you would be looking to see is places that have not already benefited from investment in sport doing so, but they may be the places where their ability to bring in additional money is much lower than the places that have already been helped. Is that something you are factoring in?

Nick Bitel: In terms of your funding plan, but in terms of the National Football Facilities Strategy it is certainly about that this has to be a plan for the whole country, so that everyone can benefit. In particular one of our priorities is lower socio-economic areas so that they can particularly benefit from this. As you say, those are the areas that have struggled from local authorities' investment. We do have strategies to make sure that those areas can benefit from this investment.

Martin Glenn: If I can, Chairman, the Football Foundation has a target of investing 30% of its projects in areas of high deprivation and that gets delivered pretty well. Capital match funding has not really been the problem. Local authorities quite like it, because it is a one-off. The trick is with the Football Foundation funding to make sure that that funding is then sustainable, so there needs to be a business plan with a sinking fund so that the pitch can be replaced. One of Gary Neville's concerns was whether this is sustainable. It is sustainable, the way it works, and this can add to a sustainable pool of good projects.

I think one of the other problems that we face and that I am leading into is grass pitches. Most of affiliated football is played on 15,000 grass pitches and people have just got used to the fact it has got worse. It is interesting that Gary said there was always mud. It has got worse. Objectively, it has got worse and it is that slow erosion. It is a revenue issue for local authorities, so having the guy that cuts the grass verges also being the person that perhaps cuts the grass is not enough. You need some more thinking around how we build that pitch stock back to a level. Only one in three pitches are deemed to be of an adequate quality.

How do we get that back to 100% and how do we maintain them? That is doable, but that to me is where a bit more creativity needs to come in—perhaps there needs to be a revenue fund. That is still where the majority of daytime football gets played.

Q68 **Chair:** I understand that. I know we have focused quite a lot on artificial pitches but I know in your proposal that the investment in grass pitches is absolutely clear as well. One of the issues that Gary Neville also rightly raised is the cost of accessing some of the artificial pitches in particular, because the local authorities charge so that they can recoup their investment, and that money is not always kept to go into a pitch that needs refurbishing. It can just go into the revenue of the local authority. Thinking of these facilities benefiting the people that maybe need them most, there is the issue that if the consequence of having to match funds from local authorities is that the cost of play is too high, we would have built facilities that are not being used and from a sporting point of view obviously the purpose of this investment is to increase participation.

Martin Glenn: We have to be more creative. If you take the Parklife project, which is an ambition to get round 50 cities in England with hubs of two or three pitches together with high quality changing rooms, they are trusts, so any surplus that is generated is protected. It just does not disappear into a local authority; it is kept to improve football in that area. First, the hub in question and then, secondly, beyond that. The value of those interests—take Sheffield, which we opened about a year ago. It has 150,000 users, one-third of the teams there are girls, and one of the reasons that girls' football is finding those kind of facilities so good is that it has proper changing rooms. It comes back to a passion of mine, having run a kids' football team, I did a Level 1 Coaching badge in 2003. There were kids getting changed in cars, in car parks, with towels draped over the window because the facility, the changing rooms, were in a lamentable state and this is leafy Berkshire—it is just not on. We know when we do it right it really has a catalytic effect, so keeping the money in a trust so that it does not bleed into other general purpose expenditure in the local authority is the way forward.

Tracey Crouch: That is a really important point in terms of girls' football. Obviously the facilities aspect is essential, and it is not just about getting changed; it is something as simple as going to the toilet, and many of the places that girls and boys are playing do not even have toilet facilities.

Charging for artificial pitches is not the only issue. You get charged also to access grass pitches and the maintenance of those does not necessarily follow in the same way. I would say, to defend local authorities, that good local authorities understand the benefit and the value of investing in their facilities, whatever kind of sports facilities they are, but there is also a bit of a revolution going on in terms of running local authority leisure activities at the moment, in that many are becoming trusts and transferring the assets into a trust and running their

sports and leisure facilities in a very different but very creative way, which helps all parties get involved.

Nick Bitel: When it comes to us in terms of a 3G pitch one of the things that we are looking for is a broad range of ability to access for the community. What you tend to find is that the evening slots are sold off commercially but that subsidises the rest of it—often community access for free during the day as an example. We all three were at Sheffield Graves and that is one of the things that you see there as an example.

Tracey Crouch: Walking football is becoming one of the fastest growing older persons' sports.

Martin Glenn: Don't look at me like that.

Nick Bitel: I was always walking football.

Q69 **Giles Watling:** On local authorities it is an interesting one. You are saying you have to persuade local authorities to invest and indeed my local authority, Clacton, yes, they do want to invest in sport and we had a scheme that assisted all sorts of sporting endeavours. There is a swimming pool at Walton-on-the-Naze and we discovered that it is the taxpayers that we needed to persuade, because fewer than 4% of our local taxpayers use the Walton swimming pool. So we have to make the case and it is about PR and about saying how great these things are, and about how we should have the playing fields, we should have the football pitches, the bowling greens, the whatever, so that the local taxpayers can see where their buck goes. Relatively few of them use these facilities and it is one of these cases that if you do not use it you lose it, surely.

Nick Bitel: Certainly, and it is not just about having access to facilities. It is about demand and creating that demand. For instance if you look at our campaign "This Girl Can", which had a great effect upon stimulation of demand among women, because we addressed what the barriers were. We have seen over 600,000 new women coming into sport, and that is the sort of work that needs to happen, as well as having the right facilities at the right price and at the right place.

Q70 **Giles Watling:** Getting the right PR out there?

Nick Bitel: Demand is part of this. This is all about behaviour change, putting it into the contemplation of people, making sure they understand why they should do it, helping them get over those barrier—whether that is the barrier of cost or the barrier of time—and ensuring therefore that you move from contemplation into action.

Q71 **Giles Watling:** I want to quickly if I may move on, because I have invested in arts and also I have been on the receiving end of arts grants to get various things done, and I know how difficult it is if you have to apply every year. You cannot make long-term forward planning, and this is part of the problem. You are saying there is money coming in, and if you have to apply every year you cannot make a long-term forward plan.

It is interesting that Gary Neville said, as I understand it, that the many billions generated by the Premier League tend to stay in the top and they are not filtering down. What should the FA do and, more importantly, what should the Government do to see that some of that money goes to the grassroots alongside any money that might be raised from the sale of Wembley Stadium?

Martin Glenn: It is not in the FA's gift to tell the Premier League how it should run its business. The Football League, which is the original first breakaway from the Football Association, ran its own business in the last century, so there has always been a separation of powers.

The Premier League is owned by its clubs. It is there to generate money for its clubs through collective selling and I believe 25% of it is kept and spent on good works. I am not here to do a selling job for the Premier League; they can do it better than I, but they also pay a massive amount of tax and—I hate to say this—they have been a more consistent supporter of the Football Foundation over the last 20 years than the FA.

Q72 **Giles Watling:** But it is in your interest and in the Premier League's interest to get some of that money to the grassroots?

Martin Glenn: I am saying it is going to the grassroots so the Premier League has consistently invested in the Football Foundation as part of their good works. They have a major schools' programme, so once again I am not here to tell you exactly what they do. The Chairman just used a very good phrase, which is, "I deal with the here and now", and the things that I can influence to make a tangible difference—not a tomorrow difference but a tangible difference to people's experience of playing football in proper changing rooms with proper facilities I can do now, hence the discussion around Wembley. It is very easy to say, "Well, there are all these fat cats who do not spend enough", but I think they would make a case to say that they do.

Tracey Crouch: With regard to Premier League funding going into the grassroots, as part of the discussions around the sport strategy I encouraged them to double the amount that they put into grassroots football. So they were putting £50 million a year in and they are now putting in £100 million a year. As it happens I think that above and beyond that £100 million more does go into the grassroots because of the way that it filters through the pyramid. Quite often the clubs are using that for community work that they are doing through their own club trusts, and that in turn supports many initiatives that we would certainly include in the definition of grassroots. So if you take a football club in League 1, I think they are, Blackburn—they have some excellent work going through their trust that helps people with social isolation and disabilities. I would argue that Blackburn are an excellent club who generate enough income through their own sponsorship, but I would say that part of the funding that they get through the Premier League would support that kind of initiative.

That is not measured in the overall value of what it is that the Premier League give into grassroots but what they do, as Martin said, is provide that constant income into the Football Foundation plus on top of that the £100 million.

Q73 **Giles Watling:** On an ongoing basis?

Tracey Crouch: Yes.

Martin Glenn: Yes.

Q74 **Julie Elliott:** I want to pick up on a couple of things that have been said. Mr Bitel, you have said that you have had lots of discussions with local authorities about putting money into things, that these things are important. I have to say that all local authorities that I know think these things are very important, however they are faced with a financial crisis. My own local authority probably will not have the money from central Government to be able to afford to fulfil its statutory services by 2020, so it is all very well saying you want to have these things but if you are not given the money you cannot do it. Are you also talking to the people who do have the money, which is central Government, about the funding of local government to facilitate some of the good things you have talked about?

Nick Bitel: Let me talk to you first about what we are doing with the local authorities. We recently had—

Q75 **Julie Elliott:** I do not want to know what you are doing with local authorities. You specifically were criticising local authorities about not prioritising the money into this. They do not have the money. What I want to know is are you talking to central Government about giving them the money to be able to do this, whether it is in a ringfenced way or not? Are you doing that?

Nick Bitel: What we have done is put more money into local authorities. We have recently agreed to put over £120 million into local authorities and that has to come from somewhere in terms of our funding, so we talked to the Government about how much money we are getting to put into these, whether it comes from our Exchequer funding or lottery money. At the moment we are also struggling because lottery money has not been as buoyant as we had all hoped, so we probably have to make savings of around £35 million. Despite that we are still going to put more money in and we are trialling it with 12 different local authorities. It is not just about how much money; it is also about how you invest, and that is the discussion we have been having with local authorities. We think that if you invest in a way that looks to your health budget—for instance when we are talking to Manchester about cycling we are accessing road budgets and we are accessing all sorts of parts of their budget, to invest in a one plan way with the communities to ensure that there is proper funding for those plans. That is what we would like to see and we think it is possible under the present funding that they have. Obviously we would all like to see more funding going into local

authorities because as you rightly say they are under pressure. There is no doubt about that.

Q76 **Julie Elliott:** Can I go back to the question I asked? Are you having discussions with central Government about direct funding to be able to facilitate some of the things that you want to—

Nick Bitel: I personally am not, no.

Tracey Crouch: Can I add something to this? Nick is right in terms of there are lots of different pots of funding across central Government that local authorities can access that provide a sporting provision. The core funding, and it is almost every local authority, my own included, has been reduced but there are ways that you can access central Government funding. I visited an initiative in Leeds, which was a cycle hub, in which lots of different pots of money had been accessed to create that hub, of which the local authority was the primary sponsor with partners such as Sport England. The problem is that because resource has been cut local authorities do not necessarily have the time or their resource to be able to find this alternative fund, which goes back to the point that the Chairman was making about sharing best practice. None of us are DCLG or MHCLG, but I work very closely with colleagues across the whole of Government, including MHCLG, to basically help them appreciate the value of investing in sports and what it means for their alternative budget.

You are right to be concerned for your local authority funding. It is not the arm's length body of DCMS to be lobbying DCLG and MHCLG for this funding. It is certainly my role as Sports Minister to be encouraging central Government to make funds available for sports.

Q77 **Julie Elliott:** Yes, I know it is but Mr Bitel did make a play of saying he was having discussions with local authorities to try to get them to spend their money and it would not be fair on any local authority, whether it is mine or any other, not to point out in the real world that is not possible at the moment and the people for whom it is possible is national Government. I eventually received an answer to my question, but thank you.

In the previous session—I know you were all in the previous session listening—both of the witnesses mentioned the lack of clarity around the bank loan. Would you, Mr Glenn, be able to tell us a little bit more about that and what the problems are around the bank loan, in terms of the sale, in relation to the possible sale of the stadium?

Martin Glenn: As I understand it there are not any problems. We currently have an outstanding loan of about £200 million, which we are planning to pay off by 2024 as part of our business plan. We are able to do on the back of the FA becoming more efficient and having raised more money on the sale of our TV rights. That is going to get paid off.

Q78 **Julie Elliott:** So you would carry on paying that even if you sold the

stadium?

Martin Glenn: It would not be netted off any of the proceeds. So any proceeds that we might get, should this sale go ahead, we see as totally incremental to the mission of trying to make a step-change in the provision of goods and services.

Q79 **Julie Elliott:** But you would still have to pay and fund that bank loan on an asset that you no longer have?

Martin Glenn: Yes, but there are many ways to secure a loan, and the TV revenues of the FA are bigger and larger than the revenues of Wembley by a large margin, so it will not be a problem.

Q80 **Julie Elliott:** Mr Lucas asked a number of questions earlier on about the fact that your organisation and Government have a stake in deciding, and the GLA. What would be your red line to not let this happen? Do you have a red line and what scrutiny are you putting on the decisions the FA are making?

Nick Bitel: In terms of scrutiny we will be conducting our own due diligence on the purchaser, so that we are satisfied that he or it, whoever the purchaser may eventually be, has a robust business plan. In terms of what it is that we are trying to achieve, we already have protections there for the public to protect the public investment that was made. We would like to see all of those protections continuing for the period that we already have those for, which is until 2057, and in fact if we can enhance them in some way—for instance in terms of future sales going forward above this—that is something that we would like to see as well. Those are set out in our evidence, the aims that we are trying to achieve in the course of this negotiation.

Q81 **Julie Elliott:** Are there any red lines there that if you were not happy with you would say no?

Nick Bitel: There are plenty of things that if we did not get we would say no to.

Q82 **Julie Elliott:** Can you give us an example?

Nick Bitel: For instance naming rights, just as an example. It should not be called "The something Wembley Stadium" but that is an example. I am not going to negotiate publicly with Martin but there are plenty of things that if we did not get we would not give approval for.

Q83 **Julie Elliott:** I was going to ask how the Government could be monitoring the FA's conduct during the negotiations.

Tracey Crouch: We are partners in those discussions, and like other partners we have legal resource to help ensure that there are protections in place. We already have detailed discussions going on with ourselves with the FA, so we are basically already involved in those discussions. Obviously the FA sale is a commercial negotiation, but we as a funding partner need to make sure that we are protecting the public interest.

Martin Glenn: If I can say as well, it is not in the FA's interest to have Wembley Stadium as anything but the national stadium, even though we do not own it. The naming rights, to ensure that we could step in along with Sport England if the future owner was not satisfied—it has to be a football stadium that will allow us to bid for future events. It has to have a capacity, it has to have a royal box. We are every bit as motivated as the governing partners would be about keeping that and we hope we can, but the way that the system works is that you do not have to trust me because you have plenty of checks and balances in the process.

Q84 **Julie Elliott:** Can I just go back again to something that was mentioned in the first session, which was about somebody just coming along and offering you all this money? Was the sale of the stadium ever on the agenda of the FA, or is it the reality that somebody did just come along and offer this money for the stadium?

Martin Glenn: It was never a specific objective. One of the overriding objectives of the FA is to improve the quality of playing facilities up and down the country. It is that along with doubling the women's game and supporting the national teams in tournaments that are our three biggest priorities. We feel passionate about the need to do something and not just talk about it. The unsolicited offer, which it was, was seen in the context of something that might accelerate what we do here. It is interesting that everyone's reaction to it has probably been the same. I was surprised by it. I did not expect it when it was suggested to me. We took a long time thinking about it. Was it conceptually desirable?; how would it fit in? There are not many other, one or two, football associations around the world, so there are 211 members of FIFA and I think 208 do not own their football stadium. No World Cup winner has ever owned their football stadium. There is an argument that it could make the FA simpler and focus more effectively on its core mission of improving the quality of football, coaching and the national teams. It was not on the agenda and like I said, everyone's emotional reaction was the same. A little bit of surprise and then if you think about it most people think, "Well, if you could spend the money properly and you can get all the protections it would still be the national stadium. It seems like a win-win".

Tracey Crouch: By the way, Martin has won the bet as to who could get the World Cup winner stadium fact first into the session.

Martin Glenn: I am not allowed to bet on football.

Chair: Well, France said it was built by the French Government.

Q85 **Ian C. Lucas:** I was going to push back a little bit on what Martin was saying about the incremental nature of the improvements that you are making, and in particular say that you were very eloquent in describing the Berkshire difficulties, as was the Minister, about where we are at the moment with the facilities. The structure of the Premier League with the FA and then the Football League has been there since 1992, and it has

been under that structure that this situation has been allowed to develop. Why is it that the incremental approach that you are talking about is enough? Is it not the case, as we touched on in the first session, that we really need a more fundamental revisiting of where we are and why we are here? Why is it that in Germany they can do as you described and we still have not done it here 26 years after the Premier League was set up?

Martin Glenn: I agree with you.

Q86 **Ian C. Lucas:** Show a bit more ambition, then.

Martin Glenn: I can control what I can control and not what I cannot. I think there have been too many people wishing for strokes of the pen by Government to create taxable income, windfall taxes and so on, and waiting for that has done absolutely nothing. What I am saying is I think the job to do is big. The potential dividend we might get from selling Wembley Stadium—it is as much funding that the three funding partners have put into the Football Foundation since 2000, so it is a big number, but more money would be welcome. We could get there faster if more money came in, so I do not disagree with you that more money would help really improve the experience.

Football is in a pretty good place. We have never had more junior teams, never had participation at such a high level. My concern is keeping people participating if their experience of the pitch they are playing on is not good enough. I think I would welcome more money but as a practical matter to make a big start why would we not look seriously at unlocking sporting money in a stadium and redeploying it into thousands of pitches up and down the country, effectively an inward investment of £600 million from somebody else to make a start and that being tangible and something near term that we might be able to go and do?

Q87 **Ian C. Lucas:** It is important for you to be pushing for more money through different structures as the chief executive of one of the biggest players. If I can turn to the Minister, what about this structure? You heard Gary Neville earlier on, and it is so difficult to bring about the type of improvement that we all want to see in the facilities, given the present structure and this eternal frustration that we all have about the huge wealth in one area of the game that is not being applied fairly across the country.

Tracey Crouch: Therein lies another question really—where do you get more money from? Part of the interpretation that I took away from listening to Gary Neville was for Government to put in more money.

Q88 **Ian C. Lucas:** I did not suggest that.

Tracey Crouch: No, I said it was from Gary Neville, and for Government to put in more money. That in itself is a challenge because football is a wealthy sport and there are other sports. I am not the Minister for football, I am the Minister for Sport, and there are other sports that would argue that they should have more money going into their sport.

Nick and Sport England and UK Sport have to make very difficult decisions on a regular basis as to who should be receiving funding and going through various tests, and thankfully that is not the sort of thing that Government have to do, but we do invest in facilities as part of a wider strategy and that is the challenge.

I already feel that as Sports Minister for the last three and a half years I have managed to create more money going down into the grassroots through the Premier League and I will continue to have those discussions with the Premier League going forward. I would also put a note of caution, which is that as Martin explained the Premier League is a business that is run by its shareholders. It is there to generate income. A lot of that income does come from broadcasting rights, but many could argue that as the broadcasting environment itself begins to change, the traditional ways of broadcasting income coming into sports may also change. That does not necessarily mean that you will have the same level of income coming into broadcasting that you might in the future, because of the diverse nature of the way we are all now watching sport.

I have always been hesitant to have the 5% rule that I know you have asked me about many times in the Chamber, because first of all it is only levied on domestic broadcasting income but if you could see in the future—I hope not—domestic broadcasting income might fall, in which case you would see the income into grassroots football fall. I think I have a much better deal out of the Premier League by having a set figure and one that I hope will increase over time than I would if we had a percentage figure.

Q89 **Ian C. Lucas:** I do think it is a fair point that you make about the changing environment, but the point that I would make—I made it earlier to the previous panel—is that the governance structures that are in place are not adequate in terms of either having delivered over the past period since 1992 or responding to the challenges that you have just described for the future. We have a governance structure with so many disparate governing bodies that it is very difficult to see how you can develop any coherent approach to these issues. That is why we are here and describing the girls getting changed in cars with no toilets on the football ground, and it is why we do not really have an ambitious programme going forward. Should we not be changing the governance?

Martin Glenn: Could I respond to that? Football is an industry. We have multiple parts of it and some of it generates huge amounts of money. The FA govern certain aspects so we are responsible and have a duty of care over community football, the national football team, rules and regulations so we administer the game. We have no control to levy tax on the earnings of the Premier League or the Football League, so let us be clear about that.

I think we have made big progress in the last few years by trying to be collaborative and saying, "What are our aims?" I think if you look dispassionately at the history of the Football Foundation that is a good

example of football coming together with sport and Government and saying, "Look, if we pool our resources we can harness the power that clubs have in our local community, we can do a number of things together". The approach that we have is one of collaboration as opposed to one of governance, if you like. We are very clear about who does what in the game but the area of community facilities is a troubling one because it is hard to see whose prime responsibility it is. I am very sure that the English FA is an absolute outlier on the positive side in terms of its investment into community facilities because of the way that the sport in England has evolved. We feel proud of that, but I would rather have collaboration than perhaps a fanciful discussion about whether football should somehow be nationalised and a different cut of the proceeds.

Q90 **Ian C. Lucas:** I trust that you are not suggesting that I was taking part in that fanciful discussion?

Martin Glenn: No, but I am saying that collaboration will get us progress and I would love there to be more sources of revenue.

Q91 **Ian C. Lucas:** You see, we see football in our own constituencies all the time. Football is a huge part of Wrexham and this is true of all of our constituencies. Our frustration is that it is so difficult to bring about the type of positive change that you are all working for in the current structures. That is why I am doing it.

Martin Glenn: I understand.

Q92 **Ian C. Lucas:** That is why we all feel strongly about it.

Tracey Crouch: There are multiple things that we need to tackle and facilities is one of those things. When I first drafted the sport strategy I wanted to call it "Field of Dreams" because it is the case of if you build then people will come and at the moment we have not been building it. So with this injection we can start to provide the facilities for people to come and play good quality football, which will hopefully in turn create better talent for the future.

Nick Bitel: There is a really important point about the way sport is taught at the moment, that too much of our coaching is directed towards the elite and focusing on children who are very good at sport and not enough about understanding those children who are not particularly good at sport. We know from the research that quite a lot of children are put off sport by the way it is taught in schools. One of the things that we are trying to do at the moment is we are going to teach 17,000 teachers how to teach sport so that it is much more inclusive for those who are not maybe the greatest footballers—those who are not going to be a Gary Neville but who can and should be undertaking more activity. That is a really important part of what I think we need to do.

Tracey Crouch: Hence why I was not allowed to call my sport strategy "Field of Dreams" and it goes back to the first part of my response to

you, which is that there are many different parts to this of which facilities is an important part.

Q93 **Jo Stevens:** Picking up on the questions that Ian was asking—you are right, Minister, the broadcasting landscape is changing. Is that not all the more reason why something should happen now to try to get some more money out of the Premier League because it may be more difficult in the future? Why not consider a windfall tax before that broadcasting landscape changes? There are huge disparities in terms of funding going to different parts of the game. You will lose an opportunity to do something about it if you do not do it now and you could do that rather than have Wembley sold.

Tracey Crouch: We have already doubled investment into grassroots from the Premier League.

Q94 **Jo Stevens:** Yes, but I am saying you could do more.

Tracey Crouch: I would be interested to see what more you think we should be doing because they are ultimately businesses. They are shareholders within the wider league and you may already have seen today that the Premier League has been announced as the number one British brand across the world. I think that we need to recognise, as Gary was saying, that it attracts phenomenal talent.

Q95 **Jo Stevens:** But it also attracts obscene amounts of money, doesn't it? What we are talking about are local authorities who have no money to spend on pitches. Can we not just be a bit more imaginative?

Tracey Crouch: I am not here to comment on what the Premier League does with all the money that it gets from broadcasting and other ways, but what I will say is that for people who do know the Chief Executive of the Premier League it felt like it was a rather major win in order to get him to double the investment that was going into grassroots football. He is a very hard negotiator and I think that it is often underestimated how much they do put into grassroots football. Other issues are not within my remit to talk about.

Q96 **Jo Stevens:** I think you are underselling yourself. He may be a hard negotiator but you have negotiated double the money out of him. I am suggesting that maybe go back and try for treble. If you do not ask you do not get.

I am going to raise the question I raised earlier in the first panel, which was about the suggested sale of £600 million. Martin, I know in your written evidence you say it is fair value but do you think that sort of figure is best value? How have you reached that opinion about the figure?

Martin Glenn: It is the $600 million question, you are right. The truth of the matter is they are hard things to value. I was only prepared to share it with my chairman once we reached effectively £900 million is what we are talking about, because it is £600 million for the stadium but we also keep the Club Wembley revenues, so basically we will keep the income

stream from that, which if you do a discounted cash valuation going forward and ask what those income streams into the future would be worth as a lump sum today that is £300 million. So the price that is being offered is £900 million, not £600 million.

We are not selling the cash flows associated with the stadium. We are keeping the key cash flows. What we are selling is a stadium and a small amount of income that is currently enjoyed from pop concerts and non-football events. When you take those revenues and then the capital expenditure required to maintain the stadium that ends up at zero. So £600 million for an asset that is currently generating zero is the way to look at it. We were comfortable with it, and you raised the point in your earlier questioning—we said the whole approach to valuing Wembley should be what would the upside be if, and it is an "if", they were able to move the franchise over from the States into London. That is when we hired Rothschild to really help us do some modelling and understand all the dynamics of NFL economics, the upside revenue opportunities of, say, for example being able to broadcast NFL games into different time zones, which is more advantageous in London than it is the States. The kind of number that we have settled on as being something to seriously consider is a reasonable share of that upside. I think you have to see it in those two ways.

That said, you only ever really know when you make the process competitive. What is going on right now is a lot of work with Sport England to codify these protections into a contractual form that we can then go and use to basically ask Rothschild to see whether any bids could come in.

We are not just trying to sell the stadium. If it were that simple I am sure we would have had more offers now. We are trying to sell the stadium with a large range of quite restrictive clauses that allow us to use the stadium into the future in perpetuity; a number of encumbrances that make it quite difficult, I would have thought, for many sellers. Certainly a financial buyer who said, "Right, I am going to buy the stadium and borrow a load of money behind it", cannot do it, because the stadium is not making much money for them in that respect.

You have to see it in that respect. We will be in a position very shortly when the drafting of a potential contract is done, where the protections are enshrined in English with clauses that everyone understands, that can be a prospectus we then take out to the world and say, "Right, could anybody beat this £900 million figure?"

Q97 **Jo Stevens:** How confident are you that you can generate that income from Club Wembley tickets?

Martin Glenn: Yes. Confident, thank you. Confident. It is a competitive market. Some of the concerns that get raised would be, "What if the Jaguars do not want football income into the future?" They do. If Shahid Khan were to buy Wembley he absolutely needs the income that we

would bring, because football is still the core content. Club Wembley is an attractive proposition. You can come and see England matches; that appeal has gone up markedly over the summer as we have had a decent World Cup campaign. We are very comfortable that that is the case, and it was important to us.

Why we wanted to keep that revenue is that we wanted the FA to be not worse off on an income basis from selling Wembley—in fact we would be slightly better off because we will not have the requirements to fund the capital expenditure. We can continue all of our investments: £180 million put into the game for woman's football, improving coaching, and all those things. That was why we wanted to keep the revenue, and we believe that the Club Wembley proposition is attractive and we can maintain that going forward.

Q98 **Jo Stevens:** When do you think you will be ready to put out your prospectus to attract other bidders?

Martin Glenn: Within a month.

Q99 **Christian Matheson:** My apologies, I had to pop out earlier with someone, and I missed the first part of the meeting. My apologies for that. Martin, has anybody else ever tried to buy Wembley?

Martin Glenn: Not to my knowledge.

Q100 **Christian Matheson:** This was genuinely an out-of-the-blue first offer?

Martin Glenn: Yes. We had not had anybody else approach us to buy Wembley on these terms, or Wembley at all. As I tried to explain, this is to buy Wembley with a set of quite significant encumbrances or protections that would allow us to run the stadium. People attending Wembley would know no difference. People using the stadium for their various competitions would know no difference. It is a sale with significant protections.

Q101 **Christian Matheson:** At what point did you think, "Hmm, maybe this is worth listening to after all"?

Martin Glenn: I had the notion suggested to me in February 2017. I was explaining to your colleagues while you were out, I had the same reaction that everybody else did, which was surprise and shock, because I had not thought about it. I promised to go away and think about it. I talked to my chairman, but frankly did not do much about it during the spring and the summer because I was trying to close down the international FA broadcasting deal, which was more important. It was in my important non-urgent box, if you like.

We then started to engage with Shahid Kahn's people over the latter end of the summer, tried to agree what a sensible valuation might look like with some of their advisers, and finally in—I forget the timeline but, by the way, to help your clerks we can provide the timeline to you. It is documented in there for the record. We got an offer from them in the

autumn of last year, which we then, after a few offers that we thought were not right, felt was worthy of consideration. I then talked to my chairman about it in detail.

We kept working on it, and only really in the spring, or March of this year, did we feel ready to talk to the Government and Sport England. Frankly, before we spoke to the FA Board—I could not turn to the FA Board and say, "We have an offer to consider", because the first question I would get from the board members would be, "Where are the Government on this?" It took a fair bit of time to get to a level of something that we felt was worthy of serious investigation.

Q102 **Christian Matheson:** It sounds like you have already done a fair amount of serious investigation at the back end of last summer. What was it that tipped in your mind the notion that it was worth putting a lot of your staff and adviser time into this bid?

Martin Glenn: Yes, thank you. A crucial point I missed out, and I apologise for that, is we hired Rothschild in November. I have reasonably good experience of M and A transactions and, that said, law No. 1 is that you get great advisers. We went to Rothschild and we said, "You need to help us think through this. What do you think?" They are the people that did a lot of work on modelling what the value of the NFL franchise might be. That was the time from September through February that it took to polish up a proposition that I felt comfortable sharing wider.

Q103 **Christian Matheson:** There must have been something that drove you to hire Rothschild though. Was it simply the size of the amount of money that was on offer?

Martin Glenn: Yes, it was £900 million. It was more than a build cost. That said to me was not the reason for it. The principle I always had was that if you were to buy Wembley you would need to make it valued on the basis of what it may be worth to the potential buyer. Yes, it felt like it was something that was significant and could have a dramatic impact on accelerating our programme into improving community football facilities so, yes, it was that.

Q104 **Christian Matheson:** Who gets first dibs on the use of the ground?

Martin Glenn: We will have a staging green.

Q105 **Christian Matheson:** Sorry, I mean if there is maybe a clash of events.

Martin Glenn: We will make sure that there is not a clash of events. On paper the reason that an NFL buyer makes sense is that they are busy at a time of the season when we are not. There are only two England games that typically get played in that September to December period. We could choose to still play them, we have had experience of playing plenty of England games, in between staging NFL events. We are used to staging NFL events now.

We would like to take them on the road more. When I came to the FA in 2015 I had to fight with the board to get permission to play in Sunderland at the Stadium of Light and in Manchester City before the Euros. Why? Because Wembley was expensive and they wanted every penny, if you like, to be extracted from that. We had a similarly good experience at Elland Road before the World Cup. The England team is a national team. It is not a team of the M25. We see that as an opportunity.

We have good experience of how to work with the NFL, but really importantly it will be done through clear staging agreements. We have other interested parties—the EFL wants to run the play offs there in the EFL Cup. We will still want to run the Women's Cup final there. We are able to do this because of the complementarity of the seasons. In the commercial agreement we have, if we strike a deal with them, a really clear process in the event of a clash. I do not know if we would ever run a Super Bowl final there but if it happened to clash, what would we do? It would be an exception event, but we will plan for it and have a contract accordingly.

Q106 **Christian Matheson:** Can I talk through the process as you envisage at the moment, with the caveat, of course, that it might change as the process goes ahead? We have said that the Football Foundation will be the mechanism to deliver at the end the improvements in grassroots facilities. The sale goes through; let's stick with the £900 million figure that you have quoted for.

Martin Glenn: Yes. The lump sum will be £600 million. The £300 million is the discounted cash flow value for—

Q107 **Christian Matheson:** Let's go for £600 million. £600 million is an easier number. Does that get handed over in lump to the Football Foundation? Is it a trust that you set up? What will be the mechanism?

Martin Glenn: They have not worked out the detailed mechanism, but the principle would be that we understand the need to make the use of this money transparent, because it has Government money—taxpayers' money—in it. We have not quite worked out the mechanics of it, but the idea would be to effectively set up a trust fund, which we would then bleed into the foundation, although we would call off the money as it was needed. We are not sure quite what to do yet, whether we spend quite a lot upfront, because there is such a number of low-hanging fruit-type initiatives, and then set up an endowment fund from which we can draw down the income. We are not quite sure of that. That is all to be worked through. The foundation is an execution arm. It will work to the instructions of the funding partners and call off money accordingly.

Q108 **Christian Matheson:** Will this trust become a funding partner? Will this trust have a say in where the money is spent?

Martin Glenn: We currently are funding partners already. We have Sport England and the FA. I do not know the precise mechanics of how it would

be. I do not envisage there being another funding partner, but I would envisage our ability to report back to the public and DCMS how the money is being spent and at what pace.

Q109 **Christian Matheson:** What guarantees are you going to be able to give to the Football Foundation and the wider community that long term this money will still be available for grassroots sports? Supposing you retire and another chief executive comes in and thinks, "We will have some of that for another project"?

Martin Glenn: It is really important that it is ringfenced and protected for infrastructure funds into community football. It cannot be used to subsidise other initiatives within the FA or, frankly, in Sport England. We will find the mechanic for doing that.

Nick Bitel: We would not give our consent to the sale if there was any risk of that. The whole purpose of this, so far as we are concerned, is that this fund is there and always will be there for the investment into grassroots.

Q110 **Christian Matheson:** There will be a legal guarantee within that?

Nick Bitel: That is certainly what we would want to see, yes.

Q111 **Christian Matheson:** Minister, that will be something presumably that you and your Department will be looking into?

Tracey Crouch: Absolutely. We want to make sure that we future-proof the agreement. Those are the protections that are in place that we are all talking about now as part of the potential sale.

Q112 **Chair:** Thank you. Just a few closing questions. Nick Bitel, if you want a legal agreement that says the money going into the trust will go into community football facilities, are you going to give a legal guarantee to the FA that the revenue that comes through from Sport England into community football will be guaranteed as well?

Nick Bitel: £120 million, that would be part of the agreement that we are having, subject—because it is lottery funding—to those protections that we have to have because we have to sign off on lottery and we had to enter into the lottery agreement with the eventual recipient. Subject to that, yes. Let me give you an example. The £120 million can go into the joint trust but when I draw down from that it goes to a recipient. If that is money that is coming from the Sport England, part of it then that has to have sign-off from Sport England and they have to enter into an agreement with Sport England.

Q113 **Chair:** Yes, I understand that. It is just the £120 million that you are putting in, that is guaranteed. Are you going to say to the FA Board before they sign on the dotted line, "That money is guaranteed. We will not pull back the money just because—"

Nick Bitel: That is what we are seeking to do, yes.

Q114 **Chair:** Seeking to do?

Nick Bitel: Yes. Nothing is signed off yet.

Martin Glenn: It is a condition of my recommending to the FA Board whether we do the deal. We are aware of what needs to be in black and white.

Q115 **Chair:** Presumably the position of your board will be that unless those guarantees are there there is no guarantee that they would approve the sale?

Martin Glenn: Yes. The principle needs to be that the Government funders roll their money in a suitably effective legal mechanism. I know you can never guarantee the future, but we would expect ongoing commitments into the Football Foundation to be maintained by the Premier League and other funding partners.

Q116 **Chair:** What proportion of the applications the Football Foundation gets ever year is it unable to take forward because there is not the money that year to fund those projects?

Martin Glenn: It is not too many. You have Paul Thorogood behind me, you can perhaps talk to him later. One of the opportunities we have would be to perhaps reduce some of the match funding criteria. I think there are ways that we can accelerate that kind of thing. It is a very effective charity. It works extremely well. It can tool up. It can absolutely add capacity to getting more grants.

Q117 **Chair:** If possible maybe the Football Foundation would be able to follow up in writing afterwards to give us an idea over the last few years the number of applications that have been made, and then the number of those applications that were successful. The ones that were not, was that because they failed to meet the criteria or because there was not the funding available that year to meet it?

Martin Glenn: Absolutely, we will follow up on that.

Nick Bitel: One reason I have not been able to say, "Yes, it is the £120 million that is in our evidence" is that we also want to see some money ringfenced for Wembley National Stadium Trust, which currently benefits from income from Wembley Stadium. We do wish to see some money going there. That is a matter that is still under discussion as to how much and what that would look like going to Wembley National Stadium Trust. That is why I cannot say today it is the whole £120 million.

Q118 **Chair:** Yes. I think the FA's position is clear in terms of the criteria it is setting and how it is seeking to get best value for the deal. Alongside that, even with all those things being honoured, the idea would have failed if other funding for community football dries up as a consequence of the deal going through, and also if the pipeline of projects coming through to receive funding is not sufficient to meet the funding that is there, and the money is sitting there and not being used for the purpose

it was intended because the criteria for being successfully funded is too onerous for a number organisations to benefit.

Nick Bitel: Certainly we have lots of applications that we are unable to meet at the moment with all sorts of facilities. With this money going in there, remember what I said earlier: this is not going to, from our point of view, just be about football. It is football plus. We hope to meet some of the demand that we are unable to meet and fund at the moment.

Q119 **Chair:** The Committee is visiting the Brandon Estate in Kennington on Monday next week where quite a lot of community sport goes on, particularly football, which is played successfully because of good coaches on very basic conditions. They have FA registered junior teams, but they do not have changing rooms or anything and they play next door to artificial pitches that they cannot afford to use. There will be hundreds and hundreds of football clubs being run in that way all over the country, often set up by individual coaches, or parents, or whatever it is.

Do you feel that those sorts of organisations that could really benefit from a small amount of community investment understand what options are available to them other than just going to the council and asking for money that the council does not have? Do you think there needs to be more of a promotional job in the same way there is to the Lottery Fund to communities to understand what they can bid for, how they can bid for it, and how they could bid maybe for a relatively small amount of money rather than it being for a big capital project?

Nick Bitel: For instance, in London, if you go on to the website of London Sport and you put in what it is you are trying to fund and seek, it will give you lots of options. It might be that you will be directed towards Sport England, Football Foundation, London Marathon Charitable Trust—all sorts of people that are available to fund sports projects within London. Lots of County Sports Partnerships have similar tools available to local community groups.

Q120 **Chair:** Do you think they are well enough known?

Nick Bitel: I am sure we can always do more.

Martin Glenn: Our ambition would be to use this catalyst of the potential dividend from Wembley to really create a movement, a campaign, a grassroots call for improved facilities. There is an argument to make the process more widely known, to make people less fearful of the process, and to think about how we can be more creative around match funding. We have seven trials going on around the country at the moment for mini football pitches in primary schools, some of which have been partly funded through crowd funding.

We have to be creative about the source of funding, because I do not think it is going to come from the taxpayer as the first port of call. This is what excites us—we think that if we can really create a moment where

we say, "Look, there is all this extra money available", it will create a demand.

Chair: Listening to all the evidence today I do not think for a moment this is not being done with the absolute best of intentions. Also I completely understand the point you made, Martin, that rather than sitting around waiting for something else to come along, if this is something you can do to kick start the process then it is worth looking at seriously. However, it is such a Balkanised system. There are so many different organisations. There are enough within football but then there are local authorities, Government Departments, and other agencies as well, and to get the benefit out of this somehow all of these organisations need to be moving in the same direction. That is beyond your capability as Chief Executive of the FA to be able to do. It seems to be one of the problems with funding sport in this country, it is not necessarily the national governing bodies but the fact that they operate within this very separate world where it is difficult to have one strategy.

Nick Bitel: It is one of the things that is covered off in the Government strategy and that we are trailing in 12 different places—a one-stop plan for local authorities so that it brings in all of the potential funding streams, whether it be the local parts of a governing body, whether it be private sector, or whether it be the voluntary sector. There is one plan then for a local authority. That is something that we have had a lot of applications for. We have announced the 12 successful local authorities, and now we are moving on to detailed plans. We are going to invest £120 million into those local plans for those local authorities to act in a single way.

Q121 **Chair:** Two final questions. Firstly to Nick Bitel, you said you were going to apply a fit and proper person test.

Nick Bitel: Yes.

Chair: Is this the same fit and proper person test as applied to people who apply for football clubs?

Nick Bitel: No.

Q122 **Chair:** What is the difference? That test is often not onerous enough.

Nick Bitel: It is not just about the person, it is also about their plan; their robust plan and what it would look like. We would not want to find, for instance, Wembley entirely burdened with debt, as an example. It is not just about the person, it is also the plan for running the stadium.

Q123 **Chair:** A debt finance statement?

Nick Bitel: That would certainly come into a consideration of whether we think that is a person who should be buying the stadium and running it, yes.

Q124 **Chair:** Okay. They would also look into their personal background?

Nick Bitel: That is part of it.

Q125 **Chair:** Will that be your own discretionary test as to whether you feel they are fit and proper?

Nick Bitel: Yes, apart from the fact that, of course, as a public body we have to act reasonably. Yes.

Q126 **Chair:** Okay. Finally, Martin Glenn, do you hope or expect the Premier League will match the increase in funding that you can put into football through the FA through the sale of the stadium with a greater commitment of their own? Gary said that he thinks that ultimately that is where the money is generated and they could afford to spend more.

Martin Glenn: Like I said, I have been impressed with how constant they have been in terms of supporting the Football Foundation. They have a big programme now in junior schools called Primary School Stars, which has allowed us to take investment from football coaches there and redeploy them elsewhere. I think they spend quite a lot now. They also raise a lot of money for the Exchequer in taxes. As Tracey said, there is probably a policy question on how much private businesses can be taxed before it becomes unviable.

What I think we have is a good plan going forward without the sale of Wembley, well funded, bigger than it was, and with a clear plan about where to spend it. The potential opportunity of Wembley is that we can, on top of that, really accelerate the kind of progress that I think we all want to see, from your constituencies and from other experiences.

Chair: If there are no further questions I think we can bring the session to a conclusion. Thank you very much for your evidence and, again, Martin, I appreciate you giving up so much time so soon after coming back from Russia.