



House of Commons  
Culture, Media and Sport  
Committee

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**Football Governance**

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**Ninth Report of Session 2022–23**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons  
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## The Culture, Media and Sport Committee

The Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Culture, Media and Sport and its associated public bodies.

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The current staff of the Committee are Rosie Akeroyd (Committee Specialist), Lucy Bishop (Committee Operations Assistant), Andy Boyd (Committee Operations Manager), Dr Conor Durham (Committee Specialist), Ollie Florence (Senior Media and Communications Officer), Seb Newman (Second Clerk), Olivia Rose (Media & Communications Officer), Joe Ryan (Committee Specialist), and Ben Sneddon (Clerk of the Committee).

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# 1 Introduction

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1. By April 2021, English professional football faced three distinct “points of crisis”<sup>1</sup> that were undermining the sustainability of and support for our national game:

- a) The collapse of Bury FC, which went into administration in November 2020 after being expelled from the English Football League the year before. The collapse had a “devastating impact” on the local community and its economy.<sup>2</sup>
- b) The impact of Covid-19, during which English football lost £1 billion in revenue, with the Premier League accounting for £800 million of that figure.<sup>3</sup> Clubs survived only due to a combination of government support and commitment from leagues and, later, the FA.<sup>4</sup> According to research conducted by Sheffield Hallam University under UK Research and Innovation, “A high proportion of English football clubs make recurring losses and are financially unsustainable. This issue was present before Covid-19 but has been exacerbated by the pandemic.”<sup>5</sup>
- c) The widely-condemned attempt to set up a European Super League (ESL) in April 2021. The League, including six English clubs<sup>6</sup> would have operated a ‘semi-closed’ roster of 20 teams,<sup>7</sup> but faltered following statements from organisations including the Union of European Football Associations (UEFA), the Football Association (FA) and the Premier League warning that any teams participating would be banned from all other domestic, European and world tournaments.<sup>8</sup>

2. On 19 April 2021, shortly after the failed attempt to create the ESL, then Secretary of State for Digital, Culture, Media and Sport (DCMS), Oliver Dowden announced a Fan-Led Review of Football Governance to be chaired by former Sports Minister Tracey Crouch MP, which was intended to cover “the financial sustainability of the men’s and women’s game, governance and regulation and the merits of an independent regulator.”<sup>9</sup> The Review convened for the first time in May 2021 and reported in November 2021.

3. In its report the Fan-Led Review identified three structural challenges facing football:

- Football’s incentives are leading to many clubs with fragile finances;
- Many clubs are poorly run, with reckless decision making and a disconnect between the interests of fans and owners;
- Current regulation and oversight of the game will not provide the specialist business regulation that is needed to solve these challenges.<sup>10</sup>

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1 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), p12

2 Ibid

3 Sheffield Hallam University, [English football clubs lost £1bn in revenue due to Covid-19](#) (22 August 2022)

4 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), p12

5 UKRI, [Counting the costs of COVID-19 on professional football clubs and their communities](#), accessed 01 June 2023

6 Arsenal, Chelsea, Liverpool, Manchester City, Manchester United, and Tottenham Hotspur

7 Sky Sports, [European Super League - the key questions: What is it? Who is involved? How likely?](#), 21 April 2021

8 BBC Sport, [UEFA and Premier League condemn 12 major clubs signing up to breakaway plans](#), 18 April 2021

9 <https://hansard.parliament.uk/commons/2021-04-19/debates/A5981B60-CFE0-4758-BE91-B43DDFDE6EB6/EuropeanFootballProposal#>

10 GOV.UK, [Fan-Led Review of Football Governance: securing the game’s future - GOV.UK](#), 24 November 2021

The Review made 10 strategic recommendations, all of which were either accepted (where within the Government’s responsibilities) or supported (where they were a matter for other bodies or required further work) in the Government’s response, published on 25 April 2022.<sup>11</sup> The recommendations and responses are set out in Table 1 below.

**Table 1: Strategic Recommendations of the Fan-Led Review**

Recommendation	Government Response
A) To ensure the long-term sustainability of football, the government should create a new independent regulator for English football (IREF)	<b>Accept</b>
B) To ensure financial sustainability of the professional game, IREF should oversee financial regulation in football.	<b>Accept</b>
C) New owners’ and directors’ tests for clubs should be established by IREF replacing the three existing tests and ensuring that only good custodians and qualified directors can run these vital assets.	<b>Accept</b>
D) Football needs a new approach to corporate governance to support a long-term sustainable future of the game.	<b>Accept</b>
E) Football needs to improve equality, diversity and inclusion in clubs with committed EDI Action Plans regularly assessed by IREF	<b>Accept</b> the need for action <b>Support</b> clubs’ commitment to EDI outcomes but flexible on action plans.
F) As a uniquely important stakeholder, supporters should be properly consulted by their clubs in taking key decisions by means of a Shadow Board.	<b>Support</b> , with further consideration of the mechanism.
G) Football clubs are a vital part of their local communities, in recognition of this there should be additional protection for key items of club heritage.	<b>Support</b> , with further detail on options to follow.
H) Fair distributions are vital to the long-term health of football. The Premier League should guarantee its support to the pyramid and make additional, proportionate contributions to further support football.	<b>Support</b> , with an expectation of further action from the football authorities ahead of the White Paper.
I) Women’s football should be treated with parity and given its own dedicated review.	<b>Accept</b>
J) As an urgent matter, the welfare of players exiting the game needs to be better protected—particularly at a young age.	<b>Support</b> as a matter for the football authorities.

4. The football governance white paper, *A sustainable future - reforming club football governance*, was published on 23 February 2023, setting out the Government’s plans to implement the recommendations of the review that it had previously accepted.

<sup>11</sup> Department for Culture, Media and Sport, [Government response to the Fan-Led Review of Football Governance](#), 25 April 2022

## Our Work

5. The effective governance of UK sport is vital to its long-term survival for leagues, clubs, businesses, players and fans. The welfare of existing players, protection of fans' interests, promotion of new talent from the grassroots and protections against unsustainable or 'dirty' money in football is work that we support. The Football Governance White Paper signals the single biggest change to the structure of UK football since the creation of the Premier League in 1992.

6. We previously looked at how UK hosting of major cultural and sporting events can protect sports industries in the long-term by boosting awareness and funding for those sports.<sup>12</sup> We have also analysed the impact of Covid-19 on and finances and facilities of community sports, recommending reform of the national governing bodies of major UK sports.<sup>13</sup> Given the pressures facing football, we have taken this opportunity to ensure the Government is making the most of this opportunity to improve the governance of England's national sport for the future. We therefore held an oral evidence session in the wake of the White Paper's publication, inviting both fan representatives and the leaders of men's football's national governing bodies to give evidence.

7. We heard first from the author of the Fan-led Review, Tracey Crouch MP, and the Chief Executive of the Football Supporter's Association (FSA), Kevin Miles. In the second panel, we heard evidence from the Chief Executive of the Premier League, Richard Masters, the Chair of the EFL Rick Parry and Chair of the FA Debbie Hewitt. We are grateful to all those who took part. As with the majority of witnesses, we welcome the progress the Government has made so far to respond to the fan-led review. This report is intended to support that work and make recommendations to further improve the plans to enhance the governance of English Football.

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12 [Major cultural and sporting events](#), 8 March 2022

13 [Impact of Covid-19 on DCMS sectors](#), particularly paragraphs 23–27

## 2 An Independent Regulator

### Proposals for an Independent Regulator

8. The Fan-Led Review of English Football concluded that a form of sophisticated business regulation was required for football, separate from the regulation of the game itself. The Review found that an independent regulator, created through an Act of Parliament, would be most appropriate to achieve this. The Independent Regulator for English Football (IREF) would “have a clear statutory objective with strong investigatory and enforcement powers” and operate a licencing system which “creates a mechanism for the Regulator to enforce its requirements on clubs.”<sup>14</sup> The Football Governance White Paper took forward this recommendation, confirming the Government plans to establish a Regulator.<sup>15</sup>

#### Box 1: The Proposed Independent Regulator

The Independent Regulator for English Football (IREF) would grant licences to clubs after routine inspection covering various areas, allowing them to participate in established leagues and competitions.

The threshold conditions for licences have been suggested by the Government but will be outlined in future legislation. What will appear in the legislation is yet to be outlined concretely or in full.

IREF will operate an owners and directors test and only those who pass the test will be allowed to buy clubs or serve as senior leaders. Sales of clubs to prospective owners who do not pass the test can be halted by IREF.

IREF will be given statutory powers to mediate between organisations in the football pyramid to help reach financial deals between, for instance, the Premier League and the EFL, where self-regulation fails. If mediation is not enough, IREF will have statutory powers to intervene and arbitrate a solution that organisations will be compelled to accept.

IREF will set minimum limits for fan engagement by clubs, which will include consulting with fan groups on “key decisions” at the club as well as decisions on “heritage” such as club crests, colours and the protection of key assets including stadia. It will monitor compliance with fan engagement targets through its licencing process.

IREF will not cover the women’s game nor will it mandate for club compliance with any EDI targets (statutory or otherwise). IREF will also avoid regulating money-laundering or crime in football, as well as not making “unilateral judgements that risk straying into foreign policy” such as where people with ties to foreign governments attempt to buy football clubs.

Source: Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023)

9. The proposals for IREF have been broadly welcomed by football groups. Tracey Crouch, who led the Fan-Led Review, supported how the Government had taken forward the majority of her recommendations, although she noted that progress to date had been

14 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), p12

15 Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023), Part 2



“relatively slow.”<sup>16</sup> Kevin Miles of the FSA supported the creation of IREF<sup>17</sup> and both EFL Chair Rick Parry and FA Chair Debbie Hewitt openly welcomed a financial regulator.<sup>18</sup> Richard Masters of the Premier League, would not commit to welcoming an Independent Regulator, but noted that the Premier League would “engage constructively [...] accepting that it’s happening.”<sup>19</sup>

## A Shadow Regulator

10. We have heard from the Fan-Led Review, the White Paper and stakeholder witnesses that the transition period for introducing the new Regulator can be shortened drastically by establishing IREF in a shadow form before legislation is passed.<sup>20</sup> The Fan-Led Review’s sixth recommendation was that:

IREF should be set up in a shadow form, working with the industry to ensure it is operationally functional as soon as legislation comes into force.<sup>21</sup>

Tracey Crouch MP told us that the Government should establish the Shadow Regulator as soon as possible to outline “the administrative and operational function” which, although is not “headline-worthy stuff,” is “a really important aspect of making sure that the independent regulator is operational from day one.”<sup>22</sup> A Shadow Regulator could recruit an interim leader, start recruiting staff and begin publishing interim advice, guidelines and best practice on the new regime. Clubs, leagues, fans, other regulators and bodies such as UEFA would be able to work with the Shadow Regulator on understanding the new regime and establishing working relationships. The Fan-Led Review suggested that the Shadow Regulator could also start to implement and run aspects of the regime, where it can secure agreement from clubs.<sup>23</sup>

11. The Government confirmed in its White Paper that it is “actively exploring establishing a Shadow Regulator” to conduct:

- a State of Football study – a market study into the football industry that IREF could use to guide the design of its system;
- work on the detail and introduction of Specific Licence Conditions and the Football Club Corporate Governance Code;
- engagement work to clubs and leagues for regulation;
- preparatory work on licensing assessments and the Owners’ and Directors’ Tests.
- Establishing the operational procedures IREF will use so that it is ready to be operational on day one of the new statutory system.

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16 [Q793](#)

17 [Q792](#)

18 [Qq842–843](#)

19 [Q845](#)

20 Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023), para 12.10

21 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), recommendation 6

22 [Q796](#)

23 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), para 2.59

12. We welcome the Government's commitment to establish an Independent Regulator. Introducing a Shadow Regulator as soon as possible to recruit staff and begin engagement and preparatory work is invaluable for clubs, leagues and other football stakeholders might help avoid unintended consequences in the new regime that could lead to dissatisfaction with IREF in the coming years. The final statutory powers, procedures and institutional location of IREF can be changed at a later date.

13. *We recommend that the Government should establish the Independent Regulator for English Football in a shadow form by the end of 2023 to ensure that it can begin initial engagement and preparatory work before waiting for legislation to be passed. The Government should ensure the legislation needed to give statutory powers to the Independent Regulator are included in the forthcoming King's Speech and ensure that legislation is passed in this present Parliament.*

### 3 Fan Engagement

14. The Fan-Led Review called “highly variable” standards of fan engagement an “enormous missed opportunity for clubs.”<sup>24</sup> The Review found that fan consultation topics were often limited, with clubs operating a “tick-box” approach, not enforcing existing league rules and exerting control over selecting, withdrawing or suspending fan participants. However, they also concluded that there was not “universally bad fan engagement” and matters had improved following recommendations made by the 2016 Expert Working Group.<sup>25</sup>

15. The White Paper includes fan engagement as one of the proposed Threshold Conditions for clubs seeking a licence under the Independent Regulator for English Football (IREF). To satisfy this condition:

Clubs will need to satisfy the Regulator that they have appropriate and proportionate provisions for considering the interests of fans on key decisions and issues of club heritage. Clubs will need to show they are regularly consulting a representative group of fans on key strategic matters at the club, and other issues of interest to supporters (including club heritage).<sup>26</sup>

The White Paper does not detail what would be “appropriate and proportionate provisions” but indicated that clubs that comply with the Premier League’s newly published fan engagement standard would meet IREF’s requirements for fan engagement.<sup>27</sup>

#### Fan Engagement Standards

16. Under their new fan engagement standard, which Chief Executive Richard Masters sees as a “starting point,” the Premier League has “set up fan advisory boards and put someone in a senior leadership position in charge of, and responsible for, fan engagement.”<sup>28</sup> However, he noted that “clubs do not want to have a system of compliance” and that where fan engagement frustrations have built up over time. He proposed that clubs should be allowed a period of self-regulation under internal standards as:

clubs would like to be able to organically prove themselves in this area, rather than creating a regulated environment where tick-box exercises happen. I think we should let clubs have a go.<sup>29</sup>

17. The EFL does not have a fan engagement standard but does have policies on Consultation and Supporter Engagement.<sup>30</sup> EFL Chair Rick Parry told us that the EFL is “broadly happy that our regulations at the moment work for the vast majority of clubs.”<sup>31</sup>

24 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), para 7.2

25 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), para 7.3

26 Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023), para 8.5

27 Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023), para 8.14

28 [Q858](#)

29 [Q914](#)

30 English Football League [Consultation & Supporter Engagement](#) (accessed 06 June 2023)

31 [Q912](#)

The publication of the White Paper, he says, has motivated the EFL to consult the Football Supporters' Association "to see what else we need to do and can do outside the remit of the regulator."<sup>32</sup>

18. Tracey Crouch MP commended the actions some clubs in the Premier League and EFL have taken to improve fan engagement prior to the publication of the White Paper:

It is really important to stress that there have been clubs in the Premier League and the EFL who have engaged in improving their fan engagement since the start of this process... It is important to recognise that there are clubs out there that went the extra mile to improve fan engagement long before the White Paper set out what the Government were going to do through legislation.<sup>33</sup>

However, while some Premier League clubs supported the recommendations in the White Paper her experience has been full support "is not the overall position."<sup>34</sup>

## Fan Response

19. Speaking on behalf of the FSA, Kevin Miles was "generally" happy with the fan engagement measures, he also called them "the vaguest and potentially weakest area of the White Paper"<sup>35</sup> and reiterated the Fan-Led Review's recommendation that any Shadow Board needs to be democratic and representative of their fan groups.<sup>36</sup> He highlighted that the FSA had worked with the Premier League on its fan engagement standard but that its measures were diluted by club owners who "when they are deciding what rules they want to be held to account to, they would rather have a very low bar set."<sup>37</sup> According to Mr Miles, the Premier League standard allows "the chief executive of a club [to appoint] the fan advisory board and [select] which fans he thinks are representative of the fanbase... so it is people marking their own homework."<sup>38</sup>

20. No men's football league in England held its clubs to any universal standard of fan engagement before the Premier League in November 2022. The Premier League's Fan Engagement standard is a welcome development, but it is not yet clear that it will substantively improve the level of fan engagement reported in the Fan-Led Review.

**21. We welcome the Premier League's fan engagement standard and commend the Premier League for acting prior to the publication of the White Paper. However, the level of fan engagement from Premier League and EFL clubs still varies wildly and we are surprised at the Government's acceptance of the internal standard as a baseline for fan engagement across football. We do not believe that IREF enforcing an equivalent of the measures in the Premier League Fan Engagement Standard will be enough to formalise consistently high-quality engagement in clubs.**

**22. The introduction of IREF remains a great opportunity to increase the pace of the important work that is already underway at football clubs consulting and engaging**

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32 [Ibid](#)

33 [Q834](#)

34 [Q817](#)

35 [Q832](#)

36 [Q831](#)

37 [Q817](#)

38 [Ibid](#)

with their fans. Whilst clubs should be encouraged to exceed fan engagement standards and pursue best practice, this should be underpinned by the backstop of a strong, independent regulatory framework.

*23. IREF, beginning in shadow form, should ensure that its licencing conditions regarding fan engagement are set independently of the current Premier League Fan Engagement Standard. Unless there is immediate and significant change from leagues and clubs, we expect that IREF will be required to set and enforce a substantially higher level of fan engagement for clubs to meet than the Leagues have set themselves, in order to ensure all clubs work to meet the needs of fans.*

## 4 Equality, Diversity and Inclusion

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### Introduction

24. The Fan-Led Review recommended that the new Governance Code for Football (the Football Code) should mandate for all clubs to have Equality, Diversity and Inclusion (EDI) Action Plans. These plans would be published by clubs and the Independent Regulator for English Football (IREF) would be able to assess compliance with the plans through the licencing process.<sup>39</sup> The Review also found that there was a lack of data on discrimination available to police, security staff and clubs and recommended that the Government explore the “possibility of a new, single repository for reports of discrimination.”<sup>40</sup>

25. In response to the White Paper, discrimination in sport charity Kick It Out published three recommendations for any new regulator to help improve EDI outcomes in football:

- EDI requirements should be included in IREF’s Code for Football Governance as reflective of good regulatory practice.
- Those requirements should include significant data transparency reporting for clubs, governing bodies and leagues.
- The process for recruitment of IREF’s leadership should adopt best practice on inclusion (from the creation of the job description through to interviews and onboarding).<sup>41</sup>

The Premier League, EFL and FA all endorsed the measure on increased transparency of EDI data within their organisations in their evidence to us.<sup>42</sup> We welcome their endorsement.

26. The Government’s initial response to the Fan-Led Review supported the recommendation that clubs should improve EDI but did not commit to mandating Action Plans through the Football Code and requiring assessment by IREF because:

[r]eporting to football authorities, organisations and particularly fan bases would mean decisions on whether a club is meeting its own plans to address diversity and inclusion are taken by those in whose interest the club is meant to act.<sup>43</sup>

27. Similarly, the subsequent Football Governance White Paper promoted “internal culture changes”<sup>44</sup> over independent regulation. It does not commit to any EDI measures in the Football Code and specifically removes EDI assessments from the proposed remit for IREF. Instead, the Government commits to engaging with leagues, the FA, and civil

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39 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), recommendation 23

40 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), recommendation 25

41 Kick It Out, [The FA supports Kick It Out’s EDI recommendations](#) (29 March 2023)

42 [Q918](#), [Q923](#), [Q930](#)

43 Department for Culture, Media and Sport: [Government response to the Fan-Led Review of Football Governance](#) (25 April 2023), para 50

44 Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023), para 16.5

society organisations to monitor progress as well as setting up “roundtables with the industry over the coming months to maintain the focus in this area.”<sup>45</sup> This approach has drawn criticism from football governance reform group Fair Game<sup>46</sup> and disability in sport charity Level Playing Field<sup>47</sup> as well as Kevin Miles of the Football Supporters Association who told us “the White Paper should have been a lot stronger on EDI issues.”<sup>48</sup>

## EDI in the Football Corporate Governance Code

28. Witnesses from football organisations pushed back against the Fan-Led Review’s recommendation that EDI measures should be included in the upcoming Football Corporate Governance Code, overseen by IREF. All three of the FA, the Premier and League and the EFL argued that their organisations are better placed than an independent regulator to improve EDI outcomes in their organisations, leagues, and football as a whole.<sup>49</sup> Chair of the FA, Debbie Hewitt, told us that EDI must be embedded in football organisations and that reporting is consistent, comprehensive and transparent. She acknowledged that the FA’s Football Leadership Diversity Code was “only the start point” and that football organisations should hold their clubs accountable “for making sure that we do report and indeed share the progress on those measures.”<sup>50</sup>

29. Chief Executive of the Premier League, Richard Masters, told us that they were already delivering some of what the White Paper asked for through the Premier League Equality, Diversity and Inclusion Standard, which requires clubs to have an EDI plan on an annual basis which are assessed independently. He told us that football should be improving EDI outcomes “through our own governance structures and through dialogue with clubs.”<sup>51</sup> Chair of the EFL, Rick Parry, echoed what the other witnesses said and added that Football knows it needs to do better and should work together to produce “industry standards, rather than standards for individual organisations.”<sup>52</sup>

30. We welcome the FA’s Football Leadership Diversity Code<sup>53</sup>, the Premier League’s EDI Standard<sup>54</sup> and the EFL Equality Code of Practice,<sup>55</sup> which all make improvements to the game. However, these individual standards create an uneven EDI picture across football and have not resulted in the improvements that fans and stakeholders would like to see. As Mr Masters highlighted:

One of the things that is a challenge to football is how to have a concerted and co-ordinated message on equality issues. We have had different

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45 Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023), para 16.11

46 Fair Game, [Fair Game Scorecard: Rating the Government’s White Paper](#) (23 February 2023), p 7

47 Level Playing Field, [‘Response to the ‘A Sustainable Future – Reforming Club Football Governance’ White Paper,’](#) accessed 06 June 2023

48 [Q836](#)

49 [Q916](#), [Q922](#), [Q930](#)

50 [Q916](#)

51 [Q924](#)

52 [Q932](#)

53 The FA, [The FA’s Football Leadership Diversity Code launched](#) (27 October 2020)

54 The Premier League, [Equality, Diversity and Inclusion Standard](#) (accessed 07 June 2023)

55 The EFL, [Equality Code of Practice](#) (accessed 07 June 2023)

campaigns saying different things, and one of the challenges is to ensure we are consistent in our policies and programmes, and in the way that we promote diversity within the game.<sup>56</sup>

31. **The inclusion of concrete, universal EDI measures in the new Football Governance Code is a necessary step to address the significant concerns about a lack of EDI oversight in football. The work on EDI done by the leagues to date has not been undertaken collaboratively and opportunities to pool resources to avoid duplicating work have been missed. We welcome the acceptance from the football authorities that they should be doing more to improve EDI outcomes across football. However, while we welcome the standards that organisations have introduced since 2014, the limited progress on EDI outcomes over the past decade means we are sceptical of the claims that this work will now suddenly be done collectively without the need for an industry standard through the Football Code.**

32. *We recommend that, while in shadow form, IREF should look to existing corporate governance codes and work with stakeholders to ensure that substantive EDI measures are included in the new Code for Football Governance.*

## EDI Action Plans

33. The Fan-Led Review proposed EDI Action Plans for clubs, which would include requirements to promote diversity amongst staff, report equality statistics and establish robust and effective disciplinary processes for combatting discrimination. The Government's White Paper does not engage with these proposals and does not include compliance with any EDI objectives in its suggested threshold criteria for IREF. The Government instead proposes that clubs should "work closely with the FA, Premier League and the EFL to drive improvements in EDI measures."<sup>57</sup>

34. When asked directly whether clubs should be subject to EDI Action Plans assessed through IREF as part of their licence conditions, all three witnesses disagreed. The Premier League's Richard Masters said:

EDI is not part of the White Paper, but Committees like this and Government will be holding football to account on a regular basis to ensure that it is moving forward on a strong EDI agenda.<sup>58</sup>

Rick Parry of the EFL said:

We are comfortable that it does not come directly within the remit of the regulator, but only on the basis that we can do significantly better ourselves. We are very happy to be held to account.<sup>59</sup>

The FA's Debbie Hewitt said:

If we do the right thing, we should not be concerned about it being regulated.<sup>60</sup>

56 [Q924](#)

57 Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023), para 16.10

58 [Q935](#)

59 *Ibid*

60 *Ibid*



35. We agree that football should be held to account on a regular basis. We also agree that football can do significantly better on EDI and that if they did the right thing, external regulation might not be necessary. However, we do not believe that the White Paper or the football authorities have yet meaningfully addressed the Fan-Led Review's findings that there is much more work that needs to be done to welcome people from all backgrounds to the sport and that "football still needs to put in place some basic first steps towards increasing diversity."<sup>61</sup>

**36. We are concerned that the Government has ignored recommendations to include EDI Action Plans for clubs and oversight of these plans within IREF's remit. We believe that IREF would be well placed to receive and publish standardised data on compliance with EDI requirements in football, as well as monitoring and enforcing compliance with equality standards through EDI Action Plans. *We recommend that the Government should give IREF the authority to mandate EDI Action Plans as part of its threshold licence conditions for clubs. Clubs' performances against these Action Plans should be assessed regularly by IREF as part of its routine licence reviews.***

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61 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), para 6.7

## 5 The role of Football Authorities

37. The EFL and Premier League have been in negotiations on the redistribution of funds between the leagues since 2021. These have repeatedly stalled, with both parties unable to agree an arrangement to secure the long-term financial health of the football pyramid. The current total package of support from the Premier League to the EFL for the current broadcast cycle (ending in 2025) is £1.6 billion.<sup>62</sup> After talks in December 2022, the Premier League was offering the EFL £95 million per season on top of these existing financial contributions to conclude a “New Deal for Football.”<sup>63</sup> On 21 March 2023, after the publication of the Government’s White Paper, Sky News reported that this has been increased to £125 million per season.<sup>64</sup> At the time of writing, no deal has been reached. Separately to these negotiations, the EFL agreed a record broadcasting deal with Sky Sports in May 2023, worth £935 million.<sup>65</sup>

38. The current model of financial distribution involves the Premier League offering “parachute payments” to clubs relegated out of the League for up to three years. These are designed to help clubs meet higher spending commitments they have taken on in the Premier League, particularly on wages for staff and players, despite reduced revenues on returning to the Championship. This approach is controversial with the EFL, who claim that funding should both be increased and spread more uniformly across the Championship, rather than focussed teams just relegated from the Premier League.<sup>66</sup> The FA, who is also involved in these talks, has called for grassroots football to receive more funding.<sup>67</sup>

39. IREF will be given statutory powers to mediate between organisations in the football pyramid to help reach financial deals between the Premier League and the EFL, where self-regulation fails. If mediation is not enough, IREF will have statutory powers to intervene and arbitrate a solution that organisations will be compelled to accept.<sup>68</sup> However, the Fan-Led Review, Government White Paper and witnesses to our inquiry all stressed that football should be encouraged to reach a deal themselves without the Regulator needing to step in.<sup>69,70</sup>

40. Tracey Crouch MP summarised the Fan-Led Review’s proposals on financial intervention, which have been taken forward in full by the Government’s White Paper:

the Premier League and the EFL need to sort this out themselves. We put into the fan-led review that if they cannot do it, then they ought to engage with a consultancy of some form to be able to support them, which has not happened. If that does not resolve anything, then at that point the independent regulator could or should step in.

62 Premier League, [How Premier League provides world-leading support across the game](#) (22 February 2023)

63 Sky News, [Premier League offers EFL £30m-a-year sweetener to seal football ‘New Deal’](#), 21 March 2023

64 Ibid

65 Reuters, [EFL agrees record broadcasting deal with Sky Sports](#), 5 May 2023

66 Yorkshire Post, [EFL chairman Rick Parry wants abolition of Premier League parachute payments model to make Championship more competitive](#) (19 October 2022)

67 The FA, [FA response to the Government’s White Paper on club football governance](#), 04 March 2023

68 Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023), para 9.8–9.9

69 Department for Culture, Media and Sport: [A sustainable future - reforming club football governance](#) (23 February 2023), para 9.8–9.10

70 Department for Culture, Media and Sport, [Fan led Review of Football Governance](#) (November 2021), para 9.24

41. However, the current model may soon be changed. The Premier League told us that the Premier League and EFL are negotiating a new revenue sharing model in which they pool media revenue take away costs and divide it on a preordained formula.<sup>71</sup> Despite this, they still see parachute payments as an important part of this new deal, which Chief Executive Richard Masters told us are vital for clubs to be able to “invest and compete in the Premier League, in order that when they go down again they are supported.”<sup>72</sup> This was disputed by EFL Chair Rick Parry who found it “hard to see how parachute payments contribute to sustainability in any way, shape or form”<sup>73</sup> and told us that clubs in the Championship are using unsustainable owner funding to compete with clubs receiving parachute payments.<sup>74</sup>

**42. The financial sustainability of the football pyramid is the responsibility of football itself. Football organisations can, and should, be the ones to find a solution to the current deadlock of revenue distribution. We welcome that progress seems to have been made on a “New Deal” for football and a new revenue sharing model. However, it is clear that there is still distance between the Premier League and EFL. If this distance is not bridged soon, more clubs will be put at risk of collapse. It is right that IREF is given the powers to intervene in the interests of the wider game as a last resort, but football organisations ought to prove that these powers are not necessary. There is still time, before the establishment of IREF, for these organisations to get their act together to secure the financial future of the sport.**

*43. We urge football authorities, including the Premier League, EFL and the FA, to urgently reach an agreement on sharing a higher proportion of revenue with clubs down the football pyramid before the establishment of IREF. This should include no increase in the current level of parachute payments from the Premier League but should include an increased, strategic redistribution of income from all Leagues down to the grassroots of football.*

*44. If there are no immediate signs of progress on revenue sharing, the Government should expedite its plans to establish the Independent Regulator with the power to mandate a solution.*

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71 [Q883](#)

72 [Q903](#)

73 [Q907](#)

74 [Q854](#)

## Conclusions and recommendations

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### An Independent Regulator

1. We welcome the Government's commitment to establish an Independent Regulator. Introducing a Shadow Regulator as soon as possible to recruit staff and begin engagement and preparatory work is invaluable for clubs, leagues and other football stakeholders might help avoid unintended consequences in the new regime that could lead to dissatisfaction with IREF in the coming years. The final statutory powers, procedures and institutional location of IREF can be changed at a later date. (Paragraph 12)
2. *We recommend that the Government should establish the Independent Regulator for English Football in a shadow form by the end of 2023 to ensure that it can begin initial engagement and preparatory work before waiting for legislation to be passed. The Government should ensure the legislation needed to give statutory powers to the Independent Regulator are included in the forthcoming King's Speech and ensure that legislation is passed in this present Parliament.* (Paragraph 13)

### Fan engagement

3. We welcome the Premier League's fan engagement standard and commend the Premier League for acting prior to the publication of the White Paper. However, the level of fan engagement from Premier League and EFL clubs still varies wildly and we are surprised at the Government's acceptance of the internal standard as a baseline for fan engagement across football. We do not believe that IREF enforcing an equivalent of the measures in the Premier League Fan Engagement Standard will be enough to formalise consistently high-quality engagement in clubs. (Paragraph 21)
4. The introduction of IREF remains a great opportunity to increase the pace of the important work that is already underway at football clubs consulting and engaging with their fans. Whilst clubs should be encouraged to exceed fan engagement standards and pursue best practice, this should be underpinned by the backstop of a strong, independent regulatory framework. (Paragraph 22)
5. *IREF, beginning in shadow form, should ensure that its licencing conditions regarding fan engagement are set independently of the current Premier League Fan Engagement Standard. Unless there is immediate and significant change from leagues and clubs, we expect that IREF will be required to set and enforce a substantially higher level of fan engagement for clubs to meet than the Leagues have set themselves, in order to ensure all clubs work to meet the needs of fans.* (Paragraph 23)

### Equality, Diversity and Inclusion

6. The inclusion of concrete, universal EDI measures in the new Football Governance Code is a necessary step to address the significant concerns about a lack of EDI oversight in football. The work on EDI done by the leagues to date has not been undertaken collaboratively and opportunities to pool resources to avoid duplicating work have been missed. We welcome the acceptance from the football authorities

that they should be doing more to improve EDI outcomes across football. However, while we welcome the standards that organisations have introduced since 2014, the limited progress on EDI outcomes over the past decade means we are sceptical of the claims that this work will now suddenly be done collectively without the need for an industry standard through the Football Code. (Paragraph 31)

7. *We recommend that, while in shadow form, IREF should look to existing corporate governance codes and work with stakeholders to ensure that substantive EDI measures are included in the new Code for Football Governance.* (Paragraph 32)
8. We are concerned that the Government has ignored recommendations to include EDI Action Plans for clubs and oversight of these plans within IREF's remit. We believe that IREF would be well placed to receive and publish standardised data on compliance with EDI requirements in football, as well as monitoring and enforcing compliance with equality standards through EDI Action Plans. *We recommend that the Government should give IREF the authority to mandate EDI Action Plans as part of its threshold licence conditions for clubs. Clubs' performances against these Action Plans should be assessed regularly by IREF as part of its routine licence reviews.* (Paragraph 36)

### The role of Football Authorities

9. The financial sustainability of the football pyramid is the responsibility of football itself. Football organisations can, and should, be the ones to find a solution to the current deadlock of revenue distribution. We welcome that progress seems to have been made on a “New Deal” for football and a new revenue sharing model. However, it is clear that there is still distance between the Premier League and EFL. If this distance is not bridged soon, more clubs will be put at risk of collapse. It is right that IREF is given the powers to intervene in the interests of the wider game as a last resort, but football organisations ought to prove that these powers are not necessary. There is still time, before the establishment of IREF, for these organisations to get their act together to secure the financial future of the sport. (Paragraph 42)
10. *We urge football authorities, including the Premier League, EFL and the FA, to urgently reach an agreement on sharing a higher proportion of revenue with clubs down the football pyramid before the establishment of IREF. This should include no increase in the current level of parachute payments from the Premier League but should include an increased, strategic redistribution of income from all Leagues down to the grassroots of football.* (Paragraph 43)
11. *If there are no immediate signs of progress on revenue sharing, the Government should expedite its plans to establish the Independent Regulator with the power to mandate a solution.* (Paragraph 44)

# Formal minutes

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**Tuesday 27 June 2023**

**Members present:**

Dame Caroline Dinenage, in the Chair

Kevin Brennan

Clive Efford

Julie Elliott

Rt Hon Damian Green

Dr Rupa Huq

John Nicolson

Draft Report (*Football governance*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 44 read and agreed to.

*Resolved*, That the Report be the Ninth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134.

## **Adjournment**

Adjourned till Tuesday 4 July at 9.30 am.

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Tuesday 28 March 2023

**Tracey Crouch CBE MP; Kevin Miles**, Chief Executive, Football Supporters' Association

[Q790–841](#)

**Debbie Hewitt MBE**, Chair, The Football Association; **Richard Masters**, Chief Executive, Premier League; **Rick Parry**, Chair, English Football League

[Q842–939](#)

## Correspondence

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- 1 [Letter from Rick Parry](#), Chair, English Football League, relating to the oral evidence session on 28 March 2023, dated 6 April 2023
- 2 [Letter from Debbie Hewitt MBE](#), Chair, The Football Association, relating to the oral evidence session on 28 March 2023, dated 31 March 2023.
- 3 [Letter from Richard Masters](#), Chief Executive, Premier League, relating to the oral evidence session on 28 March 2023, dated 2 May 2023



# List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website.

## Session 2022–23

Number	Title	Reference
1st	Amending the Online Safety Bill	HC 271
2nd	Promoting Britain abroad	HC 156
3rd	Reimagining where we live: cultural placemaking and the levelling up agenda	HC 155
4th	What next for the National Lottery?	HC 154
5th	Economics of music streaming: follow-up	HC 874
6th	Current issues in rugby union	HC 1018
7th	Sustainability of local journalism	HC 153
8th	Appointment of Richard Sharp as Chair of the BBC	HC 1147
1st Special	Major cultural and sporting events: Government Response to Committee's Ninth Report of Session 2021–22	HC 452
2nd Special	Influencer Culture: Lights, camera, inaction?: ASA System and CMA Responses to the Committee's Twelfth Report of Session 2021–22	HC 610
3rd Special	Influencer Culture: Lights, camera, inaction?: Government Response to the Committee's Twelfth Report of Session 2021–22	HC 687
4th Special	Rt Hon Nadine Dorries MP	HC 801
5th Special	Promoting Britain abroad	HC 1103
6th Special	Reimagining where we live: cultural placemaking and the levelling up agenda	HC 1104
7th Special	What next for the National Lottery?: Government and Gambling Commission Responses to the Committee's Fourth Report	HC 1208
8th Special	Economics of music streaming: follow-up: Government Response to the Committee's Fifth Report	HC 1245

## Session 2021–22

Number	Title	Reference
1st	The future of UK music festivals	HC 49
2nd	Economics of music streaming	HC 50

<b>Number</b>	<b>Title</b>	<b>Reference</b>
3rd	Concussion in sport	HC 46
4th	Sport in our communities	HC 45
5th	Pre-appointment hearing for Information Commissioner	HC 260
6th	Pre-appointment hearing for Chair of the Charity Commission	HC 261
7th	Racism in cricket	HC 1001
8th	The Draft Online Safety Bill and the legal but harmful debate	HC 1039
9th	Major cultural and sporting events	HC 259
10th	Another pre-appointment hearing for Chair of the Charity Commission	HC 1200
11th	Pre-appointment hearing for Chair of Ofcom	HC 48
12th	Influencer culture: Lights, camera, inaction?	HC 258
1st Special Report	The future of public service broadcasting: Government Response to Committee's Sixth Report of Session 2019–21	HC 273
2nd Special Report	Economics of music streaming: Government and Competition and Markets Authority Responses to Committee's Second Report	HC 719
3rd Special Report	Sport in our communities: Government Response to Committee's Fourth Report	HC 761
4th Special Report	The future of public service broadcasting: Ofcom Response to Committee's Sixth Report of Session 2019–21	HC 832
5th Special	The Draft Online Safety Bill and the legal but harmful debate: Government Response to the Committee's Eighth	HC 1039

### Session 2019–21

<b>Number</b>	<b>Title</b>	<b>Reference</b>
1st	The Covid-19 crisis and charities	HC 281
2nd	Misinformation in the COVID-19 Infodemic	HC 234
3rd	Impact of COVID-19 on DCMS sectors: First Report	HC 291
4th	Broadband and the road to 5G	HC 153
5th	Pre-appointment hearing for Chair of the BBC	HC 1119
6th	The future of public service broadcasting	HC 156
1st Special Report	BBC Annual Report and Accounts 2018–19: TV licences for over 75s Government and the BBC's Responses to the Committee's Sixteenth Report of Session 2017–19	HC 98
2nd Special Report	The Covid-19 crisis and charities: Government Response to the Committee's First Report of Session 2019–21	HC 438

<b>Number</b>	<b>Title</b>	<b>Reference</b>
3rd Special Report	Impact of Covid-19 on DCMS sectors: First Report: Government Response to Committee's Third Report of Session 2019–21	HC 885
4th Special Report	Misinformation in the COVID-19 Infodemic: Government Response to the Committee's Second Report	HC 894