



6 April 2020

Mr Julian Knight MP
Chair, Digital, Culture, Media and Sport Committee
House of Commons
London
SW1A 0AA

Dear Mr Knight,

Thank you for your letter of the 2 April.

I would like to start by reassuring you that we are working hard with all the football authorities to manage the very serious impact of Covid-19. This of course includes the severe financial implications, to the Premier League, the wider football pyramid and the communities the Clubs support, of the suspension of the Premier League's competition. We do of course fully support the overriding national need to do everything possible to deal with the pandemic.

The financial impact is significant for our sector and while there is no collective bargaining agreement on player remuneration we have held detailed discussions with the Professional Footballers Association (PFA) and others on how the financial burden might be shared across those involved. In this spirit, a proposal for a League-wide target wage reduction has been presented to them as a guideline for discussions between Clubs and players. It is important to note that neither we as the League, nor the PFA, can agree and impose reductions in remunerations, as each contract can only be varied by the parties involved i.e. the player and the Club.

I know my team was in touch with you to update you on the outcome of the most recent Premier League Shareholders' Meeting which took place on Friday 3 April. I re-attach the full statement but to summarise the key points:

- In the face of substantial and continuing losses for Season 2019/20 since the suspension of matches began, and to protect employment throughout the professional game, Premier League Clubs unanimously agreed to consult their players regarding a combination of conditional reductions and deferrals amounting to 30 per cent of total annual remuneration. This guidance will be kept under constant review as circumstances change. The League agreed that it would be helpful if this guidance could be explained to Club representatives and a call was held on Saturday 4 April between the League, players, managers, Clubs, the PFA and League Managers Association (LMA) representatives.
- Conscious that any solution needs to consider the football pyramid, Premier League Clubs unanimously voted to advance funds of £125 million to the EFL and National League as it is aware of the severe difficulties clubs throughout the football pyramid are suffering at this time.
- In consultation with the Department for Digital, Culture, Media and Sport, the Premier League is immediately committing £20 million to support the NHS, communities, families and vulnerable groups during the COVID-19 pandemic. This includes a direct financial contribution to the NHS and funds to enable Clubs to refocus their efforts and develop significant outreach programmes to help communities, including those most in need. This funding will enable both immediate and longer-term support during the crisis.

Our Clubs are in discussions with their players on this basis and we hope that local resolutions, which reflect local circumstances, will soon emerge from this process.

You will appreciate, like much of the productive economy in the UK, we are losing revenue at an unprecedented level. We face a £1 billion loss, at least, if we fail to complete Season 2019/20, and further losses going forward if the seriousness of the pandemic deepens and extends into the future. This would negatively impact not only the finances of the 20 Premier League Clubs, but would also have a significant detrimental effect across the whole professional football landscape. For this reason, Clubs unanimously agreed to advance funds to the EFL and National League.

Premier League Club finances are dependent upon the receipt of money from broadcast rights sales, distributed by the Premier League, as well as revenues generated by each Club from match day income and commercial sponsorships. With no matches being played, these resources have been temporally halted, therefore Clubs like much of the UK's economy, are facing tough decisions in relation to protecting their future and their employees.

The furlough scheme announced by Government is meant for the whole economy, including many enterprises which might be regarded as providing entertainment or otherwise dependent on elite talent. We do agree with you that restraint needs to be shown by all and we and our Clubs are doing just that. Individual Clubs will need to make these decisions based on their own forecasts, as each Club will have its own unique position. Government's measures have considered the whole economy.

It is important to recognise that that these decisions need to be taken with the short, medium and long-term all in mind. Not only is our industry facing losses now, but to be realistic, we must also base our plans on full recovery being some distance away. Ultimately, the very heavy losses that we face will have to be dealt with or else Clubs and other enterprises who depend on football for income will go out of business. We do not say this lightly, or to justify Clubs' decisions; it is a very real threat.

The Premier League, its Clubs and players generate, in normal times, significant sums for the Exchequer, most recently in excess of £3 billion per season including over £1 billion from players' salaries. It is also crucial therefore that we as an industry can ensure our future financial viability, so our Clubs are in the best position to return to playing football when it is safe and proper to do so. This outcome would be good for fans and for Clubs and would be a boost to the economy and tax revenues.

More broadly it is important to underline the very positive role that our Clubs and players have been playing in supporting the NHS and their communities during this crisis, which we know has impacted those most vulnerable in our society the most.

Most visibly the Premier League and all of the Clubs have worked with Government to use our influence amongst fans and our combined social media reach to promote the public health messaging of '*Stay Home Save Lives*'. This commitment to support the NHS is also delivered locally by Clubs (Premier League and EFL Clubs, all of which receive Premier League funds through the Premier League Charitable Fund) working with their local health trusts to make their resources and facilities available to the NHS where required. They are also providing on the ground support to thousands of people in the areas around them, through their work in schools, with the older community and by providing online education and well-being services for young people and the most vulnerable. We would be happy to provide you with a full list of the work that is taking place or you can visit <https://www.premierleague.com/coronavirus> to see more on this.

We are in regular contact with policy officials and Ministers at the Department for Digital, Culture, Media and Sport and will keep you informed of any further news we have relating to your letter. Likewise, I would be more than happy to arrange a call with you to discuss any of the above in more detail. If this would be of interest do please let us know.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a series of loops and a long, horizontal tail stroke.

RICHARD MASTERS
Chief Executive