



Department for
Digital, Culture,
Media & Sport

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MC2021/15292/DC
2 August 2021

Darren Jones MP
Chair, BEIS Select Committee

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Dear Julian and Darren,

I am writing to you both as Chairs of the BEIS and DCMS Select Committees to update you following the open letter sent to the Premier League informing them of Ministers' "minded to approach" and inviting representations from interested parties on making an Exclusion Order under the Competition Act 1998, regarding the Premier League's domestic broadcasting agreements. This approach sought to guarantee around £1.6 billion of funding for the football pyramid, including for grassroots football, women's football, and lower league clubs.

Background

On 13 May 2021, in a Written Ministerial Statement to Parliament, I confirmed that officials at the Department for Digital, Culture, Media and Sport (DCMS) had written to the Premier League, and to Sky, BT, Amazon and the BBC as the current holders of the Premier League's UK broadcast rights. This informed them that the Secretary of State for Business, Energy and Industrial Strategy (BEIS) was minded to make an Exclusion Order under the Competition Act 1998, allowing the Premier League to renew its current UK broadcast agreements with relevant broadcasts rights holders for a three-year period without carrying out the normal tender process. It is our view that such an Exclusion Order would provide stability for the football pyramid coming out of the pandemic, guaranteeing around £1.6 billion for the game. This funding would spread across the pyramid including grassroots football, women's football, funding for lower league clubs, and long-term income for clubs to plan for the future. This is crucial given the losses sustained by football during the pandemic, with at least £2 billion lost by the Premier League and its clubs alone.

Representations

The Government invited interested parties to make representations before a final decision on the Exclusion Order was taken. Of the 15 representations submitted, most were supportive of the Exclusion Order because of the stability that would be provided by renewing the broadcast agreements.

The Secretary of State for BEIS and DCMS Ministers acknowledge the concern that was raised in one representation about the inclusion of the “Near Live Package” of broadcast rights in the renewed agreements. However, we have concluded that subdividing the rights packages could disrupt the current arrangements, which would undermine the intended purpose of providing stability to the football pyramid. Moreover, the Government has not received representations indicating a potential bid for the Near Live Package if a tender were to be run.

We also note one concern raised about consumers potentially facing higher prices in the absence of a competitive tender process. We have carefully considered this point and concluded that the risk of higher prices is low and outweighed by the significant public policy benefits that would be delivered by providing stability to the English football pyramid. We expect broadcasters to keep the costs of their packages at current levels, as a result of the renewed broadcast deal on existing terms. Finally, in response to a question that was raised by one stakeholder, I can confirm that the “fair dealing” exemption in copyright law will not be affected by the Exclusion Order.

Final Decision

Having carefully considered the representations made, the Secretary of State for BEIS has concluded that there are exceptional and compelling reasons of public policy to make the proposed Exclusion Order. I can therefore confirm that, subject to the Premier League formalising with the Government their financial commitments to the football pyramid as set out in my Written Ministerial Statement on 13 May, the Government will bring forward secondary legislation after the summer recess to make the Exclusion Order.

The Exclusion Order will disapply UK competition law to allow the Premier League and the relevant broadcast rights holders to agree to extend the Premier League’s UK broadcast agreements on substantially their current terms to the 2022/23 – 2024/25 seasons without the Premier League carrying out a competitive tender process.

If the Premier League’s current UK broadcast agreements are renewed for seasons 2022/23, 2023/24 and 2024/25, the Premier League has committed to:

- guaranteeing existing levels of financial support for the football pyramid for four years from 2021/22 to the end of the 2024/25 season. This includes solidarity payments, parachute payments, youth development funding and funding for grassroots football at existing levels, worth over £1.5 billion over the three-year rights cycle;
- maintaining at least this level of funding even if its international broadcast rights decrease in value when they are re-tendered individually over the next year into 2022, and to increase the level of funding if its international broadcast rights exceed their current value; and
- providing a further minimum £100 million in solidarity and good causes funding to the end of the 2024/25 season, in roughly equal shares, to the National League, women’s football, League One and Two clubs, grassroots football and cross-game initiatives. This would make a significant financial contribution, including doubling the support for the non-league system, and providing crucial financial support for the women’s game.

We will write to your Select Committees with further details on the specifics and the mechanisms for accounting for this funding in due course.

This Exclusion Order is a temporary measure in response to the pandemic. The normal tendering process is expected to be followed for the subsequent broadcast rights period following the 2024/25 Premier League season.

The Government will lay a Written Ministerial Statement in the House as soon as possible after its return to keep Parliament fully informed.

Kind regards,

A handwritten signature in black ink, appearing to read 'Nigel Huddleston', is centered on a light gray rectangular background.

Nigel Huddleston MP
Minister for Sport and Tourism