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HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

FOOTBALL GOVERNANCE BILL

Second Sitting

Tuesday 14 May 2024

(Afternoon)

CONTENTS

Examination of witnesses.
Adjourned till Thursday 16 May at half-past 11 o'clock.
Written evidence reported to the House.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

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The Committee consisted of the following Members:

Chairs: SIR CHRISTOPHER CHOPE, SIR MARK HENDRICK, CAROLINE NOKES, † MR VIRENDRA SHARMA

† Andrew, Stuart (<i>Parliamentary Under-Secretary of State for Culture, Media and Sport</i>)	† Hopkins, Rachel (<i>Luton South</i>) (Lab)
† Bailey, Shaun (<i>West Bromwich West</i>) (Con)	† Millar, Robin (<i>Aberconwy</i>) (Con)
† Baynes, Simon (<i>Clwyd South</i>) (Con)	Mishra, Navendu (<i>Stockport</i>) (Lab)
† Betts, Mr Clive (<i>Sheffield South East</i>) (Lab)	† Peacock, Stephanie (<i>Barnsley East</i>) (Lab)
† Byrne, Ian (<i>Liverpool, West Derby</i>) (Lab)	† Rodda, Matt (<i>Reading East</i>) (Lab)
† Clarke-Smith, Brendan (<i>Bassetlaw</i>) (Con)	† Smith, Jeff (<i>Manchester, Withington</i>) (Lab)
† Collins, Damian (<i>Folkestone and Hythe</i>) (Con)	† Wood, Mike (<i>Lord Commissioner of His Majesty's Treasury</i>)
† Crouch, Dame Tracey (<i>Chatham and Aylesford</i>) (Con)	Kevin Maddison, Kevin Candy, Chris Watson, <i>Committee Clerks</i>
Firth, Anna (<i>Southend West</i>) (Con)	
† Green, Chris (<i>Bolton West</i>) (Con)	† attended the Committee

Witnesses

Darryl Eales, Chairman, Solihull Moors FC

Steve Thompson MBE, Managing Director, Dagenham and Redbridge FC

Ian Mather, Director, Cambridge United FC

Sharon Brittan, Chair, Bolton Wanderers FC

Tony Bloom MBE, Chair and Owner, Brighton & Hove Albion FC

Steve Parish, Co-owner and Chair, Crystal Palace FC

David Newton, Senior Member, football operations, Football Association

Jane Purdon, Former CEO and Director of WIF, and now Ambassador, Women in Football

Robert Sullivan, CEO, Football Foundation

Niall Couper, CEO, Fair Game

Simon Orriss, Head of Legal (also Senior Associate at Mills & Reeve LLP), FairGame

Public Bill Committee

Tuesday 14 May 2024

(Afternoon)

[MR VIRENDRA SHARMA *in the Chair*]

Football Governance Bill

Examination of Witnesses

Darryl Eales and Steve Thompson gave evidence.

2 pm

The Chair: We will now hear from Darryl Eales, chairman of Solihull Moors football club, and Steve Thompson MBE, managing director of Dagenham & Redbridge football club. We have until 2.30 pm for this panel. Would the witnesses please introduce themselves for the record?

Steve Thompson: Good afternoon. My name is Steve Thompson and I am the managing director of Dagenham & Redbridge football club. I have been at Dagenham & Redbridge—well, it was Dagenham football club when I was first there, 41 years ago. I have seen Dagenham go from the Isthmian League to League One, and back down again to the Conference. I was involved when we had the merger with Redbridge Forest in 1992. I hope I will be able to answer some of your questions.

Darryl Eales: Good afternoon. I am Darryl Eales, chairman and majority owner of Solihull Moors football club. Prior to that, I owned Oxford United from 2014 to 2018 in the English Football League.

The Chair: Before I ask Members to put any questions, I declare an interest: I am the patron of my local football club, Southall football club.

Q61 Stephanie Peacock (Barnsley East) (Lab): Thanks for joining us. By way of an opening question, do you have any thoughts or views on the regulator and its establishment? If a steer is helpful, what would or could the regulator do to ensure that clubs such as yours feel supported in a transition to regulation in this fashion?

Steve Thompson: In my opinion, I am worried about clubs at our level being over-regulated. Most of our clubs work on one or two full-time staff. Some of them are run by volunteers. We already do an awful lot of financial regulation reporting. There is reporting to the National League and a licensing certificate that we get from the Football Association. Many of us took advantage of the Sport England winter sports loans. The quarter reporting on that—I appreciate that it is public money—is so onerous, and I am really worried that the extra reporting that will be required by National League clubs will be more than a lot of them can manage without taking on extra staff.

There is also the cost of the regulator. We are not 100% certain how much a National League club will have to pay for their contribution. Those are some of the concerns with the set-up of the regulator. The support we need is a better understanding of how that will work.

Darryl Eales: I agree with Steve. I think this is about proportionality and reflecting the resources available to clubs at our level. That is simply because we do not have the financial resources or the distributions from central funding that, obviously, English Football League clubs have to support the growth of an administrative function to support the information requirements of the regulator.

Q62 Stephanie Peacock: On the point about proportionality, do you think the Bill does enough to emphasise that the regulator's approach will be proportionate and will attempt to understand the specific circumstances of clubs playing in the National League? I think you both mentioned that point, while Steve Thompson made the point about funding. How important is it to you that National League clubs can pay a lower levy than those in the upper divisions, and does the Bill go far enough to reassure you of that?

Steve Thompson: It is imperative that the amount in fees charged to National League clubs is really proportionate, for example, between us and English Football League Two clubs. They receive 14 times the amount that a National League club receives in central distributions and solidarity money. Leaving aside the central distribution—because it could be argued that that is what the league itself raises—with the Premier League solidarity money, last season an EFL club received £519,000 each whereas a National League club received £69,000. Next year, the Premier League solidarity money for an EFL Two club will go up to £550,000; for a National League club, it will stay at £69,000—that is an eight times difference.

When Dame Tracey set up the fan-led review, I was lucky enough to be on one of the calls to present on behalf of National League clubs. One of the things that clubs at our level want to get out of this is a better financial package. The gap is going from seven and a half to eight times; we should be reducing that, not increasing it.

The other thing that the Bill does not address completely is three up and three down, and artificial pitches. As far as I am concerned, the majority of my supporters and people around my club believe that the regulator is going to deliver that. I understand why it is not in the Bill, because there are bigger things, but there is definitely a perception from supporters that three up and three down will be on the table, and artificial pitches will be allowed into the Football League. It is not there.

In the last three years, we have had three clubs promoted that had artificial pitches, and another one with Bromley this summer. Those pitches have mainly been funded by Football Foundation grants. They have been put in to support their local communities, and they have got to be ripped up. What a complete waste of money. It deprives their communities of those pitches.

With three up and three down, Darryl will speak for himself, but unfortunately last week Solihull Moors lost out in the play-off final. We have one club going up automatically and then another club—it is the only league in the pyramid where that happens. Last season—or the season before the one just finished—Wrexham won, and Notts County went up via the play-offs. Had they not won the play-offs—they nearly did not get to the final—they would have not gone up, and they had over 100 points. That would never happen anywhere else in the pyramid, but it happens in the National League.

The problem we have is that the last time a second promotion place was given was 2001. Some of the Committee might be old enough to remember that that was related to the ITV Digital collapse, when the FA stepped in and paid an extortionate amount of money to keep League One and Two clubs running. In return, we were given a secondary promotion place. My opinion is that we will only get a third promotion place if someone buys it. The only people in football these days that can buy it are the Premier League. That should be a condition of any new solidarity funding between the Premier League and the EFL. Sorry—I am talking too much.

Darryl Eales: To pick up on what Steve said, having read the Bill, for me there is not enough focus on the regulator contributing to ensure that there is a level playing field across the pyramid—I do not even think the pyramid stops at the National League—and there is not enough focus on the crucial value of grassroots football to the whole pyramid and to communities. One of my friends runs a step nine team, and it costs him £50,000 a year to run that club. We get £60,000 a year of solidarity money in the National League.

For me, the regulator has to understand the philosophy of English football and the value of grassroots football. That seems to be missing. Obviously there is regulation, but it needs to understand that most owners at our level are stakeholders for fans and just want to move the club forward sustainably to the next owner. I would question the ownership motives of a lot of owners as you go up the pyramid, because we strive every day to look after the best interests of our clubs and generally we are not paid.

Q63 Stephanie Peacock: I am aware of the time, because I know others want to come in, and I think that you have touched on what I am going to ask. Could you share with the Committee the sort of connection that your club has to the local community and fans and how important it is that your club listens to fans? Indeed, how does it carry out that listening?

Steve Thompson: We have a fan representative on our board; the season ticket members elect a representative on our board, so I hope that we try to be in tune. We have at least two fans' forums, where anybody is invited along and they can ask questions of me and of the manager. But at a small club, you are walking around the ground and the bars before and after the game and talking to people, and if there is a problem, they soon come up and tell you.

Darryl Eales: Similarly at my end, we have a monthly meeting with the SMSA—Solihull Moors Supporters Association—and we work very closely with them. From a personal perspective—this is just me—I go for a beer before every game, both home and away, with the fans in the bar, exactly as Steve says, because people will pick up on their concerns. From a community perspective, we run about 65 youth and junior teams; every weekend, they are running around in Solihull Moors shirts.

Q64 Shaun Bailey (West Bromwich West) (Con): I want to touch more on the point about the proportionality of the Bill. I am looking at the part 5 duties. Do you think that this strikes a balance between regulating clubs like yours and making sure there is a framework, and allowing you to run your clubs in the way you need to? Darryl,

if we take Solihull Moors as an example, you are a club that has come out of a merger, effectively, with other clubs and you have had to be agile in how you have done that. If you look at the journey you guys have been on, how do you think that you would have been impacted if this framework had been in place at the time?

Darryl Eales: The interesting thing for me is that the Bill does nail a few points that are very, very important from my perspective. The stadium and the club should be umbilically linked. There should be, for every club, something that prevents owners from separating out the ownership. In our division this year, Gateshead did not make the play-offs, because they did not have tenure of their ground. To me, that seems to be fundamental. Where I echo Steve is that I think there are an awful lot of information requirements in the Bill. When I talk about proportionality, the reality of life at our level is that it will be us doing those things, and without being too rude, I have better things to do with my life than fill in forms.

Q65 Damian Collins (Folkestone and Hythe) (Con): I was interested in what you said about artificial pitches, Mr Thompson, because in my constituency I have Folkestone Invicta, in the Isthmian League. From what I can see, the Bromley FC model is the sort of model, from a financial sustainability point of view, that a lot of clubs in tiers five, six and seven should be following, because you have not only community use, but paid use of the site every day of the week, rather than a match every fortnight. Do you think that this should be looked at as part of a sustainability issue rather than a football competition issue? Actually, the sustainability of clubs going up into the Football League might necessitate that they have those sorts of facilities, which they monetise throughout the year, and their removal is not just a flat cost but something that compromises their commercial performance across the board.

Steve Thompson: Sutton United are a prime example from a couple of years ago. They went up and had to dig up their pitch. It was very much part of their community and their academy structure. Bromley are in the slightly fortunate position in that they have some land behind the stadium, where they are going to transfer the artificial pitch to, but it will still cost them several hundred thousand pounds. The annoying thing is that Sutton played Arsenal in the FA cup a couple of years back, and Arsenal, who are in the Premier League, happily and readily played on Sutton's artificial pitch when they were at the National League side—no complaints. Every year, EFL clubs in the FA cup will play on artificial pitches, so that does not seem logical.

There are some arguments about how good the football is on such pitches and things like that, but the majority of young players at the top level now are coming through the EPPP—elite player performance plan—academies, and they all play on artificial pitches. It does not make sense. We have had this happen to four clubs in the past few years, and it is stopping other clubs that have the ambition to be promoted considering putting down an artificial pitch. That might help their community and their academies, but they think, "We can't do that, because we can't afford to put it in and then dig it up again." Supporters are almost turning around and asking, "What's your ambition?" The ambition of most clubs is to win their league, whatever league they are in, and to go forward.

That brings up another thing about academies at our level, and making certain that clubs at our level get the proper compensation for players that they have developed. At the moment, there is not that—National League clubs are not allowed to register a 16-year-old. Such things are not addressed in the Bill. Whether they should be, I do not know.

Q66 Damian Collins: Obviously, the principal job of the regulator will be financial sustainability. Briefly, do you think one of the issues that we have is this? We have inherited a structure for how football is organised that puts clubs into certain divisions. You could say that there are financial issues at almost every step, as we go up and down, and that clubs in the bottom half of League One and in League Two probably have more in common with the National League clubs than they have with those in the Championship. Do you think there should be common rules that reflect clubs that are effectively community clubs? They will probably never be Premier League clubs, but they need a different kind of model of sustainability.

Steve Thompson: Since 2001, when the second promotion place was introduced, some clubs have gone up and down, but before the end of this season just gone, 40 different clubs will have been promoted, and 29 of them are still in the Football League and one is in the Premier League—Luton Town. For teams that are struggling in the Football League, when they get relegated, the National League is a fantastic league for them to reorganise and to come back. There has been a number of them: Stockport and Wrexham, to name two. The football pyramid needs the National League. We have developed lots of players on loan from the Premier League, the Championship and other Football League clubs, and we are there to help support clubs.

Darryl Eales: To pick up on what Steve said, for me, the distribution of economics is completely inequitable between the two leagues above us and our league—so much so that other than the promotion from the Championship to the Premier League, the next most valuable promotion is from the National League to League Two, which I think drives Steve's point, but we are entitled to only two promotion places. Fans, when I talk to them—from every club—say, "We don't understand this."

Q67 Damian Collins: It is inherent in what you said that the financial sustainability rules in the National League are more effective than those in Leagues One and Two.

Steve Thompson: We were the first league to introduce reporting to His Majesty's Revenue and Customs. About 20 or 25 years ago, a lot of football clubs were basically using HMRC as a bank, and HMRC was reluctant to take football clubs to court. The National League—the Football League has followed us—introduced the rule that HMRC reports to the league if a club is behind with its HMRC or VAT payments, and the league will immediately put them on a registration embargo, which concentrates people's minds. Since then, we have not had a problem, because when a manager comes and says, "I want to sign a new player," and you say, "You can't, because you haven't paid HMRC," they look a bit silly. We have quarterly reporting to our league and an annual licence with the FA. That is why I worry that this will just be another layer of bureaucracy.

Q68 Ian Byrne (Liverpool, West Derby) (Lab): To pick up on what you said, Darryl, regarding the importance of grassroots football as the lifeblood of the game, is there anything that you feel is missing from the Bill to protect or enhance grassroots football?

Darryl Eales: To me, it just does not start off in the right place from a contextual perspective. It tends to be completely focused on money, rather than the English game in its broadest context. You have only to go around your own local community to see the number of kids—girls and boys—now playing on local parks that have been funded by parents or local businesses. There does not seem to be anything in the Bill that reflects the community aspect.

Q69 Ian Byrne: Would that be captured under heritage?

Darryl Eales: Possibly, yes. It is hard to interpret some elements of the Bill.

Ian Byrne: It is, yes.

Darryl Eales: It is quite complicated. If you asked me about sanctions—I am probably going off-piste here—I would say that financial sanctions and points deductions do not work. The only sanction that will stop clubs flouting rules is relegation—three or four leagues. Even this season—and I know this is nothing to do with this Committee—the points deductions in the Premier League meant absolutely nothing. The clubs flouted the rules, but there was not a big enough points deduction to affect their league status. I am a Birmingham City fan by background, and we had a 12-point deduction a few years ago. I thought it was a joke, because we did not get any penalty from it other than the 12-point deduction.

Q70 Ian Byrne: Moving on from that, how does fan engagement look in your club, and does the Bill add to or enhance it? What is your opinion? We sort of have fan engagement from the Premier League perspective, but what it is like at your level?

Steve Thompson: We work with supporters and have different supporters' groups. We also work in our community; all our clubs have a community trust, and all the Football League and Premier League clubs will have a community trust. Everybody does lots of work in the community. As parliamentarians, many of you will know that at the 2010 election there was a big British National party problem in Barking and Dagenham, and as a football club Dagenham & Redbridge stood up and made a big thing about that. A couple of months before the election, there was a big game, and McDonald's was selling burgers for 99p, so I said, "We'll let everybody in for 99p, with kids in for 25p." We had the managers of small local football teams buying all the players a ticket and it costing less than a fiver.

That put out a message, and it was an important message. At the time, I was reported as saying that we are in a white working class area, as it was in 2010, that the majority of our supporters are white males, and that if there are 10 BNP councillors out of 50 in Barking and Dagenham, some of the supporters must have voted for them. We had a really multiracial team at the time: we had a Barbadian international, a South African player and a Muslim player. We had several. I turned around and said, "You've got to show them that you can't be cheering on a multicultural team on a Saturday and then expect them to all go home on a Monday."

That took traction. We stood up. Darren Rodwell, who might be part of this establishment within the year, will turn around and say that “he”—unless I am in the room, in which case he will say “we”—kicked the BNP out of Barking and Dagenham. That is the power of your local football club. We can stand up and do things like that, and it is important that we can. The supporters will go with you.

Q71 Stuart Andrew (Pudsey) (Con): First, thank you for all your engagements so far as we have been preparing the Bill. On the point about proportionality, you made good representations as we were preparing the Bill. I hope the Bill reflects that the amount of work you will have to do will be dependent on where you are in the pyramid.

If the Bill goes through, there will be a statutory regulator. What discussions have clubs had with the National League about whether it will row back and allow the statutory regulator to do the work so that there is no duplication?

Secondly, the independent experts we had in this morning said that clubs are looking in the rear-view mirror at the moment and that the advocacy-first approach means that there will be a real-time approach to analysis of clubs, which would be helpful for clubs. Do you agree?

Steve Thompson: I was quite hoping that the regulator would work with the National League, the EFL and the Premier League, allow them to continue with their reporting, and step in only if there was a problem with particular clubs. It would be a much more light touch. We have discussed that before. I understand that that will be down to the regulator, but I was hoping it would be more like that.

Darryl Eales: I think the forward-looking approach is to be welcomed. I am an accountant by background, and I am very happy to share my ideas on how that approach can put more pressure on owners to be financially responsible. The only reason football clubs get into trouble is their playing budget, so there needs to be some linkage between your playing budget and the financial resources of the owner.

Q72 Robin Millar (Aberconwy) (Con): Mr Eales, I was really struck by your comment that you question the motives of owners higher up the leagues. Something that came through strongly for me in this morning’s session was the differences between the leagues: differences in motives, if I understand you correctly; differences in the level of contact owners have with fans, which was a very important point that you made; and, I suspect, a difference in the closeness to the operations of the organisation.

I am interested in how clubs fail, too. This touches on what the Minister was just saying: where should the balance of the regulator fall? Should it simply issue licenses, have a fitness test for owners, and so on—take more of a “control the bad actors” approach—or should it be more interventionist and say, “We think there’s a problem here; we think there’s a mismanagement. They’re going to make a mistake, and it’s going to cause problems?” Where does the balance properly fall?

Darryl Eales: That is quite a toughie.

Q73 Robin Millar: You just said that clubs fail because of lack of money. That is not the case, is it?

The Chair: We do not have much time left. Please be brief in your answer.

Darryl Eales: For me, a critical part of the fit and proper person is: what is the motive of a person who is taking over a club? As you go up the pyramid, it is not clear to me what the motives are, beyond financial. My concern, looking at other sports, is that it is missing the fundamental trick that clubs in the UK are stewarded for the benefit of the fans. They are not franchises.

Steve Thompson: I agree with that. Even at our level, there is not a big queue of people trying to buy a football team. It is about being involved with your community, and that is what is important.

The Chair: Order. I am afraid that brings us to the end of the time for this Committee to ask questions to this panel. I thank the witnesses on behalf of the Committee. Thank you very much.

Steve Thompson: Thank you for the opportunity.

2.30 pm

Examination of Witnesses

Ian Mather and Sharon Brittan gave evidence.

Q74 The Chair: We will now hear from Ian Mather, the director of Cambridge United football club, and Sharon Brittan, the chair of Bolton Wanderers football club. We have until 3 pm for this session. Will the witnesses please introduce themselves for the record?

Ian Mather: Hello. I am Ian Mather, and I am the director of Cambridge United. I was on the board in 2018, and prior to that I was a solicitor in private practice for 35 years. In that time, I spent a period doing insolvency work, which was good training for looking at football. I became chief exec in 2019 on an interim basis while we did the change of ownership, and we moved from 705 owners to one. That was meant to last for a season but then covid hit. I stayed for another season, and then we got promoted, so I stayed for another one. I have a good insight into how the world of football works and the economics of football.

Sharon Brittan: Good afternoon, everyone. I am Sharon Brittan, the chairwoman of Bolton Wanderers football club. I came into football five years ago, having only been in the game from the perspective of being a fan of Burnley football club all my life. I had not worked in football before. Prior to that, I worked in industry, which I still do alongside football.

Q75 Stephanie Peacock: Thank you, both, and good afternoon. Do you believe it costs more to remain competitive in League One this season compared with previous seasons, and if so, by how much? What are the reasons behind that, and what are the long-term effects that they might have on your club?

Ian Mather: I can give you a real-time answer to that. We are currently at the point in the season where contracts come to an end and we renegotiate new contracts with players. Without giving you the names of individuals, the pressure is on for a 30% pay increase for players who have been under contract for two years. That is a sense of entitlement. Where is that coming from? It comes from the level of money in the football league above us, which has a wash-down effect.

I will specifically address the point of parachute payments: if you pump £100 million into the top of the pipe, that is bound to start appearing at the bottom. Therefore, the pressure on us, as a League One club, is ratcheting up each season. We were in League Two in 2019-20, and every year since we got promoted, the owners are being asked to pay more money. We have a brilliant lead owner, Paul Barry, who is absolutely Cambridge United through and through. He went to Seattle and made money through a business, but he loves Cambridge and will be there any time he can be. His mum and his brothers are season ticket holders, and he supports the foundation in Cambridge.

As Cambridge United, we are in one of the poorest parts of Cambridge. If you follow the inequality of the UK, the Gini coefficient says that Cambridge is the most unequal city in the country. We are in the poor bit, and our owner really wants to do what he can to help that community, and we do loads. However, the effect of consistently having to put more money into the hopper to have any hope of staying in League One—and then staying in League Two—is just more and more pressure. The risk is that it affects the owner model, which is broken. If our wonderful owner were to move on, which is unlikely—it is more likely that his heart gives out under the pressure—who will replace him? In 2019, 2018, we were looking at alternative buyers for the football club, because Paul was not sure at that stage if he could commit the whole lot; I would describe them largely as tyre kickers and property speculators, and we had had enough of those.

The club went into administration in 2005 because it was badly run, but a lot of people out there are interested in owning football clubs for the wrong reasons. We have an owner who really wants to own it for the right reasons, but increasingly revenue does not equal cost, and that gets bigger and bigger and bigger each year. On your point, if that carries on, eventually it is our owner or some other good owners who will say, “I cannot do it any more.” We then populate our football world with owners who are not motivated in that way.

Sharon Brittan: Can I give you a bit of preamble before I answer your question, if that is all right? I came into football five years ago for two reasons: one, because I love the game, and two, because I wanted a platform to do good. Having worked in industry, I wanted to come into football and run a football club the way that I work in business, which is by having the right people in the right way doing an honest, transparent job and coming together as a team and about the impact that that would have on the community.

I cannot explain the pitiful situation that I walked into at Bolton Wanderers in 2019. The previous owner had left the club—I cannot even say on its knees, because it was beyond that. There were staff and people in the community who had not been paid and were eating from food banks. People had not paid their mortgages or their rent. Their mental health and wellbeing, which I do a lot of work in, were beyond catastrophic. I have seen at first hand the impact of having the wrong owners at football clubs and the effect that that has on the community. I have worked with Rick Parry over the last five years, and I cannot stress enough that the owners’ fit and proper persons test must be stringent.

Football in the UK changes people’s lives. We have the ability, as owners of these football clubs, to make change, give people hope and help them. More so than ever now, even since I came into the football club, people have very difficult lives, and it is about not just money and what we must pay in League One as the salaries, but the impact that the whole football pyramid has. That is why the financial distribution must be fair to give us as owners the opportunity to continue the work that we are doing. I still go into Bolton on a Saturday afternoon and have grown men crying to me, “You saved our football club. God, my family and you are up there with what you have done.” It is not just for the 300,000 people in Bolton: there is a wider impact than that. As good owners, a good owner will work with another good owner to ensure that that extends out further.

I am sorry that I am outspoken, but I work in an honest, transparent way with a good, clean heart, and people need to do the right things. This is a pyramid. It is not just the Premier League: it is the Premier League, the EFL and the National League. It is a travesty that it has got to the stage where all you very important, hard-working people must be involved and spend your time dealing with this when the football authorities have been unable to resolve it themselves. I am sorry to go on, but I have been at the heart of it for five years, and I am passionate about where this is going. The pressure has got higher and higher and higher in terms of what we must spend to remain sustainable.

Bolton is a big club, but I love sporting jeopardy; I think it is brilliant. I think the pyramid is absolutely brilliant. The promotion and relegation all add to the excitement, but the financial distribution will make a difference to every single club, regardless of its size. We have to seriously consider this if we get promoted on Saturday. I am a custodian of the football club—that is clear. This football club is owned by the fans, and to keep fans happy is a full-time job. I have to trust the fans—I work with them, I am there day to day, on the ground, with the fans on a Saturday afternoon. I also think that British owners understand English football—I was brought up in English football from zero to now—but we are losing that as well. That is another conversation, but we are losing that as well. But yes, it does cost more and more.

Q76 Stephanie Peacock: I have one more question, but first a brief supplementary. Thanks for both your answers, but given the experience in Bolton in the past five years that you outlined—I think you used the phrase “dire circumstances”—what more could the Bill do to support your club in those circumstances?

Sharon Brittan: All I would like the Bill to do is to bring in—it is just about doing the right thing. It is not even complex. That is what baffles me; it is actually relatively simple to do the right thing. Let me give a brief example: I have five original investors in Bolton Wanderers, who have bought into this journey and have done incredible things, supporting me as the chairman all the way. If we get promoted this Saturday, if we get into the Championship, everyone—our fans—will say, “It’s incredible, marvellous, wonderful—just fabulous!” and we will move into a world where it is not a competition any more. How can we compete with the clubs that have come down from the Premier League and have the Championship payments?

I am hugely respectful of money. I would have to go back to our investors to say, “We need £20 million a season to try to be competitive”—but we would not really be competitive. If you look back over the past six years, the chances are that you will see that the three that have come down, because they have the parachute payments, go straight back up. I want to go higher up the pyramid; the higher up the pyramid I go, the more good I can do for this country, the more impact I can have and the more I can help people who are less fortunate and who need help.

For me, the question is: do I get to the Championship? I have to be responsible to my investors. I have to be responsible to the fans who, if we are not competitive, will not be happy. When I moved to Bolton, the fanbase was finished, it was over, and now we get 25,000 coming to the home games, so you can see the impact of running a club properly and where that gets you to. But my dilemma is, do we continue in the Championship when we know that it will cost us £20 million a year? That £20 million a year could be put to doing other, really good things. I have to be a responsible human being and decide, “Do we want to remain there? Do we want to take that risk?” but it is impossible to take that next step.

The Chair: With respect, we have many questions, so may we have brief answers?

Ian Mather: I have a very short response: we need better financial distribution, and rules that bite to stop money being wasted through the game, so real-time regulation.

Q77 Chris Green (Bolton West) (Con): Sharon, as the local Member of Parliament representing Bolton Wanderers, I just want to say that the transformation for local communities has been absolutely phenomenal—

Sharon Brittan: How delightful to have you here to endorse what I am saying!

Chris Green: I have some sense of this already, but does the Bill go far enough to empower the regulator in the distribution of funds?

Sharon Brittan: As things stand, the EFL would like to have some areas of the Bill looked at. I will not go into the detail, but I have a request. To me, Rick Parry, with what he has done over the past five years, is a man who has led an organisation in the right way. I am sorry, but I do not think that the Premier League have done the same. I would say that to them—anything I say, I will say to the person’s face; I do not talk behind people’s back and I do not gossip. Rick Parry has done a superb job. I have read through the Bill and we have talked through the areas where he thinks that the Bill needs to be amended. It is important that those areas are understood and agreed, and the amendments made. At the moment, the Premier League are not working with us, so if, after going to all this effort to get the Bill, we do not get the Bill quite right, it will cause further problems. I would like to see a Bill go through that is absolutely effective, so we can all move forward in a really excited way with our football pyramid. Football is global, and there is so much good we can do for this country, for the world.

Ian Mather: This Bill is really good in many ways. A lot of work has gone into it, and it is a thoughtful Bill, but there are flaws. One of the flaws, to answer your point,

is the inability of the regulator to act if he or she sees that something is happening that makes football not sustainable. We are going to have the state of the game review, which definitely needs to be done quickly. Let us say that the state of the game review says that parachute payments, to pick an obvious one, are bad for the game. At the moment, it requires the EFL or the Premier League to trigger the backstop powers. You might say that the EFL would definitely do that, but actually, with the voting structure in the EFL, it might not. There are powers within the Premier League to coerce and influence clubs in the EFL so that that backstop might not be triggered. Why create a power for a regulator but not give the regulator the power to intervene if he or she definitely sees something is wrong? I think that is a fundamental flaw in the Bill.

Q78 Chris Green: This point will be brought to a head this coming Saturday. We do not know what the result will be—we can have our wishes—but most people on the outside will think going up a league is a phenomenal success that we should celebrate, whereas actually, it brings a bit of trauma, doesn’t it?

Sharon Brittan: It absolutely brings trauma, for the reasons that I gave before. I have to behave as a responsible human being, and it is whether I can then go to my investors and say, “Would you like to commit £20 million a year?” The reality is that you will fail. I want to be progressive every season, because like I said, when we are progressive, that gives me a bigger platform to do good. In the Championship, however, because of the parachute payments, it makes it almost impossible.

Q79 Chris Green: When we think about good business, with you coming in with those cultures and values from a healthy business environment, and that culture shock when you come into football, this is the divide that the football regulator Bill ought to be bridging.

Sharon Brittan: I completely agree. May I just say that in football, generally it can be a non-trusted environment? I have a football manager who has stayed with me four years and who has turned down three jobs in the Championship that would have given him three times his salary. I have a CEO who has stayed with me three and a half years. I have built a team of trusted people, because we are working in a culture where everybody has bought into the journey to where this football club is going. You can see that after five years, we are a differentiator in what we are doing in Bolton, and if more football clubs worked in that way, I am absolutely positive that it would enhance the economy and life for the 65 million people who live in this country, and beyond. I am on a mission.

Q80 Mr Clive Betts (Sheffield South East) (Lab): I want to focus on the point you just made. Obviously, Bolton had a terribly difficult time. If this Bill had been passed five or six years ago, would it have stopped Bolton getting into that mess, or is it that the financial distribution would still be needed to change the world in such a way?

Sharon Brittan: It is a very good question. Football has—or has had—a habit of bringing semi-maniac types of people to the table. I think it is driven by ego. In those situations, it comes down to the fit and proper persons test. The previous owner at Bolton spent £180 million. He was a very good man, but a huge

amount of that was spent trying to get out of the Championship. If you have someone who is hellbent and comes in just wanting to spend, I do not know if you can actually stop that, per se.

Ian Mather: Can I come in on that point? I think real-time monitoring would have been really helpful with a lot of the problems we have seen with football; Bury was a really good example. You look back over time and you think, “Well, that wasn’t very good. In fact, it was terrible,” but that was years ago. Actually, the ability to look at what is happening in real time is really important.

I know one of the criticisms is that that will be an expensive item for small clubs. As a small club, our turnover is £7 million. Let me put that in perspective for you. We have a Man City supporter in the room; Erling Haaland earns about £7 million in eight weeks. That is equivalent to our turnover. Nothing in this Bill causes me any trouble at all about form filling or submitting accounts. If you want to see our accounts—they might be four weeks out of date, but that is as much as you are going to get—our cash flow forecasts, forecast profits and losses, which are done every month, or our business plan, that is not a problem. I would not buy the argument that this is all cumbersome and difficult, because it just is not. That sort of monitoring would have helped to prevent problems like Bolton, Derby, Bury and a whole lot of other clubs experienced..

Q81 Mr Betts: You have described your situation at Cambridge, with an owner who is philanthropically putting a lot of money into your club. Where does a club go to if that suddenly stops?

Ian Mather: That is a really great question, and one that would keep me awake at night. There would be lots of people who would want to come in and own Cambridge United. We get approaches all the time, and we just bat them off like flies, because none of them is particularly well motivated. When we last looked seriously, in 2018, there were a lot of poor owners. I know that some went on to other places, and I bet those clubs wished they had never seen them. Their interest was in property and profit, not in football.

Sharon Brittan: People go into owning football clubs for the wrong reasons, which we discussed earlier. That is why you have to have people who go into owning these football clubs for the right reasons—people who understand that the responsibility that goes with these clubs is enormous. I invite any of you to come to Bolton Wanderers and see what we have created. The work that goes into it is non-stop, every day. If you cannot deal with stress, you should be nowhere near owning a football club.

Mr Betts: It will only increase on Saturday!

Q82 Dame Tracey Crouch (Chatham and Aylesford) (Con): Sharon, your passion is obvious, and I am sure that if the Clerks could craft an amendment to the Bill to have you cloned, we would all support it. Ian, you sort of answered this question, but I will ask it again: there has been a lot of scaremongering about the impact of the Bill and some of the unintended consequences—the duplication and so on—but is there anything in the Bill that you fear? That question is to both of you.

Ian Mather: The thing that I fear is that it does not work in key places. On the parachute payment clause, protecting that does not work. I know that Rick has made the point, but I would endorse it: we are not against the concept of parachute payments if they are right. I do not believe that they are right, but let’s have a state of the game review and find out whether they are right, or whether they are an impediment to fair competition in the football world as we want it. But do not then hamstring the regulator so that it cannot deal with that problem, if indeed it is a problem.

The problems here are few: they are about who can trigger it, the parachute payments and how often you do a review. Those are the key issues. It comes down to the money. The other bits in the Bill, such as those about protecting heritage, are really good. We were looking at introducing a golden share in Cambridge United to give fans protection against things such as stadium moves and so on, but the Bill probably makes those redundant.

Sharon Brittan: Tracey, what you said about unintended consequences is really interesting. I have looked at the situation closely, and I like to look at both sides of the story, so we get a clear, honest picture from the Premier League side and the EFL side. I do not even understand unintended consequences; I cannot work out what he is referring to, unless I am missing something. I can understand the EFL’s argument, which is very clear and concise. From the Premier League’s point of view, I have so far not been presented with anything or read anything that has made me think, “What they are saying actually makes sense.” They have put together a very weak argument—I do not think there is an argument—and have conducted themselves poorly. I do not think they have presented themselves in the right way. They are arrogant. They think they are an island, on their own, sailing off and forgetting that 14 of the clubs in the Premier League have come from the EFL.

On how the pyramid works together, we loaned two players over the last two seasons. Both of them—James Trafford and Conor Bradley—went back to their respective football clubs, and they are absolutely flying in the Premier League and talking about their time at Bolton Wanderers. I could bring players to the table who will say to you that they have never worked in such a culture. People need to work in the right culture to bring out the best in them. There is enough stress in the world today.

On unintended consequences, I would love to sit down with Richard and for him to explain it to me because I do not understand it. They are just words, and there is no substance or arguments behind the words. I have not yet come across a cohesive argument to which I can say, “Actually, that’s a fair point.” I am not going to talk about the numbers—we all know the numbers. In my opinion, that this goes back to greed, envy, jealousy and thinking about me, myself and I. I cannot comprehend how someone can view this through that lens when we are a football pyramid, and what we do as custodians affects this country and beyond. We should be cherishing what we have here.

Q83 Matt Rodda (Reading East) (Lab): You have spoken so eloquently. I am looking at this from the perspective of my local club Reading, which has had very serious problems with the current owner. The previous owner was absolutely wonderful in creating a positive

culture. My question is: how do we find more owners with the right intentions and motivation, and help them to play a bigger role?

Sharon Brittan: I completely agree with that. Even in the five years that I have been involved, I have seen better owners coming into the game because the EFL has changed the rules. You cannot have a bankrupt owning a football club, and you cannot have somebody who has been struck off; the rules are much more stringent. I do not want to talk about the numbers, and I do not like talking about them, but the problem we have is that in five years we have put a huge amount of money into the football club. Any sensible businessperson probably would not do that, because they would look at it and say that it does not make any financial sense.

Ian Mather: In direct answer to your question, I would say that it is the numbers. If an owner can look at a football club and think, “Broadly, if I run that club properly and well, with the income I get from running a football club and the sustainability payments from the Premier League, I can roughly break even. I may want to be ambitious and build a new stadium here, or improve the training ground, but broadly I can balance the books.” If you cannot balance the books, or worse, the books get more unbalanced each year, you are reducing the pool of people who can buy into being a football owner.

Sharon Brittan: I agree with Ian.

Q84 Damian Collins: I think I have to ask this, given everything you have said in your very compelling evidence. How has Ipswich Town managed to do what you called the “near impossible”?

Sharon Brittan: Isn’t it fabulous? That is what I love about football: the near impossible can happen.

Ian Mather: I would also answer it by saying that a North American pension fund has provided—

Sharon Brittan: I did not want to say that!

Q85 Damian Collins: You are saying that they had external investment that helped them to compete? Obviously, Luton has gone from League One to the Premier League, as has Brentford. What is the secret behind that? Is it the ownership money?

Sharon Brittan: The Premier League has allowed 13 of our precious 20 football clubs to be owned by Americans. Lose one more and they make the vote. How has that been allowed to happen? The Premier League stops the FA cup replays without even consulting us. How has that been allowed to happen? The Premier League is not fit for purpose, in my humble opinion.

Q86 Damian Collins: But the three clubs I mentioned—Brentford, Luton and Ipswich—is it simply about owners putting in enough money to be able to compete, and without it they cannot? Is that really what has happened?

Sharon Brittan: If this Bill goes through, I would love to fast-forward three years and see where Bolton Wanderers are. Then, you guys can see where a football club gets to when it is run properly in the right way, with the right people doing the right job in an honest, transparent and reasonably sustainable way. There is money, and obviously that helps.

Ian Mather: It is largely to do with money.

Sharon Brittan: But that is their good fortune.

Ian Mather: And Luton has come down again. You need money to drive success, and there is quite a clear correlation between league position and how much money you have, which explains why Cambridge United keep on cheating relegation. We are roughly around where we should be, and it is about the money.

Sharon Brittan: I am looking to get longevity of success; I am not looking to bounce around the pyramid. To get longevity of success, you have to create a culture that people buy into, so that they stay on the journey with you. So far, it looks like we are delivering, but we will see. I think that there are so many unscrupulous things that happen in football. Let us try to prevent those things from happening so that we can enjoy the game and the jeopardy.

Q87 Damian Collins: I wish you well—I think you said the Premier League in three years for Bolton? I think that was the target you set yourself there for people.

Sharon Brittan: Please do not quote me as saying that! If we get rid of the parachute payments, that might be possible. Thank you—I am really appreciative.

The Chair: Order. I am afraid that brings us to the end of the time allotted for the Committee to ask questions. I thank our witnesses on behalf of the Committee.

3 pm

Examination of Witnesses

Tony Bloom and Steve Parish gave evidence.

The Chair: We now hear from Tony Bloom MBE, chair and owner of Brighton and Hove Albion Football Club, and Steve Parish, co-owner and chair of Crystal Palace Football Club. We have until 3.30 pm for this session. Will the witnesses please introduce yourselves for the record?

Tony Bloom: Good afternoon, everyone. I am Tony Bloom. I have been chairman and owner of Brighton and Hove Albion Football Club since 2009. I will give a brief introduction about how I got to that position. I have been a fan of Brighton since I was very young: I was born and brought up in Brighton. My grandfather was vice-chairman of the football club in the ’70s, until he passed away on the team bus in 1980. My uncle has been on the board for almost 40 years. The football club and football is in my blood.

As some of you may be aware, we had some rogue owners in the 1990s. They sold our stadium, the Goldstone Ground, without a stadium to go to. We were really struggling. The owners did not keep the fans informed at all—in fact, they lied to the fans on an ongoing basis. It was the fans who saved the club.

The Chair: Thanks.

Tony Bloom: I will be quick. The point is that there is no doubt that the club almost went out of existence because of what happened. The owner of a football club should not be allowed to sell the stadium.

Steve Parish: I am Steve Parish, co-owner of Crystal Palace Football Club and also the chairman. Fourteen years ago I bought the club out of administration.

It was its second administration in a period of 10 years. Since then we have been fortunate enough to have a level of success against what I think everybody agrees is a difficult backdrop and industry, where for some to do well others, unfortunately, have to do badly. It is very enjoyable, although as Sharon pointed out it is also very stressful. It is very much about the local community and the fans who we serve.

Q88 Stephanie Peacock: Good afternoon to you both: thank you for joining us. One of the factors that led to the fan-led review and, indeed, the Bill, was the European Super League proposal. Had that been successful, what would the impact have been on your club?

Tony Bloom: The Super League was a dreadful idea; in my opinion, it never had a chance of being allowed to go forward in this country. Apart from the owners of the six English clubs—it is different on the continent, where there was a bit more support—everyone was dead against it. Even the fans of the clubs by and large were completely against it: it never had a chance. I do not understand it, apart from not wanting to miss what they thought was the gravy train. It would have been terrible for English football and for Brighton and Hove Albion Football Club. Because of what those six clubs did, it has brought a bad name to the Premier League, which is such an amazing product. It certainly does not help clubs like mine.

Steve Parish: We believe that the effect of it on the Premier League would have been catastrophic as the top four positions would not really have mattered. The race to the Champions League and relegation are obviously the two things that preoccupy most football fans, and obviously there is the Europa League and other things as well. However, if there was no consequence to getting into the top four—in fact, if you could finish 10th and still qualify for a European competition—that would obviously make a mockery of all the domestic leagues and the whole meritocracy of football. Sadly, that still goes on.

A stealth version of the super league is gradually coming into operation. If Aston Villa are fortunate enough, as it looks like they will be, to qualify for the Champions League, which would be fantastic for all of us and for football, they will not enjoy the same money for doing exactly the same thing in the Champions League as an Arsenal or a Liverpool will, because the amount of money you get is based on your five-year performance.

We are constantly fighting to have a meritocracy. As the manager of Atalanta said when they succeeded in Europe, seeing a club like that that does not have the fanbase or fan size do well gives hope to all the clubs, but there is a continuing move from clubs in Europe to pull the drawbridge up and create a permanence around qualification for Europe, which is something that we all have to be careful of.

Q89 Stephanie Peacock: In posing my second question, I would like to preface it with quotes from you both. Tony, in 2022 you told *The Athletic*:

“Not a lot irritates me in football...Maybe the governing bodies of FIFA and UEFA, who both regulate the game but also run tournaments. There’s a big conflict there.”

Steve, in 2023 you were reported as saying:

“The people organising the tournaments and the people regulating them, and taxing those tournaments for the greater good, should be two different people.”

In the context of those quotes, are you pleased to see an independent regulator established that can help regulate football finances without a conflict of interest?

Tony Bloom: I was talking with FIFA and UEFA because they are always looking to create more tournaments and more revenues for themselves, such as the FIFA club championships. They were looking to have a World cup every two years. UEFA now have an expanded Champions League, which is in direct competition with the Premier League.

The domestic competitions are of the utmost importance to the country and to domestic football in this country, although the other ones are fine. What I think is absolutely wrong is that they regulate the game, yet they can distort it against the interests of the domestic fixture list and the domestic tournament. The FA is not looking to do that. It has one tournament—the FA cup. The FA works very well with the Premier League and the Football League in terms of that tournament, so they are very different things. I was talking about UEFA and FIFA, and for me that does not relate to the FA. That is why I do not think that the two things go hand in hand.

If you are asking me about a regulator, obviously a regulator is coming in. From my point of view as an owner of a football club, I am concerned about a lot of things. I do not think that anyone in industry is a great fan of having external regulation. If it is light touch and on things about sustainability and ensuring that clubs cannot sell stadia, their chance of going out of business is reduced and they cannot change their club crest or colours without discussions with fans, I am in favour of that, but I have significant concerns with a lot of the other things.

Steve Parish: FIFA controls the world calendar, so it takes first crack at the calendar. It is pretty clear that FIFA wants smaller, 18-team domestic major leagues and one cup competition, so there is a huge difference between the scope creep of their tournaments and the governance role that they should have in the game.

The issue is certainly not about distributions. In fact, if you are going to compare the distributions, I think UEFA give something like 5% of their overall income to solidarity payments, whereas the Premier League give 16% of their overall income even now to solidarity payments down the pyramid, so I do not think that you can compare those two things. In so far as you touch on somebody to adjudicate or the right person to adjudicate or look into whether the distributions down the pyramid are at the right amount or right level, there may well be some role in that, and it looks like that is where we are heading.

When we sit in the much-maligned Premier League, where we are all tarred with the same brush as being just full of self-interest, I can certainly speak for Tony and myself and say that we understand the position and obligation we have to the greater game. We also do not feel like we are permanent members of the Premier League—certainly not. Far from it, we know that pretty soon we could be back in the Championship. I am pretty sure that Sharon would agree with a lot of the things that we stick up for and advocate in the Premier

League if she was in the Premier League. It is interesting that Sharon wants the ladder up and she wants to get there, but I am also pretty sure that, once she gets there, she does not want to just go straight back down again. She wants the possibility of staying there.

We have heard about parachute payments and all this distortion, but Palace did not get promoted with parachute payments, and nor did Forest, Brighton, Wolves, Brentford or Luton. In fact, Bournemouth did not get promoted the first time with parachute payments, and nor did Fulham or Burnley. There are a lot of prosperous clubs in the Premier League that did not get promoted with parachute payments—the average is one club a year. There are these causes célèbres, where everybody looks at things through their own individual lens. I understand that, and it is important that we have a broad perspective; my concern is whether the regulator will have that.

We are talking about a system that, at the moment, has served us incredibly well. We have got a democracy, really. Football is run by the clubs and their various governing bodies. Over the last 150 years, we have managed to make it the world's most popular game. Within that, we have managed to make the Premier League the world's most popular league. Of course, if we had a regulator that made all the right decisions all the time and was not lobbied by the big clubs more than maybe the smaller clubs, then of course that might be of benefit, but I am severely worried about the potential unintended consequences and the power of the big clubs to dominate the debate.

Q90 Stephanie Peacock: I appreciate the point you are making, and obviously we are very supportive of the Premier League being incredibly successful, but half the clubs in the top five leagues are technically insolvent. The independent regulator is obviously here to try to deal with some of those issues. Very briefly and very simply, do you welcome the concept of an independent regulator?

Steve Parish: The problem with football is that there are so many moving parts. Competitive balance and sustainability in some ways go hand in hand. If you look at Bolton as an example, there was a lot of money invested in Bolton. The infrastructure was massively improved. Yes, it got into financial trouble, but it did end up a lot better off, with a lot of investment over that period, and it enjoyed a sustained period in the Premier League.

My big concern is that if you only focus on sustainability, the biggest businesses can always cope with regulation the best. There is another chasm, which is between the top clubs in the Premier League and the rest of the clubs. If you look at the Bill, it classes relevant revenue as the broadcast income, but broadcast income is 75% of Tony's and my revenue, and about 20% of the bigger clubs' revenue. So straight away, it has the ability to competitively disconnect the league even further.

That is just one concern I have. Of course, if the regulator is well informed, lobbied by all the right people and comes to the right decisions, which create the right platform for football to continue to thrive, it will be a good thing. But when I read the Bill—when I see how, frankly, imprecise it is; when I see areas where the Secretary of State can interfere or where the rules can be changed; or when I see 116 different licences or each club being treated differently—I do see a lot of worrying issues that could arise.

Q91 Damian Collins: I want to ask Steve Parish first, and then I would welcome your comments, Tony. Steve, you referred to the danger of domination by the big clubs—I think you rightly alluded to the fact that in some ways the Premier League is a two-tier league. Is that not made worse by, effectively, a competition that sets its own rules and organises itself?

Within the Premier League board, you have all those big clubs. Would it be more effective to allow some of the enforcement and supervision of the league's rules to be done by an independent regulator that is, if you like, separate from the politics of football? It is set up by Government, it is not open to being lobbied or cajoled, and it is not making decisions on the regulation of clubs that it has to trade off against other decisions that are taken by Premier League clubs about how they organise the affairs of their league.

Steve Parish: If the Bill looked at the whole of football, that might be the case, but we are looking at it in a very myopic way. We are not looking at all the European revenue, the growing scope creep of European fixtures, the increase in the size of UEFA club competitions, or the gerrymandering of coefficients, so that even if we qualified, we would not get anywhere near as much money as a club that has been in the league three years previously. Within the Premier League itself, the top clubs have got—what is it?—four times our income. That is probably going to head towards five or six times our income.

The Bill, very narrowly, looks only at the Premier League media money. Actually, the Premier League is the most egalitarian by distribution in Europe by far. Where it is heading to right now is 1.8:1. Although that is worse for Tony and me, this is still by far the fairest league in Europe: in Germany, the ratio is about 3:1—the top club to the bottom club. So actually, in terms of distributing the revenue that it gets, the Premier League has done a very good job of making it fair and maintaining competitive balance.

The problem is that such huge revenue is now pouring into these clubs from European competition, and from the commercial deals that that gives them, that it is creating a massive distortion. What I fear this Bill will create is a permanent top six or top seven and then a kind of washing machine of clubs that will rotate between the two divisions below. That may well be what some people want as a vision for football. It is not mine. Mine, like Sharon's, is to try to get into the Premier League and stay there. I accept it comes with jeopardy every year. I accept there are three relegation places. I accept that everybody is trying to stay in the league and it is highly competitive. But the aim, I think, of most clubs is to try to stay there, ladder up and improve.

Q92 Damian Collins: Tony, do you have anything to add to that?

Tony Bloom: Obviously I have had many years in the Championship and League One, and we have had many discussions there. The relationships between the Football League and the Premier League, I think, have got a lot worse since there was talk about regulating football. Overall, although there have been difficulties over the years, it has worked very well. But ever since the Football League has realised that there is going to be a regulator and, "If we can't get a deal, there may be something from that," things have not worked out so well, so I think there are, again, unintended consequences.

I think it is much better for football—the Football League, the Premier League, the National League and the FA—to work things out itself. Without it being perfect, I think the fact there have been three liquidations since 1992, despite the fact that, as you say, so many clubs are in financial distress—most clubs lose a lot of money every single year—is a very good result. You can look at other businesses. I know we do not want to compare businesses to sport; it is a completely different stratosphere. But I do worry about what will happen if you put in lots of extra regulation and lots of extra cost for the clubs, even though I am sure the Premier League will pay the vast majority of the regulator bill. I am just worried about future investors. That is absolutely critical.

Q93 Damian Collins: If we passed an amendment to the Bill that made parachute payments illegal and they were scrapped, how would that affect your preparations for next season?

Tony Bloom: I think it would be disastrous for the Premier League. The Premier League has done an amazing job to make it far and away the strongest domestic league in the world, and that is where we want it to stay. It is so important for this country. If that was to happen, then outside the biggest five or six clubs, which may think their chance of relegation is tiny, the clubs could not invest the money in players. And then what would you have?

In countries like France, with Paris, and also with Juventus and Munich, there is domination between the top one or two clubs and there is frequently only one winner in the league. The middle and bottom clubs would not be able to invest, and the differential between the top clubs and the middle and bottom clubs would be so big that it would not be so competitive. Then people would not want to watch it; the broadcast money would not be there; and we would veer towards Spain, Italy, Germany and France. I think it would be an absolute disaster. Clubs could not invest because of the worry about relegation. As it is, with the parachute payments, clubs still have to sell players, typically. Often, they get into serious financial problems even with the parachutes.

Q94 Mr Betts: I have a couple of issues to put to both of you. You have said that everything works well. I think most people would be in disbelief at hearing that statement, because we all can see problems in football right the way through. Individual clubs have had them. There are problems right through the leagues in terms of funding and insolvency. Both your clubs nearly got to the point of extinction. Can you not see the need for regulation to stop grounds being sold away from clubs and to stop clubs going into administration repeatedly and facing those problems?

Steve Parish: The reality is that all around Europe and probably the world, football is a billionaire or millionaire-funded industry. That is the reality of it. It does not make money anywhere in the world. We are not unique: this is not a country where uniquely we lose money in football. It is not a business with a profit principle; it is a business with a winning principle. Whatever rules you put in place, people's desire to win will always trump their desire to make money. So the problem is that if you restrict our league so much that

we are taken out of that game, you very quickly could make us very uncompetitive in terms of a European landscape.

Q95 Mr Betts: Is it not true that the Premier League actually has more money than any two other European leagues put together?

Steve Parish: I have put more money into my club in the Premier League than I used to in the Championship. I write bigger cheques in the Premier League than I did in the Championship. It used to cost me a lot less money to run in the Championship.

Tony Bloom: The reality is that across the world in sport—but particularly in football—clubs everywhere lose money every year. People put it in because they want to be competitive, and they want things for their community, and so the problem you have for every single owner in this country is that they want to be competitive, and they want to spend money, but they want to try to be sustainable—and the two are not compatible. Almost every club—and certainly every league—loses a lot of money. The Premier League loses a lot more money than every other league, and that is true on the continent as well. To be competitive, that is what you need to do—spend money. That will never change, whatever happens with the Bill. You will always have that, and you need to accept it, because that is the reality. Without that, or if you try to stop that, the Premier League would not be the best league in the world.

Q96 Mr Betts: Some might argue that the regulator is there to put backstop powers in place in general to try and stop that unsustainability of clubs going bust, when fans then have no team to support.

Tony Bloom: But going—

Q97 Mr Betts: It seems that both of you are arguing from a completely self-interested point of view. You are saying that, “It is terrible in the Premier League because the few at the top are rigging the system to suit themselves with the help of European competition, and we in the rest of the Premier League clubs find this unfair, and the distribution of resources ought to be fairer to us; however, when we look down to the EFL, we say we do not want parachute payments to end because that disadvantages Championship clubs, so we are happy to support that because it supports our friends in the Premier League”. Is all that self-interest?

Steve Parish: That is not what we are saying at all. We are representative of every club like us; what I—quite clearly—said to you is that I believe that if Bolton were in the Premier League, they would believe what I believe, which is that yes, the pyramid should have a sustainable amount of money, or more money so it can better compete—as Tony says, it is very unlikely, in a normal business case, that any of these things will ever look sustainable; there are a lot of people putting a lot of money into football from their own pocket for the enjoyment of the public and their fan base—but there is another problem, and that is the growing wealth of the big clubs, and that has to be identified. What we need to do is make sure that when we pass these distributions down the league, they come from the right place and are fairly apportioned. That is not me being selfish—that is me being sensible.

Q98 Mr Betts: Should the regulator not have the power to do that?

Steve Parish: As I said, if you had a regulator that we all believed would uniquely make all the right decisions for football, of course we would be in favour of it. What you asked me is what my concerns about the Bill are; my concern with the Bill as a starting point is that relevant revenue is only broadcast income, which would be 75% of Bolton's revenue should they get into the Premier League, and it is about 20% of the top six's revenue. That straight away is an example of an area of concern.

I just want to come back on parachute payments, because I need to give you some numbers. In the Premier League, if you finish around midtable, you will turn over about £180 million—it is not an unreasonable thing to budget for. The first year in the Championship, with parachute payments, is about £70 million—so you have about an £110 million drop in revenue, which is pretty catastrophic for any business to try and contend with if they get relegated. Many clubs manage to get back in the first year—on average, it is about one a season for the last 10 years—but the average finishing position of a parachute club is eighth. Many clubs, like Stoke or Sunderland, disappear from the Premier League, and that big gap and big drop gets them in a lot of financial difficulties. This is why parachute payments are so important for the sustainability of football.

Tony Bloom: You talk about self-interest: that is not the case at all. I care about every football club in this country. I am not worried about the top six—I have not said anything about the top six. We have regulations in the Premier League, and if something is going to be changed, you need a two thirds majority; if they get two thirds majority, and the top six vote, and get a few more people, that is the way it is. I am not complaining. Football needs to vote, and the Premier League has its constitution; I have no issues with that.

I used to be in the Championship, and we had parachute payments. I was not complaining—we just worked away to try and be the best we could for our football club. I was never in favour of parachute payments when we went and won the Championship; I never voted for that or discussed that. All I was asking when I was in the Championship was for there to be a bit of sustainability so clubs did not lose an average of £10 million a year, which was voted against because clubs wanted to give themselves a chance to get promoted to the Premier League. I am saying exactly the same in both divisions.

Q99 Stuart Andrew: Tony, I was interested in the comments that you made a moment ago. You said that your concern about the regulations and the Bill is that your preference would be for the Premier League, EFL and National League to all work together for a solution for the future of football. Why has that not happened?

Tony Bloom: Because of the talk of a regulator, as I said—

Stuart Andrew: Let me finish my question. There has been talk of a regulator for a much shorter period than there have been issues relating to the historical problems in football; this has not just happened since the publication of the White Paper or the fan-led review. The reason why the fan-led review was brought in the first place was that a solution had not been brought by football. My question again is why that has not happened, because that is why we are here today—because football has not stepped up.

Turning to another thing that I want to talk about, I agree with you and I am glad to hear that you want to see the sustainability of clubs within the pyramid. The independent experts who we heard this morning said that the problem in the past was that too many clubs were looking in the rear-view mirror, whereas this Bill presents us with a real-time approach that will identify problems much earlier so that they can be addressed. Do you welcome that?

My final question is about fan engagement—to change the subject completely. I am interested in whether you think the Bill hits the right notes on that and what you do there, because I hear that you have an interesting approach as a club.

Tony Bloom: In terms of fan engagement, we are a club that regularly engages with the fans. Even before talk of a regulator, we had many fan forums with a broad range of our supporters' clubs. I do them, as do the CEO, the head coach and so on. We have seen in the last couple of years that we have a fan-led board and we have many meetings as well. Our relationship with our fans is really good. I can talk only about my football club, but if you speak to our fans, they would be very happy with the engagement. What was the second question?

Q100 Stuart Andrew: The first question was, why has football not sorted this out?

Tony Bloom: When I was in the Championship about 10 years ago, there were big discussions, big debates and big negotiations with the Premier League. For sure, as you can imagine, the English Football League wants to have more revenues and a bigger percentage of the Premier League revenues. A deal was done—it was not easy, but it got done.

Of course the lower league clubs always want more money. As Sharon was saying, if she gets promoted, she is going to have a much bigger bill. If there was more money going into Bolton, no doubt for that season and the season after, things would be a bit easier, but have no doubt that when more money goes into the English Football League—the vast majority of it will go to the Championship—it will go on player salaries. That is what happens, so there will still be issues. Unless you have sustainability levels where there are caps on spending, and clubs have their money there, there will always be such issues.

On your first question, regardless of the Bill, the English Football League and the Premier League are becoming much more forward thinking in the way they have the football regulations for finance. Regardless of what is happening with the Bill, that is what the Premier League and the English Football League are looking to do, which I think is a positive thing.

Steve Parish: The implication is that nothing is being done. Profit and sustainability rules were the first step in trying to control spending. People have to realise that we are subject to competition law as well, and we are being challenged on some of these things within the league. Some of the things that the majority of clubs would like to do—salary caps in some instances, which some people would like to do, or the cost caps that we are working on at the moment, which are broadly salary caps—are challengeable under competition law, so we have to get advice and be very careful that we are proportionate in the things that we undertake.

In terms of why a deal has not been done, I think it is quite simple: it is the backstop. It was made quite clear in the last panel that view of people at the EFL is that whatever deal is given to them now, they will pocket it and then go and see the regulator to get a much better one, because they do not think it will be good enough. I genuinely think that is the reason that a deal has not been done so far.

Q101 Ian Byrne: You are both custodians of the clubs that you own, and bloody good ones, to be fair—you are two of the better ones. Would you not agree that if something happened to you and you had to walk away from them, having the regulator would mean that there was a better chance of getting two custodians like yourselves, and not like some we have seen previously? I am speaking about the experience of Liverpool, with Hicks and Gillett, and what is happening at Everton now. The status quo cannot prevail. For the benefit of your clubs, when you move on, do you not think that the regulator gives you a better chance of getting better owners?

The Chair: I ask the witnesses to send their responses in writing, as I am afraid that brings us to the end of the time allotted for the Committee to ask questions. I thank our witnesses on behalf of the Committee.

3.30 pm

Examination of Witness

David Newton gave evidence.

The Chair: We will now hear from David Newton of the Football Association. We have until 3.50 pm for this session. Will the witness please introduce himself for the record?

David Newton: Thank you, Chair, and thank you for the opportunity to speak to the Committee this afternoon. My name is David Newton. I am head of football operations in the FA's structure, with responsibility for player-related matters, competitions and professional game relations.

Q102 Stephanie Peacock: One of the key parts of the Bill is the state of the game report. What value do you think it will have and what timescale should it be carried out within to be of most benefit?

David Newton: The state of the game report will be a valuable asset to us as a sport, because it will draw on the widespread aspects of football, not just the narrow responsibility of the regulator, so it will reflect the whole football pyramid. As you know, the FA is responsible for 16 million or 17 million players and all the money flows within football. It is important that the work of the regulator is set in the context of the wider game. That is where we feel that the report could add value. As previous speakers have alluded to, football is a fast-moving industry, so three years seems about right.

Q103 Stephanie Peacock: Competition arrangements, such as the FA cup fixtures, do not fall within the scope of the Bill. Do you think that is the right choice, and why? Feel free to take this opportunity to add anything on the changes to FA cup replays and why they happened the way they did.

David Newton: The short answer is no, we do not believe that competition format matters should be an aspect for the regulator to consider. In Dame Tracey's report summaries, competition format was not part of that, and I think we feel that competition format matters should remain the province of the football authorities, whether that be ourselves or the leagues. There are specific football-related matters that should remain in our ambit, and this is certainly one of those we feel quite strongly about.

Q104 Damian Collins: One of the comments on the Football Bill is that it does not particularly mention players, and that the scope of the regulator is purely financial and about financial sustainability. The clubs also, as part of their licensing agreement with the regulator, have to produce a corporate governance report. Do you think the Football Association would have any objection if, as part of that governance report, the regulator asked clubs to demonstrate not only how they are financially sustainable but how they met all their other obligations?

Football clubs are not only licensed by the regulator. They are licensed by the Football Association as well. There are articles of association of the Football Association, which place responsibilities on all clubs. Do you think it would be good and proper due diligence for clubs to have to demonstrate through their corporate governance reporting how they meet all their obligations within football—to the FA, to their players and to the welfare standards they are expected to follow?

David Newton: It is an interesting point. It is not one that we have necessarily considered in detail. I do not see any reason why, in good corporate governance practice, you would not refer to your corporate governance standards with all employees, whether they be players or not. From that perspective, on the face of it, it would seem a reasonable assessment.

Q105 Damian Collins: Would you want some assurance that the job of the regulator in this regard might be to request the information and check up on the clubs, but not to have a role in setting the welfare standards, which would be the remit of the competition organisers and the FA?

David Newton: I guess it depends what you mean by checking up on the clubs. We have quite a strong structure of engagement with the players: the players' union, and the Professional Football Negotiating and Consultative Committee, on which both leagues and we sit with the PFA to discuss on a quarterly basis every aspect of players' employment by clubs. We would certainly consider that to be the appropriate avenue for those things to be dealt with. I would not necessarily advocate the regulator having formal step-in rights in respect of players as you have outlined, but reporting standards on employees I can see.

Q106 Damian Collins: That was perhaps not the best use of words. I meant if information was brought to the regulator, or if it had reasonable grounds to be concerned; its primary job would not be to check on those things, but it could relay that information back to you as the FA, which has investigatory powers of its own. It is more a question of whether, in principle, you think that those sorts of standards should be incorporated into the corporate governance standards that the regulator should set. That would simply be good practice.

David Newton: I guess it depends on what you mean by good standards. If you are talking about things like national minimum wage or employment rights, then absolutely, those things would be expected. In football, we have our own structures, as you say, for dealing with player-related disputes, or players not being paid—the leagues have very strong rules on that—so those things are dealt with in the structure. Sharing of information with the regulator will obviously be something that may come into focus, once it is up and running, because it is important that there is not duplication of requests for information and that those information requests are shared efficiently.

Q107 Mr Betts: It has been mentioned that the remit of the regulator and the legislation is on things that do not matter to the FA, but do to the fans, such as the FA Cup. One of the objectives of the regulator is to safeguard the heritage of English football. Do you not think that the FA Cup is part of that heritage?

David Newton: Absolutely, the FA Cup is an essential part of our football heritage. We reflect that and take the FA Cup extremely seriously. It is a fantastic competition. Everyone cares passionately about it within the FA, me as much as anyone else. Prior to Dame Tracey's report, we had already established heritage assets in protection of club playing names. Since the report came out, we have also established rules in the FA on club crests and club colours, so we are very aware of heritage responsibilities in that respect.

Q108 Mr Betts: I think most fans would think that FA Cup replays were part of that heritage.

David Newton: We are very aware that FA Cup replays are a hugely emotive subject. The FA Cup as a whole is a hugely emotional subject for football fans. We took a decision based on an extremely congested football calendar with which, as has been referred to previously we are very much in the hands of the world and European governing bodies and the fixture list. We took a decision that, in such a congested calendar, certain difficult decisions had to be made. But in doing so, we also preserved other elements of the FA Cup that we think are equally strong things, such as exclusive weekends for the FA Cup, which sends a strong message. A stand-alone Saturday for the FA Cup final and things like that also play into the whole narrative. We are particularly keen for the David and Goliath aspect of the FA Cup to continue. Many historic FA Cup games have been decided on the day, and that will continue.

On the financial side of things, we are very keen to emphasise that no lower league club will lose out as a result of the loss of replays. We would rather see clubs budget sustainably for revenue in the FA Cup on a consistent basis, rather than for the one-off potential replay chance. We realise we cannot budget entirely for hope, and every football fan—I am no different—loves replays in the sense of the hope, but unfortunately difficult decisions have to be made and that is where we have got to.

Q109 Mr Betts: Are you frustrated at the FA that, somehow, this great competition and its heritage are being undermined by the interests of a handful of clubs who are going to play European games? It is the top few clubs, again, driving what happens for everybody else.

David Newton: I do not think that is necessarily a fair characterisation. The fixture calendar is extremely complex. We sit down two years prior to the season with our colleagues at the Football League and the Premier League and discuss how we are going to best fit in the games we have. We are the only major European footballing nation with three domestic cup competitions: the EFL trophy, the Carabao cup and the FA cup. We have 20 teams in the top league and 24 in each of the other three leagues, and the calendar is extremely congested. It is not just as a result of European ties. Each of those is a fantastically vibrant competition in its own right. Each of those competitions has a heritage and importance, and it is about a balance between all those competitions, as well as the European ones, that allows them to be fitted in.

Q110 Stuart Andrew: We have heard, in these sessions and beforehand, about the scope of the Bill. Some feel it goes too far; some feel it does not go far enough. Can you talk about your perspective of its narrowness in terms of financial regulation, and why that matters in relation to the relationships and statutes that FIFA and UEFA have?

David Newton: It is common knowledge around the room that UEFA and FIFA have statutes of their own, which basically prevent state interference in the running of football and football competitions. We have worked closely with UEFA and FIFA, and with the DCMS staff who have worked so hard on this Bill. They have been taken through where we have got to. Although we have not had a definitive view as such, it is reasonably clear that a tightness of the Bill relating to football governance is not likely to present huge or significant problems, subject to any changes that may occur. However, anything wider would increase the risk of FIFA or UEFA intervention. That is obviously a place we do not want to be, because of the sanctions that may flow, in theory, from that. We continue to work closely with both those bodies and keep them abreast, along with DCMS, of where the Bill has got to, but I think the narrowness of scope is very important.

Q111 Matt Rodda: To return briefly to the point that Clive made, there is enormous strength of feeling among many fans and clubs about the replays. What is the process for reviewing that decision?

David Newton: The decision has been signed off, effectively, by the FA board for next season. Indeed, the fixture calendar is so full that the spare slots, if you like, have already been allocated. At the moment, there is no review of that position. We are obviously aware of the strength of feeling, and I hope I have gone some way towards explaining how we take that decision. We take the custody of the FA cup extremely seriously.

Q112 Matt Rodda: What will you be able to do for seasons in the future?

David Newton: In fairness, I do not think the calendar shows any let-up. As has been mentioned, we have a FIFA Club World cup involving 32 teams in the summer next year. That will continue to sit in the calendar, as will the expanded Champions League format, with extra midweek matches. We still operate three domestic cup competitions, which all have to be accommodated as well.

Q113 Robin Millar: I have to come back to this question about being custodians of heritage, because there is something really important here. Mr Parish said that money is pouring in from Europe. On the question of replays, the issue is that clubs are not going to play fewer games; they are going to play more games that are more valuable. It seems that in the decision that you have reached, you have looked at it purely transactionally: “We have a competition; we need to see results.” It is not even just about hope. You have cut out the match-day experience, the travelling to a new ground, and the stories that fathers tell sons and daughters over the years. Can you understand why fans, when they look at this decision, think that it should fall under the scope of a regulator?

David Newton: I can completely understand fans’ passion for the FA cup. People who work in football—all of us in football—have that same passion for the FA cup and our other competitions. We have all done those things that you talk about. Competition formats have changed over the last 30 years in a variety of the different competitions in English football that I have referred to, and that has been the way. I guess, as the game evolves and different demands are placed on it, that will continue to happen. As I have explained, the decision taken was based not just on one set of circumstances. There is a huge number of factors relating to the fixture calendar, which is an extremely complex piece of architecture. As I say, the decision was a necessary consequence of that, but, absolutely, we understand the passion and the interest that is involved in the FA cup.

Q114 Rachel Hopkins (Luton South) (Lab): On heritage, the Bill gives fans say over club colours and club crest, but the ultimate say on club names stays with the FA. That is based on existing FA rules, if I am correct?

David Newton: Correct.

Q115 Rachel Hopkins: Can you give us a bit more of an explanation as to why fans are not given any say over names in these rules?

David Newton: In club playing names?

Rachel Hopkins: Yes.

David Newton: We introduced the rule about 10 to 15 years ago, and the rule actually gives the FA Council the final approval of a name change to a club in the top tiers of English football. As part of that, we conduct an extensive consultation. Thinking about one in particular, there was a significant amount of consultation with local stakeholders, the local MP, the local fans’ groups concerned, and so on. The decision was voted on by the FA Council, which also has supporter representation on it, so supporters are very much part of the stakeholder community that will consider those changes in names.

Q116 Rachel Hopkins: When you are collating those opinions to make important decisions such as that, how do you ensure that it is as accessible to fans as possible, and that there is a genuine emphasis on their involvement?

David Newton: As I say, the most recent one or two that I can think of were some time ago and were probably quite well publicised. The consideration of those decisions would have been accompanied by all the

relevant submissions made by the various stakeholders and considered in the round, and the weight given to those views.

Q117 Dame Tracey Crouch: I have two quick questions. Are you content that the Bill preserves the FA’s position as the governing body for football in England, and are you content with your role as an official observer on the board? Secondly, in previous correspondence, the FA has been keen to ensure that there were no unintended consequences for women’s football. Are you satisfied that that is the case?

David Newton: On the first point, as I outlined at the start of this session, the FA is responsible for the whole of English football, ranging from grassroots right the way up to the international team. The Bill is concentrated, as we know, on a small—but none the less very important—subset of that. Our role as an observer on the board is extremely helpful to that. I am confident that with the work we do—whether that is in grassroots, on and off-field regulation, disciplinary matters, the national teams and that sort of thing—our position as the governing body of English football remains.

Regarding the women’s game, you are absolutely right. We raised the potential concern of the unintended consequences of investment in the women’s game being affected by their co-dependency in some situations on the men’s game, and with funding being removed or reduced as a result of decisions by the regulator. It is important that the regulator, in exercising its powers, does so in a proportionate and reasonable fashion and bears in mind that co-dependency, where it exists.

3.50 pm

Examination of Witness

Jane Purdon gave evidence.

Q118 The Chair: We will hear from Jane Purdon, the former CEO and director of Women in Football, who is now an ambassador for the same organisation. We have until 4.10 pm for this session. Will the witness please introduce herself for the record?

Jane Purdon: I am Jane Purdon. I have worked in football and elite sport for about 22 years, starting as the in-house lawyer at Sunderland football club. I went on to do 10 years at the Premier League, rising to become director of governance. I then went to UK Sport, where I co-authored the code for sports governance. More recently, my work has been with Women in Football. I have just stepped off the board, but I remain an ambassador; I think that means I have the privilege of rocking up to events like this. Thank you for having me. I also have another chair role in football and a quasi-board role with Premiership Rugby, so I now have a portfolio career.

Q119 Stephanie Peacock: Do you think that the Government are right to exclude the women’s game from the scope of the regulator to start with? Do you think that it should be included in the future?

Jane Purdon: Women in Football does not have a corporate view on this, and we do not have a view on the regulator at all. The reason for that is that opinions vary, so I cannot answer for Women in Football. A lot of our focus—we have put in a written submission to the Committee—has been on the effect on the football workforce and the women in it as a result of this legislation.

If I can give you my personal opinion, the Government launched and backed Karen Carney to write a review on the future of women's football, and it really was a privilege to be an independent expert on that. I am still working with Karen on what is called the implementation group, run under the auspices of the Secretary of State and the Minister.

A lot is going on in women's football. It is fast evolving and the needs are huge. We need innovation. Not all the solutions that have worked for men's football will work for women's football. The Government are—I do not know what the word is—managing the process, or putting the right amount of pressure on the stakeholders, to see where we get to. But at some point, we may need to review those processes, how they are working and whether women's football is landing in the place where we want it to land. Whether when we get to that point we say, “Gosh, we have a regulator here. The regulator has a role,” I do not know, but it is an open question and one that I think we ought to keep asking.

Q120 Stephanie Peacock: You mentioned the Carney review. What progress do you think is being made on those recommendations? Is there enough legislative impetus behind the review?

Jane Purdon: As I say, we have this implementation group run under the auspices of the Secretary of State and DCMS, and there are some real, chunky issues there. Where I am right now with it is allowing that group, which I think is due to meet again in July, to continue its work, but we must keep this under continuous review and not feel complacent that we have sorted women's football.

Q121 Stephanie Peacock: Do you think there is a risk that clubs make asset transfers from the women's game to the men's game in order to become financially sustainable?

Jane Purdon: One of the classic models at the moment, as you have heard, is that the women's team sits within the same legal entity as the men's team, and there are pros and cons to that. The pros are obviously that the club has the brand, the IP and the infrastructure. The cons are that it can make the women's team very vulnerable to what happens in the men's team. I saw that with my own club, Sunderland, which 20 years ago was so ahead of the game, but the men's team fell down two divisions. I understand that it is a cost centre and tough decisions must be made, even if they are not the decisions that I would make.

I have actually posited the question before of what happens when women's football begins to make money and becomes profitable. What are we going to do with that profit, and how much will go back into the men's game and how much stays in the women's game? I think that would be a great question for football to debate.

Q122 Dame Tracey Crouch: Good to see you, Jane. You are obviously involved in Women in Football, which is not always about women's football. Do you think clubs are making enough progress in ensuring that there are more women on their boards and that there is greater diversity in the boardroom? What do you think the regulator should or could be involved in in the future?

Jane Purdon: There are some statistics and research showing that, I think, 10% of current Premier League directors are women. That research was done earlier this season, but the key thing is that it has not shifted since somebody last looked at it in 2019. The answer, with a very broad brush, is that it would appear not. I have to say that there are some clubs doing fantastic work, some of whom have given evidence today. If you want a great exemplar, take a look at Brentford football club, but as a whole, I do not think the industry is moving fast enough. We need to look at not just boards but executive committees—the lead executive decision-making body within the club.

We speak to our members a lot about this. We have 9,500 members, 80% of whom are women—we do welcome men into our membership—and we talk to them regularly about how they are feeling. We are getting a very mixed picture. We are told that 89% of them feel optimistic about the future of football, but at the same time, again, getting into 80% say that they have experienced sexism in their football careers. A minority of them feel that they are supported to get to the highest path. I would say that things are changing but not quickly enough.

To the second part of your question about what the regulator could do, we have a proposal for a code of governance practice. What concerns us at Women in Football is that both on the face of the legislation and through discussions we have had with the Government in our lobbying activity leading up to this point, there is an indication that it will not include any provisions about diversity. Having co-written the code for sports governance in 2016—under your maestro-ship, Tracey, if I may say so—and having seen how that really shifted the dial, I am really concerned about this. I think it is a poor vision of corporate governance if you do not address equality and diversity. You are not actually writing something about governance. You are writing something else.

To really shift the dial on this, you need three things. You need to make the business case and win hearts and minds. People need to understand and not be frightened, and realise that there are really sound business reasons for doing this. You need to give them support, but you do need to have a bit of a lever—whether that is a funding consequence or a “comply or explain” consequence and the transparency that comes from that in the case of the UK corporate governance code. That is one thing we would like more assurance on and express reference to in the legislation.

Q123 Dame Tracey Crouch: Yes, the world of sport did not fall apart by having more women on boards. Going back to the game, when Charlton were relegated, one of the first things they did was ditch their women's team. That is not unique; other clubs have done exactly the same. Should the club's licensing requirements state that clubs have to continue their investment in the women's game regardless of where they are in the leagues?

Jane Purdon: This is such a tough question, because that money has to come from somewhere, and what do you cut? Do you cut funding to your academy? It is so tough. The real answer is that we have to get women's football independently standing on its own feet and turning a dollar in its own right.

Q124 Damian Collins: Following on from the previous question, I have asked different witnesses about the corporate governance statement that clubs are required

[*Damian Collins*]

to make. I think you touched on that. Do you think it would be appropriate for clubs to have to consider how they meet their wider obligations as part of that corporate governance statement? I think it would be relevant to the regulator if a club was seeking to meet its financial regulatory standards by trimming back on other things it should be doing.

Jane Purdon: I think transparency is a great thing, as is transparency in sport. If you have ever read the code for sports governance, it kind of flows through that. We said to the sport governing bodies who were not as well resourced as many football clubs, “Tell the world what you are doing. Even tell them when you don’t hit your targets and then explain what you are going to do, because it breeds trust.” Against that, we do need to be proportionate and make sure that we are not asking organisations to report for the sake of reporting, and that there is real value that comes from the onerous work that reporting involves.

Q125 Damian Collins: Would you have a problem if it was merely a requirement for clubs? Clubs have certain obligations they are expected to meet by their competition organisers or by the Football Association, and as part of corporate governance they have an explanatory statement about how they do that?

Jane Purdon: In the legislation there is provision to say how you are meeting this code of practice. I do not have a problem with that in theory. As with all these things, the devil is in the detail, but I think that is right. I have talked about not making it too onerous, but on the other hand it can be a very simple measure to engender trust, and fan trust as well.

Q126 Damian Collins: One final question. The commercial development of women’s football seems to be on an exciting path of growth. Where you have Premier League clubs that have men’s and women’s teams, do you think the club should be regulated—or do you think that they should be regulated separately because they are competing in different competitions?

Jane Purdon: As I say, Women in Football does not have a position on this, so I have to be quite careful. If I am brutally honest, my personal opinion—and this is not shared by all by Women in Football colleagues—is that I am not convinced by the intellectual case for an IFR at all, particularly financially. I would need to be persuaded on that one. Maybe it is something we need to think about going forward in the game, and look at the fact that the two teams, the two set-ups, sit in one legal entity. The plus side is when you have a club like Chelsea or Manchester City, which get it and back its women’s team and provide the spectacle in the women’s game that we are used to seeing in the men’s game, that is fabulous, but there is risk as well. Maybe how we manage that risk is something we need to take forward.

Q127 Damian Collins: I suppose ultimately, however it is done, we would want the same standards to apply to everyone. Clubs that have a men’s team and a women’s team should be regulated in the same way as clubs that just have a women’s team.

Jane Purdon: There is a proportionality. One of the other bodies I chair is PGAAC—the Professional Game Academy Audit Company—which is the academy quality

assurance body. It is a joint venture between the FA, the Premier League and the EFL, and there is proportionality in what we do. We quality-assure all the academies, and we have just started doing the girls’ game as well. We are not taking what we apply to Manchester City to what we apply to a League Two community organisation that happens to run a girl’s elite training centre. It has to be proportionate and you have to make sure that you are adding value all the way.

In fairness, for full disclosure, I have spoken to people in the women’s game who disagree and say that if this is coming in for the men’s game, it ought to come in for the women’s game. I look at things like the owners and officers test, which we have written to the Committee about, because we think there are real problems in the drafting. I think that is going to be incredibly onerous for clubs. If you then put that into the women’s clubs as well, many of them who are running on much lower resources, it is an unintended consequence of bureaucracy to what end.

Q128 Robin Millar: I am an MP from north Wales. The Football Association of Wales told me that girls drop out of football at teen age. That is the big cliff edge, and it is principally to do with facilities that are available, as it is a time when that is particularly important. What do you think are the biggest barriers to women participating in football?

Jane Purdon: By the way, hearing where you are from, may I sound a note of congratulations to Wrexham FC? I saw it had an attendance of 9,500 for one of its women’s games—wonderful.

What are the barriers? We need the role models. We have those. Our Lionesses are wonderful. We need infrastructure. We need more, more, more, more, more. It is as simple as that. We need more pitches, we need more people, we need more coaches. I sometimes say to people if you want to know what needs to happen in future, take a walk around your town and count up all the football pitches you come across—the ones down the park, the ones in the school, the ones for the professional football club. Now double that. If we are serious about opening up football to the other half of the population, it will look something like that. So, yes: more, more, more.

There has to be some rate of organic growth in this. We cannot do everything at once. Many of the people looking at this, the people at NewCo, the people at the FA and, in fairness, the Sport Minister, have taken a good interest in this. There is good work happening, but we have a long way to go.

The Chair: If there are no further questions from Members, I thank the witness. We will move on.

4.6 pm

Examination of Witnesses

Robert Sullivan, Niall Couper and Simon Orriss gave evidence.

The Chair: We will now hear from Robert Sullivan, CEO of the Football Foundation; Niall Couper, CEO of Fair Game; and Simon Orriss, head of legal at Fair Game. We have until 4.40 pm for this session. Will the witnesses introduce themselves for the record?

Robert Sullivan: I am Robert Sullivan, chief exec to the Football Foundation, an independent charity that has been going for 23 years to fund and transform the state of grassroots football facilities in England. We are funded directly by the Government through Sport England and from redistributions from the Premier League and the FA. We work in each of your communities and across England to improve grass pitches, build new artificial pitches, and change the community stock of clubhouses and changing rooms. We think we make a real social difference across England.

Simon Orriss: My name is Simon Orriss. I am a solicitor specialising in corporate law and sports law. For the last couple of years I have been working with Fair Game, which Niall will speak about in due course, as the head of legal providing general legal support.

Niall Couper: I am Niall Couper, the CEO of Fair Game. I was a former fan-elected member of the Dons Trust, owners of AFC Wimbledon. I was a sports journalist at *The Independent* for five years and I have published a number of books on football, which you can get on Amazon.

Q129 Stephanie Peacock: I will begin with a couple of questions for the Football Foundation, then I will direct some questions to Fair Game. The grassroots football in my constituency of Barnsley East is struggling, particularly with facilities and pitch. I know we have communicated about Wombwell Main and Wombwell Town. There is also Worsbrough FC. Is the experience that I have in Barnsley the same across the country? What more do you think the Bill could do to protect grassroots sport?

Robert Sullivan: We have communicated and I hope we have been helpful. I think it is generically equivalent across the country, but obviously there are local differences according to specific football needs and socioeconomic conditions in each part of the country.

The state of grassroots facilities has always been one of the biggest strategic challenges facing English football. When the FA conduct its annual survey where it asks grassroots players, coaches and participants the No. 1 thing they would like to improve and change in the game, people always say the state of grassroots pitches. We are in no doubt that the primacy of what we do and the importance of the work and the investment of the Football Foundation is fundamental to the future of English football and how we can improve it all. We recognise that there is a huge amount of work to do. The more we can receive support from all parts of the game and from the Government to do that, the better. We are part of the Carney implementation group. It is worth dwelling on what Jane told you a few moments ago, which is that demand for high-quality pitches across this country is set to double over the next 10 years, because of the rise and growth in women's and girls' football. That is a massive challenge and a brilliant opportunity for all of us.

That is why I would like to make a specific point about the Bill and some of the provisions in it. The way in which the backstop is currently drafted as part of this potential legislation places primacy on the funding decision between the Premier League and the EFL. Effectively, that means that the Premier League will not be able to work out its other distributions to other parts of the

games until it has confirmed the amount of money it will have to give the EFL through the arbitration and backstop process.

As the head of an organisation whose responsibility is grassroots football, I would say that that is a subjective choice: subjectively, I would choose that the Premier League puts the primacy of funding grassroots facilities—it could be women's football, or whatever your organisation cares about most—at the front of that queue. I do not want the Football Foundation to wait to receive its funding distribution once other causes have been settled first. I believe that our cause, for some of the reasons we have discussed, is the most important in English football.

Q130 Stephanie Peacock: On specific changes that could be made to the Bill to protect grassroots football, do you think that grassroots football should receive the excess money from the regulator—excess money in the sense that it has been gathered in interest, for example, rather than the consolidated fund? If it finds that it has that money, through whatever means, should it come to grassroots sport and what difference could that make?

Robert Sullivan: I am the chief executive of a charity and my charitable purpose is to raise as many funds as I can to reinvest in grassroots football—all of our funding is welcome. We believe that at the moment we are well funded and well supported by the Premier League, the FA and the Government: I want to stress that. If I may use the term of the day, we are more concerned about the unintended consequence of how the legislation may be written and whether that has a negative impact on what funding may come through to grassroots football from those football bodies once everything else has been worked through.

If I may make a second point about what other changes should be considered, the experience of the Football Foundation and the Premier League Stadium Fund, which we operate on behalf of the Premier League to invest in national league system grounds—and I know a lot of you have national league system grounds in your constituencies—is that investing in facilities, in sustainable assets for clubs, is really important. I would be concerned that money that is passed without requirements to put that money into sustainable facilities that can generate future investment and support future revenues, and instead is just passed over as cash to be spent on running the clubs, without those requirements, would be a missed opportunity to send some of the wealth at the top of the game to the things that will make the game sustainable for the future.

Q131 Stephanie Peacock: Can I ask what you mean by unintended consequences?

Robert Sullivan: As I tried to highlight, if the backstop makes the funding of the EFL the primary budgeting step of the Premier League—all other distributions are whatever is left—that is a subjective choice, which may not be meant by everybody in Parliament. Every single Member of Parliament has lots of grassroots community football clubs. Not all of them have an EFL club which they need to support. There is a choice about what is more important. What is the first choice of where the distribution of Premier League money goes—is it to the grassroots or is it to the EFL pyramid? They are both very valid causes. I represent an organisation which is here to represent the voice of grassroots football.

Q132 Stephanie Peacock: I appreciate that explanation. As the Member for Chatham and Aylesford outlined in one of the earlier sessions, it is hoped that it is a backstop and is not used, but it was helpful to have that clarification. As time is short, may I move briefly to question Fair Game? I know that other Members want to come in.

You have been campaigning for a long time on many of the matters that are addressed in the Bill. As a way of giving a view, are you pleased overall with the independent regulator that is proposed in the Bill, and do you have broader comments to add?

Niall Couper: There are a few things that are missing. When we look at the financial flow within football, the difference is dramatic. We have done studies, and there is a written submission that I hope the Committee has received. At every single level, those gaps are getting wider. At the moment, the decisions are being made by the Premier League, and to some extent by the EFL as well, and that is not actually benefiting those clubs. It is making it harder, and more of a gambling culture, for every single club throughout the pyramid. That is putting clubs in serious jeopardy.

In the very latest statistics, we are aware that 58% of clubs in the top four divisions are technically insolvent. Brighton and Crystal Palace are both technically insolvent as well—I heard them earlier on. There is a real fundamental issue there.

What we want is to see more of that revenue redistributed down the pyramid. At the moment, for every £1,000 that a club in the Premier League gets in the broadcasting deal, 14p goes to a National League North or South club, or 57p to a National League club. Those differences are dramatic. That is why we really need to look at it.

I go on to what the Football Foundation is saying. We want to see the money invested in the right way. We want to encourage and incentivise well-run clubs. We want to see sustainability. That means investing in infrastructure. It means making grounds a 24/7 operation and making them the hubs of the communities that we all want, with the kind of things that we want to see, such as dementia clubs, working groups, walking football and community programmes, which are all embedded in those local clubs. That is where we should be looking to encourage investment. That is where the investment in lower clubs goes—that is the difference they make.

Combined with what the Football Foundation does, and looking at the parameters of what a Bill should be about, that should be the first thing. When we are looking at a television distribution deal, we need to be thinking about the parameters that deal should be meeting and what it should address, such as closing the gaps that are causing insolvencies and heartache.

When a club goes into administration, we all know the consequences. That is the loss of your local plumber, caterer or whatever. They are the ones that lose when a club goes into administration. It is not some harmless thing. This was talked about earlier on. If it is liquidated, yes, it goes, but if it goes into administration, there is a lot of pain that goes with that. Those things need to be addressed. If we have the correct parameters to define a distribution deal, the hard-working community clubs can thrive and the grassroots can thrive. That is ultimately what we want to see. That is the growth of the game.

You talked about girls' football. I have got two girls who play football. The issue of pitches that you talked about is a big problem. A lot of the local big National League and National League North and South clubs really want to invest in that as well and give that, but the money is not there. They are struggling to survive day to day. They live hand to mouth. Those are the clubs that fold. Those are the clubs that disappear, because they are not in the public eye.

In the broadest sense, for all the politicians around the table, those are the clubs that we should really be looking to cater for. That is what the Bill can look at: changing the parameters of what it looks like in distribution.

Q133 Stephanie Peacock: Do you believe the Bill as it stands will ensure the appointments to the expert panel and the board of the regulator are free from vested interests? What kind of experts do you think should make up the expert panel?

Niall Couper: You probably spoke to a couple this morning. I saw the panels and I am aware of some of those people. You have an issue here. Where does the investment come from? Who are the people making the decisions? Where is the funding coming from for some of these people who will be putting their names forward? We have to look at making sure that people who perhaps work for the Premier League or the EFL, who have been making an awful lot of these decisions, are not allowed to be on those boards, or that those organisations that are majority funded are not on those boards.

It is really difficult. I would like to see a whole load of organisations get independent funding. It would be really beneficial to allow them to have that free voice that football really needs. At the moment, the Premier League is the de facto regulator of football.

Q134 Robin Millar: I chair the parliamentary football club and have often said that I am a terrible fan. I have never held a season ticket in my life, but I have played grassroots football, badly, for about 45 years. It is fantastic to see you here today, Mr Sullivan.

DCMS has done a brilliant job in making sure that money gets out to grassroots clubs. I have seen some in my own constituency, even though that is over the border in north Wales and comes via the Football Association of Wales.

You have just said something that I have written down—every MP has grassroots football clubs in their constituency. Potentially, every single MP here has an interest in voting to see money vired directly to grassroots football.

You make the point about the key transaction between the Premier League and the English Football League. I am curious, however, about how that might happen. Is the structure in place to cope with, suddenly, tens of thousands of projects across the UK? Is the FA—I will use the phrase—fit for use, in terms of distributing and monitoring that? What do you think needs to be done from your end of the telescope?

Robert Sullivan: Let me pick through that carefully. The way in which projects are identified to invest in grassroots football is done by the Football Foundation, who fund us alongside the Government and the Premier League. In Wales, their money goes straight into the FAW, who have set up their own equivalent of the

Football Foundation. Without passing comment on whether the FA were fit to do it, which I am sure they would have been, they tasked us with doing it.

I am delighted to say that we worked really hard to build what we call a local football facility plan for every local authority in the country. If any of you go on our website—I am seeing some nods; it is good that you know about your local football facility plans—there is effectively a shopping list of all the projects that we want to do in every part of England. We have built a team and we are building in the investment from our partners to go out there and deliver those projects.

Q135 Robin Millar: You are telling me what is already there, which I understand. Could it cope with the massive uplift that would come from money coming through in the way that you wish?

Robert Sullivan: Yes, because it would 100% be my job to build the operation or structure to do that. To give you some comfort that we can do that, we have basically doubled what we have done in the last three years. If the Minister responsible for the future investment of any Government of any colour said to me, “You need to double it again,” that is what we would set out to do.

Q136 Robin Millar: Mr Couper, do you have any comments on that?

Niall Couper: I am very much in favour of more investment going through to the Football Foundation. If we are looking at a body that could potentially help to deliver that infrastructure and that way of doing it and ensure that clubs are investing in the right ways, which I am also in favour of, it is a good thing. We need to look at those lower levels of football and how that comes in. It goes back to that parameter question. When you look at how a distribution deal is decided, having an independent regulator to say, “These are the parameters that that deal must reach” is where you can see a real, fundamental difference.

When we look at the Football Foundation, I think you get 2.5% of the £3.19 billion that is there. What would happen if that was 5%? How many extra pitches would there be? What extra stadiums would we see? There are crumbling stadiums that are outside the Premier League. The extra facilities that could be changed and used for all the community clubs and community assets there, to use a very good Conservative phrase, is levelling up. That is what you could see in all those grounds and areas. That is what you could do, but it comes about only if the parameters of that distribution deal are robust enough and set by the regulator to deliver the change that is needed.

Robert Sullivan: I want to put it on the record that the Premier League has been far and away the most supportive and consistent funder over the 24-year period of the Football Foundation, and it is really important to say that. I am not sat here in any way saying that we do not feel well-supported by the Premier League.

Robin Millar: If I ask more questions, the Whip will start getting nervous about amendments that I might want to lay down. I will just say that every community has churches, pubs and football clubs, and there is a good reason for asking these questions.

Q137 Rachel Hopkins: Can you give us an insight into why clubs benefit from having greater measures on equality, diversity and inclusion?

Niall Couper: When we look at that area, when Tracey Crouch wrote that original fan-led review it was one of the key recommendations. When you go to our clubs and look at them, the clubs that thrive and are actually forward thinking are the ones where you see that diversity put into the boardrooms and staffing structures, and where they actually try to address it.

It is a travesty of justice when you look at a football ground at a men’s match and it is 80% male. When you go into the club’s shop, nearly all the merchandise is for men. When you look at the toilet facilities, they are pretty poor for women. All those things are naive both financially and in terms of actual gender representation, and those are the things that need to change. The clubs that we have in Fair Game, which are across the pyramid, are the ones that are more forward thinking and realise that actually we cannot live in the dark ages.

A proper code of governance needs to have EDI embedded in it. It needs to be part of the way forward and part of how we look at football holistically, and that has not been the case. Having been a board member of a football club and sat there, there have been far too many instances where unfortunately it has been an awful lot of people looking an awful lot like me being the entire representation. That is not really appealing to wider society. If we want football to grow and thrive, ignoring vast sections of society is completely remiss.

Q138 Rachel Hopkins: How do you think EDI can be best incorporated into the regulator’s regime without going out of the scope of the Bill?

Niall Couper: When you look at it, there are a couple of things that clearly can be part of the Bill, such as the governance code. When you look at the governance code, that needs to include EDI representation, as you would see in nearly all other sports governance codes that exist. That is an obvious place. The other thing is the state of the game report, and I think we need to look at having proper benchmarking and seeing where we can improve. Fair Game has looked at a lot of this—we have done a lot of stuff on the gender divide and we are doing a lot of research on that—but we need to look at this issue as constantly going forward and improving. We cannot perform just tick-box exercises; it needs to be about developing real outcomes so that women and people from ethnic groups can feel safe within a football ground, and that is not the case.

On a side point, we have been doing some work on the women’s game and there is a significant difference in how that operates compared with the men’s game. The issue we have seen is that women are not feeling safe, and that is an area that we really need to address. Until we get to that position, we will have loads of steps and things we need to improve. Every single element in the Bill needs to address that and ensure that that goes forward and improves what we have. Going back to the Bill, I would say that 90% of it is pretty good, but there are bits that can be improved, and that is definitely one area that can be.

Q139 Brendan Clarke-Smith (Bassetlaw) (Con): I have been looking at the regulations that UEFA and FIFA have on their involvement generally in the governance

[*Brendan Clarke-Smith*]

of football, and their requirements about what Governments can and cannot do. We have tried to be very careful with setting up the regulator. How do you feel that interacts with some of the changes that you would like to see? Is there a big barrier, or is there anything that you think could be changed on that level that might be useful? How do you feel that affects the scope of what we can achieve? Has that been a big problem for you, would you say?

Simon Orriss: I don't think it has. I have discussed it with a couple of colleagues—barristers and other people that I know in the profession—and the general consensus is that it is unlikely that some of the FIFA statute articles that prevent Government interference in the governance of the game would be enacted. In particular, we have looked at institutions in France and Spain, which don't have a completely identical remit to what the IFR is proposed to do, but they have some role in regulating the sport in those countries, and FIFA has largely left them to that. Although it has been noted, as you have just done in your question, it has not been something that has got people terribly agitated.

Q140 Brendan Clarke-Smith: I want to ask quickly about grassroots football. My constituency has benefited from the Football Foundation, as I think most people's around the table have. What positive role do you see this as having in encouraging more partners to work with organisations such as yourself? Is the Independent Football Regulator in a good place to help drive that, or is this again something where we are looking at the overarching security of other organisations that are going to be the ones pushing it? Is there a role for the football regulator to do more with your organisation?

Robert Sullivan: To be honest, I am not sure yet. I would be cautious about passing a judgment on that. If you pull back a level, what does the Football Foundation need? It needs two things really: it needs a very healthy and thriving elite end of the game that generates lots of excessive revenues that can be distributed back into the grassroots; and it needs the grassroots of the game to be excited, growing and wanting to have lots of kids getting out there and playing. To answer in a very broad sense, if the regulator is allowing that ecosystem of English football to continue to thrive—not only at the top end with more sustainability, and all the things that people talked about today, but with the game still generating crazy passion and demand from kids getting out there—that is brilliant for English football and the Football Foundation. There are going to be lots of people needing great pitches, and we are going to get out there and give everyone a great place to play.

Q141 Matt Rodda: Do you think the Bill does enough at the moment to ensure that fans have a meaningful say on what matters most to them? Also, are there areas where you would like to see the Bill go further, with further say for fans?

Niall Couper: I think there are gaps. We heard of one earlier, about the club heritage and the name. To my mind, these are simple amendments. Making sure that there is a proper fan consultation about a proposed name change is, to me, important. You strike on a cause that is close to my heart—I am an AFC Wimbledon fan.

Today, 14 May, is a significant day for me: in 2002, the three-man FA commission began its deliberations about moving the club to Milton Keynes. I have had loads of messages about that—they all knew I was coming here—and for me, making sure that a club cannot move from its area is fundamental.

At the moment, that is not clear enough in the Bill, and I think it needs to be made fundamentally clear. It talks about financial considerations still being part of the conversation. As a Wimbledon fan, it was the financial considerations of a three-man commission that allowed us to lose the club. We would describe it as our place in the Football League being given to a town in Buckinghamshire. Effectively, that is what happened. For any other club, that needs to be addressed, and fans need to have their voice heard first in that particular conversation. At the moment—I will use this phrase, although I was trying desperately not to say it—the unintended consequence of the Bill is that it legitimises franchising. That is the bit that needs a red line put through it.

Q142 Matt Rodda: I will ask a second question about grassroots football. I was thinking about this, because I have two kids who used to play and had regular problems with waterlogged pitches and other issues: how would you describe the state of grassroots pitches and provision across the country?

Robert Sullivan: It is a huge challenge for the game, but we are definitely on an upward trend. For the first time, we have been able properly to map and record, and to improve grass-pitch quality by use of digital data. That has been a big change, because with 30,000 grass pitches in England, it is hard to get out to reach them all, but we can now use technology through phones, so we can assess those pitches remotely and help clubs to improve them, to do the simple things, and give them funding that can address some of the waterlogging situations.

We now have more than 8,000 of what we have rated as good-quality grass pitches. That is a big step forward on where we were five or 10 years ago, but we are perhaps only halfway through that journey. We are going to do everything we can to escalate that number as quickly as we can, and to build many more artificial grass pitches, because of the difference. On a good grass pitch that does not waterlog, we get maybe six hours of play; and on a good artificial pitch, we can get 60 hours of full-on community usage for kids, disability or vulnerable groups, older men who are coming for dementia classes, and whatever it might be. Those artificial grass pitches, which is what we want to invest in, are the game changers that will help us to support that growth in the women and girls' game and all other parts of grassroots football.

Q143 Dame Tracey Crouch: The original fan-led review had a transfer levy recommendation that was proposed to the panel by somebody from the Premier League. The Bill was not necessarily the right place to include that proposal but, presumably, given the fact that it was designed as a policy that would invest in grassroots sports, certainly further down the pyramid, is that something that you would still at some point be interested in seeing?

Niall Couper: Yes is the answer. I think it is something that we need to look at, considering that—in my mind—a lot of it depends on what happens with this Bill. It is important, because it is about redistribution and giving support to a lot of the clubs that are trying to do the right thing in the right way. Again, to go back, it needs to be caveated to make sure that it is ringfenced where possible to support the grassroots pitches.

I talk to clubs like Tonbridge Angels, Maidstone United, Sutton United and so on. Those clubs will talk about wanting to have the 3G pitches and their training pitches in there so that they can be put to community use—those 60 hours a week. That is really what they want, because that is where they see the big growth. That is where your club becomes a community hub. That is where it makes the difference.

For me, the money that you talk about from the transfer levy, if you give it to those sorts of pitches and so on, is where you can make a real fundamental difference. Where it will go, I do not know, Tracey. It is one perhaps that we can talk about once we are post the Bill. It was something that I was really excited about when you proposed it—it really appealed to me. It is something that came a bit from left field, but it is something that we should look at in the months and years ahead.

Q144 Ian Byrne: That is what Tracey proposed for the grassroots. This question is more to you, Robert. You do fantastic work, undoubtedly. Some of the Football Foundation hubs are magnificent—we have got four in Liverpool—but there is an issue around cost, and I am wondering whether that comes under regulation scope, as we go down the line with implementation. In an incident last year, an under-13 team was getting charged £194 an hour to use one of the hubs. That takes away totally the ability to play football. With the huge rise in the popularity of football through the women's game and given the absolute need for the pitches, as you said, who will regulate the cost to ensure that they are affordable for every single person in the country?

Robert Sullivan: It is a big challenge, Ian. When we fund a site, we will put in terms and conditions on such sites that should provide a check and a challenge on the affordability. So, if that is happening on a site that we have funded, we should pick that conversation up separately, because when we provide a grant, it comes with terms and conditions: we need to see, basically, an income and expenditure plan that has sensible and appropriate pricing policies with it.

If I may go back to pick up on Tracey's offer—

Dame Tracey Crouch: For the money—

Robert Sullivan: For the money. I am agnostic about where the money comes from, but we have a massive challenge, and we need as much as possible going into grassroots facilities.

To make one supplementary point about what Niall said, he alighted on a really interesting example. Sutton had a fantastic 3G pitch that was doing brilliant community things, but when Sutton went into the EFL, it had to pull that pitch up. That is an interesting question, although it is inadvertent. I understand all the competition reasons why that might be the case in the EFL, but Sutton went from having a very sustainable community asset to one that was not when it moved up into the EFL pyramid. That is an issue that I would potentially raise as well.

The Chair: As there are no further questions from Members, I thank the witnesses on behalf of the Committee. Thank you very much for coming.

Ordered, That further consideration of the Bill be now adjourned.—(Mike Wood.)

4.37 pm

Adjourned till Thursday 16 May at half-past Eleven o'clock.

Written evidence reported to the House

FGB01 Professional Footballers' Association (PFA)

FGB02 West Ham Supporters Trust

FGB03 Fair Game

FGB04 Women in Football

FGB05 English Football League (EFL)

FGB06 Everton Fan Advisory Board