

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

FOOTBALL GOVERNANCE BILL

Fourth Sitting

Thursday 16 May 2024

(Afternoon)

CONTENTS

CLAUSES 1 TO 3 agreed to.
SCHEDULE 1 agreed to.
CLAUSES 4 AND 5 agreed to.
SCHEDULE 2 agreed to.
CLAUSES 6 TO 9 agreed to.
SCHEDULE 3 agreed to.
CLAUSE 10 TO 14 agreed to.
Adjourned till Tuesday 21 May at twenty-five minutes past Nine 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,

not later than

Monday 20 May 2024

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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 (*Parliamentary Under-Secretary of State for Culture, Media and Sport*)

† Bailey, Shaun (*West Bromwich West*) (Con)

† Baynes, Simon (*Chwyd South*) (Con)

† Betts, Mr Clive (*Sheffield South East*) (Lab)

† Byrne, Ian (*Liverpool, West Derby*) (Lab)

† Clarke-Smith, Brendan (*Bassetlaw*) (Con)

† Collins, Damian (*Folkestone and Hythe*) (Con)

† Crouch, Dame Tracey (*Chatham and Aylesford*) (Con)

† Firth, Anna (*Southend West*) (Con)

† Green, Chris (*Bolton West*) (Con)

† Hopkins, Rachel (*Luton South*) (Lab)

† Millar, Robin (*Aberconwy*) (Con)

Mishra, Navendu (*Stockport*) (Lab)

† Peacock, Stephanie (*Barnsley East*) (Lab)

† Rodda, Matt (*Reading East*) (Lab)

† Smith, Jeff (*Manchester, Withington*) (Lab)

† Wood, Mike (*Lord Commissioner of His Majesty's Treasury*)

Kevin Maddison, Kevin Candy, Chris Watson,
Committee Clerks

† **attended the Committee**

Public Bill Committee

Thursday 16 May 2024

(Afternoon)

[SIR CHRISTOPHER CHOPE *in the Chair*]

Football Governance Bill

2 pm

The Chair: I hope everybody has had a good lunch. We will now move on to clause-by-clause consideration.

Clause 1

PURPOSE AND OVERVIEW

Question proposed, That the clause stand part of the Bill.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stuart Andrew): It is a pleasure to serve under your chairmanship this afternoon, Sir Christopher. I thank members of the Committee for their time and commitment, and I thank all the officials who have done an enormous amount of work in preparing the Bill. It would be remiss of me not to thank my hon. Friend the Member for Chatham and Aylesford for all her work on preparing it.

Clause 1 sets out the purpose of the Bill and summarises what each part of it provides for. Its purpose is crucial: it underpins the regulator's entire regime, as the regulator will be obliged to act in accordance with it at all times, so far as is reasonably practicable. Since the fan-led review was published, the Government have been clear that the pre-eminent failure in this market is the growing risk of football clubs being unable to continue providing their service. The potential harm that that can cause to fans and the local communities reliant on the clubs is unacceptable, and the industry has not been and is not doing enough to tackle the risk. That is why we are intervening here, and that is the Bill's purpose.

The clause explains that the purpose of the Bill is "to protect and promote the sustainability of English football." It goes on to define that, for the purposes of the Bill, sustainability refers to a continuation of service in the interests of fans and for the wellbeing of local communities. In essence, clubs should not be lost to their fans and communities now or in the future, be that through financial collapse, relocation 60 miles away or turning their back on their fans to join a new breakaway competition. I commend the clause to the Committee.

Stephanie Peacock (Barnsley East) (Lab): It is great to be here today to welcome the Bill as it enters its next stage of scrutiny. As I outlined on Second Reading, Labour has supported reforming football through an independent regulator for football for a long time. We echo the Minister's thanks to all the officials for all their hard work, to all Members on both sides of the Committee, and in particular to the hon. Member for Chatham and Aylesford for all her work on the fan-led review.

We want to scrutinise this Bill appropriately, and I look forward to doing just that in the coming days. However, given how long it has taken for this legislation to be introduced and the number of fans who have had

to watch their club pushed to the brink in the meantime, we want to see the regulator implemented as swiftly as possible. I am therefore pleased to see a degree of consensus around the implementation of an independent regulator across the House. With that in mind, I have been focused on tabling amendments and will shape my remarks to be constructive where possible, while of course giving the Bill the scrutiny it deserves. I hope to be able to work with fellow members of the Committee to make sure that the Bill truly achieves its aim of ensuring the future of English football for generations to come.

Getting clause 1 right is crucial to the rest of the Bill. The purpose of the Bill, and therefore the regulator, will underpin all the other measures that we go on to discuss. It will act as a reference point to return to when interpreting the overall sense of intention and direction of the whole regulatory system.

It was the fan-led review that first noted that the regulator would need a clear statutory objective, which it said would be useful for dictating to the board and employees of the regulator what the body is there to achieve, how it should assess any problems and the outcomes it should deliver. If well designed, it should seek to tackle many of the problems identified within English football: the poor management of clubs, substandard corporate governance, the lack of fan involvement and the unsustainable finances that have threatened the long-term health of football. As a result, the fan-led review suggested that the objective should include acting in the interests of both local fans and communities. It said:

"There is no one else more important",

a sentiment with which I absolutely agree. It must be central to both the Bill and the future regulator that football works in the long-term interests of fans and communities. I am therefore pleased that the clause defines English football as sustainable if it

"continues to service the interests of fans of regulated clubs" and

"continues to contribute to the economic or social well-being of the local communities"

with which the clubs are associated.

Given the centrality of those concepts, it is curious that the likes of fans' communities and social wellbeing are not defined in the Bill. The explanatory notes indicate what those terms might mean in practice: "fans" might mean season ticket holders and regular match-goers, and "local communities" might mean the people

"who live, work or trade in the geographic area associated with a football club".

However, those indications will not become law when the Bill is passed, which leaves ambiguity as to how they might be interpreted. I ask the Minister why fans, communities and social wellbeing are not given clear definitions and whether he believes that there is potential for such terms to be misunderstood or misused as a result.

Further to that point, some clarity is needed that when we talk about the "interests of fans", we mean their long-term interests. I can imagine quite a few scenarios in which it might be in the fans' interest for their club to adopt reckless short-term strategies to achieve immediate on-field success. Yet those short-term strategies might lead to the club's long-term financial

demise, which is contrary to the aim of the Bill and against the long-term interests of fans and communities. Can the Minister therefore confirm that the phrase “interests of fans” must be taken to indicate a long-term continuation of the club and its heritage, rather than anything to do with on-pitch results at any given time? I agree with the principle of centring fans and local communities in the Bill and the regulator, but we must make sure that we are clear on what that means right from the very beginning, to ensure that the intended outcomes are achieved.

Stuart Andrew: I thank the hon. Lady for her opening comments. She will know from our engagement that we centre fans in the whole of the Bill’s process. She is right that as we go through line-by-line scrutiny, I will be able to give more indications that fans need to be consulted when it comes to important decision making by clubs up and down the country. Some clubs are doing that brilliantly, but we need to raise the bar. I hope that the provisions in the Bill will ensure that that happens and that fans will rightly be at the centre of the clubs they support.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clause 2

KEY DEFINITIONS

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss the following:

Clause 3 stand part.

Schedule 1.

Clause 4 stand part.

New clause 1—*Reporting requirements (women’s football)*—

“(1) The Secretary of State must, no later than five years from the date on which this Act is passed, carry out a review of the professional tiers of women’s football to determine whether the competitions specified by the Secretary of State under section 2(3) should include women’s football competitions.

(2) For the purposes of subsection (1), the review should take account of—

- (a) the State of the Game Report,
- (b) the risk of financial failure in women’s football, and
- (c) such other considerations as the Secretary of State considers appropriate.

(3) The results of the review must be published and laid before Parliament.”

This new clause would review whether or not women’s football should be added to the scope of the IFR.

Stuart Andrew: Clause 2 sets out the key definitions used in the Bill. It also gives the Secretary of State the power through a statutory instrument to specify competitions. Those specified competitions then define the regulated population—the clubs and competition organisers in scope of regulation. Defining the scope in that way is important in future-proofing the Bill. In particular, it will allow the regulator’s regime to adapt to future innovations in the market like those that we saw when the old First Division became the Premier League in 1992, or when the Football League was expanded and rebranded in the years that followed.

I turn to clause 3. Owners of football clubs play a pivotal role in the sport; without their efforts and investment, English football would not be the success that it is today. Owners have an immense responsibility not just to their club, but to fans, local communities and businesses in the surrounding area. While current league rules outline a requirement to declare who controls a club, the fan-led review identified concerns with the application of the role, in particular where clubs are owned or controlled by offshore entities or complex company structures. Fans have also expressed concerns about the opaque nature of who owns their club. Fans deserve to know who has ultimate responsibility for the club they support, and the clause will ensure just that.

Clause 3 signposts to schedule 1, which defines when a person is an owner of a club. The clause also defines a club’s ultimate owner or owners as those who have the highest degree of influence or control over the activities of a club. When a club applies for a provisional operating licence, it has to identify its owners and ultimate owners to the regulator in a personal statement. Clause 51 requires licensed clubs to publish their personal statements.

Defining the ultimate owner of a club and requiring clubs to declare who they are will be a crucial step in improving transparency and accountability in the game, and in ensuring that fans know who owns their club. Schedule 1 defines owners for the purposes of the Bill and equips the regulator to apply this definition in different real-life circumstances.

It is crucial that owners are suitable in order that the sport can be placed on a more sustainable footing. An ownership chain may be long and complex with many links. To ensure that clubs have suitable custodians, the regulator needs to identify the person with actual control at the very end of that chain, rather than the holding companies or the legal structures that are just links along the way. That is why, under the Bill, only individuals or registered societies are defined as club owners.

Registered societies are specific legal structures defined in clause 91. They must be run as co-operatives or for the benefit of the community. When used by fans for collective ownership of professional football clubs, they are typically “one fan, one vote” organisations in which control is split equally between hundreds or thousands of members. As such, they do not concentrate influence or control with just a few individuals.

Mr Clive Betts (Sheffield South East) (Lab): This is a really important clause. There have been so many problems in so many clubs where actions have happened but there is some mystique about who is responsible. The mystique is often deliberate, to hide the real owners and what they are doing.

Although this will be the rule from now on, one issue that I can see arising is about what happens when a league wants to look at who was responsible for the actions of a club in past months and years. Will there be a trail to discover who the owner was in past months and years, so that that sort of action can be taken by the leagues?

Stuart Andrew: That would probably be an issue for the leagues. This is about setting up the statutory obligations and the powers that the regulator will need, and will have, to be able to identify the specific owner. The hon.

[Stuart Andrew]

Gentleman is absolutely right: I have heard time and again from fans that trying to identify who the specific person is has been almost impossible. As we are now putting this measure on a statutory footing, the clubs themselves will be obliged to identify who that person is, but I think retrospective work would be something for the leagues to deal with. If the hon. Gentleman will permit me, I will have a further think about the point and come back to him in writing.

I was explaining why ownership chains can end with registered societies without those societies needing to identify the named individuals behind them. The Bill's definition of an owner is designed to apply to those at the end of ownership chains, no matter how complex the chains are. It draws heavily on precedent from other legal regimes where ownership can be complicated or opaque, including the "persons with significant control" regime in the Companies Act 2006. It is designed to capture those who have significant shares or rights in or other forms of significant influence or control over clubs. The definition also includes owners who meet one of those conditions at arm's length, such as via a trust or similar body. This robust and comprehensive definition of owners recognises that clubs have different ownership structures. Part 3 of schedule 1 allows the definition to be amended to ensure that it is future-proofed.

Ultimately, the definition enables the regulator to look behind ownership structures to find the person who is actually responsible. That means that owners cannot simply evade regulation by creating ever more complicated ownership structures. Having a clear definition of an owner that reflects those who have influence or control over a club means owners can be identified, tested and held to account as custodians of the club.

I turn to clause 4. The Bill will introduce two key things that are missing in the industry at present: transparency for fans and accountability for decision makers at clubs. Central to both those points is clarity about who the decision makers are. Officers and senior managers must be clearly defined within the new regime so that regulatory requirements and enforcement can bite on the right people and fans know who is running their club. The clause defines an officer and a senior manager of the club for the purposes of the Bill. The definitions have been drafted in recognition of existing legislative precedent, including the Companies Act 2006 and the Financial Services and Markets Act 2023. It also uses the definitions currently used in the football industry.

The purpose of the clause is therefore to appropriately define the people who run or have a significant level of direct influence over the day-to-day running of the club. Other provisions in the Bill will require regulated clubs to publicly set out who their officers are and which persons carry out specified senior management functions. Officers of the club are subject to legislative requirements, including owners and directors tests. Senior managers will be accountable for the aspects of the club's affairs that they are responsible for. The regulator may take enforcement action against a senior manager if the club commits a relevant infringement that is connected to a senior management function carried out by that individual or individuals.

2.15 pm

Moving on to new clause 1, I understand the intention of the hon. Member for Barnsley East is to ensure that the list of specified competitions is kept under review. That is why we have ensured that the scope is appropriately future-proofed and could be amended in future if necessary. That is precisely why there is a power to specify competitions through secondary legislation. We do not believe it is necessary to have a statutory instrument requirement for the Secretary of State to undertake a review of women's football to determine whether it should be brought into scope. More broadly, even without a statutory review of requirements, there is nothing to stop the Government or industry from looking into women's football and the unique challenges it faces.

As I have set out, the Government remain absolutely committed to supporting women's football at every opportunity. The women's game is at an exciting, pivotal stage and should be afforded the opportunity to self-regulate in the first instance. That is why it is not part of the Bill's intended scope. We therefore do not think the statutory requirement is needed. Should it be appropriate for women's football to be brought into the scope of the Bill in future, that can be done, as I say, through secondary legislation. Ahead of any decision to expand that regulation, I would expect a public consultation on the issue and a robust evidence base to be built up. That was standard practice when developing policy, and is how the current intended scope has been arrived at.

For the reasons I have set out, I am not able to accept the new clause and hope the hon. Member for Barnsley East will therefore withdraw it.

Stephanie Peacock: I will begin by addressing clause 2 and my new clause 1 before looking briefly at clauses 4 and 3 with schedule 1. Clause 2 provides important definitions that will help make sense of the Bill. Most of the definitions are relatively straightforward, so I will focus on the Secretary of State's ability to designate which specified competitions will fall under the remit of the regulator.

It is widely understood that the Government's intention is to identify step 5 and above of the men's football pyramid as being within scope. That choice is the right one as long as the regulator's enforcement is proportionate to ensure that clubs in the National League and lower tiers of the EFL are not burdened by compliance. Indeed, at this early stage it is important to set out that regulation does not necessarily need to result in burdensome compliance requirements. As long as the Bill is done right, that will not be the case.

It is important that we leave room for the competitions in scope to be amended in future should circumstances change. I appreciate the Minister's comments on my new clause 1, but I am sure the Committee will allow me to outline the arguments on why I tabled it.

We should pay close attention to ensuring the healthy growth of the women's game and whether it should be brought into the regulator's remit. Despite its recent soaring success, as shown by the historic achievements of the Lionesses and sustained by the growth in support for the Women's Super League and Championship, the women's game faces a wide range of issues. The Carney review, commissioned as a result of the need for parity identified by the fan-led review, brought many of those issues to light.

The review raised concerns, for example, about the growing gap between those at the top of the elite game and the rest of the women's football pyramid. Indeed, the annual turnover in the Women's Super League, featuring teams such as Chelsea and Manchester City, peaked at around £7 million. Meanwhile, in the Women's Championship, where teams such as London City and Sunderland play, sides are recording turnover as low as £150,000.

Further to that, the review noticed that there has not been enough progress on ensuring minimum professional standards. Players have been reported as being treated as second-class citizens rather than elite athletes, with everything revolving around the schedules of the men's teams. Also, women players are three times more likely to suffer an anterior cruciate ligament injury—a serious rupture that strikes top players out for around a year—than their male counterparts, and there is no guaranteed access to even a basic level of mental health support even for those who might be seriously struggling.

Finally and perhaps most relevant to the Bill, the review also identified that the costs of sustaining participation in the women's game are much higher than the revenues being organically generated by women's teams. That is true even with the growth of broadcasting audiences and sponsorship revenue. Rather than bringing women into scope of the independent regulator at this stage, however, Karen Carney's review concluded that women's football would benefit from the opportunity to incentivise investment and self-regulate first.

Given that the IFR has been designed with the failures of the men's game in mind, I agree that the women's game and NewCo should be given the chance to take learnings and to proactively address issues so that it can run on its own two feet. However, I also believe that the option of an independent regulator must remain on the table, not least so that if it is needed, the regulator can act at an earlier point than it has been able to in the men's game. That is why I tabled new clause 1.

Players, fans and the whole country want to see healthy growth of the women's game and NewCo, and they now have the opportunity to see just that with the right investment, support and approach. However, if issues prevail, as they have done in the men's game, it is right that we be proactive rather than reactive this time.

The Government agreed to all the Carney review's strategic recommendations, but I believe there has been only one meeting of the implementation group. Parity of importance must be given to change in the men's and women's game, and I hope the Minister can provide an update on the Department's progress either in this debate or in writing.

Clauses 3 and 4 and schedule 1 set out some of the other key definitions in the Bill, particularly of owners and officers, and I welcome their clarity. Due to the complex ownership structures of some clubs, it has not always been clear who or what might count as an owner, ultimate owner or indeed who can be held accountable as officers.

The fan-led review identified the example of Birmingham City, who at the time were alleged to be in £100 million of debt. They were in breach of profit and sustainability rules and in a situation where the club and ground were owned by two different people under a complicated offshore ownership structure. Trying to untangle and resolve such difficulties without being able to understand

where accountability lies in an opaque structure is no easy task. The detail in clauses 3 and 4 and schedule 1 on how calculations will be made in relation to shares and the like is therefore welcome. In combination with the duty in clause 16 on clubs to provide a personnel statement, the Bill will improve transparency and ensure that the regulator is able to operate from a much clearer standpoint.

I have one question on behalf of the Football Supporters' Association, which is concerned that the definition of "senior manager" might include football-related posts that were not intended to be within scope of the Bill, such as team managers. Can the Minister confirm that that is not the case and that football-specific posts will not be covered?

Stuart Andrew: I completely agree with the hon. Lady on ensuring that clubs, specifically those further down the pyramid, are not over-burdened. That is why we have been careful throughout the drafting of the Bill to ensure that it is proportionate and that our approach is dependent on the size of the club and where they are in the pyramid. I do not think there should be anything for many of those clubs to fear. We heard from witnesses in the evidence sessions that many of those clubs rely on volunteers to do a lot of the paperwork, and we have taken that into account.

I absolutely welcome the hon. Lady's comments about the women's game. We all want to see healthy growth in the women's game, and it has been incredible to see how popular it has become. That is precisely why we brought about Karen Carney's review, and I put on the record my thanks to her for the work that she has done in this area. What has been useful about that—rather than just doing it through the IFR—is that it has enabled there to be a much broader approach to the women's game; and she rightly highlighted health and wellbeing as a really important aspect. Although the implementation group has only met once, it was an important meeting for us to set out the questions that need answering, and work is going on behind the scenes in preparation for the next meeting to ensure that we see progress. As she acknowledged, we support all the recommendations of Karen Carney's review. We want to now ensure that progress is made in implementing them.

The hon. Lady is right that we need to learn from the men's game at a much earlier stage, which is why we are looking at all aspects, but should we get to the point where it needs to be looked at by the independent football regulator, provisions are in the Bill for that purpose. On the issue of owners, as we have described in the Bill, it is those with a controlling decision-making process within the club that will come into scope.

Question put and agreed to.

Clause 2 accordingly ordered to stand part of the Bill.

Clause 3 ordered to stand part of the Bill.

Schedule 1 agreed to.

Clause 4 ordered to stand part of the Bill.

Clause 5

ESTABLISHMENT OF THE IFR

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss schedule 2.

Stuart Andrew: The provisions in schedule 2 ensure that the regulator has the necessary structures in place to function effectively and efficiently with appropriate accountability as a public body. It ensures that an agreed and transparent process is adhered to when establishing a governance framework, including its board, committees and expert panel. It provides the necessary flexibility to future-proof the regulator and the agility to act quickly where required.

We have made provision for the regulator to appoint an observer from the Football Association. As the national governing body for English football, it will be able to provide insights on behalf of the football industry to support the board if needed in the execution of its functions. Ultimately, the regulator will be accountable to Parliament, but it will be operationally independent and free from undue political or industry influence. The provisions in the schedule are central to creating this framework and strike the right balance between those competing demands.

Stephanie Peacock: I am extremely pleased to welcome these provisions, which establish the long-awaited Independent Football Regulator as a body corporate. This is a good opportunity to discuss why it is important that the independent regulator has been established in the form it has—a body that is operationally independent of current football governance structures. This independence will be key in ensuring that decision making is impartial, free from conflict and credible. As the fan-led review clearly reveals, public confidence in existing football authorities is unfortunately very low. Part of the reason for this, according to the review, is that the constitutional set-ups of existing authorities are inherently conflicted and “the rules of regulation being set by the parties that are to be regulated.”

There are two big problems with that. First, it results in clubs being naturally incentivised to prioritise their own interests rather than the long-term view of what is best for the game. Secondly, it means that there is a natural disincentive for disciplinary action to be taken where it might be commercially damaging for the club involved. Though this new phenomenon was identified by the fan-led review, it is not a new concept. It has been over a decade since the 2011 Culture, Media and Sport Committee’s report that made recommendations to improve the accountability of the regulation of football, and it is almost 20 years since the Burns review, which found football governance unfit for purpose.

Opportunities have been presented over and over, but the same problems have prevailed. This is why it is important that we are finally here today. Independence does not mean that the regulator will have no relationship with existing structures. As we will discuss, working constructively with football governance will be vital to the regulator’s success. This does, however, bring up questions of regulatory clarity.

As it stands, I am not entirely convinced that everyone is clear about whose rules will take primacy and when. The Government’s response to the White Paper consultation seemed to be firm on this, identifying that although there needs to be collaboration, the regulator will be the ultimate authority on matters within its remit. However, the Bill is not always clear, so I hope this is something we can come back to and clarify as we progress.

It is also important to note that the regulator will be independent from politicisation and undue influence from the Government, which is important not only for the sport as a whole, but to ensure that the regulator in no way impacts compliance with UEFA and FIFA rules. Overall, however, I am pleased with the institutional location of the regulator and the fact it is finally being established through the clause.

2.30 pm

I move on to schedule 2, on membership of the regulator, which provides some welcome insight into the structure that the regulator will take in reality. However, I believe that some questions have been left unanswered by the information in this schedule, particularly with regard to appointments. We will go on to discuss that during amendments 14 and 15. For now, I have a couple of other points to make.

First, it would be good to get clarification from the Minister on the appointment of an observer from the Football Association. The fan-led review recognised that as the national governing body of English football, the FA should be considered for observer status. However, the actual provision in the Bill seems slightly broader and more ambiguous—the power is given to the Secretary of State, who “must” appoint a representative from the FA; further to that, this representative will be an observer of not just the board, but the IFR’s proceedings. As a result, it would be good to know whether the intention of this provision is that the FA’s observer role allows it access to internal proceedings, or just formal meetings of the board, and whether in such meetings it will be able to participate and input, or its role will be limited to observing and listening.

I would also appreciate some clarity on how the legislation will ensure that the observer is independent of interest, including in any specified competition. This is particularly important if the observer does not have access to internal proceedings, as it could allow them to access confidential information provided by clubs. Will the Minister set out whether he expects that the observer would have access to that confidential information, and whether there is merit in requiring some confidentiality from them in return? This is an important issue, as the regulator must be truly independent if it is to provide a solution to many of the issues, as we hope it will.

Secondly, and finally, I know some supporters’ trusts, including Everton’s, have raised concerns that supporters will not be involved on the IFR board and expert panel. To be clear, I am not advocating for any formal representation for fans at this level, but I think there is an opportunity for the Minister to set out the ways in which the regulator itself will engage with fans so that supporters can be confident that their voice matters.

Overall, however, I am pleased to see the regulator established as an independent body, so I support what these clauses are trying to achieve.

Rachel Hopkins (Luton South) (Lab): I would like to build on the comments made by the shadow Minister, particularly on the appointments to the independent regulator and the expert panel. We heard much in the evidence sessions around equality, diversity and inclusion, and I seek assurances from the Minister that there will, in the usual way with public appointments, be a desire for the board to be reflective of society. We have heard,

sadly, that we do not see people with a range of diverse characteristics coming through to senior levels in all aspects of football, across the game—there are very few such referees, and so on.

On appointments to the expert panel, I would like a little more clarity from the Minister on the fact that the chief executive officer must exercise the power to secure “the range of skills, knowledge and experience of the members of the Expert Panel”,

which includes skills, knowledge and experience relating to “the operation, organisation or governance of clubs or competitions, and financial or other regulation.”

Reflecting on what we already know about the game, could we have some assurance that this provision merely includes that range of skills, and that we could, in fact, have a wider range of skillsets? We want to ensure that we recognise equality, diversity and inclusion in appointments to the expert panel and the board, so that we are not restricted only to people who have experience of the operation, organisation or governance of clubs or financial or other regulation. Other regulators often have a lay person, for example; they may be a senior professional, but they bring a sort of objectivity to the table that others who are very involved in the industry sometimes cannot see. I hope we can have some clarity from the Minister on that.

Mr Betts: Can I just raise two issues? The first is about appointments to the board. Does the Minister feel that the issue of conflict of interest is important? Does he feel that he ought to be setting down somewhere what conflicts of interest may amount to, and what may disqualify someone from being a member of the regulator’s board? Secondly—this issue arises in Select Committees from time to time—will the regulator’s chair be subject to a pre-confirmation hearing by the Select Committee?

Stuart Andrew: I agree with the hon. Member for Luton South about the independence of the football regulator; we were really careful to ensure that as we drafted the Bill. She is right that we have to take into account the UEFA and FIFA rules. That is why we have made sure throughout that the regulator will be independent, including from political interference. We would not in any way want to see any sanctions on English football because of any pressure that might be given. As with others, we have engaged with both of those bodies. So far, we feel that they recognise that we have gone to great lengths to ensure that that independence is recognised.

On the board being reflective of society, I am a big advocate of making sure that that happens. There are the usual processes of Government appointments; as hon. Members will know, that issue is very much a consideration. Work is constantly being done to encourage a wide range of candidates to apply. I suppose this gives me an opportunity to shout out to the wider society: get involved! We need a very diverse range of candidates to apply for these positions.

We absolutely need to ensure that the measures on conflicts of interest are in there, just as we would with any other public body, and, yes, there will be a requirement for pre-confirmation of the chair through the Select Committee.

Question put and agreed to.

Clause 5 accordingly ordered to stand part of the Bill.

Schedule 2

THE INDEPENDENT FOOTBALL REGULATOR

Stephanie Peacock: I beg to move amendment 14, in schedule 2, page 82, line 20, leave out “is satisfied” and insert “has ensured”

This amendment would strengthen the responsibility of the appointer.

The Chair: With this it will be convenient to discuss amendment 15, in schedule 2, page 82, line 20, at end insert—

“(1A) A person appointed to the board must declare any interests they consider might give rise to a conflict of interests or the perception of a conflict of interests.”

This amendment would strengthen the duty of an appointee to declare a conflict of interest.

Stephanie Peacock: I am grateful for the opportunity to discuss the appointments process for the regulator. I was pleased to hear the Minister’s comments just now and those by the hon. Member for Gosport (Dame Caroline Dinéage) on Second Reading; she confirmed that the Culture, Media and Sport Committee will be holding a pre-appointment hearing with the chair of the regulator once there is a preferred candidate.

The first chair will have a formative role in shaping the regulator at a time when implementation will be key to success. However, on the whole, the Bill has provided limited information about how candidates for roles will be vetted. This is an incredibly important process to consider, not only due to the sheer importance of many of the decisions that these experts will be making but because we must be very careful not to import the same industry groupthink that has caused us to need an independent regulator in the first place.

There is no point in setting up an independent regulator if it is run by those who can offer no real independence from existing football governance structures. To ensure the strength and independence of the regulator, therefore, we require more detail in the Bill about appointments, as well as due diligence on behalf of those making the appointments in practice. The schedule does offer small bits of guidance in this area. It states that a person can be appointed only if their appointer is satisfied they do not have a conflict of interest, and that is an important start.

However, as Fair Game points out, the schedule is not comprehensive enough to provide the necessary assurances that the board will be free from such conflicts. Indeed, as the Bill stands, it does not say that a person cannot be on the board if they have a conflict of interest; instead it is more subjective, giving the power to the appointer to make the determination that they are satisfied there is no such conflict. I am simply not sure that that is strong enough.

Ian Byrne (Liverpool, West Derby) (Lab): What the shadow Minister is saying is so important at the moment, because there is a complete lack of trust and faith in the game. That is why we are sitting here today. We heard from the evidence sessions that that lack of trust is hardwired in the National League, the EFL and the Premier League, so ensuring that everybody who loves the game sees the independent regulator as something to be trusted and as completely independent is so important. That is one of the key reasons why we are here today.

Stephanie Peacock: I welcome my hon. Friend's comments. He is absolutely right, and he sums up why the process for appointments must be robust and underpinned by transparency and accountability on all sides.

Dame Tracey Crouch (Chatham and Aylesford) (Con): The shadow Minister is making a very important point, but has she looked at the public appointments process on the Government website? The appointment to the independent regulator will be subject to the processes from the Office of the Commissioner for Public Appointments, which has stringent rules around appointments, particularly regarding transparency and conflicts.

Stephanie Peacock: I welcome that input, and that is absolutely right. I am trying with these probing amendments to seek some clarity from the Government, so that all hon. Members and everyone who has an interest in the Bill are satisfied. I tabled them to make important clarifications and to ensure that appointments to the regulator are free from vested interests. I believe that that is the intention behind the Bill.

It is peculiar that the process of declaring a conflict of interest does not involve potential appointees making any declarations themselves. Given that potential appointees are the experts on their own history, they must take a level of responsibility for ensuring that time is not wasted as part of their appointment. Amendment 15 would ensure that candidates are obliged to make a declaration if they hold any relevant interests that might give rise to a conflict. That would create a pathway for unsuitable candidates to be easily and quickly dismissed, and ensure that the appointer is not the only person responsible for identifying conflicts. That shared accountability would strengthen the process.

The involvement of the appointer in any investigation of any potential conflicts will also be crucial. I tabled amendment 14 to require appointers to categorically and objectively ensure that the candidate is free from vested interests. It is not enough for an appointer to simply say they are satisfied that there is no conflict; the Bill must require a level of intentional due diligence on behalf of the appointer, so that if any conflicts are identified later down the line, there is a level of objective accountability. Replacing "is satisfied" with "has ensured" will strengthen not only the wording but the entire system of appointments.

I hope that the Minister can accept the changes as a necessary part of achieving the Bill's aims, or at the very least can provide clarification on why the Bill as drafted allows for subjectivity in decision making when it comes to conflicts. It is only by getting the appointment system right that we will get the regulatory system right. We hope that the process will be watertight.

Stuart Andrew: The Government recognise the intent behind the amendments, which is to make certain that the board is free from conflicts of interest—not least given the fact that so many of the witnesses talked about trust, as the hon. Member for Liverpool, West Derby just mentioned. It is essential that the regulator can deliver its regime free from influence from Government or the industry that it will regulate, which is why

independence has driven the design of the regulator from the start. That is reflected throughout the Bill and will continue to shape how the regulator is established, including the appointment of its board.

I strongly support the objective that conflicts of interests should be managed appropriately, but the amendments are unnecessary. The current drafting, supported by public law principles, as my hon. Friend the Member for Chatham and Aylesford hon. Friend mentioned, and non-legislative measures already in place achieve that objective. The appointer must already satisfy themselves that a candidate board member is free from conflicts before appointing them, and the board members will have responsibilities to openly and honestly declare any interests that could give rise to actual or perceived conflicts.

In addition to the checks for conflicts at the point of making the appointment, there is an explicit requirement in schedule 2(22) for members of the board to declare their interest in any matters that fall for consideration by the board. That paragraph sets out a process for managing any interests in line with the approach taken for other regulators, and provides assurance regarding the suitable management of board members' interests. Members of the regulator's board and their terms of appointment will be subject to the Cabinet Office's "Code of Conduct for Board Members of Public Bodies", which sets out clear requirements on the appropriate disclosure and management of conflicts of interests. For the reasons that I have set out, I am not able to accept the amendment tabled by the hon. Member for Barnsley East, and I hope that she will withdraw it.

Stephanie Peacock: I am grateful to the Minister, and on the basis of what he has said, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 2 agreed to.

Clause 6

THE IFR'S OBJECTIVES

2.45 pm

Question proposed, That the clause stand part of the Bill.

Stuart Andrew: The clause sets out the regulator's objectives, which are its primary aims and also the limits of its statutory remit. As clause 7 sets out, the regulator may only act if the action taken advances

"so far as reasonably practical...one or more of the IFR's objectives".

The fan-led review highlighted a myriad problems facing football in this country, and they are all important issues on which action is need. However, in our response to the independent review, and the White Paper that followed, we were clear that not all those problems are for a regulator to fix. The Government have been clear about the areas on which a potential football regulator would need to act. They are areas related only to sustainability, as it is on the issue of sustainability that we believe the market has failed and remains ill-equipped to act. The three objectives in clause 6 codify that intention into legislation, while limiting the opportunity for scope creep to the various broader issues in football.

The first objective on financial soundness looks to deal with the ability of individual clubs to continue to meet their debts and liabilities, even in the face of changing circumstances, new risks and financial shocks. The lower the risk that a club will be unable to meet its debts and liabilities in the future, the more financially sound it is. More financially sound clubs should help to reduce the risk of clubs being run into the ground and lost to their communities.

The second objective is on the wider financial resilience of the English football system. It involves the regulator taking a more macro view of the market to address structural issues and systemic financial risks. There are issues that individually are a small problem, but when aggregated or multiplied pose a significant threat to groups of clubs or the pyramid as a whole. Examples include the distribution of broadcast revenue throughout the football pyramid, or where several clubs are highly dependent on similar sources of income or similar credit markets.

Mr Betts: I am interested in what the Minister says about the sustainability of the football pyramid. If a particular measure on the distribution of funding affects other clubs and those in the pyramid that receive that money, that could be construed as posing a risk to the pyramid and might fall within the remit of clause 6(b).

Stuart Andrew: We have had this discussion many times, and I look forward to further debate on this as we go through the Bill. The hon. Gentleman will know that we also have provisions in the Bill for the regulator to look at those sorts of issues through the licensing conditions. I look forward to going into that in a bit more detail with him when we get to that part of the Bill, but I am acutely aware of his interest in that specific issue.

The third objective is on safeguarding the heritage of English football. Since the game was first played more than 160 years ago, football clubs have been an integral part of local communities and the lives of their supporters. The identity of each club is unique and often entwined with the identity of its fans and the history of the local community. Clearly, financial collapse is a risk, but so is the potential for clubs to become unrecognisable to their fans and communities.

Ian Byrne: That is a really good outline of why heritage is important. The Minister has talked about communities and football clubs. Maybe two words were missed out: “working class”. We have to ensure that working-class representation in the game stays within the game, as part of the heritage. I ask the Minister to include ticket pricing in that, because if we price working-class fans out of the game, we lose the lifeblood of the game.

Stuart Andrew: I never thought I would get into a discussion about class when talking about this Bill. My view is that football is there for everybody, and I absolutely recognise the roots of it in various parts of the country. Of course, particularly in the hon. Gentleman’s part of the world, there is a close association. I know we will come on to ticket prices later, but I hope the clause provides reassurance that the things that are important to fans—the identity of their club with their community, the colours, the names and so on—are an integral part of the work that the regulator will do to protect them.

Mr Betts: I am interested in the Minister’s definition of heritage. So far he has talked about the heritage of English football clubs, not the wider game, and that is quite interesting. Does he accept, for example, that the FA cup is very much part of the heritage of football in this country, and therefore the regulator ought to be able to give some thought to that competition and its future?

Stuart Andrew: The hon. Gentleman tempts me to get drawn into an area of further expansion. I understand his point. I have never in my entire life been stopped by so many people to talk to me about football as on the weekend that announcement was made. I of course recognise the importance of the FA cup, but for the regulator to get into areas of match timings, replays and so on may be a bit too far. We will probably look more into that later.

The third objective looks to safeguard the elements I mentioned in the interests of the community and future fans, but not to stand in the way of the natural growth and renewal of a club. I commend the clause to the Committee.

Stephanie Peacock: Given the purpose of the Bill, as set out in clause 1, it is important that the regulator’s objectives are shaped carefully and clearly, as they will underpin many of the other measures. Although the fan-led review initially recommended a dual focus on sustainability and competitiveness, when it came to the regulator’s objectives the White Paper streamlined things so that the primary duties were regarding sustainability, with competitiveness becoming a secondary focus. I understand the Government’s reasons for that and have welcomed the subsequent primary duties being in three areas: the financial sustainability of individual clubs, the systematic stability of the football pyramid, and protecting cultural heritage.

I am pleased that the proposal from the White Paper is largely reflected in the Bill. However, I am curious about a few small changes, to which my hon. Friend the Member for Sheffield South East alluded in his intervention. For example, the exact wording in the Bill has “financial soundness” rather than “sustainability”, as was in the White Paper. Will the Minister explain why? It seems strange that the word “sustainability” is not included at all in the objectives. Further to that, the White Paper framed the systemic financial resilience objective in terms of the football pyramid, but the Bill goes only so far as to say “English football”. Will the Minister tell us whether the word “pyramid” has been purposely omitted? Or does he believe that the definition of “English football” adequately covers things? I have no further issues with the intent of the objectives, but the wording is important if the Bill is to achieve its stated aims.

Mr Betts: The Minister’s answer with regard to the FA cup will disappoint many football fans. Football fans look to us to address things that matter to them, and the Minister is right that many fans were outraged at the decision taken with no consultation—not even proper consultation with the EFL and other leagues—to simply abandon FA cup replays.

We could all wax lyrical about the FA cup replay matches we have been to. Those are the ones I remember, and I refer again back to the 1970s, when Sheffield

[Mr Betts]

Wednesday, a third-tier club, had four FA cup replays with Arsenal, which was then in the top tier. I remember every one of those games—I went to four of them at least—because they were a unique experience, and that is what many fans feel. They want us to recognise that and to give some assurance that such decisions will not be taken with their interests cast to one side, as though they simply do not matter.

Robin Millar (Aberconwy) (Con): The hon. Gentleman will have heard the questions that I asked in the evidence sessions that reflected that concern. However, I am mindful of Ronald Reagan, who said that the scariest words in the English language are, “I’m from the Government and I’m here to help.” Does the hon. Gentleman accept that there is reason, merit and even value in the Government’s cautious approach?

Mr Betts: We should always be cautious when we look at regulation. Without drawing you into the debate, Sir Christopher, I am sure that you would echo that point. Nevertheless, the fact is that there is a bit of conflict in the Government’s argument. Why are we here today with the Bill in terms of regulation? One of the reasons why is that a handful of clubs decided that they wanted to break away into a European super league, so the Bill specifically mentions clubs not being able to simply up roots and go into a different league without permission. The Bill legislates for and gives the regulator powers over new competitions and which clubs may enter into them, but no powers over existing competitions and how they may be changed.

Let me put a scenario to the Minister that involves not just FA cup replays, because I suppose that decision could be reversed; it would not be too difficult to manage if we got to the point where we wanted that to happen. Let us say there is a scenario—it nearly happened a few years ago—in which the Premier League decides to create a Premier League Two, then pulls the drawbridge up and stops relegation from that league. What would happen then? Would the Minister say, “That is terrible. I am getting a lot of letters and emails and people stopping me in the street; I cannot do anything about it and the regulator has no power”? Indeed, would the regulator have a power to intervene at that point, because that would be a major disruption to the whole structure and pyramid of English football? If the regulator will not be there to protect the pyramid, what will it be there for?

Stuart Andrew: On the hon. Lady’s points, the term “sustainability” is used in the purposes and not again in its objectives. Our advice from the Office of the Parliamentary Counsel said that “soundness” achieves the same thing, but we are talking about the remit over the entire pyramid. We feel that would overstretch the regulator, which is why we are focusing on the top five leagues.

I understand the points made by the hon. Member for Sheffield South East. On a recent podcast, I repeated the phrase, used by many, that replays are often the David and Goliath of English football. However, in terms of financial sustainability, I cannot imagine a single club relying on the off-chance that it may have a

replay at some point as a sustainable business model for its individual club. As I say, that is why the regulator will focus tightly on what the business plans would be.

Damian Collins (Folkestone and Hythe) (Con): Does my right hon. Friend agree that part of the tension here is that the FA is under pressure from UEFA to free up days in the football calendar? That means it is left in the invidious position where it either does that, or requires teams to play scratch sides to fulfil fixtures when they must otherwise manage their resources for competing fixtures as well. That is why we moved away from never-ending replays in the FA cup in the ’50s and ’60s to a far more limited scope for replays today.

Stuart Andrew: My hon. Friend has got it exactly right and articulated it extremely well. We recognise that that is the challenge football has with the obligations it must match with the likes of UEFA and so on. I thank my hon. Friend for his intervention, and with that I commend the clause to the Committee.

Question put and agreed to.

Clause 6 accordingly ordered to stand part of the Bill.

Clause 7 ordered to stand part of the Bill.

Clause 8

THE IFR’S REGULATORY PRINCIPLES

Stephanie Peacock: I beg to move amendment 2, in clause 8, page 5, line 33, at end insert—

“(iv) supporters and supporters’ organisations”.

The Chair: With this it will be convenient to discuss the following:

Amendment 9, in clause 8, page 5, line 33, at end insert—

“(iv) football fans,

(v) football supporter organisations,

(vi) any local community groups that the IFR considers relevant,

(vii) employee groups and unions with members employed by football clubs, and

(viii) professional football players and their representatives.”

This amendment expands the list of those whom the IFR must engage constructively.

Amendment 20, in clause 8, page 5, line 33, at end insert—

“(iv) representatives of major club employee groups such as player or staff unions.”

Stephanie Peacock: It is good to be able to discuss the issue of who the regulator is to work constructively with in the context of my amendment 9 and amendments 2 and 20, which were tabled by my colleagues.

I of course welcome the principle that on the whole the regulator should co-operate and proactively and constructively engage with existing structures in the footballing industry. That is incredibly important if we are to ensure that the landscape of football governance runs as smoothly as possible. However, currently the list of people or groups that that obligation applies to is limited to clubs’ owners, officers and competition organisers.

Those are all vital groups that the regulator will have to work well with, and I am pleased they are included, not least if the regulator is really to employ an advocacy-first approach. However, there is no explicit mention of fans, supporters' trusts or local community groups who might be engaged with constructively. That seems a strange omission given the rhetoric surrounding the Bill—namely, that it will ensure that football is for the fans—and the fact that its purpose is to serve the interests of fans.

3 pm

[MR CLIVE BETTS *in the Chair*]

Of course, there are measures in the Bill that require clubs to consult fans on certain issues. However, the principles do not require the regulator to be constructive with fans, or even with representatives of fans such as the Football Supporters' Association. I am keen to hear from the Minister why that is. There are provisions for clubs to listen to fans, so why should the regulator not be required to have a constructive working relationship with fans? This is not just a matter of moral conscience. Fans and supporters' groups know their clubs inside out and have the potential to act as useful resources to get an insight into the issues that a club might face and how those issues are impacting local people.

Similarly, as the Bill is drafted, there is no reference to players as a group the regulator should co-operate with. That reflects a broader concern about the Bill that I raised on Second Reading on behalf of the PFA. There is not a single mention of players, even though they are the main employment group within the regulated clubs. This means that the decisions that the regulator makes could have a tangible impact on their employment. For example, if the regulator exercises its powers to withdraw approval for a competition or refuses a licence to a club owner, there would be a direct consequence on the contracts of and conditions for players.

On the other hand, the regulator could benefit from engagement with players. The PFA identified that players, alongside other club staff, are often the first to experience the warning signs that a club is facing financial issues. Therefore, they could act as a useful resource to prevent more serious issues occurring. Just as with fans, the professional game could not exist without players, so will the Minister explain why players are not mentioned in this part or elsewhere in the Bill?

Finally, the Bill does not currently recognise that there are cross-governance structures that work well within the game and with which it might be beneficial for the regulator to work constructively.

Robin Millar: I am really sympathetic to the notion of a redistributed ownership of the game; I have always struggled with the idea that the ownership sits, for example, with the Premier League. The Bill makes provision for consultation or constructive engagement with clubs. Is it the hon. Member's contention that that is not satisfactory, because many clubs do engage with fans and, obviously, will talk to their players?

Stephanie Peacock: No. The point I am making is that, as we heard in the evidence sessions, lots of clubs have lots of good structures and some best practice that we can learn from, but this particular part of the Bill

lists the groups that the regulator should have a relationship with, and I am simply suggesting that we could strengthen that. I am interested to hear what the Minister has to say.

Matt Rodda (Reading East) (Lab): My hon. Friend is making an excellent point about the importance of fans and players, and indeed, by implication, football club staff. As we heard this morning, fans, players and others have suffered from enormous challenges when there have been problems with ownership. It is difficult to describe the full level of stress and pressure that many fans of clubs have suffered over long periods, sometimes for more than one season. I believe that my hon. Friend is making a very worthy and important point, which I hope the Minister will consider.

Stephanie Peacock: I appreciate my hon. Friend's intervention. I know the amount of work that he has done with his local football club and with fan groups.

Rachel Hopkins: I, too, mentioned this point on Second Reading. Does my hon. Friend agree that not including groups such as fans, players or staff of clubs would be like the health regulator regulating hospitals but not talking to patients or doctors?

Stephanie Peacock: My hon. Friend makes an important point. Again, we are attempting to be as helpful as we can. We are not giving a veto; we are simply saying that the regulator should have a good, constructive working relationship with these groups.

I will make a little progress. My final point, as I said, is that the Bill does not currently recognise that there are cross-governance structures that work well within the game and with which it could be beneficial for the regulator to work constructively. The PFA provides an example of that in the Professional Football Negotiating and Consultative Committee. This mechanism is used by the league's union and governing body of football to provide a backstop on players' rights, ensuring that substantive changes to player contracts and conditions cannot be made unilaterally. Where collaboration works well in the football ecosystem, it is important that the regulator can work constructively with the bodies as well as clubs, governance structures and competition organisers. Has the Minister considered that? I would welcome his thoughts on that today.

It is great that the independent regulator will be tasked with working constructively, but we must make sure that there is a comprehensive list of those that should apply to so that co-operation exists in the new landscape wherever possible. I tabled amendment 9 to broaden the scope of constructive working. I hope Members across the Committee will lend their support.

Amendments 20 and 2, tabled by my hon. Friends the Members for Liverpool, West Derby and for Sheffield South East, mirror my amendment, demonstrating that there is a wider recognition of the need to expand the list. I hope that the Minister will take that into account.

Dame Tracey Crouch: I am not unsympathetic to the hon. Lady's point about supporters and the fan community, but given that the Bill establishes an independent regulator to look at the long-term financial sustainability of the game, what does she think the other people listed in her

[*Dame Tracey Crouch*]

amendment would practically contribute to, for example, the owners and directors tests or some of the licence conditions?

Stephanie Peacock: We are not suggesting that they will all be able to contribute to every element. I gave an example where, for example, football clubs are in the early stages of suffering financial problems and issues. Often, the groups that I refer to are the first to recognise and realise that. We are simply attempting to make sure that the legislation is as strong as it can be and that the regulator has the most thorough and useful list of people to work with constructively.

[*SIR CHRISTOPHER CHOPE in the Chair*]

Ian Byrne: My amendment 2 builds on what my hon. Friend has just spoken about. The principles are all fine, but there is a glaring omission. We are here today because of supporters. It was the supporters that defeated the European Super League. If the reports are true, the then Prime Minister met the chief executive of Manchester United and there was not much of a furore around the European Super League politically. That suddenly changed when the fans rose up from every single club that was involved, much to the consternation of the owners—I know this personally. They thought that the fans of the said clubs would be delighted at the riches that were going to be pouring into their clubs and at ensuring their success, but that was not the case. It was the supporters of the six clubs and also the pyramid that rose up and defeated the European Super League.

Robin Millar: The hon. Gentleman and I see eye to eye on this, but it would be remiss of me not to point out, from the Government Back Benches, that the Prime Minister at the time was well aware of the objections and concerns that were felt across our constituencies.

Ian Byrne: That is a fine point. I am not excluding anybody, because there was outrage across the piece. Setting this regulator up is welcome, but it must have supporters at its heart. The regulatory principles should include supporters, so I hope the Minister takes on board what we have outlined and adds that one word, which would make a huge difference. It would reinstate trust in the whole process if supporters were listened to.

Mr Betts: I was thinking of moving my amendment from the Chair and then I could have directed the Minister to agree with it. [*Laughter.*] This proposal would feel very strange, as Ben Wright from the PFA said this morning, without the two groups of people who are absolutely key to football. We can manage without owners and directors, but we cannot manage without fans and players, and they are not mentioned in this part of the Bill. Will the Minister give us some comfort at least about how that particular point will be addressed?

Stuart Andrew: I recognise the intent behind the amendments, which is to add further groups to the list of persons the regulator should co-operate and proactively and constructively engage with. However, we do not think that is necessary, and we believe it would alter the intention and effect of the regulatory principle in question.

We have always said that the regulator should take a participative approach to regulation, which means to co-operate constructively with the regulated industry where possible.

The principle's original intention was to guide the regulator to take that approach, which might not otherwise have been implicit, since the natural instinct for regulators may be not to co-operate with the persons they are regulating. By contrast, for other groups such as fans and members of local communities, it is implicit that the regulator should engage with them where appropriate, not least because the sustainability objective of the regulator is in the very interests of fans. Indeed, fans and local communities are the key consumer group that the regulator is established to protect. They feature in the very purpose of the Bill in clause 1.

My concern is that to list every possible stakeholder that the regulator should engage with during the course of regulation would be a slippery slope that could impact on the effectiveness and, crucially, the speed of the regime. That is not the intention of this principle, nor is it necessary detail for the face of the Bill.

I absolutely recognise that players and fans have a huge role to play in football. It will be for the regulator to engage with those stakeholders during the appropriate process. That is why, absolutely, where collaboration is working well, we would expect the regulator to continue that. Having a comprehensive list might mean that we miss out a group that we would like the regulator to consult. It might also mean that the regulator then feels obliged to consult that entire list on everything, whether appropriate or not, clogging the regulator up, if we are not careful.

Damian Collins: I am following what the Minister is saying carefully. Does he believe that it would be appropriate for the regulator to require the clubs to engage effectively with their fans, as the Bill asks them to do, and to ensure the welfare of their players, and that the regulator should stipulate that the clubs set out how they will do that through their corporate governance statement, as part of the licensing regime? When we consider schedule 5, it might be appropriate to reference some of those points specifically in the Bill as part of the licensing condition.

Stuart Andrew: My hon. Friend makes some interesting points. We will come to those measures later. I am slightly nervous about having a prescriptive way of engaging with fans. Depending on which club it is, it might be that the way a club engages its fans absolutely meets what the fans want. They might recognise that it is a good working relationship, which achieves the objectives they want. What we want is a minimum standard. Perhaps that is what he is alluding to.

Damian Collins: I think my right hon. Friend is right. I would not suggest a prescriptive requirement, but simply a requirement for the club to state its policy.

Stuart Andrew: Absolutely, and we will come to that later in the Bill. I take on board the point made by the hon. Member for Barnsley East about the health regulator, for example. We do not need to tell that regulator to co-operate with the very people it is designed and obliged to protect the interests of, so we are following the same pattern here.

Rachel Hopkins: I listened to what the Minister said, but a number of regulators have statutory consultees, including groups of people who are involved in that industry or the service that they receive. I am coming from that point, which is why I would like to see them on the face of the Bill.

Stuart Andrew: I understand the hon. Lady's point. I do feel confident, and I am trying to make this as clear as possible, that I cannot envisage why the regulator, where there is an issue that affects the fans, would not be looking at that. We will continue to look at this very carefully and make sure that we have got it right. I want to make it very clear, as the Minister, that we expect fans to be very much part of this process. That is why I said that clause 1 was so important in making that point right at the very outset.

3.15 pm

Stephanie Peacock: I appreciate the Minister's response. He said that it could be quite burdensome to engage with every stakeholder, but that is not what this amendment seeks to do; it aims to lay out what we see as the most important ones. That includes players and fans, without which we could not be here. I think the Minister said that that is implicit. Why not make it explicit? Going back to that argument around burdens, the Bill mentions engagement so far as is "reasonably practicable", so there is already that safeguard for the regulator. For that reason, I would like to press amendment 9 to a vote.

Ian Byrne: The Minister spoke about a stakeholder list, but actually the amendment was just about supporters. They asked for that single word, "supporters", just to be on the face of the Bill. I think it would make a huge difference to supporters across the land if it was enshrined in the regulator's principles. I think it would genuinely make a massive difference, so I do hope the Minister considers that at the next stage.

Stephanie Peacock: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 9, in clause 8, page 5, line 33, at end insert—

- “(iv) football fans,
 - (v) football supporter organisations,
 - (vi) any local community groups that the IFR considers relevant,
 - (vii) employee groups and unions with members employed by football clubs, and
 - (viii) professional football players and their representatives.”
- (*Stephanie Peacock.*)

This amendment expands the list of those whom the IFR must engage constructively.

The Committee divided: Ayes 6, Noes 9.

Division No. 1]

AYES

| | |
|-----------------|--------------------|
| Betts, Mr Clive | Peacock, Stephanie |
| Byrne, Ian | Rodda, Matt |
| Hopkins, Rachel | Smith, Jeff |

NOES

| | |
|-----------------------|---------------------|
| Andrew, rh Stuart | Crouch, Dame Tracey |
| Bailey, Shaun | Green, Chris |
| Baynes, Simon | Millar, Robin |
| Clarke-Smith, Brendan | Wood, Mike |
| Collins, Damian | |

Question accordingly negatived.

Question proposed, That the clause stand part of the Bill.

Stuart Andrew: The regulatory principles outlined in this clause are designed to guide the regulator to exercise its functions appropriately and in the manner intended by Parliament. They are hugely unobjectionable but fundamental principles that should help to establish the regulator's mode of operating and culture. The regulator must have regard to these principles when acting. The first principle encourages time and cost-efficiency in everything that the regulator undertakes, encouraging swift action and value for money. The second principle encourages a participative approach to regulation, where the regulator should look to co-ordinate and co-operate with clubs, individuals at clubs and competition organisers. This reflects that the ideal regulatory environment is one where all stakeholders are working towards the same goals. The third principle encourages proportionality. The regulator should always look to choose the least restrictive option that delivers the intended outcome, and be able to justify why any restriction or burden is worth it for the benefits expected.

The fourth principle encourages the regulator to acknowledge the unique sporting context it is regulating within. For example, it should consider the existing rules and burdens clubs are subject to, and that market features—such as transfer windows—impose unique constraints on clubs.

The fifth principle encourages the regulator to apply regulation consistently, while still ensuring requirements are appropriately tailored to a club's specific circumstances. A Premier League club and a National League club operate in very different ways and face different risks. The regulator must take this into account when regulating. When clubs are equally risky, they should face equivalent requirements.

The sixth principle encourages the regulator, where appropriate, to hold the individuals responsible for making decisions at a club accountable for the actions of the club and its regulatory compliance. For too long, clubs and fans have suffered the consequences of bad actors and mismanagement by the individuals calling the shots.

The seventh and final principle encourages the regulator to be as transparent as possible in its actions. While the regulator will handle some sensitive information that should not be shared, it should look to provide and publish appropriate information on decisions wherever possible. It is important that the regulator, and its regime, are open and accessible to the industry, fans, and the general public.

Stephanie Peacock: I am pleased to welcome this clause, which sets out the principles with which the regulator will regulate. Along with clear objectives and duties, as well as the guidance which we will go on to

[Stephanie Peacock]

discuss, the principles will provide the regulator with clear direction and transparency in its dealings, which have long been missing from football governance. In particular, I would like to welcome the principle of proportionality. This principle should be very reassuring to well-run clubs who may otherwise have feared an over-burdensome regime. The proportionality requirement will ensure that where clubs are running sustainably, with low risk of harm, the regulator will have less of a role. In return, any restriction that the regulator does impose will be linked to a beneficial outcome.

It is also good to see the importance of consistency recognised, so that the regime is applied fairly, while acknowledging the relative circumstances of clubs. It is important that regulation is applied in the same way, where circumstances and risks are also the same. However, there may very well be differing conditions at the very top of the Premier League, in comparison to the National League, where I know there are fears about the burden of compliance, as we heard in our evidence earlier this week. The principles should help to alleviate any fears that the regulator will act without nuance on these differences. It will be an appropriately tailored regime, while maintaining a fair application of the rules overall. This is something that I am sure we will revisit multiple times in Committee.

I have a few questions I would like to clarify on these principles, including how the principles have changed since the White Paper. The initial document set out 10 proposed regulatory principles that were described as “basic and fundamental rules” for the regulator to follow. In the Bill, however, we are left with just seven. Some of this is due to condensing the principles into a smaller number. I understand the desire to not be over-wordy, but I do question whether that was necessary. For example, although the concepts of coherence and being context-specific overlap, each deserves an individual consideration.

Perhaps more concerning is that, looking closely at what has changed, some of the principles have been left out altogether. One clear omission is the principle of bold enforcement. The White Paper described how this principle would work as follows,

“When advocacy is ineffective, or in critical situations, intervention and enforcement should be bold. Sanctions should be strong and aim to deter future non-compliance.”

I am interested to hear from the Minister why this has been left out of the Bill. It is, of course, incredibly important that the regulator is not unduly heavy handed but, given the requirements for proportionality and constructive working, it is interesting that this is not complemented by the principle of bold enforcement, when this is actually necessary in critical situations.

Another omission is the principle that all decisions taken by the regulator should be evidence led. In the White Paper this was framed as being important so that all the regulator’s decisions can be defensible under scrutiny, being backed up by data, investigation, and information. Could the Minister give a reason as to why we would not want to see a regulator that puts data and evidence at the core of decision making? That is surely the intention of the Bill, and we cannot have regulation based on whims alone.

Stuart Andrew: I have to say that some things are not appropriate for the face of the Bill. Office of the Parliamentary Counsel advice tells us that to have bold enforcement does not do anything legally. Much of the work that the hon. Member alluded to, such as the advocacy-first approach and looking at the evidence—we will come on later to the sanctions a regulator will have at their disposal—involves trying to work with clubs to adhere to the conditions, and to get them on a stable footing before we get to that stage.

Question put and agreed to.

Clause 8 accordingly ordered to stand part of the Bill.

Clause 9

TRANSFER SCHEMES

Question proposed, That the clause stand part of the Bill.

The Chair: With this it is convenient to discuss schedule 3 stand part.

Stuart Andrew: We are committed to establishing the regulator as fast as possible post the passing of the Bill. To that end, we are building the regulator in shadow form within the Department for Culture, Media and Sport in parallel to the passage of the Bill, to enable the regulator to hit the ground running once it is legally established.

On the creation of the regulator, it will be necessary for property, rights, liabilities and staff held by the shadow regulator within DCMS to be transferred to the regulator. The most appropriate vehicle for affecting those transfers will be a statutory transfer scheme, as has been used in similar situations involving transfers of assets following the transfers of functions between public bodies. The details of such transfers will be determined at the point of transfer.

Question put and agreed to.

Clause 9 accordingly ordered to stand part of the Bill.

Schedule 3 agreed to.

Clause 10

STATE OF THE GAME REPORT

Stephanie Peacock: I beg to move amendment 11, in clause 10, page 6, line 21, at end insert—

“(ba) an evaluation of the potential impact of ticket pricing and kick off times on fans and make recommendations in accordance with that evaluation.”

The Chair: With this it will be convenient to discuss the following:

Amendment 6, in schedule 4, page 93, line 10, after “issues” insert “including ticket pricing”

Amendment 18, in schedule 4, page 93, line 12, at end insert—

“(f) match ticket prices and kick-off times”.

Stephanie Peacock: I welcome clause 10, which we will debate later on. It is an important provision that will require the regulator to conduct a first of its kind evidence-gathering exercise on the football industry, helping to build an objective evidence base to underpin the regulation of the sector.

I will now focus my comments on amendments 11 and 18 in my name, and amendment 6, which is in the name of my hon. Friend the Member for Liverpool, West Derby. The amendments focus on the issue of kick-off times and ticket prices. My amendments advocate for fans to be consulted on those two topics, and for the state of the game review to look at the impact of those topics on fans. I will start with why the inclusion of ticket prices is important in both cases, before speaking briefly on kick-off times.

Ultimately, if someone cannot afford to go to a game, then almost any other matchday issue will no longer be important to them. That is why ticket pricing is so crucial. If someone cannot attend the games of the club they love, many of the other issues around fan engagement will become almost irrelevant. Unfortunately, in recent years the cost of attending a football game has continued to accelerate in a way that has priced many longstanding supporters out. That has not necessarily been due to poor intent on behalf of clubs; as clubs face further financial hardship and fans face the brunt of the cost of living crisis, ticket prices have often been forced to swell at a time when fans have increasingly less to spare.

Not to single out any particular club out, but instead to take an example, Nottingham Forest season tickets for next year have increased on average by 28% for adults and 11% for children. In some price brackets the rise is even bigger. A child's ticket for next season can be bought for a blanket price of £190, up from the cheapest option of £90 this year—that is an increase of 111%. I do not know the details of Nottingham Forest's finances, and it is not for politicians to decide whether it is making the right commercial decisions. Indeed, the club said on social media that renewals on season tickets are up 50%, compared with last year, which shows there is still plenty of demand for seats. However, the public response of fan groups has confirmed that there remains a group who feel matches are no longer affordable. Those fans have been attending games week in, week out; they are members of the community that the club is based in. The loss of those people matters, and the regulator and clubs should care about it.

3.30 pm

Despite the importance of this issue to fans, Kevin Miles of the FSA told this Committee that supporters were not likely to be consulted on changes to ticket pricing. He said that representative fans of Newcastle were given just three days' notice of price rises for tickets, Fulham fans were given four hours, and the Nottingham Forest fan advisory board and trust were given no notice whatever.

Some fans are also concerned that there has been limited consultation when concessions have been removed or reduced. For example, the Save Our Seniors group—an informal coalition of Spurs fans that is trying to get the club to reverse its decision to end concessionary pricing for senior citizens—got in touch with me and said that it understands that there has been no consultation with either the club's fan advisory board or the official supporters trust on the changes.

I understand that it is incredibly important that the scope of the regulator should not stray into areas beyond its remit. I want to be clear that I am not suggesting that the regulator or fans should be able to impose any requirements on clubs or competition organisers to sell

tickets at certain prices. That is not for anyone other than the clubs and competition organisers to decide. However, I believe that well-run clubs will want to hear from fans on the issues that matter to them most. I will be interested to see any trends on prices and how they impact fans and attendances.

Ian Byrne: On the point about supporters not dictating ticket prices, in 2013 the supporters came together and fought for a price cap on away ticket prices, because clubs, left to their own devices, were pricing them out of the game. I think the Arsenal-Liverpool game in 2013 was the tipping point—I think that was £68. It was felt that that was unsustainable, and that was happening right across the football pyramid. Supporters came together, campaigned and got the Premier League to sit down with them in a room and acknowledge that it was getting too expensive, and a £30 price cap was then designated. The atmosphere of games was a unique selling point for the Premier League. It was willing to price supporters out, and it was supporters who brought it to its senses.

Stephanie Peacock: That is a good example that highlights that well-run clubs will want to hear from fans on the issues that matter most to them. Of course, the ability of fans to attend games is incredibly relevant to the financial sustainability of every club. Match-day revenue is a crucial pillar of club finances, and of course getting pricing right will require much more than fan input alone, but I believe that at the very least fans deserve to have their voices heard on the matter, and they have something to offer clubs in return.

Robin Millar: It is true that there is a sense that clubs are starting to treat fans as extras who pay for the privilege in a televised spectacle, but surely the hon. Lady would not want the regulator to interfere with market dynamics and a club's commercial approach. I am struggling to hear that in her speech. I get that these are important issues, but I am not quite sure why the regulator should get involved.

Stephanie Peacock: I completely understand the hon. Gentleman's point, and we respect the fact that it is a commercial decision. Obviously, like me, he will have heard the evidence sessions. Fan groups said time and again that this is a really important issue and that they are not being consulted meaningfully. My hon. Friend the Member for Liverpool, West Derby gave a good example of the benefit to fans; we are simply trying to highlight that point, because we want that meaningful relationship with fans to be as constructive as possible.

I will briefly move on to kick-off times. The FSA says that one of the biggest sources of complaints to its inbox is match-going fans complaining about the scheduling of games. That is not just grumbling about inconvenience; late changes to scheduling can impact on fans' lives and finances. With good notice for games, fans can book time off work, access advance rail tickets and accommodation, and budget accordingly. Late changes to kick-off times, which are becoming increasingly common, mean that fans are forced to make expensive cancellations or spend large sums on last-minute public transport and hotel bookings.

[Stephanie Peacock]

If the purpose of the Bill is to ensure that the game continues to serve the interests of fans and contribute to the wellbeing of local communities, the regulator must at least be taking note of the areas that matter most to fans. To reiterate, I do not believe it would be right for the regulator to take any kind of proactive role in dictating to clubs and competition organisers when matches should be played, but as I have said many times before, Ministers have repeated themselves over and over about how important fans are to football, so if that is the case, both the state of the game report and the clubs, when consulting fans, should be looking at the areas that matter most to those people.

Stuart Andrew: I absolutely recognise that issues such as ticket pricing are really important to fans. Indeed, match days, as others have said, would not be what they are without the fans. The Government believe it is important that clubs consult fans on key off-pitch issues that impact supporters, including operational and match-day issues. These provisions, and the wider provisions for fan engagement, will ensure that fans have a voice on the issues that are most important to them, but it would not be appropriate—the hon. Member for Barnsley East was alluding to this—for the regulator to be a fix for all of football’s woes. Rather, it will be set up with a tightly focused and defined scope and purpose, to tackle the specific market failures that carry a risk of significant harm to fans and communities.

Ian Byrne: I do not think the supporters expect the regulator to fix ticket prices. What they are expecting the regulator to do is to ensure that the clubs go into dialogue with the supporters, so that they can understand the difficulties that supporters may have in relation to affordability. Also, as we heard during the evidence sessions today, many decisions are being made by clubs instantaneously, or within hours, and with zero consultation, which is a cause of massive discomfort. We heard about Arsenal and Tottenham football clubs getting rid of concessions. My own football club, Liverpool, made a decision to increase ticket prices with zero consultation. That is what needs to stop. These are important things. I link this to the heritage element: if we price football supporters out of the game, we lose the heritage of football.

Stuart Andrew: I absolutely understand the hon. Gentleman’s point. It is why, on page 93, the Bill specifically says that the “relevant matters” include “matters relating to...operational and match-day issues”. I encourage the clubs to speak to the fans about these very issues.

The Bill is very focused on sustainability in order to protect the long-term future of clubs, in the interests of the fans and the local communities. That means that the regulator will not intervene directly on issues outside this scope—including match scheduling and ticket prices. Issues of that kind are for football to address. It is well within the gift of the leagues and the authorities to intervene if clubs are not getting it right.

The purpose of the state of the game report is to allow the regulator to better understand the finances and economics of the industry and its individual clubs. As industry experts said on Tuesday, the state of the game report will allow the regulator to look forward as well as

in the rear-view mirror. In turn, that allows it to deliver on ensuring the sustainability of clubs. To specifically require the regulator to consider ticket pricing and match scheduling as part of the report would detract from that purpose.

Mr Betts: The Minister is saying that this is a job for the leagues and the clubs. One problem with the legislation—it relates to the point made a few minutes ago by my hon. Friend the Member for Liverpool, West Derby—is that clubs consult their own supporters. The real argument in the Premier League a few years ago was about the price of tickets for away supporters. How do clubs consult on that? Why should not the regulator, in looking at the sustainability of the game, consider the impact on the future of the game of pricing out away supporters?

Stuart Andrew: Again, the clubs will have that engagement and raise those points with their own individual club—the away clubs can raise the issues within their club. This is actually putting it into legislation. It gives them that opportunity, which does not currently exist.

The Government do not believe that amendments 6 and 18 are necessary, as we expect that “operational and match-day issues”

will already capture ticket pricing, and kick-off times are ultimately a sporting decision. It is not for the regulator to intervene on the sporting calendar, but I do recognise the issues that it causes for fans. It has been raised in Culture, Media and Sport questions with me on a number of occasions, and I have raised it with the authorities. They have promised to come back to me although, in fairness to them, these decisions are sometimes out of their control too. It is quite a challenging area.

The Government would welcome any club that chose to go beyond the relevant matters and consulted fans on kick-off times and everything else. However, as I have just mentioned, it is not always an issue that clubs have enough control over to adequately consult fans and respond to opinions. Therefore, to mandate them to do so could be problematic.

For those reasons, I am not able to accept the amendments and I hope the hon. Member for Barnsley East’s will therefore withdraw them.

Stephanie Peacock: I appreciate the Minister’s comments. I am happy not to move amendment 18 but I would like to proceed to a vote on amendment 11.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 2]

AYES

| | |
|-----------------|--------------------|
| Betts, Mr Clive | Peacock, Stephanie |
| Byrne, Ian | Rodda, Matt |
| Hopkins, Rachel | Smith, Jeff |

NOES

| | |
|-----------------------|---------------------|
| Andrew, rh Stuart | Crouch, Dame Tracey |
| Bailey, Shaun | Firth, Anna |
| Baynes, Simon | Green, Chris |
| Clarke-Smith, Brendan | Millar, Robin |
| Collins, Damian | Wood, Mike |

Question accordingly negated.

Stephanie Peacock: I beg to move amendment 10, in clause 10, page 6, line 24, at end insert—

“(2A) A state of the game report must, notwithstanding whether any women’s football competitions have been specified, consider the state of women’s football in England.”

This amendment would include the women’s game in the scope of the State of the Game report.

Amendment 10 will ensure the women’s game is another area that is explicitly required to fall in the scope of the state of the game report. The Secretary of State will have ultimate discretion over which competitions are covered by the regulator but, as my new clause 1 implies, I believe when it comes to the women’s game they should have the ability to review this after the appropriate time has passed.

To make that decision, it is important that Ministers have just as clear a picture of the women’s professional game as they do the men’s. The state of the game of the report seems like the natural place for this picture to be built. Not only will the regulator be able to build a comprehensive and objective evidence base regarding the women’s game, without the influence of vested interests, but, given it is to be repeated at regular intervals, the reviews will also be able to show how the women’s game is changing over time and cross-reference this with the comparative picture in the men’s game.

Without the women’s game being included in the state of the game report, it is unclear how Ministers will be able to make informed decisions on its inclusion within the scope of the regulator in years to come. Likewise, as financial sustainability rightly becomes a focus in the men’s game, we must ensure this has no negative consequences for the growth of the women’s game. Indeed, it would not be the first time that women’s teams have been asked to make sacrifices in order to ensure a men’s side has enough funding. When both men’s and women’s teams at Reading were relegated last year, it was the women’s team who were forced to go part-time as part of a decision that the CEO said was a “difficult but necessary financial” solution. We must avoid this happening on a systemic level as a result of what otherwise would have been a positive change to the men’s game.

Including women’s professional football in the state of the game report will enable a level of transparency over issues like this which, in turn, will breed accountability. As I have spoken to previously, the women’s game is at a formative and delicate part of its growth cycle. It has huge potential. Stadium attendance and broadcast audience records continue to be broken. Two consecutive Lionesses have won Sports Personality of the Year and UEFA estimates that European women’s football could see a sixfold increase in commercial value over the next decade. For this growth to be sustainable and beneficial, we must ensure standards are set in the right place at the right time. A comprehensive overview of the state of the game should help to achieve this. Of course, the regulator may choose to cover this issue anyway, but I believe that this is an important enough aspect of football that there is significant risk if it is not included in the general scope. I hope Members will support me and I am very interested to hear what the Minister has to say.

3.45 pm

Stuart Andrew: The purpose of the state of the game report is to allow the regulator to better understand the finances and economics of English football, and is currently intended to include the top five tiers of men’s professional football. That, in turn, informs the regulator’s approach to the exercise of its functions and decision making across the regulatory framework.

The amendment would require the regulator to, in addition, consider the state of women’s football in England in the state of the game report, but we have been clear that that is not the intended scope of the regulator’s functions. As we set out in the White Paper, consultation response, and the Bill’s accompanying explanatory notes, we intend this to be for the top five tiers of the men’s professional game. That reflects the fact that the regulator’s scope has been carefully targeted at addressing harm where industry has failed to reform.

That said, where appropriate, the regulator has the ability to share relevant information, guidance and best practice with relevant industry bodies to deliver an effective framework of regulation. Indeed, the Government expects that that could include sharing information with NewCo, the independent entity responsible for managing the women’s professional game. The women’s game is at an exciting and pivotal stage, and should be afforded the opportunity to self-regulate in the first instance. That is why it is not part of the regulator’s intended scope, nor would it therefore be appropriate for it to be within the scope of the state of the game report.

But, even without an explicit statutory requirement, there is nothing to stop the Government or industry looking into women’s football and the unique challenges that it faces. Indeed, this Government have remained committed to supporting women’s football at every opportunity, including with the review that I mentioned a moment ago. In our Government response to that review, we demonstrated our support for all 10 strategic recommendations, and we believe that those need to be acted on to lift minimum standards and deliver bold and sustainable growth for women’s football at both elite and grassroots levels.

If, in future, the women’s game was brought into the scope of the regulator, it would then fall within the matters to be covered as part of the state of the game report. I would like to reassure Members that the future of women’s football, and addressing the challenges that it faces, is hugely important. However, we think that considering that as part of the state of the game report would not be appropriate, given that the report is focused on matters within the scope of the regulator. For those reasons, I am not able to accept the amendment from the hon. Member for Barnsley East, and I therefore hope that she will withdraw it.

Stephanie Peacock: I thank the Minister for his explanation. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 10 accordingly ordered to stand part of the Bill.

Clause 11

FOOTBALL GOVERNANCE STATEMENT

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss clause 12 stand part.

Clause 13 stand part.

Stuart Andrew: Clause 11 provides a power for the Secretary of State to issue a statement on the Government's policies relating to football governance. A football governance statement can be used only to flag issues within the scope of the regulator's regulatory regime and should not be used to direct its day-to-day operations.

The regulator's general duties, set out in clause 7, require it to "have regard" to any football governance statement when exercising its functions under the Bill. It is common practice for the Government to issue a similar statement with other regulators. The clause is an appropriate and proportionate power, which will help to give assurance to the Government and Parliament that the regulator is acting within its regulatory scope and has regard to arising issues. It will not interfere with any daily operations or affect the independence of the regulator.

On clause 12, the football industry should not be left to piece together what is expected of it based on the legislation alone. That is why the clause empowers the regulator to prepare and publish guidance on the exercise of its functions. That guidance will be crucial to translating the legal framework in the legislation into a detailed and practical explanation of the regulator's regime. It will ensure that the industry understands the regulatory system, what to expect from the regulator and what is expected of it. Not only will that reduce burdens but it should, hopefully, improve compliance. The clause sets out that the regulator must publish guidance about the exercise of its functions under specific sections of the Bill and also permits the regulator to publish guidance about the exercise of any of its other functions. The regulator must consult any persons it considers appropriate before publishing guidance for the first time and before revising guidance in future, unless those revisions are minor. That will ensure the regulator takes into account the views of all relevant stakeholders and experts when preparing its guidance.

Clause 13 permits the Secretary of State to prepare and publish guidance on the regulator's functions. That guidance is an opportunity to provide some additional detail as to how the Government intend the regime to be implemented, which was not suitable for inclusion in legislation. The industry and fans alike have been clear that they do not want to see ongoing Government involvement in football. That is why the regulator must have regard to the Secretary of State's guidance but is not obliged to follow it.

Stephanie Peacock: Clause 11 allows the Secretary of State to prepare, publish and lay before Parliament a football governance statement setting out the policies of the Government that relate to the governance of football, to which the regulator should have regard. First, I want to acknowledge that it is right that the regulator's

processes are independent of political influence. The core purpose of the new body is to be given independent jurisdiction over a remit focused on the sustainability of English football and it should have autonomy over its decision-making processes. I know that the likes of the Premier League are concerned that the statement might jeopardise that independence. Can the Minister confirm otherwise? I am sure he spoke about that in his remarks, but he can add more when he gets to his feet again.

Regardless of that, the independence of the regulator does not mean that there will be no interaction between its work and the will of the Government on football governance more broadly. It will therefore be helpful for the regulator to have a clear statement from the Government on relevant policies that might have an impact on its work. It is right that the statement is non-binding, to hopefully give the regulator the contextual information it needs without compromising its independence. It is also right that the statement cannot contain policies that are inconsistent with the purpose of the Bill or the regulator's objective. That means that Government policy and the regulator will be united on the cause of ensuring the sustainability of English football. I am hopeful that the clause will therefore act as another confirmation that the independent regulator will work collaboratively within the many existing structures that have an impact on the game.

As the hon. Member for Chatham and Aylesford said on Second Reading, clauses 12 and 13 will be key to how the regulator evolves. Indeed, many of the questions I will ask the Minister in Committee are on topics that I believe will likely be answered more fully as part of the guidance that will accompany the Bill's provisions. In short, the Bill is intended to provide a robust framework, and the guidance will flesh out how that framework can be translated into a real-life explanation of how the regulator will work in practice.

The guidance will improve transparency while also providing clarity for the competitions and clubs that will have to comply with the new regime. On clause 12 in particular, which relates to guidance that will be published by the regulator itself, that set-up will also enable the regulator to have some autonomy in the detail of its approach, subject to proper consultation and clear parameters set by the Bill. The IFR guidance on how it will exercise its functions relating to the discretionary licence conditions will be mandatory, with further guidance in other areas being optional. That will be incredibly important for clubs, allowing them to understand what the regulator seeks to achieve through the use of club-specific licence conditions and to become familiar with the detail of how the regime will be enforced.

There are many further areas in which I believe the IFR guidance will be beneficial so that the minimum standards are set. One area that springs to mind, and that I am sure we will go on to discuss, is how clubs can ensure their fan consultation meets the regulator's expectations, as well as the requirements in the Bill. I would be interested to hear from the Minister on any other areas in which he believes guidance would be helpful. As with the state of the game report, the timely publication of the guidance will be crucial. Clubs and competitions will want clarity at the right time as they prepare for and adjust to the new regulatory regime. Can the Minister provide some insight on the timelines

to which the IFR will or should be working to with regard to the guidance on passage of the Bill?

Clause 13, “Guidance published by the Secretary of State”, will primarily benefit the IFR. It is important that the regulator is able to understand the full intention behind the framework that the Bill provides so that it can exercise its functions accordingly. It is right that the guidance involves consultation with the IFR and relevant parties so that the resulting guidance is genuinely useful for facilitating the IFR’s work on football governance. In combination with clause 12, this will provide the colour to the clear boundaries that we are working to set through this Bill.

Stuart Andrew: I absolutely want to assure the hon. Lady about independence. It is essential that the regulator can deliver its regime free from any undue influence from industry or Government. However, as is the case with other regulators, it is appropriate that the regulator is accountable to both Parliament and Government. Holding it to account is also important to industry, which is why the Bill provides for that in a way that is proportionate while also protecting the regulator’s operational independence.

It will be for the regulator to determine when and where it publishes its guidance. We do not specify where it should be published, but we strongly expect that it will be published on its website in an easily accessible format in the way that most other regulators do, such as the Financial Conduct Authority with its handbook.

Robin Millar: Could the Minister imagine a situation in which the Secretary of State issues guidance as per clause 13—for, example, on some of the issues raised by the shadow Minister, the hon. Member for Barnsley East (Stephanie Peacock)—and the IFR then subsequently issues its own guidance as per clause 12?

Stuart Andrew: Yes, I have been very clear that the regulator must have regard to statements from the Secretary of State but is not compelled to follow them entirely. That is an important safeguard to ensure that independence in the setup that we are establishing.

Question put and agreed to.

*Clause 11 accordingly ordered to stand part of the Bill.
Clauses 12 and 13 ordered to stand part of the Bill.*

Clause 14

Annual report

Question proposed, That the clause stand part of the Bill.

Stuart Andrew: The clause requires the regulator to report annually to Parliament on its activities for that year. As with all public bodies, the regulator must arrange for the report to be laid before Parliament by the Secretary of State for purposes of transparency and scrutiny. The Secretary of State will have some flexibility to direct additional material to be included in the annual report to reflect further specific activity undertaken by the regulator or wider industry that year. That will help to ensure that the regulator produces its annual report consistently each year, and it will also ensure that it captures all relevant information, thereby allowing Parliament to have adequate oversight.

Stephanie Peacock: It is right that the independent regulator be required to submit an annual report on the exercise of its functions. In the interest of transparency and accountability, I believe it is standard practice for regulators to produce such annual reports and accounts, and the Independent Football Regulator should be no exception, so I have no particular worries or further questions.

Question put and agreed to.

Clause 14 accordingly ordered to stand part of the Bill.

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

3.59 pm

Adjourned till Tuesday 21 May at twenty-five minutes past Nine o’clock.

Written evidence reported to the House

FGB08 Arsenal Supporters Trust

FGB07 Simon Orriss, Head of Legal, Fair Game
(supplementary)

