# PARLIAMENTARY DEBATES

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OFFICIAL REPORT
GENERAL COMMITTEES

## Public Bill Committee

# FOOTBALL GOVERNANCE BILL [*LORDS*]

*Fifth Sitting*

*Tuesday 10 June 2025*

*(Morning)*

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**not later than**

**Saturday 14 June 2025**

**The Committee consisted of the following Members:**

*Chairs:* Dawn Butler, Esther McVey, Karl Turner, † Sir Jeremy Wright

† Betts, Mr Clive *(Sheffield South East)* (Lab)
† Bonavia, Kevin *(Stevenage)* (Lab)
Dewhirst, Charlie *(Bridlington and The Wolds)* (Con)
† Dickson, Jim *(Dartford)* (Lab)
Dillon, Mr Lee *(Newbury)* (LD)
† Foxcroft, Vicky *(Lord Commissioner of His Majesty's Treasury)*
† French, Mr Louie *(Old Bexley and Sidcup)* (Con)
† Jopp, Lincoln *(Spelthorne)* (Con)
† Martin, Amanda *(Portsmouth North)* (Lab)
† Naish, James *(Rushcliffe)* (Lab)
† Onn, Melanie *(Great Grimsby and Cleethorpes)* (Lab)
† Patrick, Matthew *(Wirral West)* (Lab)
† Peacock, Stephanie *(Parliamentary Under-Secretary of State for Culture, Media and Sport)*
† Pearce, Jon *(High Peak)* (Lab)
† Robertson, Joe *(Isle of Wight East)* (Con)
† Shanker, Baggy *(Derby South)* (Lab/Co-op)
† Wilkinson, Max *(Cheltenham)* (LD)

Aaron Kulakiewicz, Kevin Maddison, *Committee Clerks*

**† attended the Committee**

# Public Bill Committee

*Tuesday 10 June 2025*

*(Morning)*

[Sir Jeremy Wright *in the Chair*]

## Football Governance Bill [*Lords*]

9.25 am

**The Chair:** We are now sitting in public and proceedings are being broadcast. I remind all Members to switch their electronic devices to silent. We now resume line-by-line consideration of the Bill.

## Schedule 4

Threshold Requirements

**Mr Clive Betts** (Sheffield South East) (Lab): I beg to move amendment 14, in schedule 4, page 98, line 20, at end insert—

"(d) the home ground threshold requirement (see paragraph 4A)"

*See explanatory statement for Amendment 15.*

**The Chair:** With this it will be convenient to discuss amendment 15, schedule 4, page 99, line 41, at end insert—

*"Home ground*

4A (1) The home ground threshold requirement is met, in relation to a club, if the club—

(a) has security of tenure over a home ground for at least the minimum period; and

(b) the home ground is suitable for the club's use for footballing purposes.

(2) In subsection (1)(a), the minimum period is 20 years, or such other period as the IFR may determine in respect of a particular club (where there are compelling reasons why it should be shortened).

(3) In determining whether subsection (1)(b) is satisfied in respect of a club, the IFR shall have regard to the specified competition and league in which a club plays and whether the facilities satisfy the requirements set out by the relevant competition organiser(s), as well as any other factors that it deems relevant.

(4) In this paragraph 5, "home ground" shall have the meaning given to it in section 46(10)(a)."

*This amendment specifies what constitutes the home ground threshold requirement.*

**Mr Betts:** It is a pleasure to be back with you in the Chair, Sir Jeremy.

This might be termed the Dejphon Chansiri clause—though there are a number of those as we go through the Bill, and they could also apply to other owners of football clubs who have over the years behaved in ways that we might find unacceptable.

Within the Bill—and credit to my hon. Friend the Minister for this—there are clear requirements for clubs wanting to move grounds to properly consult and demonstrate that there are good footballing reasons to do so. There will occasionally be good reasons, when clubs should move as it is in their commercial and footballing interests to do so.

The problem with the Bill as it stands, however, which I have talked to my hon. Friend about on a number of occasions—she is probably fed up of hearing me on the subject—is where the owner has divested the ground separate from ownership of the club. The ownership of the ground is often therefore in a different place and with a different company. It is often, as in the case of Sheffield Wednesday, owned by the same person as the club, but in a different format, so the club could be sold but could be left with no ground.

There probably would not be many people who would want to buy a club in that situation, but we can see the possibilities for owners who do not have the best intentions to do things that are not acceptable. That has been starkly illustrated in the last two weeks, as supporters at Hillsborough have got angrier and angrier with the chairman and he has now gone on record on social media to say, "If you keep on protesting, I can find better things to do with this ground and make more money by building a supermarket or housing". He has actually put that in writing and said it, so I think we have to cover off those situations. With Sheffield Wednesday, I think the club has a lease on the ground and he would be legally challenged if he tried to do that, but the fact is that owners will try many things to maximise their personal financial interests.

Coming back to the content and intention of the Bill, it is right we are going to have a licensing system; we will come on to that in more detail in due course. The intention is that to get a licence, the owner has to show that they are a fit and proper person and demonstrate that they can run the club financially. If it is proper that the owner has to show that they have the financial resources to run the club, surely they need to show that they have a ground to play on. This amendment is almost as simple as that.

The English Football League rules as they are partly cover this issue, because the EFL requires clubs to demonstrate they have the 20-year use of a ground as part of their conditions. There is an overlap between what the regulator's powers are going to be and what the leagues do, but we want to make sure there are no gaps and that we cover off those with bad intentions. I am sure Mr Chansiri has the best of intentions—perhaps for himself and his family, I hasten to add—but nevertheless it is also true of clubs like Derby and Charlton and others, and we have seen in the past the sad case of Wimbledon, having to move halfway across the country because the owners got rid of their ground, Plough Lane.

We saw Brighton wandering homeless around the country for many years when the Goldstone Ground, which I remember going to several times, was sold for a supermarket there. Mr Chansiri is obviously following in those footsteps. That left the club in an awful situation. Let us not go there again; let us anticipate what might go wrong and put measures in place to stop it. That is what I am trying to do with my amendments. Even if the Minister cannot accept the precise wording, I hope that she will, at least, understand and recognise the problems that could exist, which need addressing at this stage.

9.30 am

**Mr Louie French** (Old Bexley and Sidcup) (Con): It is a privilege to serve under your chairmanship, Sir Jeremy, and to speak on day three—is it day three? Time flies when you're having fun!—of this Bill Committee.

The hon. Member for Sheffield South East has explained in quite lengthy detail the aims of the amendment; I will not repeat what he has said, because it is his amendment, but I have great sympathy with his arguments. Examples, as he says, include Derby, Sheffield Wednesday, Coventry, Wimbledon—for us slightly older football fans—and of course my home club, Charlton, where as I understand it the person who owned the club two owners ago retains ownership of both the stadium—The Valley—and the training ground.

That creates a number of challenges for clubs, not only on the playing side, but behind the scenes and on the academy side. It is a real issue in football. The hon. Member highlighted some of the tensions it causes, particularly with fans, and the great uncertainty about the future of the game and the participation of those clubs. It is always extremely disappointing and frustrating when a small number of owners clearly do not have the best long-term intentions for the club or the community that they serve.

I am interested to hear the Minister's response to the amendment and how it might work if it is agreed to. I would also like to understand how it would work for good owners who look to invest in their communities and grounds, and who ensure that clubs have new stadia, for example. The most obvious example, going into the new season, is Everton's new stadium. We in the Opposition do not want to restrict clubs from increasing capacity and investing in communities around the country; I am sure that we will see a lot more of that, going forward, as clubs seek to increase their revenues and the capacity of stadia. Nevertheless, I have great sympathy for the arguments made by the hon. Member for Sheffield South East.

**Jon Pearce** (High Peak) (Lab): It is a pleasure to serve under your chairship, Sir Jeremy. I would like to make a declaration of interest as a member and former chair of the RamsTrust. The history of Derby County and its football stadia has been raised by both the shadow Minister and my hon. Friend the Member for Sheffield South East. In 2003, three owners bought the club for £1 each and decided to sell it to a company based in Panama. We then had to lease it back for £1 million a year. It took years to bring the club and its stadia back together. More recently, under Mel Morris, the club and its stadia were again separated. It was only this summer that they were brought back under one legal ownership, thanks to the new owner, David Clowes.

As a fan of a club that has moved from the old Baseball Ground to Pride Park, I believe the shadow Minister is entirely right that clubs must be able to move stadium. That is absolutely clear. However, it is also clear that, for many fans, the stadium is part and parcel of the community and the way of life. What I would give to be able to go back to the Baseball Ground and relive my childhood! I cannot overstate how important an emotional attachment to the stadium is. It is impossible, in most fans' minds, to separate the two.

**James Naish** (Rushcliffe) (Lab): Overnight, I had a message about the City Ground, where Nottingham Forest play—England will be playing there tonight against Senegal in their friendly, which I very much welcome. The message said, "Please make sure that Nottingham Forest continue to play at the City Ground." There have been discussions about moving elsewhere. My hon. Friend is right that the grounds are central to the community, so does he agree that it is essential that fans have a say in where teams play?

**Jon Pearce:** Absolutely. As a Derby fan, for once I can probably agree with a Notts Forest fan. It is vital that fans have a say. Fans will always want their clubs to do better and to drive forward, and there will be cases where it is right for a club to move; but where there is malign interest, the fans need to have the ability to keep their stadia and clubs together.

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stephanie Peacock):** It is a pleasure to once again serve under your chairship, Sir Jeremy. I look forward to day three of Committee. I thank my hon. Friend the Member for Sheffield South East for the amendments; I am never fed up of hearing from him and I know he is very passionate about this issue.

The Government recognise the intent behind the amendments to ensure that football continues to be played at a club's home ground. The Bill already has a number of strong protections to safeguard home grounds against reckless sales or ill-thought-out relocations. I will respond to a couple of points made in the debate and will then outline why we will not be accepting the amendments.

Fan consultation was mentioned. Clubs must consult their fans on any plans to change or move their home ground as per the fan engagement threshold condition. The shadow Minister, the hon. Member for Old Bexley and Sidcup, made an important point about how it will sometimes be necessary for clubs to relocate their home ground, for a number of reasons, such as the ground being too small, facilities no longer working or the ground being sold. We recognise that we need flexibility in that approach, but fans will have a say.

For clubs that do not own their stadium or have already sold the stadium, due to the scope of the Bill and existing property law, it is not always possible for home grounds that are not owned by the club to have the same protections as home grounds that are. This point was recognised in the fan-led review. However, alongside the fan engagement requirements, there are also protections under the national planning policy framework for sports grounds and existing assets of community value, and there is work under this Government, as well as an ongoing Law Commission review of security of tenure that has the scope to address sports grounds. Those powers will all work alongside the soft powers and levers of the regulator to look to protect home grounds, as far as possible.

My hon. Friend the Member for Sheffield South East also referred to the fact that leagues have requirements for tenure, and clubs are prevented from entering the league if they do not meet them. Leagues also have enforceable standards regarding the quality of the grounds. These vary from league to league and can get into the

*[Stephanie Peacock]*

specifics of grass length on matchdays, for example. Given those requirements, we do not feel it is necessary for the regulator to duplicate rules. Instead, it will work alongside the leagues.

It should be noted that clubs may not own their home grounds—I have responded on that point—and therefore they would require the agreement of their landlord to meet the additional licensing requirement we believe that the amendments would lead to. These amendments would place a requirement on clubs to guarantee something that may not be within their control, as well as duplicating pre-existing league requirements for home grounds.

We recognise that the fan-led review recommended that the Government explore the viability of introducing security of tenure property rights for football clubs. I hope I have explained why we do not feel we can do that.

The Law Commission is now in the process of reviewing the Landlord and Tenant Act 1954, including an assessment of security of tenure for all commercial properties, including football clubs. Following the review, the Ministry of Housing, Communities and Local Government will consider the recommendations and publish a full response.

For those reasons, I am not able to accept my hon. Friend's amendments and would ask that he withdraws them.

**Mr Betts:** I am still not quite sure why my amendments would cause so many problems. I understand the difficulty where a club does not actually own the ground but leases it, but the amendment is about security of tenure. There does not have to be ownership; it could be a secure lease, as the English Football League requires, for a 20-year period. That is implied by the amendment.

I was not quite sure what the Minister was saying about how the review by the Law Commission and implementation by MHCLG Ministers would secure the position for football clubs, and what else is being looked at in terms of the planning framework. Is she able to say any more on those points to get on the record what further safeguards might be in place?

**Stephanie Peacock:** On the point in the amendments about 20 years, we appreciate that not all the leagues go that far, but we think that the point is addressed by the league rules. On the consultation by MHCLG, it might be helpful if I ask my counterpart there to write to my hon. Friend and to share that letter with the Committee, because that ongoing work falls in that Department.

**Mr Betts:** The Minister often completely convinces me—on this occasion, she goes a little way towards being convincing. I want to read what MHCLG is going to say. In the end, it is not how we do it, but what we achieve in terms of the safety and security of grounds for the fans. That is what this is about. If what MHCLG is going to do moves us in that direction, as the Minister indicates it will, I am happy to await that correspondence from it before pushing this further. I hope that we can get a response from MHCLG Ministers before Report—if the Minister could encourage them to write in that time period, it would be helpful.

**Stephanie Peacock:** It is a disappointment that I am not able to convince my hon. Friend fully. Not all of what he asks is in my gift, but I commit to the Committee that I will do my very best to get a response from the Department before Report, and if possible earlier.

**Mr Betts:** On that basis, with the Minister going as far as she can this morning, I am happy not to press the amendment. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Mr French:** I beg to move amendment 104, in schedule 4, page 99, line 31, at end insert—

"(f) the club's political statements and positions."

*This amendment ensures that clubs have to engage their fans on the political statements a club might adopt.*

**The Chair:** With this it will be convenient to discuss new clause 16—*Duty to consult fans on political statements*—

"(1) A regulated club may not publish any political statements, political opinions, or issue an items with party political connotations unless it has taken reasonable steps to establish that such statements, opinions or items are supported by the majority of the club's fans in England and Wales.

(2) A regulated club may not permit any officers or employees, when acting in an official capacity, of the club to engage in political activities or publish political statements or wear any item with political links unless it has taken reasonable steps to establish that such activities, statements, or items are supported by a majority of the club's fans in England and Wales."

*This new clause would give fans a say on the political positions adopted by regulated football clubs.*

**Mr French:** Amendment 104 would amend schedule 4 to insert

"the club's political statements and positions",

to ensure that clubs have to engage their fans on any political statements that the club might adopt. New clause 16 introduces a duty to consult fans on political statements and is an expansion of what that means in practice. As everyone can see the amendment paper, I will move on to my speech.

Schedule 4 sets out the threshold requirements that a club must meet to be granted a licence by this Government's regulator. In essence, those are the baseline criteria that every club must pass before the Government allow them to play football. Never before has a Government been involved in deciding who can play football. This is a huge moment for English football, its governance and, most importantly, its fans. On the face of it, few would argue against the principle of minimum standards, but as is so often the case with regulation, the devil lies in the detail. In this case, the sheer breadth and flexibility that the Bill hands to the Government's regulator raise real and pressing concerns.

I start with a central and unarguable point: clubs must be well run. No one disputes that, and thankfully, the vast majority of clubs in the country are. However, we have seen hard-working communities let down by reckless owners and weak governance—from Bury and Derby to the recent struggles at Reading, which the hon. Member for Newbury mentioned. The purpose of this legislation should be to help to protect footballing communities better and to ensure that all clubs are not

only sustainable, but rooted, responsible and resilient. However, there is a clear difference between ensuring prudence and exercising control over a club.

My concern, and that of many clubs and fans, is that schedule 4 risks crossing that line. Under paragraphs 2 to 7 of schedule 4, the Government's regulator is empowered to set requirements for financial resources, suitable governance structures, appropriate corporate plans and the ability to comply with all relevant obligations. On the surface that might seem sensible, but the provisions are broad, vaguely defined and, in practice, leave almost every detail to be filled in by a politically led regulator at a later date via licence conditions.

Let us take paragraph 4, for example, which sets out:

"The fan engagement threshold requirement is met, in relation to a club, if the club has adequate and effective means by which—

(a) the club consults its fans about the relevant matters, and

(b) the club takes the views of its fans into account in making decisions".

However, it does not tell us what constitutes "adequate" or "effective". Can the Minister tell us what those terms mean, or when we can expect to be told? Who defines those terms? Is this another instance of the regulator being able to set its own definitions, terms of reference and standards? Paragraph 3(2)(c) states that the Government's regulator must have regard to a club's "corporate governance arrangements". I ask the Minister: what does that actually mean? We are not told, and again it is not clear. Does it mean formal board structures, independent non-executive directors and complying with the UK corporate governance code, or something else entirely? Could the Minister please clarify that for the Committee?

We fear that this schedule hands a blank cheque to the regulator to determine how football clubs, from Premier League giants to National League sides, must structure their affairs, able to coerce them into restructuring their club to fit a narrow regulatory framework that has not been voted for by the fans of any club. This is a serious transfer of power from clubs and their owners to a Government body, and we must ask: is it proportionate? Is it justified?

9.45 am

That is why we have tabled amendment 104—to say that clubs must engage their fans on the political statements that a club might adopt. As fans ourselves and elected representatives of other fans, we know that football clubs are not just businesses; they are often local institutions, deeply embedded in the identity of their local communities. When a club takes a political stance, it does so not just with the authority of its owners or boardroom, but with the badge and history of an entire town or city associated with it. That makes it all the more important that such decisions are not taken unilaterally or imposed from the top down. We have seen in recent years a growing trend of clubs aligning themselves with particular causes or campaigns —often well intentioned, but rarely uncontroversial. Fans might not expect to be consulted on every tweet or armband, but they do deserve to be heard when a club takes a stance on an issue that goes far beyond the pitch.

This amendment is not about silencing values; it is about ensuring consent. It would embed a simple principle into the threshold requirements—that when a club speaks in the name of its community, it should first listen to that community. That is the hallmark of good governance and of genuine respect for the supporters who make football what it is. The amendment would not bind clubs to the decision of fans on political matters, but would ensure that they had a voice on an important issue.

New clause 16, also in my name, would ensure that fans had not only a voice on these matters, but a meaningful say in the political positions adopted by their clubs. This is a modest but necessary step to ensure that clubs remain accountable not just to their owners, but to the communities that they represent. Football clubs are not private playthings; they are social institutions, embedded in the life of their towns and cities and with supporters whose loyalty often spans many generations. When a club chooses to make a public statement on a political or social issue, it does so in the name of those fans. It is only right that they should have a voice in that process.

**Max Wilkinson** (Cheltenham) (LD): Would this new clause preclude the owner or chairman, or some other executive officer or member of staff, of a football club from standing for election? I can think of one example: a former chairman of my club Southampton, the hon. Member for Great Yarmouth (Rupert Lowe). He stood for the Referendum party in the Cotswolds in 1997, shortly after he had become the chairman of Southampton football club, and he is rumoured to be joining those on the Conservative Benches soon. I wonder whether the hon. Member for Old Bexley and Sidcup would be against that sort of thing.

**Mr French:** I will try to stick to the footballing part of the question and not stray into the transfer market, which I believe opens today or tomorrow. When we have people camped outside Conservative Campaign Headquarters on deadline day, I will know that the hon. Member for Great Yarmouth has sent them there. In all seriousness, what we are looking to do is to talk about representations made by a club in an official capacity rather than a personal capacity. I think that there is an important distinction with what a person does in their own time. What was the party—the Referendum party? The hon. Member for Cheltenham is showing his age.

**Max Wilkinson:** Some would regard wearing rainbow laces for Pride as a political statement. In the hon. Member's ideal world of football governance, would a club have to go to a referendum of its fans to work out whether its players and the club could wear rainbow laces for Pride, for example? Would that not be more pointless bureaucracy?

**Mr French:** We are not suggesting a referendum. We are saying that fans should be involved in the decision-making process. There is a debate around Pride and other issues, but that is not the point we are trying to make. We are trying to make sure that football clubs, wherever possible, stick to the game and that fans have a say. I have already said that we are not trying to bind clubs and prevent them from addressing initiatives that are often taken by the leagues rather than just individual clubs, but we are trying to ensure that fans have a say.

**Amanda Martin** (Portsmouth North) (Lab): Does the hon. Member believe that this would include involving fans in political-financial decisions like that made by West Ham United, who donated to the Conservative party? Should fans be involved in that type of decision, or is it a decision that the board should just be able to make?

**Mr French:** I appreciate the point that the hon. Lady makes. I am not aware of the financial example that she gives—genuinely I am not—so it would not be appropriate for me to comment, but the crossover between politics and football is one that we have to acknowledge, regardless of party allegiance. The vast majority of fans, when they go to the football at the weekend or midweek, go to watch football and in many ways to switch off from the harsher realities of life. I am personally a big believer in politics staying out of sport, as I have said on a number of occasions.

**Amanda Martin:** Just for the record on those donations, in 2016 the club contributed £12,500 to the Conservative party, and in 2022, it contributed £9,000.

**Mr French:** The hon. Lady's comments are on the record, and I will have a look—I was not aware of those.

**Mr Betts:** This is a serious point, because football is about our communities. It reflects what goes on in our communities and tries to improve it. Football has a very good record of tackling racism in this country, right from the top, with the Football Association and the leagues, through to the clubs. Young kids walk on the pitch and there are "kick racism out of football" banners, and football has done good work on homophobia as well. Is the shadow Minister saying that all those matters should be put to a club's fans in a referendum, or would we expect a club to do those things as a matter of good practice?

**Mr French:** I completely appreciate the hon. Member's point. As he highlighted, clubs have done a lot of this good work themselves, so I do not believe that the Government or their regulator need to dictate on terms where clubs have that good practice already. My new clause tries to draw a line so that fans will have a say on any such issues and, in particular, on contentious ones. I do not personally believe that kicking racism out of football is a contentious issue. The vast majority of fans would absolutely support that, and have supported for many years the work that that campaign has done.

**Max Wilkinson:** Will the hon. Member give way?

**Mr French:** I am going to try to make some progress.

**Max Wilkinson:** I have a really important point about a referendum.

**Mr French:** Yes, okay.

**Max Wilkinson:** New clause 16 specifically says that the club must establish that there is support from

"a majority of the club's fans in England and Wales."

That is really difficult to establish. Committee members will have been in football grounds and heard a number of opinions expressed in vociferous terms from the stands. I challenge anyone to say that it is possible to establish that a majority of fans either support or do not support any kind of political statement that might be made by a club. I just do not think the new clause works.

**Mr French:** I am not sure what to say about that, but the hon. Member can have his say when the Committee votes on the matter shortly. He has stated his belief.

In recent years, we have seen clubs wade into contentious debates, sometimes with noble intentions, without any formal engagement with their supporter base. Whether we are talking about a statement on a foreign conflict, domestic legislation or ideological campaigns, such interventions can divide opinion and risk alienating the people who pay their money, wear the shirt and keep their club alive. Nobody is arguing that clubs should be barred from speaking on social matters, but they should be expected to act with consent, not presumption. Fans should not wake up to find their club being used as a platform for views that they had no part in shaping. The new clause would not restrict freedom of expression; rather, it would enhance democratic accountability in football.

**Kevin Bonavia** (Stevenage) (Lab): Will the shadow Minister give way?

**Mr French:** I will make some progress because I am conscious of the Chairman's time. The new clause would ensure that where a club proposes to adopt a political stance not directly related to football or the club's commercial interests, it must first engage with its supporters through an appropriate consultation mechanism. This is about strengthening the bond between club and community, not weakening it. New clause 16 would be a simple safeguard to protect the cultural neutrality of our national game, and to ensure that football remains a source of unity, not division.

The cumulative effect of the Bill's provisions, as they stand, is that they give the Government's regulator enormous latitude to impose an ever-growing set of compliance obligations on clubs with little oversight or scrutiny from Parliament or fans. It is entirely possible, perhaps even likely, that clubs could find themselves constantly revising governance arrangements, redrafting financial documents and hiring compliance staff simply to keep up with the regulator's demands—demands that are funded by the clubs. That is a concern for the entire football pyramid, but it is a particular burden for the lower leagues, where administrative budgets are tight and every pound spent on compliance is a pound not spent on the pitch or in the community.

Let us be clear: good regulation is about balance. It is about ensuring standards without stifling initiative, protecting clubs without disempowering them and learning from the past without writing off the future. There are a number of ways in which the Government could help to strike that balance.

First, we ask the Government to publish a clear definition of what each of the threshold requirements entails. It is not good enough to provide for "appropriate" arrangements. The regulator should be guarded by Parliament's intent, not left to interpret sweeping language.

Secondly, we must ensure transparency and accountability. If the regulator decides to change the threshold requirements—say, by requiring new climate disclosure standards or mandating support or representation on the board—that is a major policy shift. We believe that, as a sovereign Parliament responsible for passing this legislation, we should be able to scrutinise and, if necessary, prevent the Government's regulator from making law by regulation. It should come back to the House, not be slipped through in the shadows.

Finally, we must keep a watchful eye on the cost burden. As we argued in previous debates, the Government's regulator will not be cost-free. It is expected to fund itself through levies and fees imposed on clubs, so every layer of compliance—every extra form, every extra process—has a price tag. That price will ultimately be paid by the very fans we are trying to protect.

**Kevin Bonavia:** I thank the shadow Minister for giving way, and it is a pleasure to serve under your chairship, Sir Jeremy. The shadow Minister is talking about cost, yet here is another proposal that would add more cost and is effectively unworkable. This Bill is in Committee at the moment. If a club saw the changes here and wanted to lobby us to say, "We are not happy with this," how on earth would it do that if it had to consult its fans? How do we define a political move by a club? It just does not work, does it?

**Mr French:** I hear the argument that hon. Gentleman is making, and he will be able to vote on the amendment shortly. Again, I appreciate your time, Sir Jeremy.

It is a shame that the Government would not accept our earlier amendment to ensure that fans know the true impact of the regulator on the price of their tickets. Football is not a normal business. It is a great national institution built on history, local pride and community loyalty. However, that does not mean it should be run by quangos. Clubs should be encouraged to improve their governance, not be coerced into uniformity. They should be supported to succeed, not strangled by red tape.

Schedule 4 is one of the most important parts of the Bill, because it defines the gate through which every club must pass before they can be allowed to simply play football. We owe it to those clubs and their fans to ensure that the gateway is firm but fair, principled but practical, and clear, not vague. That is why we will be seeking further assurances from the Minister that the Government's regulator's use of these powers will be proportionate, transparent and subject to proper scrutiny. Without that, we risk creating a regime that may prevent future failures, but at the cost of stifling ambition, independence and the very lifeblood of our national game.

**The Chair:** I should make it clear that it is not my time; it is the Committee's time, and the Committee can use it in any way it wishes within the confines of the programme order. Secondly, the hon. Gentleman has slid ever so slightly into a debate about schedule 4 more broadly. I have not intervened to stop him, but I know he will not want to repeat all those points when we get to the debate on schedule 4 stand part.

**Stephanie Peacock:** I will begin with a couple of brief points in response to the shadow Minister. However, as Sir Jeremy has just outlined, some of the shadow Minister's points relate to schedule 4 more broadly, which falls under group 38, and the points on fan engagement fall under group 48. I will make some quick comments, but I am happy to take some points away and elaborate further when we come to those groups.

The shadow Minister asked a specific question about what constitutes "adequate" and "effective". The Bill is intentionally designed to allow for each club to have its own approach to fan engagement. That is why a specific form of fan engagement is not mandated in order to meet the benchmark of adequate and effective. Instead, we expect that the regulator will look at a number of factors to assess fan engagement at clubs, and publish guidance for clubs on what will be expected. Across all of that, the regulator will look to uphold proportionality, taking into account the size and make-up of each club and what is appropriate. We will revisit those issues when we move on to groups 38 and 48. Of course, the debate on ticket pricing has been well rehearsed. This Government added an obligation to consult fans on ticket prices, which will strengthen the fan voice on that issue.

Amendment 104 seeks to add a requirement for a club to consult fans on any political statements or positions that it makes or takes, and new clause 16 seeks to mandate fan approval prior to any political statement or political activity being made by the club, its players or staff. It is not the place of a statutory regulator tasked with financial sustainability to limit or add additional approval processes for political speech or action. Clubs and leagues here and abroad take positions on a variety of issues that could be deemed political, and that is their right.

However, it is not appropriate for an independent statutory regulator to take subjective positions, or opine on the positions of others, in the same way—especially not a regulator tasked only with a tight mission of financial sustainability, to which political statements bear no relevance. It may be that clubs wish to consult their fans in this regard as part of their regular fan engagement. We would not expect the regulator to have any issue with that, but it is not something that it will require of clubs.

The Bill is intended to ensure that fans have a voice in key decisions regarding their club, but we must ensure that this is proportionate. That is why we have not listed every possible issue on which clubs should engage their fans in minute detail. We also do not want to inhibit the free speech of players or any representatives of the club. It is also notable that many sporting personalities have used the attention that the sport gets to protest relevant issues that concern them. We do not want to inhibit the free speech of any of those individuals.

**Max Wilkinson:** Is the Minister concerned about inhibiting the free speech of Members of the House of Lords, for example Baroness Brady, who made significant and very valuable comments in the debate on the Bill in the other place, and then repeatedly made similar statements in the press and other media? She is, of course, a representative of West Ham and the Conservative party,

*[Max Wilkinson]*

as was noted by the hon. Member for Portsmouth North. Would we seek to retain her freedom of speech and freedom of expression by voting down new clause 16?

10 am

**Stephanie Peacock:** The hon. Gentleman puts his point on the record. We had a full debate in the other place, in which many Members took part.

Ultimately, the amendments have no relevance to the regulator's purpose and will not help it to deliver its objectives. Rather, they would serve only to stifle freedom of speech. For those reasons, I ask the hon. Member to withdraw them.

*Question put*, That the amendment be made.

*The Committee divided:* Ayes 3, Noes 12.

**Division No. 23]**

**AYES**

French, Mr Louie
Jopp, Lincoln
Robertson, Joe

**NOES**

Betts, Mr Clive
Bonavia, Kevin
Dickson, Jim
Foxcroft, Vicky
Martin, Amanda
Naish, James
Onn, Melanie
Patrick, Matthew
Peacock, Stephanie
Pearce, Jon
Shanker, Baggy
Wilkinson, Max

*Question accordingly negatived.*

**Mr French:** I beg to move amendment 112, in schedule 4, page 99, line 34, leave out "crest" and insert "badge."

My amendment raises a point that may seem technical, but I believe it is important if the Bill is to respect the history and traditions of our great national game. There is reference in the proposed legislation to the "crest" of a football club, but as any student of heraldry or loyal football supporter will tell us, that term is often misunderstood. In fact, the correct term in almost every case should be the "badge". A crest is a specific heraldic element part of a full coat of arms traditionally appearing above a shield and regulated under royal prerogative through the College of Arms.

That distinction may seem academic, but it is not. When clubs are challenged on their intellectual property, or when supporters are concerned about the commercialisation or alteration of the symbols that represent generations of loyalty, it matters enormously that we use the correct terminology. We are not just talking about branding. We are talking about something deeply symbolic: an identity that lives on scarves and gravestones, and in the hearts of whole communities. My noble Friend Lord Parkinson raised this point in the Lords with great care and I believe he was right to do so. He proposed that the Bill use the term "badge", not "crest", to ensure accuracy and to avoid the legal and cultural confusion that can arise when the wrong term is used.

**Joe Robertson** (Isle of Wight East) (Con): Another reason to include the word "badge", my hon. Friend would presumably agree, is not only that is it technically correct, but it is a word used in football. It is a word that fans use. It is always helpful if legal documents in a Bill can reflect both technical and everyday wording. If the two are the same, that seems like an obvious answer.

**Mr French:** I thank my hon. Friend for making that point. I must admit, as a long-term football fan, that I have never heard a player say that he kissed the crest of his club when celebrating a goal. The footballing term is as accurate as the legal one, as he highlights.

This may seem a modest amendment, but it speaks to something bigger: the importance of precision, respect for history and an understanding of football not just as a product but as a tradition. If we are going to regulate the game, let us do it properly with the right words and the right respect.

**Stephanie Peacock:** The hon. Member's amendment follows the extensive debate regarding heraldic terminology in the other place. I can reassure him that the Government have worked closely with the College of Arms to ensure that the term "crest" is used consistently with heraldic law, and with the FA to ensure accuracy and cohesion with industry norms, as the term "crest" is the key term within its existing heritage rules. The Government amendments made in the other place make sure the legislation remains in step with both the FA and heraldic law, and that is in addition to changes to the explanatory notes, to further clarify the point.

Although the word "crest" is used colloquially in the industry, "crests" have a very specific meaning in heraldic law. Crests can only be granted by the College of Arms and only a select few clubs have been granted one. For that reason, the legislation refers to crests, but also needs to capture other clubs and circumstances. That is why the Bill uses "emblem".

When making these changes, the Government explored the use of "badge" instead of "emblem". However, it was felt that "badge" would risk unintentionally only capturing the image on shirts. In examples such as Arsenal or Liverpool, the shirt features only one element of the club's emblem, such as the cannon or the liver bird. In those instances, "badge" might capture only those elements and thereby not deliver on the policy intent of protecting the heritage associated with the entire emblem. Given those comments, I ask that the hon. Member for Old Bexley and Sidcup withdraw the amendment.

*Question put,* That the amendment be made.

*The Committee divided:* Ayes 4, Noes 11.

**Division No. 24]**

**AYES**

French, Mr Louie
Jopp, Lincoln
Robertson, Joe
Wilkinson, Max

**NOES**

Betts, Mr Clive
Bonavia, Kevin
Dickson, Jim
Foxcroft, Vicky
Martin, Amanda
Naish, James
Onn, Melanie
Patrick, Matthew
Peacock, Stephanie
Pearce, Jon
Shanker, Baggy

*Question accordingly negatived.*

*Question proposed,* That the schedule be the Fourth schedule to the Bill.

**Stephanie Peacock:** Schedule 4 sets out the three threshold requirements—financial resources, non-financial resources and fan engagement—that clubs will have to meet in order to be granted a full operating licence. As I set out last week, to apply for a licence, a club must submit a business plan and a personnel statement. These are basic requirements that any club should be able to complete. As I have made clear, the regulator will support them with their applications wherever needed.

Before discussing the requirements for a full operating licence, I would like to correct a point I made last week regarding the hypothetical scenario where a club is not granted a provisional licence. I want to clarify that once a provisional licence is in force, a club must have a licence to be able to play in a specified competition.

As I have set out, to receive a provisional licence, a club must submit a business plan and a personnel statement. We think these are basic requirements that any club should be able to complete, and the regulator will support them with their applications where needed.

**Lincoln Jopp** (Spelthorne) (Con): The Minister mentioned the two criteria of the business plan and the personnel statement. I thought from our discussions last week that giving the regulator any form of information that the regulator so requested was an additional condition.

**Stephanie Peacock:** The two I mentioned are the basic points. The regulator has the ability to ask for further information should they want it. I think I gave the example that if the regulator is unsure about the source of funds, or whether there is enough, it could ask for more information. That will be at the discretion of the regulator—we had a well-rehearsed debate on that point last week.

We think that the requirements for a provisional licence are basic requirements that any club should be able to complete. As I was really keen to stress in the debate last week, the regulator will be keen to work with clubs to do everything it can to help them to meet those requirements.

The regulator needs to be satisfied that a club will be able to meet the mandatory licence conditions and duties on clubs once it has been granted a licence. This is a forward-looking "would comply" test. The expectation is that the provision of information and documentation, as well as the engagement with clubs as part of the application process, will be sufficient to satisfy the regulator. It should be straightforward for all clubs to obtain a provisional licence. Once they are in the regulatory system, a club will have time to improve standards up to the necessary requirements for a full licence, with the support of the regulator as needed.

**Mr French:** One of the points we were slightly unclear about when we had the discussion of provisional licences before was what would happen if a club decided it did not want to apply for a provisional licence. There are several clubs that are very publicly concerned about the regulator. What would happen if they were to form, say, a union and go against the regulator and refuse to apply for a provisional licence? How would that work in practice? Would they be kicked out of the league?

**Stephanie Peacock:** The Government envisage that licence refusal or the revocation of a licence would be in extreme circumstances, but there will come a point when the regulatory system switches on and a licence will be needed in order to play. That is the point that I am keen to clarify. Yes, ultimately a club can be stopped from playing if it does not apply for a licence, but I stress that, with the provisional licence, it does not have to be meeting it; it has to be willing to meet it.

The regulator will do everything it can to work with clubs, because it is in no one's interests for a club to be unable to play—that would be completely contrary to the purpose of the Bill. The purpose of the Bill is to improve club sustainability once the regime is in force. There must be a consequence for extreme cases, which is the point that the shadow Minister is making, but the club must be given every opportunity to meet the standards if it has failed to do so. Once a club is licensed, the regulator will have a range of other escalating enforcement tools. We will come on to enforcement, so I will not elaborate on that now—I do not want to test your patience, Sir Jeremy.

I turn now to the threshold requirements in schedule 4. There are three main areas of the regulator's licensing regime that build on the freestanding duties in the mandatory conditions. Meeting the threshold requirements will mean that the regulator is satisfied that the club can currently operate sustainably in its financial, non-financial and fan-engagement areas and will continue to do so.

Although the threshold requirements are principles set in legislation, what each club must do to meet the threshold will not be the same. For example, what constitutes appropriate financial resources for a Premier League club will be very different to a League One club. A club may already meet the threshold requirements, for example, through naturally good operations or by complying with competition laws. In such cases, the regulator will not need to directly intervene. But if not, the regulator can apply discretionary licence conditions to bring the club up to the required threshold, which was the point that the hon. Member for Spelthorne referred to.

The structure will allow for a proportionate, light-touch system, with requirements tailored to clubs. The threshold requirement for financial resources means that clubs need an appropriate level of financial resources to support their long-term financial sustainability. The regulator will be able to consider any relevant factors to determine whether the club's financial resources are appropriate relative to its circumstances and the risks it faces. For example, that might include which competition the club competes in, its financial relationship with its owners, and the wider economic context that it operates in. In particular, the regulator should take into account the club's financial plan, and its contingency plan for dealing with financial shocks.

In essence, a club must have the financial resources to match the business it is operating—and plans to operate. If a club does not have the finances to back up its plans, or does not have plans in place for how it would manage foreseeable risk, it would need to do one of two things: either demonstrate that it has access to the necessary funding, or reconsider its plans and risk appetite. If it does not, then the regulator can impose discretionary licence conditions to bring the club's finances back in line with its operations and risk level.

*[Stephanie Peacock]*

For non-financial resources, a similar threshold requirement and process applies. Non-financial resources could include things such as internal control systems and policies, as well as the information and people that a club has available to it. Although not financial in nature, these are important resources for any well-run club and need to be adequate. When assessing whether these resources are appropriate, the regulator might consider the skills and experience of senior managers, its plans, and its corporate governance arrangements.

The financial and non-financial resources of a club both need to be appropriate. For example, a club needs to have the financial means to back up its plans, and on the non-financial side it needs to have a contingency plan and risk-management processes to mitigate potential financial shocks.

**Melanie Onn** (Great Grimsby and Cleethorpes) (Lab): Is it the Government's expectation that financial and non-financial resources will be proportionate to the size of the club?

**Stephanie Peacock:** My hon. Friend makes an important point; it will be proportionate. I have met with all the leagues a number of times, and this was of particular concern to the National League. It will be proportionate, and the regulator will take that approach when dealing with the different clubs and leagues.

**Mr French:** I appreciate the Minister's comments about proportionality; we will look to review that as the Bill goes forward. One question I have is about how the regulator will interact with the existing rules. The most obvious ones that come to mind are the financial fair play rules that are already in existence in the Premier League. What analysis of, and crossover with, the existing league investigations and restrictions to clubs will there be?

**Stephanie Peacock:** Those will be an issue for the leagues; where the leagues have rules, clubs will continue to comply with them. That is not something that the regulator will be involved with. Where there are league rules, that is for the leagues to enforce. I am happy to write to the hon. Gentleman to outline that further.

**Mr French:** If the Minister could outline that further, it would be really helpful. At the end of the day, we are keen to ensure that there is no confusion in the regulations for clubs, nor any duplication of purpose for the regulator. We would like to understand how that will work in practice, and I would appreciate that in writing.

**Stephanie Peacock:** I will give way to the hon. Member for Spelthorne.

**Lincoln Jopp:** I am sure that the Minister realises that one of the variants in a club's business plan is whether its matches are selected for being televised. It is an incredibly haphazard process and difficult to predict, because they are decided within season. What guidance will the Minister give, as the appointer of the regulator, as to reasonable assumptions in the business plan regarding expected television revenue in season?

10.15 am

**Stephanie Peacock:** I think that it is an issue for the leagues, but I will happily write to the hon. Gentleman. I will check that point, but I am pretty confident that it would be left to the leagues. It is similar to what they deal with now. I will write to the hon. Members for Spelthorne and for Old Bexley and Sidcup further to their points, because it is helpful to get clarity in writing. Where there are league rules, they are for the leagues to enforce, but I will add further detail in writing, if that is helpful.

I would like to move on to the final point, about the requirement for clubs to adequately and effectively consult and consider the views of fans when making decisions relating to certain specified matters. Those relevant matters are listed in the Bill and cover key "off pitch" decisions, which the fan-led review highlighted as important to fans across specified leagues. The Government have made it explicit that that will include ticket pricing, as mentioned already, which is an issue of importance for many fans.

The threshold requirement is designed to work in tandem with the fan consultation mandatory licence condition. Through that condition, all clubs must regularly consult with a representative group of supporters to discuss the relevant matters listed in the Bill. That must be in place by the time a club is granted a provisional licence. Appropriate fan engagement will look different at every club and will partly be based on the size and complexity of the club's fanbase, as I touched on in my earlier contribution.

**James Naish:** This point is slightly tangential, but it is related to fan engagement. England are playing Senegal in Nottingham later today. With the support of the FA, we have run a competition for primary and secondary school children to design a new England shirt. Would the Minister be happy to congratulate Albie, Dylan, Joshua and Mikey on their contributions?

**The Chair:** Order. That is not slightly tangential; it is very tangential. Just a brief answer, Minister, and then we must return to the schedule.

**Stephanie Peacock:** With the indulgence of the Chair, I will speak to the hon. Gentleman after today's sitting. I would like to write to those who took part in such a wonderful competition.

I would like to complete my remarks by talking briefly about the threshold requirement, which has been designed to allow the regulator to recognise the inherent variation between clubs, while ensuring that standards are raised where necessary. It also allows the regulator to impose discretionary licence conditions on clubs relating to fan consultation.

Fans are the foundation of any club, and putting in place a supporter engagement threshold requirement recognises that they must be consulted on key decisions that affect their club. The Government have also looked to protect fan views, even in the worst-case scenario of a club entering administration. That includes the addition of a requirement to continue taking the views of fans into account when making decisions in insolvency proceedings, as long as the club retains the power to make decisions about the relevant matters.

**Mr Betts:** On a general point, when we talk about fans and fan groups, who defines who they are and the relevant ones? That is a really important point. Coming back to our club, Sheffield Wednesday, we have more than 20 different fan groups. That is also true of other clubs. Talk to the EFL, because it often struggles to engage or know who actually represents fans, as opposed to two or three people who have got together to name themselves as a group. How are we going to deal with that? As fans become an integral part of the process, who decides who the relevant groups are?

**Stephanie Peacock:** I appreciate that point. We will come on to discuss that in relation to schedule 5, and I will give a fuller response then.

*Question put and agreed to.*

*Schedule 4 accordingly agreed to.*

## Clause 19

REVOCATION AND CESSATION OF OPERATING LICENCE

**Mr French:** I beg to move amendment 106, in clause 19, page 13, line 19, at end insert—

"(c) inviting the club to make representations about the proposed revocation, and

(d) specifying the means by which, and the period within which, such representations must be made, which must be a period of not less than one month beginning with the day on which the notice under subsection (3) is given."

*This amendment allows clubs to make representations about the proposed revocation of their operating licence.*

Clause 19 concerns the revocation and cessation of an operating licence granted to football clubs. That is understandably a crucial provision that goes to the heart of how the Government's new regulator will exercise its most serious power, the ability effectively to remove a club from the regulated football pyramid by taking away its licence to operate. Let me clear from the outset that we support an independent regulator that can intervene when standards are seriously breached but, as with all powers of this kind, the devil is in the detail. Our task in this Committee must be to ensure that the regulator's powers are proportionate, transparent and accountable.

Clause 19 provides that the regulator may revoke a licence if the club in in breach of licence conditions or if there are grounds to believe that the licence should never have been granted. In principle, that is entirely reasonable, but the consequences of revocation, for clubs, fans and communities, are potentially devastating. This is not the revocation of a licence to sell alcohol or to host events late into the night; it is the revocation of a licence to participate in the life of a community—in many cases, the cultural soul of a town or city. That power should not be exercised lightly, so I must raise several matters with the Minister.

First, what thresholds and safeguards are in place to ensure that revocation is used only as a last resort? Will the Government's regulator be required to consider less draconian alternatives—such as conditional compliance periods, fines or a change in ownership—before resorting to the total revocation of a licence? Secondly, what procedural protections exist for clubs facing this threat? As it stands, there is no right of appeal, which is why I tabled amendment 106, which would allow clubs to make representations about the proposed revocation of their operating licence.

These are serious matters. The Government's regulator is empowered to act in the interests of the game and to uphold high standards of governance, transparency and financial responsibility. But with such powers must come robust safeguards, and that is where the clause as drafted falls short. As it stands, there is no explicit requirement for the regulator to notify a club of its intention to revoke the licence, or to invite the club to make representations, before such action is taken. In effect, the regulator could move straight to revocation, without a formal process that allows the club to defend itself, explain its actions or offer remedial steps. That is not due process, it is not natural justice, and in any other regulated sector such an approach would be wholly unacceptable.

**Melanie Onn:** The shadow Minister talks about there not being due process, but the Bill talks about a club's failure being persistent and says that a failure is persistent if it has occurred

"on a sufficient number of occasions for it to be clear that it represents a pattern of behaviour or practice."

It is not a one-off that results in revocation.

**Mr French:** I understand the point that the hon. Lady makes, but we still believe that clubs have a right to representation and to appeal, which is what this amendment seeks to put into the Bill.

My amendment would fix the problem. It would require the Government's regulator, before making any decision to revoke a licence, to provide the club with written notice of its intention to do so, and not just stating that it will be revoked but setting out the reasons and the evidence relied on. The club would then be entitled to respond—to make representations within a reasonable timeframe, to challenge the basis of the proposed revocation and to outline any mitigating circumstances or corrective measures.

Such a mechanism would not just be fair; we believe that it is necessary. The consequences of revocation of an operating licence are profound. It would prevent a club from competing in the regulated pyramid, as has been highlighted already. That would be likely to trigger financial collapse, job losses and irreparable harm to the club's standing and its local community. Therefore, the decision to revoke must be taken only after the fullest consideration, and that cannot happen if one side is not allowed to speak.

There is a broader point about public confidence in the Government's new regulator. For it to earn the trust of clubs, fans and the wider footballing ecosystem, it must be seen to operate fairly and transparently. Due process, consultation and the right to be heard before sanctions are imposed are all basic principles of good governance and the basis of justice. By incorporating my amendment in clause 19, we would be helping to enshrine those values at the heart of the regulator's enforcement powers.

I urge the Committee to consider the precedent being set. If we allow revocations to occur without a statutory right to respond, we risk creating a regulatory regime

*[Mr French]*

that is reactive rather than reflective—one that punishes rather than reforms. That would be to the detriment of the game as a whole, particularly if clubs are chucked out or have their licence removed midway through a season. That would cause a much greater ripple across the league system.

Let me be clear: this amendment does not seek to tie the regulator's hands. It does not require the regulator to delay action indefinitely or to overlook serious misconduct. What it does do is ensure that any action is taken with the full knowledge of the facts and with the benefit of a fair and balanced process. As we have heard already, clubs, especially those in lower leagues, do not have legions of lawyers or vast compliance departments. Despite best intentions, they may make genuine mistakes or fall foul of complex regulations. We must allow them the chance to explain, to engage and, where appropriate, to put things right, before the ultimate sanction is imposed.

This is a measured, sensible and proportionate amendment. It aligns with principles that Members across the House support, and I hope that the Committee will support it. If we are serious about building a strong, fair and sustainable regulatory regime, we must ensure that justice is not only done but seen to be done. On my broader concerns about the drafting of the clause, I ask the Minister what transparency will apply in such situations.

**Lincoln Jopp:** Does my hon. Friend agree that his amendment is very much in the spirit of football? We have seen many injury time winners, when all the odds are stacked against a club, but in the dying moments they manage to rescue an almost impossible situation. So it is not only in the spirit of fairness, but in the spirit of football.

**Mr French:** I thank my hon. Friend for putting it very poetically. He talks about the spirit of football. I am not sure how many last-minute winners Chelsea have scored over the years, but he might have misbehaved on the terraces with joy and jubilation when it has happened. His description was much nicer than calling it the VAR amendment, which would not have been so popular across the House. His point is well made.

Will the regulator be required to publish clear criteria and case-by-case justifications for any licence revocation, so that Parliament, the press and the public can understand why the decision was taken? What consideration will be given to the fanbase—the loyal supporters who may find their club's future in jeopardy through no fault of their own? How will we be acting in the interest of fans of English football if we do not have transparency?

We must also bear in mind the risk of regulatory overreach. Such a power as this, unless it is tightly constrained, could inadvertently create uncertainty and instability in the football ecosystem. Clubs, owners and investors must know where they stand. A stable regulatory environment, not a reactive or arbitrary one, is essential if the Government's new regulator is to command respect, not just fear. I hope the Minister provides more clarity on how her new regulator will apply clause 19 in practice and on what guidance will be issued to ensure that the power of revocation is exercised only with great caution and care. When dealing with a matter as serious as extinguishing the operating licence of a football club, we owe it to the game and to the people who love it to think through every safeguard properly.

**The Chair:** The hon. Gentleman was sneaking slightly into clause stand part territory.

**Stephanie Peacock:** As you say, Sir Jeremy, we will speak in detail about the revocation or suspension of an operating licence when we debate clause 19 stand part, so I will save my detailed remarks for then.

To respond directly to the shadow Minister's questions, there is an appeals process, and clubs can make representations; I will outline how. I thank him for his amendment, but the Bill already provides sufficient opportunity for a club to make representations ahead of its provisional licence being revoked. If a club persistently fails to meet the test for a full licence, clause 18(4) requires the regulator to give it notice inviting it to make representations.

There is a high bar for the revocation of a provisional licence under clause 19. The regulator must be satisfied of three things: first, that the test for a full operating licence is not met; secondly, that the club in question has persistently and without reasonable excuse failed to take reasonable steps to meet the test; and, finally, that there is no reasonable prospect of the club meeting the test within a reasonable period, even if it is given more time. In the unlikely circumstance that that high threshold is met, clause 18 sets out requirements to notify the club and allow it to make its case one last time. Specifically, if the regulator is minded to revoke a club's provisional licence, it must give the club notice explaining why and invite it to make representations.

Only after that, if the regulator is still convinced that there is no reasonable prospect that the club will obtain its full licence, even given an extension, it can revoke the club's provisional licence. In every case, the club will have been given adequate opportunity to make formal representations on the issue, in addition to the informal constructive engagement that we expect the regulator to have with the club regularly throughout this period. It is not necessary or proportionate for the club to be given another opportunity to make further representations as the amendment proposes.

If, after all that, the club believes that the regulator has taken the wrong course of action, there is further recourse through the appeals process. The club will be able to request that fresh decision makers at the regulator reevaluate the decision through an internal review. Alternatively, the club may appeal directly to the Competition Appeal Tribunal. If the tribunal decides to hear the appeal, it will do so on the merits of the case, so it will reconsider the evidence and may substitute its own decision for that of the regulator; it may, therefore, reverse the decision to revoke the club's licence. That is another way that the regulator can be held to account and its decisions can be scrutinised. For those reasons, I ask the hon. Gentleman to withdraw his amendment.

10.30 am

**Mr French:** The Minister has outlined the initial process before revocation is determined by the regulator. As I explained in my lengthy speech, which I will not

seek to repeat, the amendment would give clubs a say if they believed a decision reached by the regulator was wrong. The Minister was clear about the tribunal approach if a club is not happy with a decision, but as I have outlined previously, my fear is that clubs will end up spending more time in court than they will focusing on the pitch and on the game. The official Opposition believe that an appeal process at that point would be more beneficial than a legal route.

**Stephanie Peacock:** As I said, clubs can make representations to the regulator and ask the regulator to look again, and beyond that there is the appeals process. As with all aspects of appeals process, the key considerations are the expertise of the judiciary, the tribunal's experience and familiarity with the policy, speed and cost. We think the Competition Appeal Tribunal is the best option for balance. It is an internationally well-respected tribunal which offers time and cost-efficient options, with flexible case management to expedite urgent cases and bring in appropriate expertise. We believe that that avenue and the internal review process make adequate provision in the Bill and that the hon. Gentleman's amendment simply is not needed.

**Mr French:** I thank the Minister for that lengthy response. To be blunt, I disagree, and rather than delay the Committee any longer, I will press the amendment to a Division.

*Question put*, That the amendment be made.

*The Committee divided:* Ayes 3, Noes 12.

**Division No. 25]**

**AYES**

| | |
|---|---|
| French, Mr Louie | Robertson, Joe |
| Jopp, Lincoln | |

**NOES**

| | |
|---|---|
| Betts, Mr Clive | Onn, Melanie |
| Bonavia, Kevin | Patrick, Matthew |
| Dickson, Jim | Peacock, Stephanie |
| Foxcroft, Vicky | Pearce, Jon |
| Martin, Amanda | Shanker, Baggy |
| Naish, James | Wilkinson, Max |

*Question accordingly negatived.*

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

**Stephanie Peacock:** Clause 19 details revocation of a club's provisional operating licence for failing to progress to a full licence, and a licence ceasing to have effect. For the revocation to occur, the regulator must satisfy itself of three things: first, that the test for a full operating licence is not met; secondly, that the club in question has persistently and without reasonable excuse failed to take reasonable steps to meet the test; and finally, that there is no reasonable prospect of the club meeting the test within a reasonable period, even if given more time. The regulator should engage with the club throughout this period. We expect that, through constructive dialogue, a solution can be found that avoids this drastic step in all but the most serious of cases.

The regulator must notify the club of its decision and provide its reasoning. Revocation must not take place before the end of the current season, to reduce as much as possible the impact on ongoing sporting competitions. A licence automatically ceases to have effect only when a club stops operating a team in specified competitions, the most likely cause being that the club is relegated from the specified competition and is therefore no longer in scope of the regulator.

**Mr French:** I am trying to get clarity. Again, I will happily accept it in writing if the Minister does not have the answer today. Waiting until the end of the season before revoking a licence is entirely sensible, but what would that mean for relegation and promotion? For example, if a club is mid-table and the regulator decides its licence should be revoked, that will have a direct impact on the competitive nature of the league. Has any thought been put into whether, for example, that may mean only two teams are relegated that season, because one has lost its licence? How might it work in practice?

**Stephanie Peacock:** Where possible, we want to reduce any impact on ongoing sporting competitions. The hon. Gentleman presents me with a hypothetical scenario. I think it would be best if I respond in writing to him.

Regarding the circumstances when a licence automatically ceases to have effect, it will only happen when the club stops operating a team in specified competition. The most likely cause of that is a club having been relegated and therefore no longer being in scope. I commend the clause to the Committee.

**Mr French:** I will not rehash the debate we have already had on the amendment. We were seeking greater transparency and a greater say for clubs at risk of losing their licence, which, as I have explained, is the ultimate sanction and would cause enormous damage to clubs and the communities in which they operate through job losses, and impact on the game and on fans. I would appreciate the Minister giving more clarity on how this will work in practice. These situations are hypothetical, but realistic, and would have serious consequences for not just the individual clubs, but the leagues and how they operate.

We believe strongly that promotion and relegation should be based on competition on the pitch. However, in the extreme example of a club breaching the licence so significantly that it is revoked, which might more realistically happen at the lower end of the pyramid, we need to have a greater understanding of what that means for relegation. All clubs deserve transparency in that regard. We have seen much speculation in recent years around change of ownership—I will not mention the clubs involved as some of the legal cases are ongoing—what that might mean for relegation and the significant financial consequences it may have for other clubs. It would be greatly appreciated if the Minister provided guidance on that in writing so that all Members can have a greater understanding of how it will work in practice.

**Baggy Shanker** (Derby South) (Lab/Co-op): Will the Minister say whether a good licensing regime and, if necessary, revocation of licences would prevent clubs

*[Baggy Shanker]*

from going into full administration—as in the example of Derby County that my hon. Friend the Member for High Peak described—and the knock-on effect of that on supporters, suppliers and the local community? A licensing regime should prevent full administration and be able to deal with problem clubs at a much earlier stage.

**Stephanie Peacock:** My hon. Friend raises an important constituency point. I do not want to comment on particular clubs and predict the action the regulator may or may not take. We hope that the Bill will raise the bar across the board and prevent clubs from getting into difficulty, but I do not want to be drawn on the specifics.

We have been clear that this is not a zero-fail regime. I will endeavour to write to the shadow Minister regarding the complex, but important, hypothetical situation he has proposed.

**Mr French:** I appreciate the Minister committing to that. The example just mentioned by the hon. Member for Derby South needs fleshing out as well, because clubs get into financial difficulty as a matter of course; points are therefore deducted mid-season, as we have seen, or, in the worst cases, the club goes into administration. The tests for the licence are about financial prudence and sustainability, so the hon. Gentleman makes a fair challenge.

What would happen if a club went into administration? Would the regulator seek to change the owner to allow the operating licence to continue, for example, or would the club, having lost the licence, then reapply via a new owner? The consequences would be dramatic. One would automatically assume that a club that no longer had a licence would have to start at the bottom of the football pyramid and come back up again, as we have seen in the past. Can the Minister add clarification of that important example to her letter?

**Stephanie Peacock:** Absolutely. We will come on to the owners and directors test later in the Bill Committee; perhaps we can explore this further at that point. The one point I would make to the shadow Minister and to my hon. Friend the Member for Derby South is that the aim of the regulator is always to minimise disruption to ongoing sporting competitions. I will add clarification on that when I write to the shadow Minister about the complex scenario he proposed.

*Question put and agreed to.*

*Clause 19 accordingly ordered to stand part of the Bill.*

**Clause 20**

MANDATORY LICENCE CONDITIONS

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

**Stephanie Peacock:** The clause requires the regulator to attach full mandatory licence conditions to the provisional and full operating licences for all licensed clubs. These are basic and fundamental requirements of the whole regime and so apply to all licensed clubs, regardless of their individual circumstances.

The mandatory conditions vary in their aims. They are set out in schedule 5, so we will cover them in more detail, but to summarise briefly, the conditions on financial plans and annual declarations are about ensuring that the regulator has the relevant and timely information it needs to regulate effectively. That includes financial risk assessments, plans for managing financial risks, details on income and expenditure, and contingency plans in the event of a shock such as relegation.

The corporate governance condition introduces basic requirements to report against the club corporate governance code of practice published by the regulator. This reporting mechanism will mean that clubs are transparent about board structures, decision making processes and equality, diversity and inclusion.

The fan consultation condition establishes a baseline level of fan engagement that requires clubs to consult fans on specified matters. This will ensure that clubs have a framework in place to regularly meet and consult a representative group of fans on key strategic matters at the club, and on other issues of interest to supporters. This will work in tandem with the freestanding duties, such as those protecting club heritage and other key areas.

The annual declaration condition requires the club to submit a declaration on any matters that should have previously been notified, or to confirm that there are no such matters. I commend clause 20 to the Committee.

**Mr French:** As outlined by the Minister, clause 20 requires the IFR to attach four mandatory licence conditions to the each club's operating licence, whether provisional or full. This includes a requirement for the club to submit a financial plan, either annually or at more frequent intervals. I would be interested to hear the Minister's views on how frequent she believes is reasonable; is that semi-annually, for example?

The club must also submit and publish a corporate governance statement explaining how it is applying the IFR's corporate governance code, and regularly consult its fans. I think we need some clarity about how that will work in practice. The hon. Member for Sheffield South East raised the example of Sheffield Wednesday and multiple fans' groups claiming to represent the club. I think that that needs some fleshing out so that the regulator is clear about what that consultation looks like. Obviously, that will be different for each individual club, which should, hopefully, know its fans better than anyone else.

Last, there is a requirement to submit an annual declaration of any material changes in circumstances affecting the club. Again, we would argue that that needs to be very clear to clubs, particularly if there is any—

**The Chair:** Order. I hesitate to interrupt the hon. Gentleman, but, just so that he is reminded, we will get to the detail of all of this in schedule 5. Clause 20 simply introduces the schedule, so the hon. Gentleman might want to keep some of his powder dry for the schedule 5 debate.

**Mr French:** I hear your words and I appreciate them, Sir Jeremy. I was just going to finish by saying that we would like to see some clarity around that. I am sure that we can pick that up again in the later debate.

**Stephanie Peacock:** I appreciate the shadow Minister's comments. I will address them in detail when we come to the relevant debate.

*Question put and agreed to.*

*Clause 20 accordingly ordered to stand part of the Bill.*

## Schedule 5

### Mandatory Licence Conditions

**Mr Betts:** I beg to move amendment 7, in schedule 5, page 100, line 19, at end insert "(e) an enforcement condition."

*See explanatory statement for Amendment 8.*

**The Chair:** With this it will be convenient to discuss amendment 8, in schedule 5, page 103, line 16, at end insert—

*"Enforcement*

11A An enforcement condition is a condition requiring a club to incorporate and maintain within its Articles of Association (or equivalent constitutional document) provisions which—

(a) require any person in respect of whom the Regulator makes an order under section 43 to—

(i) transfer the shares and/or voting rights which are held, directly or indirectly, in the club by that person (or by the trustees or members referred to in paragraph 2(5)(a) of Part 1 of Schedule 1),

(ii) terminate that person's right (or that of the trustees or members referred to in paragraph 2(5)(a) of Part 1 of Schedule 1) to exercise, or cease to exercise, significant influence or control over the activities of the club, and

(iii) terminate that person's right (or that of the trustees or members referred to in paragraph 2(5)(a) of Part 1 of Schedule 1) to appoint or remove an officer of the club, and

(b) empower any director of the club, or any trustee appointed by virtue of an order under section 43, to complete, execute and deliver in the name of, and as agent and attorney on behalf of, the person referred to in paragraph 13(a) (or the trustees or members referred to in paragraph 2(5)(a) of Part 1 of Schedule 1) all documents necessary to fulfil that person's obligations under paragraph 13(a)."

*This amendment creates an enforcement provision to better enable the removal of an unsuitable owner. It would require a club to amend its articles of association to include a standing set of compulsory share transfer provisions and restrictions on the usual powers of a majority shareholder.*

**Mr Betts:** This is actually quite an important issue—not that other things are not important—because it seems to me that it is at the heart of what happens when we try to get proper ownership into football clubs. It is a complicated legal issue, so I am not expecting the Minister immediately to agree with every word in my amendment, but I thank Fair Game for having a look at this and trying to come up with a solution.

The amendment relates to the case of Reading, a club that have had real difficulties recently: they had an owner who was not interested—they almost walked away from the club—and the EFL was in a difficult place because it eventually had evidence about behaviours, I think in China, that were not acceptable and meant that the owner was no longer a "fit and proper person". What happens in that situation?

No one who is not a fit and proper person may run a club, so the club then cannot play in any competition it is currently in. That is the point that Reading almost got to. In the end, a sale was made just a few days before the EFL deadline day, which saved the club and allowed it to continue. But if the owner had been completely capricious, and had just decided, "It's my club and I'm not selling, so what?" the club would have disappeared, and there is nothing that the EFL or anyone else could have done.

I am not sure the Bill says anything about what happens to a club if the current owner or owners were previously deemed to be fit and proper persons, but are no longer. Such persons cannot have a licence. Without a licence, the club cannot play in the competition. There is nothing that the regulator can do, as it stands, if the owner refuses to sell and give up their ownership. Where does that leave the club?

I am trying to find a way that gives the regulator powers—perhaps of appointing trustees—to enable the club to continue to operate with a licence in the competition they are playing in.

10.45 am

**Jim Dickson** (Dartford) (Lab): It is a pleasure to serve under your chairship, Sir Jeremy. We have all seen clubs driven into the ground by irresponsible owners. We have cited Dai Yongge at Reading, Mel Morris at Derby and Steve Dale at Bury, who disastrously led Bury into bankruptcy and eventually it disappeared. The dilemma will clearly be in how and when these powers are invoked and what criteria are used to invoke them. Would my hon. Friend say that this is about having backstop powers to enforce better behaviour by owners who may decide to engage in a course of action that brings a club to the sort of place that Reading, Derby and Bury have found themselves, rather than those powers always being exercised?

**Mr Betts:** My hon. Friend is absolutely right. No one wants to see the regulator come in and compel clubs to change ownership. That is not the intention. Encouraging owners to behave better so that that intervention is not necessary is of course the ideal outcome, but history would teach us that not every power or potential use of power will compel some owners to behave properly. This is about what happens when they do not.

The whole purpose of these arrangements in the Bill is to stop the Burys happening again, or to stop the situation at Reading getting worse than it did. At this stage, I do not see where the power is for the regulator to do anything other than to say that someone is not a fit and proper person.

**Lincoln Jopp:** Has the hon. Gentleman considered that, essentially, we are talking about the state seizing someone's assets and giving them to someone else? If a club falls into administration, the administrator is governed by a very strict set of laws in terms of treating all creditors fairly. Is he not concerned that this power could fly in the face of existing powers for the administration of companies?

**Mr Betts:** The hon. Member raises a worthwhile point for consideration. It may be that in the situation of Reading, if it had not changed ownership, the club

*[Mr Betts]*

would have gone into administration, because it would have had no income coming in because it could not play in the competition. That is entirely possible. It is possible that the chairman could just walk away and say, "Right, I am dissolving this organisation—I am off." That would not be acceptable for fans.

That is why I said at the beginning that it is a complicated legal issue, and I am not saying that I have the only solution here. What I am saying is that there is a problem that does not currently appear to have a solution in the Bill. It is a problem. I keep going back to the situation at Sheffield Wednesday. We have a situation where an owner is running out of money. We do not even know where his money comes from. It clearly does not come from his companies, because his companies are loss-making. Is he being supported by his family? Is the Thai Union Group providing the money? Is the family trust providing the money? The regulator will have the power to find the source of funding, which might be quite interesting in some cases. We had a situation at Leeds a few years ago where we did not even know who owned the club.

Getting that information on the record and giving the regulator powers to find out who actually owns the club, what the source of funding is and whether the beneficial owner is the same as the owner who claims to be the owner are important issues, but then we get to the point where the owner is found to be not fit and proper. What actually happens? I do not know the answer. I have read the Bill many times and debated it many times, and still do not know the answer. There has to be an answer.

**Lincoln Jopp:** My understanding of the Bill is that under those circumstances, they would lose their licence to operate.

**Mr Betts:** They would, and therefore the club disappears. No one wants to see that. The whole purpose of the Bill is to stop clubs disappearing, to stop what happened to Bury, and so there is a gap in the legislation, because what happens in that situation? It nearly happened at Reading—the club nearly disappeared, but in the end it was a last-minute sale. If the owner had not sold it at the last minute, however, the EFL has no powers to deal with it, and the regulator will not either. The regulator has the power to say: "You shouldn't be owning the club. You shouldn't have a licence to operate the club, because of what you have done, you haven't got the funds, your source of funds is inappropriate"—all those things—but then what happens?

I am saying to the Minister that the whole intention of the Bill is to ensure that the clubs that fans have supported for years, for generations—for communities, it is their club—do not disappear, go out of business or lose their place in the competition they are playing in. Clubs might get relegated, that is fine, but they should not lose their place because they have an owner who is not fit and proper, and does not meet the test. We have to find way of dealing with this, which the Bill does not do as drafted.

**Stephanie Peacock:** I thank my hon. Friend for moving the amendment and tabling amendment 8. To be the owner of a football club is to be the custodian of a treasured and historic community asset. That should be an honour, but it also comes with great responsibility. We recognise that in the past, however, it has typically been the actions of unsuitable custodians that have put our historic clubs at risk of collapse. It is vital that the regulator has the necessary powers to protect clubs and their fans from such owners. We therefore completely recognise the intent behind the amendments—to ensure that the regulator has the necessary enforcement mechanisms to back up its regime and guarantee protection from unsuitable owners.

I reassure my hon. Friend that the Bill already suitably achieves that. The regulator already has the power to require a club to make constitutional changes if the regulator considers that that is an appropriate way to secure an unsuitable owner's removal. It has a range of strong powers to enforce against any non-compliance. The powers include the imposition of sanctions, such as financial penalties, all the way up to forcing divestment, which would force an owner to divest their stake in the club at no minimum price, directing them to take no part in the running of the club in the meantime. If necessary, the regulator can appoint an interim officer to assist the club operating effectively in the owner's absence.

To respond to the point made by the hon. Member for Spelthorne in an intervention—a point made by my hon. Friend the Member for Sheffield South East a number of times—that ability to isolate and remove unsuitable owners and officers should mean that a club never has to have its licence suspended or revoked. A clubs' fans should therefore not have to suffer the consequences of bad leadership. To be clear, because the licence is separate from the owner, the removal of an owner will not impact the club's licensed status. We will come on shortly to discuss owners and directors, so I shall reflect on my hon. Friend's comments ahead of that debate. I hope to provide him with reassurance, but we will not support his amendment.

**Mr Betts:** Is the Minister saying that the regulator has the power to direct that someone else should be in charge of running a club and having operation of the licence that the club needs to compete in the competition, even if the owner is not a fit and proper person?

**Stephanie Peacock:** I am saying that the regulator may—I am not saying definitely will, because I do not want to get into hypotheticals of what it will do or not—appoint an interim officer to assist a club to operate effectively in the owner's absence. To be clear, the club's licence is separate from its owner, so the removal of the owner does not impact the club's licensed status.

**Mr Betts:** In further debate, we will come back to the issues of owners and directors, to which the Minister referred. As I said at the beginning, this was an exploratory amendment for discussion of the whole issue, which is important, but with her reassurance. at this point I will not press the amendments to a vote. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Mr Betts:** I beg to move amendment 16, in schedule 5, page 100, line 19, at end insert—

"(e) an Asset of Community Value condition."

*This amendment adds the requirement to attach an Asset of Community Value condition to each club operating licence.*

**The Chair:** With this it will be convenient to discuss amendment 17, in schedule 5, page 103, line 16, at end insert—

*"Asset of Community Value*

11A The Asset of Community Value condition is a condition requiring a club to either—

(a) obtain and maintain Asset of Community Value status for its home ground; or

(b) incorporate into its Articles of Association a restriction which substantially mirrors the restrictions placed on Assets of Community Value under the Localism Act 2011,

and the Secretary of State may create regulations detailing further the implementation of the Asset of Community Value condition."

*The amendment defines the Asset of Community Value condition that clubs are required to obtain for their home ground and is consequential on Amendment 16.*

**Mr Betts:** Assets of community value have been looked at in a number of different ways over time. Some clubs are already in this situation because their fans have moved to do this. That is true at Sheffield Wednesday, where fans moved some time ago to have the ground designated as an asset of community value. It does not provide a complete safeguard against an owner, who wants to cause mischief and upset for fans and the club, transferring the ground for another purpose, but it provides more of a safeguard than simply having it as a ground without any particular protection, as is currently the case.

The Minister referred to what the MHCLG might be doing in this area on the rules around planning. Is she prepared to look at using assets of community value to give further protection and to comfort fans that football grounds hold a different status to other assets that owners, from time to time, might want to change for another purpose?

**Stephanie Peacock:** I thank my hon. Friend for tabling the amendments. I know we have discussed this issue a number of times; it has always been a pleasure to do so, and I recognise its importance. Home grounds are often the most important asset that a club owns, so that is why I want to thank my hon. Friend for placing a real focus on them.

The significant financial and heritage value that grounds hold is why the Bill has strong protections to prevent home grounds being sold, used as collateral or relocated without the necessary considerations. Asset of community value status is another mechanism that a number of clubs and supporter groups have obtained for their home grounds. We would expect the regulator to welcome any club that wishes to gain community value status for an asset as another way to protect their home ground.

However, we are confident that the legislation will provide the necessary protections to address fan concerns and keep these important assets protected without mandating this status. Additionally, while assets of community value have proven beneficial for many clubs where no other protections have been in place, these amendments may place an unnecessary burden on clubs. As currently drafted, they would require clubs to either go through what can be a lengthy process with the relevant authority or make structural changes to the constitutional document of a club. Given that significant protections are already in place in the Bill that deliver the necessary safeguards, it is difficult to justify any additional measures for all regulated clubs, especially as a mandatory licence condition.

I really want to reassure my hon. Friend, as I know that home ground protections are of particular importance to him, that the Government have already committed to asset of community value reform in our manifesto, and this is something that the recent English devolution White Paper from the Ministry of Housing, Communities and Local Government commits to.

**Mr French:** I have a lot of sympathy for the amendment tabled by the hon. Member for Sheffield South East. The Minister argues that this does not need to be addressed through the regulator, but will guidance be published for those fan groups who are keen to ensure the long-term future of their grounds? What guidance will be published to ensure that any fans in this situation have clear advice from the Government on the best routes to protect their ground?

**Stephanie Peacock:** I am saying that I am confident the legislation will provide the necessary protections to address fan concerns, but I also draw the Committee's attention to the work of the Ministry of Housing, Communities and Local Government on the specific issue of assets of community value. Of course, that does not fall into my portfolio, but I am very happy to commit to speaking to my relevant counterpart and adding to the letter that I have earlier committed to writing. This is something that I am sympathetic to, but I do not have the ability to make that commitment today. I believe that the work the Ministry is doing is very interesting and relevant to what we are discussing. For that reason, I am unable to accept my hon. Friend's amendment, and I ask that he withdraws it.

**Mr Betts:** I thank the Minister for that reply; it is helpful in moving the discussion in the right direction. I appreciate that she cannot commit on behalf of another Department and other Ministers, but she has indicated that work is going on in this area. Again, it would be helpful if she could encourage her colleagues in the MHCLG to come forward with that further information before we get to Report. If they are going to write to us about the other issue, they could write to us about this as well. It would be extremely helpful if that could be done, but I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

11 am

**Mr French:** I beg to move amendment 135, in schedule 5, page 101, line 20, leave out sub-subparagraph (ii).

**The Chair:** With this it will be convenient to discuss amendment 136, in schedule 5, page 102, line 7, leave out sub-paragraph (e).

*This amendment removes the requirement for the corporate governance statement to cover what action the club is taking to improve equality, diversity and inclusion.*

**Mr French:** My amendments would remove the requirement for clubs to include in their corporate governance statements an account of the actions they are taking to improve EDI. Although the intentions behind the provision may be well-meaning, we believe it is misplaced within the framework of a Bill that is rightly intended to stabilise the footballing pyramid, preserve our historic clubs and ensure sustainable financial conduct.

Let us be clear about what schedule 5 seeks to achieve. It introduces a requirement for clubs to prepare and publish an annual corporate governance statement setting out how the club is managed, its leadership and board structure, and the internal controls that ensure compliance with financial and operational rules. That is, at heart, a welcome and worthwhile measure that will support transparency and proper stewardship across the game. Those are principles that we have been urging the Government to apply to the regulator throughout the process of the Bill, but we believe in certain areas they have declined to do so. The inclusion, however, of a requirement for clubs to report on their actions to advance EDI veers into territory that is, at best, tangential to the core purpose of the legislation. This is, after all, a Football Governance Bill, not a vehicle for social policy experimentation.

**Melanie Onn:** We talked about this briefly in a previous session. The requirements in schedule 5 are exactly what would be found in any business's corporate governance report, alongside ESG expectations. Why should it be different for football, and is it particularly the "E", the "D" or the "I" that the shadow Minister does not like?

**Mr French:** In my previous career, I headed up sustainability on ESG, so I understand the hon. Lady's point. If she will let me continue, I believe my points will answer her question.

This country's football clubs are not arms of the state. They are private institutions, many of which are more than a century old, with proud identities shaped by the local community's traditions and values. Their job is not to issue corporate platitudes on diversity but to serve their supporters, compete on the pitch and conduct themselves with financial integrity. Mandating EDI reporting risks turning the regulator into a cultural enforcer rather than a steward of good governance.

Importantly, however, we must also consider the burden it will place on clubs, particularly those in the lower leagues. Our amendments go to the heart of an argument that has served us time and again during the scrutiny of the Bill: the risk of regulatory overreach and overburden. Clubs in League One and League Two, National League outfits and even some Championship sides already struggle with the administrative requirements expected of them, from audit processes to licensing compliance. Adding more politically motivated reporting requirements, particularly in controversial and contested areas such as EDI, risks deepening the strain without any justification related to the Bill's primary purpose: football. Some may argue that football has a responsibility to lead on matters of social justice, but cultural change should not be imposed by statutory mandate. Real change, where needed, comes from within; from clubs taking action because it is right for them and their supporters, not because a regulator demands it as part of its governance tick-box exercise.

We can see that with Forest Green Rovers, a club that chose, of its own accord, to take a distinctive approach to sustainability, ethics and inclusion not because a regulator told them to, but because it aligned with their leadership values and the identity they wanted to build. Whether or not one agrees with their choices, the point is that they were made voluntarily. That is the right way to foster progress in football—through leadership and initiative, not through regulatory coercion.

As we discuss schedule 5 and the role of corporate governance statements in football clubs reporting, it is important to recognise the significant work already underway in the game on EDI—work that is being driven voluntarily and effectively by the FA, Premier League, EFL and National League without an overzealous and politicised regulator interfering. The Premier League has developed its own EDI standard, known as PLEDIS. It provides clubs with a clear, structured framework to improve inclusion both on and off the pitch. It is not a mere tick-box exercise, as we fear the Government regulator will be. It is a rigorous programme of three levels: preliminary, intermediate and advanced. Clubs must earn all of those levels for evidence-based progress and independent assessment.

**Max Wilkinson:** The shadow Minister referenced Forest Green Rovers, which is the rival club to my town's club, Cheltenham Town. I have nothing against Forest Green Rovers. They have vegan catering, and many people view veganism as a political statement. That is, of course, a business choice that Forest Green Rovers made and it has served them well. Based on a previous amendment the shadow Minister tabled, would he suggest that the fans should have been consulted on the move from meat to vegan food being served in the grounds?

**Mr French:** I am happy to answer that with a simple yes. They should have been consulted.

To date, 27 clubs have engaged with PLEDIS, and 18 have achieved the advanced level. Clubs such as West Ham United have demonstrated genuine leadership by embedding EDI principles deep within their organisation over multiple years without the need for Government involvement.

Beyond PLEDIS, the Premier League's "No Room for Racism" campaign highlights a range of targeted initiatives, from supporting coaching pathways to enhancing representation among players and officials from diverse backgrounds. Premier League schemes such as the professional player to coach scheme and the coach inclusion and diversity scheme have supported more than 80 coaches into full-time professional roles. Meanwhile, thousands of grassroots participants benefit from programmes aimed at increasing access for under-represented communities in football, including the south Asian action plan.

Meanwhile, the English Football League has also taken proactive steps through its equality code of practice, which encourages clubs to set ambitious, measurable goals and recognise best practice through an awards system, with 10 clubs having attained silver status as of last year. The EFL's community outreach includes programmes such as the Stronger Communities cup, which promotes social cohesion by bringing together girls from local communities and girls who have been

forcibly displaced. The EFL Trust's talent inclusion programme further demonstrates how clubs are creating pathways for young women from diverse backgrounds, ensuring that football's future is open and accessible. All that work has taken place without the need for the Government's regulator to interfere.

These efforts underline a key principle: real progress on equality and inclusion in football comes through leadership, commitment and initiative, not through bureaucratic mandates or additional regulatory burdens. Clubs are already stepping up in a meaningful way. That is why we argue against adding a new statutory reporting requirement on EDI in the Bill. We believe that this would risk distracting from the core purpose of the Bill—ensuring sound governance and financial sustainability within English football—while imposing burdens that may not add tangible value.

I urge hon. Members to recognise the existing achievements of football and to support my amendments, which would remove the unnecessary requirements for clubs to report on EDI action in their corporate governance statements. Fans do not attend matches to receive diversity statements. They go to support their team, share in the highs and lows, and pass on the tradition that means something to them and their community. They do so as part of a footballing community that is focused on the team they support, not the colour of a supporter's skin, their religion or their sexual preference.

These initiatives reflect concerted efforts by the Premier League, the FA, the EFL and the National League to foster an inclusive environment in football. They demonstrate that meaningful progress on EDI can be achieved through voluntary, club-led actions rather than statutory mandates. What precisely do the Government intend that their regulator do with these EDI statements? Will they be assessed for adequacy and ranked against each other? Will penalties be imposed for perceived failure to meet EDI expectations? The risk is not just regulatory creep, but mission creep—the regulator may become an arbiter of social values rather than a guarantor of financial sustainability and good governance.

Let me be absolutely clear: we support inclusivity and fair treatment in football and beyond. Discrimination has no place in the game. Kick It Out and Show Racism the Red Card do important work, and we will continue to support that work, but not by putting extra burdens on clubs that are, in many cases, already struggling due to Labour's decision to hammer businesses at every turn and twist.

**Melanie Onn:** The shadow Minister spoke about initiatives that have already been undertaken in football. Clubs have a wider role of community leadership in local communities, and is that not precisely what these rules and regulations provide for? They will ensure that clubs deliver community leadership on things that are important, particularly around community cohesion.

**Mr French:** As I have made clear, we believe that some of these issues are important, but we believe that they should be addressed on a voluntary basis, which is what has driven progress in the game. We do not believe that it should be mandated in statute at arm's length by the Government. I have been clear in making that distinction in my comments.

Requiring clubs to report annually on their EDI action is not a proportionate or effective way to achieve those broader aims. It amounts to moral licensing, encouraging clubs to go through the motions rather than to take meaningful steps to foster a welcoming culture in ways that make sense for them.

My amendments would restore clarity to the regulator's remit. They would ensure that schedule 5 is focused on what really matters: clear lines of accountability, proper oversight of directors and owners, and a robust governance structure that protects clubs from the kind of catastrophic mismanagement that we have seen in the past. Football has always been about community; it is in the dressing rooms, on the terraces and in the shared heritage of our towns and cities that the game's values are lived. Let us not fall into the trap of thinking that they can be legislated for by line item in a regulator's reporting requirements. It is for that reason that I tabled these amendments. I urge the Minister to reflect seriously on whether this part of schedule 5 is truly consistent with the aims of the Bill and the traditions of our national game, which is inclusive by default.

**Stephanie Peacock:** I thank the hon. Gentleman for the amendments, but I disagree with the attempts to remove the references to EDI from the Bill. I will outline why and then, towards the end of my contribution, I will respond to his specific questions.

The Government believe that equality, diversity and inclusion is a key part of good corporate governance. As my hon. Friend the Member for Great Grimsby and Cleethorpes outlined, it is common practice. Research shows that diversity on boards and in organisations promotes better governance, decision making and transparency, all of which, in turn, contribute to improved financial sustainability. The relationship between diversity and better corporate performance is recognised by the Financial Reporting Council and the Association of Chartered Certified Accountants.

The industry is already taking action in this space, and the shadow Minister shared some examples, which I will not repeat. In November 2024, the FA published its four-year equality, diversity and inclusion strategy, titled "A Game Free from Discrimination". It set out a long-term commitment to celebrate and promote diversity in English football, as well as an ambition to tackle all forms of discrimination in the game.

At a club level, in May this year, Chelsea's incredible work in that area was recognised, with the Premier League awarding them the advanced level of its equality, diversity and inclusion standard—the highest level that can be awarded. All clubs in the Premier League, and some that have since been relegated from it, engage with the Premier League equality, diversity and inclusion standard initiative.

The Bill does not put EDI in football—it is already there and it is being celebrated by the industry. It is therefore right that, as a regulator that will be introducing a corporate governance code and requiring clubs to report against that, it covers EDI. The regulator will look to work co-operatively with stakeholders, draw on the expertise of the sector and add industry initiatives.

As with fan engagement, this will be a statutory baseline. Clubs that already champion equality, diversity and inclusion will not have an additional burden placed

*[Stephanie Peacock]*

on them, other than having to periodically report on those things. Under the corporate governance code, clubs will simply be required to explain how they are applying the code and what actions they are taking to improve equality, diversity and inclusion—and nothing more. That is not onerous; it is a very helpful transparency measure, and it speaks to the question that the shadow Minister posed. I want to be very clear: the regulator is not going to prescriptively micromanage each club's board or set targets and quotas on EDI. That is simply not the role of the regulator and would cause a significant burden to both the regulator and clubs. Ultimately, this is only a reporting requirement that all clubs should be able to meet.

**Mr French:** I appreciate the clarity provided by the Minister in outlining what she believes the regulator should or should not do. On quotas, can we be absolutely clear that the Government's intention is not for there to be a mandated quota for clubs to have certain elements and different parts of the community on the board? Is that the clear intention in what the Minister is saying?

**Stephanie Peacock:** Absolutely. I will repeat the wording I just used in the Committee: to be very clear, the regulator is not going to prescriptively micromanage each club's board or set targets or quotas on EDI. We will have that in *Hansard* twice now, so the intention should be very clear. Therefore, I hope that the hon. Member will seek to withdraw his amendment.

**Mr French:** I appreciate the clarity that the Minister provided on quotas, because that particularly concerns Opposition Members. As I have mentioned—I will not seek to repeat my comments—we are concerned about mission creep and scope creep of the regulator and what the Bill is designed to do. I made it clear earlier that I believe that football is inclusive and that it has done amazing work, when we compare the state of football 20 or 30 years ago with where we are today. We see that on the terraces at most clubs every single week, and we certainly see that with the national team, which most of the country comes together to support, particularly in big tournaments.

Mandating EDI reporting and turning it into a bit of a tick-box exercise—that was highlighted in some of the Minister's comments—moves away from what we believe to be the valuable part of this work, which is to drive forward inclusivity in clubs and increase the fan base, which is good for clubs, by expanding beyond some of the traditional support of the game. We fear that having this provision in the corporate governance code, in the way it is written, will lead to unintended consequences. It will drive certain agendas, and we fear that clubs will walk into a number of traps accidentally.

We have tabled these amendments because we believe that EDI reporting, especially in certain areas where it is contested, should not be put on clubs in this way. The voluntary scheme in football has worked much more powerfully over the years, and that is proven in the experiences at football grounds around the country.

11.15 am

*Question put*, That the amendment be made.

*The Committee divided:* Ayes 2, Noes 11.

**Division No. 26]**

**AYES**

| | |
|---|---|
| French, Mr Louie | Robertson, Joe |

**NOES**

| | |
|---|---|
| Betts, Mr Clive | Patrick, Matthew |
| Dickson, Jim | Peacock, Stephanie |
| Foxcroft, Vicky | Pearce, Jon |
| Martin, Amanda | Shanker, Baggy |
| Naish, James | Wilkinson, Max |
| Onn, Melanie | |

*Question accordingly negatived.*

**Mr French:** I beg to move amendment 137, in schedule 5, page 102, line 2, at end insert

"including the club's official charity."

*This amendment would make clear that the activities of a football club's official charity can be counted towards it meeting the corporate governance code.*

It is a pleasure to speak in favour of the amendment. The Bill as drafted does not specify that the activities of these charities—often known as community trusts—count when taking into account actions taken by the club in relation to meeting the corporate governance code, so I start by asking the Minister why the Bill does not contain explicit recognition, in the governance reporting requirements, of the work done by community trusts. I would appreciate it if she could pick that up in her comments.

As both the shadow Minister for sport and the Member of Parliament for Old Bexley and Sidcup, I am in a fortunate position: I get to see week in, week out how sport, and football in particular, can transform lives. I also get to see what that looks like in practice, not just in headlines or strategies, but on the ground—in local parks, youth centres and school halls across my constituency. I know that other Members will have similar experiences in their own.

In my constituency, we are lucky to benefit from the extraordinary work undertaken by Charlton Athletic Community Trust. It is no exaggeration to say that CACT, if we want to call it that—I do not really like that wording—has become one of the most respected and impactful community foundations affiliated with a professional football club anywhere in the country. It often wins awards at national level for that work. Its work extends far beyond the pitch and well beyond the borough of Greenwich, where the training ground and the stadium—the Valley—are located, and deep into my borough of Bexley, the wider south-east London area, and Kent. In fact, Charlton have been delivering services and support in Bexley for well over a decade.

Charlton's community trust delivers youth services on behalf of Bexley council. It provides safe spaces and structured activities that help young people to develop skills, build confidence and stay on the right path. In today's world, where young people, as most Members would recognise, face growing pressures and limited opportunity, that kind of work is more vital than ever.

Although Charlton are not a Premier League side just yet, one of the flagship initiatives that it runs is the Premier League Kicks programme, which operates across the borough in areas such as Thamesmead, Slade Green and Erith—places where young people often face the dual challenge of limited opportunities and exposure to risks—as well as in my area of Old Bexley, Sidcup and Welling. The Kicks sessions are free weekly football sessions, but they are about much more than just sport. They take place in safe and welcoming environments and are led by trained staff. Young people aged between eight and 18 can build confidence, learn leadership skills and receive mentoring from positive role models—often young adults who were once participants in the scheme.

What makes the Kicks programme in Bexley particularly valuable is its consistency and partnership working. Sessions are delivered year round in collaboration with the police, youth services and local schools. This is not a one-off scheme or a publicity stunt. It is part of a broader, integrated approach to youth engagement and early intervention that genuinely helps to steer young people away from things such as crime and towards the opportunities that football presents.

Charlton's work goes far wider than just youth engagement, although I have seen that recently at Hurstmere school in my constituency and when Charlton brought the Premier League trophy to a local park. It was incredible to see the reactions of young football fans to the trophy. Just remember not to touch it—a mistake that I made on the day, and I was rightly told off.

In Bexley, Charlton are a contracted delivery partner for the council's early help youth services—statutory support that has been delivered to a high professional standard for many years. Importantly, the trust has developed deep and lasting partnerships in Bexley and Greenwich, not only with the local authority, but with the NHS, local schools, the police and the voluntary sector. That joined-up approach is what makes its work sustainable and successful. As I said, I am sure that many other clubs around the country are doing such work.

**Jim Dickson:** The hon. Gentleman is outlining in great detail the amazing work done by Charlton Athletic through its club charity. Nearby Dartford football club are lower down the football pyramid, but is he aware that, none the less—typically of clubs around the country, be they in League One, the Championship, as Charlton now are, or lower down the pyramid—it does amazing work? Dartford FC educational charity does incredible work in the community. It has partnered up with ellenor hospice to raise money, and it has undertaken great public health work with Kent county council around stopping smoking. I am glad that he has mentioned Charlton's work and given us an opportunity to raise the work done by our clubs.

**The Chair:** Before the hon. Member for Old Bexley and Sidcup responds, it may be of assistance if I put on record that I am prepared to take it as read that all football clubs do good work. There is no need for Members to explain it in detail.

**Mr French:** Thank you for your guidance, Sir Jeremy. You will be pleased to know that I am coming on to why my example is relevant to the amendment. I am grateful to the hon. Member for Dartford for raising the example of Dartford football club—a rival of one of my other local clubs, Welling United, which also do great work in the community.

In the light of your words, Sir Jeremy, I will move on to the amendment. Clubs do such amazing work around the country, and the amendment would ensure that that is recognised properly in the Bill. I hope the Minister agrees that work that such community trusts are delivering around the country, particularly in youth engagement, public health and crime prevention, should form part of a club's social responsibility and how it is reported.

Why does that matter in the context of the Bill? Because we are legislating for a new governance framework for football, and the Government have decided that this Bill must reflect football clubs' wider social responsibilities and recognise the real value of institutions such as the trusts, which deliver on the responsibilities in practice. As the Bill is drafted, there is a risk that such work will be seen as separate from clubs' corporate governance responsibility, and there is a risk that a club will have to wind up its charitable organisation—God forbid—and bring it fully in-house to meet the requirements of the Bill. Allowing a club's charities or community trusts to count towards that will allow the good work to continue growing while trusts benefit from their charitable status.

The Bill is a slight own goal, but I believe the drafting can be corrected. We believe it represents a missed opportunity for communities across the country, and our amendment would correct that by making it clear that clubs can include the work of their associated community trusts as part of how they meet their governance targets. That does not mean giving clubs an easy ride or allowing them to paper over poor performance elsewhere, but it does mean taking a more holistic, grounded approach to what good governance looks like in the real world.

When we are considering how best to shape football regulation, I believe the example set out by the Charlton trust should give us something to aim for across the country and across the football pyramid. It shows what football at its best can do when it is rooted firmly in its community and takes its social obligations seriously. Charlton Athletic may not be in the Premier League at the moment—give them another season—but through the community trust, they are leading the way in community impact. I understand that it is up for another national award this year.

That is why I believe the amendment is not only proportionate and practical, but in keeping with the spirit of the legislation. If we are serious about building a more sustainable and responsible football pyramid, we must also be serious about recognising clubs that take their community obligations very seriously, not through a statement of intent but through long-standing, properly resourced partnerships.

In Bexley, it does not matter whether you are an Addick yourself; you can come along to a Premier League Kicks session and be part of something bigger. The same is true of neighbouring Millwall, who do lots of great work in the Lewisham borough. We want this to be more than a box-ticking exercise.

There is a real risk that clubs will scale back some of that work if it is brought under the scope of the Government's regulator. I am sure the Minister would

*[Mr French]*

agree that that would be an unintended consequence. Does she agree that allowing clubs to include their trusts' work in their corporate governance statements would incentivise long-term investment in high-quality community programmes, rather than short-term or superficial schemes?

We hope that any new regulatory framework, including the establishment of the Government's regulator, will recognise and protect the kind of local partnership work that I have described today. Will the Minister therefore tell us whether she believes that when it assesses a club's performance, the regulator will be equipped to distinguish between high-impact, properly evaluated community work, such as I have described, and less substantive activity? Will she issue guidance that the regulator must have regard to outreach delivered through a club's trust when assessing corporate governance?

*The Chair adjourned the Committee without question put (Standing Order No. 88.)*

11.25 am

*Adjourned till this day at Two o'clock.*