

## Keeping the game beautiful

### What should the fan-led review of football governance propose?

#### Overview of the event

The aborted attempt by six Premier League clubs to form a breakaway European Super League has brought to the fore longstanding concerns about open competition, ownership, financial sustainability and governance in English football.

The Government has responded by announcing a landmark fan-led review of football governance, led by Tracey Crouch MP, with far-reaching terms of reference that include fan ownership, the flow of money through the football pyramid, and assessing the case for a single, independent football regulator to oversee the sport's regulations and compliance. After repeated failed attempts to put football on a more sustainable position over recent decades, this is an opportunity to deliver real and meaningful change.

This event brought together leading voices from within the game and leading politicians from both left and right to discuss the urgent issues facing English football and how to fix them. The panel agreed that there is a strong case for a formal regulator to help shore up clubs' finances, reorganise governance structures and step in on behalf of supporters. A consensus was reached on the importance of giving fans more power over major decisions and ownership of the clubs themselves. Panellists also highlighted the essential role that football clubs play in people's lives, as both a source of national pride and of local value to communities.

The panellists were:

- **Gary Neville**, former Manchester United footballer
- **Lord Mervyn King**, former Governor of the Bank of England
- **Alison McGovern MP**, Shadow Sports Minister
- **Tom Greatrex**, Vice chair, Football Supporters Association National Council
- **Lord O'Shaughnessy**, former Health Minister and former Director of Policy, No.10

## Key points of the discussion

- **The central importance of fans.** The panellists agreed that football is not just a business and more than a sport. It defines communities and brings people together. These shared experiences are what make the game broader than a small group of clubs at the top and vital to many people's lives despite the changing fortunes of clubs over the years. It is impossible to consider the finances or governance of football without reference to fans and local communities. As Lord O'Shaughnessy argued, this should mean more than just putting fans on boards or gestural policies but meaningful action to engage fans in key decisions and ownership of clubs.
- **'Fan-led' therefore must mean really listening to fans and supporters' trusts.** Several panellists argued that the review should seek to strike a balance between professional expertise in running any new regulatory body and a focus on fans. Tom Greatrex from the FSA argued that clubs should recognise that among any fan base is a wealth of knowledge and experience that could be used to the benefit of the club, as well as an emotional and cultural attachment that motivates people to get involved. It was noted that there is a lot to learn from those owners who are already getting it right - who see their Supporters' Trust as an asset rather than a risk.
- **There was a consensus that regulation would be needed and it must "have teeth".** A consensus quickly developed around the need for a formal regulator. Lord Mervyn King identified football as a classic collective action problem, where all would benefit from change but none in isolation has the incentive to agree. The past few decades, he and Gary Neville argued, had shown that the game as a whole is unable to come to a view, as each division and club seeks to protect its own specific interests. This has demonstrated the need for government to intervene and impose better governance through regulation.
- **Any regulator should be independent, not represent existing interests and cover the entire game.** The first principle that should underpin any new body is independence, argued Gary Neville. The panel agreed that the regulator should involve people who are passionate about football but are also neutral and not directly connected to the stakeholders in the game. There will inevitably be enormous focus on the Chair of this regulator, and Alison McGovern MP emphasised that the selection needs to come out of a clear and transparent process. The regulator should be able to look across stakeholder groups and speak for the public and supporter interest. In this vein, all of the panellists agreed that the scope of a new regulatory body should be broad, covering the whole professional game at all levels of the pyramid, including the women's game.
- **Intervention should seek to preserve healthy competition and a level playing field.** The ability of an independent regulator to design and enforce fair play rules must be one of its

major roles. Gary Neville argued that for teams to 'bet the house' on hopes of resurrection is simply unsustainable. The regulator should also aim to deal with the financial cliff edges that exist in moving up the league. Its objective would be to protect clubs, like Bury FC, from collapsing due to financial mismanagement. Alison McGovern MP noted the need for some kind of counter-cyclical buffer to protect clubs, while Lord O'Shaughnessy argued for a fund to support fan ownership of clubs that have fallen into administration, funded by a levy on transfers or a share of TV revenue.

- **Reform is in the interests of the Premier League and FA.** The panellists highlighted that the quality and competitiveness of the game has continued to improve - and as such the Premier League attracts the best players and managers from around the world. The European Super League, it was argued, cut at the heart of that competition. It is in the interest of Premier League teams, and for the quality of the sport, for the top teams to contribute a share of their income to clubs down the pyramid. A formal regulator could provide assurances that this money would be spent properly.
- **We should learn the lessons of the past.** Alison McGovern MP and Lord King argued that the 2008 Financial Crisis and its aftermath provides a roadmap for regulation of English football. It was emphasised that regulation was tightened after the financial crisis, not loosened, and while banking is not perfect, it is better than it used to be. This process was iterative and gradual, which was the key to its success, rather than expecting one or two major changes to fix the problems. Steady regulatory improvement will be essential to the long term success of a formal regulator. Lord O'Shaughnessy argued that the UK already has successful regulatory frameworks operating in other markets - for sectors like utilities and banking - so a new system need not start from scratch or be overly complex.
- **It should be easier for fans to take ownership of their clubs.** The panel was supportive of fans taking a greater ownership role over their clubs. In the first instance, fans don't move - they are not customers. They don't switch their allegiance or vote with their wallets. Indeed, panellists raised several examples of an owner moving the team but the fans staying put (such as Wimbledon FC relocating to Milton Keynes and fans creating the phoenix club AFC Wimbledon in protest). That in itself is a motivation for facilitating greater involvement and ownership. However, immediately moving to the 50+1 model was seen as too hasty. It was cited as something more likely to take hold in the future, but difficult to implement without harming the economic value of clubs. Instead, panellists thought that supporters could be allowed to acquire a minority stake would be a good first step. The panel supported encouraging ownership models more akin to stewardship and custodianship; Leicester City was mentioned as a good example of this approach.

- **There is an urgent need to improve ownership rules.** Any new regulator should also seek to improve club licensing and codes of practice, ensuring adequate proof of funds for anyone looking to purchase a club. It was observed that lots of clubs are well-managed and engage productively with fans. But for those that are not, and run into financial difficulties, we need a mechanism for fans to take the reins. The Government's announcement of the Community Ownership Fund to allow local takeovers of football clubs under threat was welcomed. Several other interventions like grade listing for buildings and designation as assets of community value were raised as ways to protect clubs in the short and long term.