

Society

Society

Society

February 2023

PLAYING BY THE RULES:
The Governance of English Football

Dr Rakib Ehsan



RESPUBLICA
society · prosperity · virtue



RESPUBLICA
society · prosperity · virtue

ACKNOWLEDGEMENTS

This report was produced by ResPublica on behalf of For Fans Too - a supporters-first campaign advocating for improved governance and regulation of the beautiful game of football in England.

We would like to thank Dr Rakib Ehsan for authoring the report and Mark Morrin for project support.

We would also like to thank all those who contributed their time and expertise to this project, including:

- Jaimie Fuller, Chairman of EO and sports activist
- Tim Cowen, Chair of the Antitrust Practice at Preiskel & Co and independently recognised as one of the leading competition/regulatory lawyers in Europe
- Professor Will Jennings, Associate Dean Research & Enterprise, University of Southampton
- James Daly MP, Member of Parliament for the constituency of Bury North

CONTENTS

EXECUTIVE SUMMARY	2
1. INTRODUCTION	5
2. THE VALUE OF FOOTBALL	7
3. RECENT FAILINGS IN ENGLISH FOOTBALL	11
4. TOWARDS A NEW REGULATORY FRAMEWORK FOR ENGLISH FOOTBALL	20
5. CONCLUSION AND POLICY RECOMMENDATIONS	31
ENDNOTES	37



EXECUTIVE SUMMARY

This report has been produced on behalf of 'For Fans Too' a supporters-first campaign advocating for improved governance and regulation of football in England. Following the fan-led review of English football's governance, headed by former Minister for Sport Tracey Crouch MP, this report builds on the review's central recommendation – the creation of a new independent regulator for English football (IREF). This report has also been created in the ever-evolving landscape of English football.

The existing model of governance in English football is broken and has failed supporters – vital stakeholders in their own right – across the country. The current framework is complex and fragmented, often falling between the game's numerous governing bodies, and lacking shared regulation or oversight. The inconsistent application of rules and regulations have given rise to drawn out cases (such as the Premier League's 4 year-long investigation into Manchester City) and forms of financial risk and mismanagement, which have

threatened the existence of many football clubs (as well as the winding-up of Macclesfield Town FC and the expulsion of Bury FC from the English Football League).

This report stresses the need for an independent regulator that ensures English football becomes a shining example of a financially sustainable and socially responsible industry – one which provides cultural protections for supporters based on club identity and heritage. This independent and autonomous regulator should be a statutory body. It should have the powers to effectively oversee the English game and tighten regulations to close loopholes and stop clubs circumventing rules or any sanctions that the IREF might impose. And it should be able to deliver the wholesale change needed to foster financial sustainability across the football league pyramid, giving fans a greater say over matters of local social and economic significance such as stadium relocation.

The report is also of the view that the existing concentration of power and influence in the Premier League is at odds with the wider interests of English football. The current structure of English football serves a relatively small number of 'elite' stakeholders in the higher echelons of the game - at the expense of the game as a whole. The Premier League sits at the top of a broken system of self-governance which is unable, and unwilling, to ensure that English football is a shining example of financial sustainability and social responsibility. This has a consequent effect on the financial stability of clubs in the Championship and the wider wellbeing of the game.

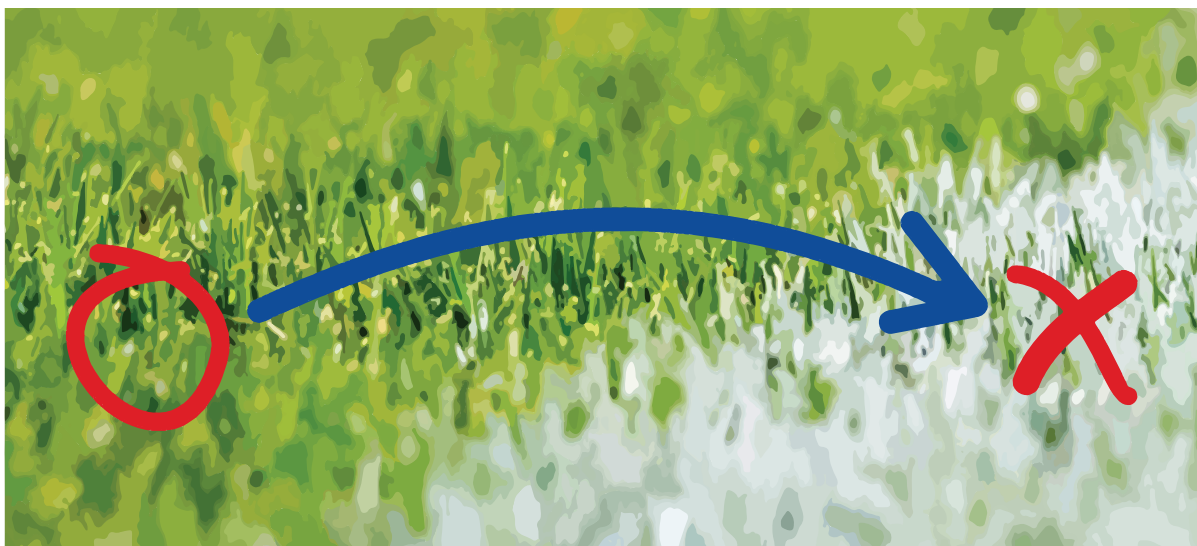
There is a general consensus among a wide range of stakeholders interviewed for this report, that football clubs should not be narrowly viewed as commercial enterprises that are reduced to playthings of owners and directors. Rather, they are vital community assets that have been supported by families over generations and are civic institutions that provide a sense of meaning and belonging in local communities. It is critically important that strengthened owners' and directors' tests are introduced, with legislation providing fans with a greater voice in the running of the game at both club and national level.

While the need for better regulation cannot be overstated, numerous experts express the view that an independent regulator should not be an overbearing agency that risks undermining the global economic appeal and international sporting competitiveness of English football through potentially counter-productive interventions.

This report makes the following recommendations:

1. The **IREF should protect the football pyramid** in England, which is unique and the envy of the world. It should have the power to prevent English football clubs from competing in domestic competitions should they choose to join new competitions – such as the proposed 'new-look' European Super League (ESL).
2. The creation of a new independent regulator for English football (IREF) which introduces **robust owners' and directors' tests** – establishing a comprehensive assessment system that examines the historic business practices and financial record of potential owners. In addition to this, all clubs in the English football pyramid should be required to appoint – by statute – the equivalent of a Section 151 officer in local government to oversee financial compliance and report to the IREF.
3. The IREF should be given sufficient powers to impose a new financial settlement for the game. One possible option is for the new IREF to have the power to **implement a levy on the Premier League's broadcasting-related income**, with the proceeds being redistributed throughout the EFL and grassroots football to shore up the wider game's financial sustainability. If a hypothetical 5% levy was applied to the 2022 to 2025 broadcasting rights cycle, this would have generated in the region of £175 million per season for redistribution.

4. The resources for the new IREF **should be funded through the implementation of a progressive levy** of all football clubs across the football pyramid. In accordance with the principles of fairness and proportionality, the levy-generated finances for the IREF's operational activities will predominantly derive from the coffers of Premier League clubs. This offers a golden opportunity for England's elite clubs to support the football pyramid and strengthen their credentials when it comes to corporate social responsibility.
5. The IREF should have **parliamentary oversight** and the Department for Digital, Culture, Media and Sport (DCMS) should act as the 'parent department' - making the new regulatory agency accountable to ministers and the subject of select committee scrutiny. The House of Commons' DCMS select committee should play a role in approving the appointment of the chair of the IREF. In addition to this, the House of Lords' Industry and Regulators Committee can regularly assess risks associated with regulatory capture and conflicts of interests.
6. The supporter-oriented democratisation of English football should be a priority for the new IREF. It should be an IREF-enforced requirement for all clubs to consider how best they ensure that the voice of fans is considered in making decisions that affect the long-term sustainability of the club **e.g. boards to include a democratically elected representative of the club's Supporters Trust**. Greater supporter-based representation is not only needed at club level, but also at the national level – especially on bodies such as the FA Council and the EFL Board of Directors.
7. English clubs in the football pyramid should not only be obligated to submit annual plans to the IREF on how to foster a more inclusive environment for both their employees and supporters – **an experienced Equality, Diversity and Inclusion (EDI) officer** specialising in matters of inclusion and anti-discrimination **should be required to sit on the club board**. Considering the nation's ongoing cost-of-living crisis, improving the game's accessibility and matchday experience for fans in relatively deprived groups should be an EDI priority.
8. Making use of football's enduring popularity in left-behind areas, the **UK government should reenergise its flagship levelling-up policy** to co-ordinate with football charities and foundations to develop the capacity of local communities to, for example, improve health outcomes, raise educational attainment and employment prospects. These multi-agency initiatives can involve state-run academic/vocational institutions and established SMEs which join forces in local public-private partnerships fostered at football clubs which are civic assets in their own right.
9. The Department for Levelling Up, Housing and Communities should review how a shared sense of civic pride in football clubs can be used as a foundation to foster bonds of social trust and mutual respect between residentially separated communities. The role that England's football clubs can play in **facilitating stronger community relations** should be explored in greater depth by the UK government's Independent Adviser for Social Cohesion and Resilience as part of broader political efforts to tackle extremism.



1. INTRODUCTION

This report has been produced on behalf of 'For Fans Too', a supporters-first campaign advocating for improved governance and regulation of football in England. It follows on from the fan-led review into English football governance carried out by former sports minister Tracey Crouch MP and published in November 2021. It builds on the central recommendation of the review to establish an independent regulator for English football (IREF) which can protect the financial sustainability of the game.

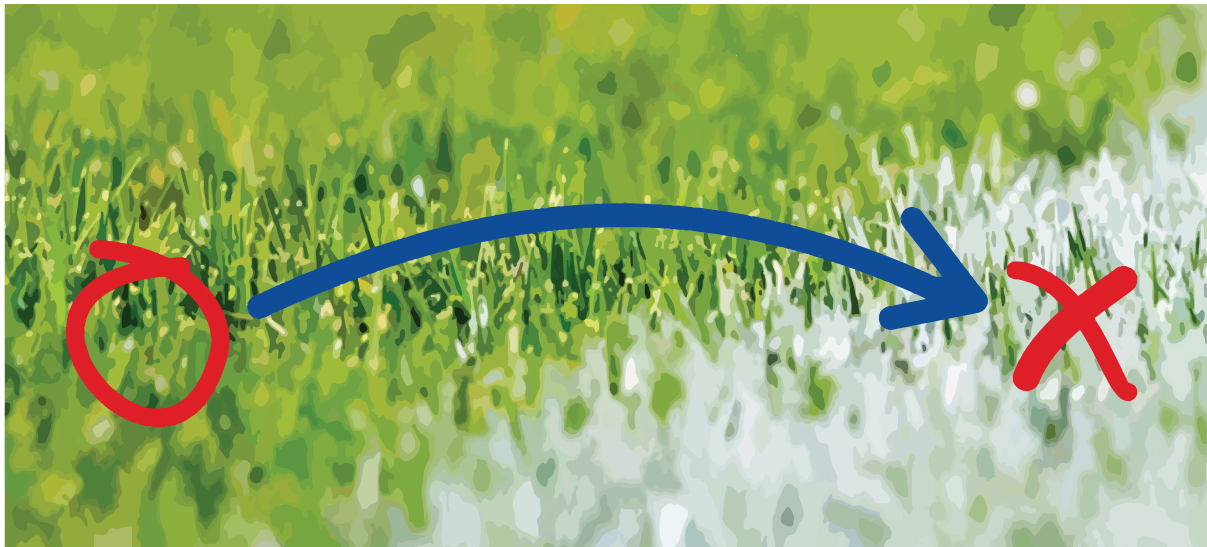
The problems in the English game are well documented. The 'Crouch Review' was a response to three points of crisis in the national game, namely: the collapse of Bury FC, the impact of Covid-19, and the attempt to set up a European Super League. However, the roots of this review go back much further. Since the mid-1990s there have been increasing concerns about the standards of club-level and national corporate governance, particularly with regard to poor financial management – with an increasing number of clubs throughout the leagues recording pre-tax losses and high levels of debt; or entering administration. Standards for club ownership; supporter involvement; and the future development of the game have all been scrutinised during this period with numerous failed attempts to address football governance in England.¹

English football needs a well-designed, independent regulatory authority that creates an objective fixed framework, encourages fair competition, ensures responsible ownership and protects the broader financial sustainability of the game. This framework should encourage the sound management of football clubs and create an environment for fan and investor confidence to grow. This is important for all stakeholders in English football: a football industry which is professionally governed will enable businesses to invest, while a more equitable model will improve the fan experience and enable clubs to serve as the community assets they were founded to be.

This report explores how an independent regulator can be structured to function in an effective manner by delivering maximum value for the fans. It considers the evidence for regulatory best practice from within football, corporate governance and beyond. Case studies illustrate the importance of greater financial responsibility and the protection of cultural heritage in English football. This leads into a broader discussion of what good governance would look like – ensuring that the new IREF does not fall to Premier League dominance and forms of regulatory capture.



The main findings and recommendations consider a framework for English football governance which is enshrined in statute to recognise the unique social and economic value which football clubs provide to their community, while ensuring fair competition and greater supporter input, to secure the financial sustainability of the game and maintain the global economic appeal of English football.



2. THE VALUE OF FOOTBALL

Football is unlike any other industry. The value of football clubs, as businesses, is not simply in the profits they generate for shareholders, the jobs they create and the sales that they make, but in the wider role they can play in local communities and the social benefit they can generate.²

2.1 ECONOMIC VALUE

It is hard to overstate the economic weight and commercial power of English football. The Premier League, established in 1992, has evolved into one of the most famous and lucrative sports leagues in the world. The most-watched sports league on Earth. According to the 2023 Deloitte Football Money League (DFML), more than half of the top 20 revenue-generating clubs in the world, play in the Premier League – Manchester City, Liverpool, Manchester United, Chelsea, Tottenham Hotspur, Arsenal, West Ham United, Leicester City, Leeds United, Everton and Newcastle.³ A total of 16 clubs – 80% of the Premier League – featured in the Money League's top 30.

This wealth, largely generated via broadcast rights, rather than gate receipts, is concentrated in the topflight of English football. Premier League clubs had a combined revenue of around £8billion in the 2021/22 season, an increase of 13% compared to the around £7bn reported in 2020/21. In under 30 years, Premier League revenue has increased by a multiple of 68 times. By comparison the EFL's has increased by five-and-a-half times over the same period.⁴

But football is more than a global commercial enterprise. In many cases, football clubs are a crucial part of local economies – with the wellbeing of family-run small-to-medium-sized enterprises (SMEs) all too often

reliant on their financial sustainability and cultural preservation. Indeed, a Power to Change report found that while “economic contributions will vary enormously from team to team and town to town...we can be confident that professional football clubs – through staff wages, purchasing and collateral leisure spend – represent a significant net asset to the local economy”.⁵

The success (and failure) of a football can have a material impact on local economies. When Leicester City became surprise Premier League champions in 2016, economic forecasting group EY estimated that the title triumph contributed a fairly immediate £140m to the local economy.⁶ Meanwhile, director of the Bridges shopping complex in Sunderland, Andy Bradley, argued that Sunderland’s two consecutive relegations (2016-17 and 2017-18) contributed towards a drop in footfall of 4% year-on-year – arguing that the relegations had led to reduced crowd attendances and lower usage of Sunderland’s wider socio-economic infrastructure, ultimately dampening the city’s overall morale.⁷ This naturally highlights the risk of considerable economic damage if a football club in a smaller post-industrial town ceases to exist. Multiple SMEs in the ‘Gigg economy’ – centred on Bury FC’s home ground of Gigg Lane – have suffered in the aftermath of the club’s 2019 expulsion from the EFL.⁸

2.2 SOCIAL VALUE

Football is integral to the cultural, social and economic life of many families and communities in England. It is the most popular sport in the country, boasting over 14 million grassroots players and an aggregate attendance of over 33 million per season, across the top four flights of English football.⁹ Once the preserve of white working-class men, the game has grown and diversified to include players and spectators from all walks of life in terms of social class, gender, racial identity, ethnic background and religious affiliation.¹⁰

England is home to more than 40,000 association football clubs – more than other traditional Western European footballing nations with a notably larger population such as France and Germany. England also has the oldest national governing body in the Football Association (FA) and the oldest existing club still playing football - Sheffield F.C., established in 1857. The nation has the oldest national knockout competition (the FA Cup) and the oldest national league, the English Football League (EFL).

Football clubs are central to local identity and sense of belonging; especially in smaller-sized provincial towns. They are woven into the social fabric of community life. While English football can take pride in the global economic appeal of the Premier League, football clubs are also vital community assets with rich histories which are an integral part of their towns’ civic identities.

Indeed, football clubs are ‘anchor institutions’ central to the social, economic and cultural well-being of local communities. Everton in the Community is one such example, recognised as a leading charitable organisation that drives community development through sport. It provides residents in Merseyside with



educational, employment and training opportunities, along with health-related support.¹¹ Through a shared sense of civic pride in a local football club, the game can be a unifying force – acting as a bridge between sections of communities which do not usually have high levels of social contact and interaction. Football clubs have the potential to ‘level-up’ the country as well as bolstering community cohesion. Indeed, a new study published by the EFL which measured the ‘community impact’ of its 72 clubs, estimates more than £865m of ‘social value’ was generated across the country last season, with 840,000 participants engaged with in-the-community programmes.¹²

2.3 SHARING THE BENEFITS

There is a debate to be had about the wider social and economic role of English football and how these valued assets should be protected by law. This needs to take into consideration how the wealth which is enabled by the game’s diverse and vital ecosystem can be fairly distributed - and what the role of an independent regulator should be in delivering this. The existing regime, through solidarity agreements and parachute payments, have been criticised by leading figures such as Rick Parry, current EFL chairman and original CEO of the Premier League, because they do not contribute to greater financial sustainability through the English football pyramid.¹³

In fact, parachute payments incentivise clubs in the Championship to take potentially reckless financial decisions in order to keep up and compete for promotion with teams relegated from the Premier League. Championship clubs are two to three times more likely to get promoted if they receive parachute payments and this gulf between the Premier League and the Championship is getting worse over time, as broadcast rights and therefore parachute payments are increasing.

There were a reported 29 clubs writing to the UK government and warning that the effects of the Covid-19 pandemic and cost-of-living crisis could see clubs being “wiped off the map” if plans for a new independent regulator were further delayed.¹⁴ With the Premier League’s broadcast income projected to reach £10 billion over the next few seasons, one option is for the new independent regulator to implement a levy on broadcasting-related revenue in the top tier of English football. This would help to spread the proceeds across the football pyramid to shore up the financial sustainability of clubs in lower-revenue divisions. Another redistributive measure, as fleshed out in Section 9.29 of the Crouch Review, would be a levy “paid by Premier League clubs on any player transfer within the Premier League or any international transfer”.¹⁵ These are some of the mechanisms that must be explored with urgency. As Rick Parry has stated, the new IREF is a “once-in-a-life opportunity to have a proper reset”.¹⁶



3. RECENT FAILINGS IN ENGLISH FOOTBALL

English football has witnessed multiple failings when it comes to the ownership, acquisition and management of clubs. In recent history, English clubs that have experienced considerable financial troubles include former Premier League clubs such as Bolton Wanderers, Derby County, Portsmouth and Wigan Athletic. Current Premier League clubs Leicester City, Leeds United, Crystal Palace, Bournemouth and Southampton all entered administration at some point during the 21st Century.

3.1 GOVERNANCE IN ENGLAND

The governance of English football is fragmented and complex, with accountability for various aspects of the game divided between different organisations across the football pyramid.

The **Football Association** (FA) is the governing body tasked with the organisation of football in England, administering the rules which have been handed down by the world governing body of football – FIFA – including disciplinary offences and sanctions, the introduction of rule changes, and new technologies for the refereeing of games. This role includes the development of amateur and youth levels of the game, as well as the national team. The FA also administers and oversees the FA Cup, English football's primary cup competition. The FA's Board includes representatives from other bodies including the Premier League and English Football League.¹⁷

The Football Association **Premier League** (FAPL) Ltd is the body which runs the topflight of English Football. The Premier League is a private company which is wholly owned by its 20 Member Clubs who make up the League at any one time. Each individual club is independent, working within the rules of football, as defined by the Premier League, The FA, UEFA and FIFA, as well as being subject to English and European law.¹⁸ It is effectively a commercial entity which runs the league, making decisions regarding the commercial side of the game, taking decisions about sponsorship and television rights and the distribution of revenues including parachute payments for clubs relegated from the Premier League.

The **English Football League** (EFL), formed in 1888 by its twelve founder members, founded the world's original league football competition. The EFL is the largest single body of professional Clubs in European football and is responsible for administering and regulating the EFL (the second, third and fourth tiers of English Football), the Carabao Cup and the Papa Johns Trophy, as well as reserve and youth football.

The shared responsibility and accountability for football governance is not working. A single independent regulator is needed. A statutory body based in the English legal system, will offer accountability and clarity to football governance and increase its credibility in the eyes of fans and the general public.

3.2 THE CATALOGUE OF FINANCIAL MISMANAGEMENT

While there are a number of super wealthy clubs in the Premier League that are seemingly able to take huge financial gambles on success, there are many more throughout the pyramid that have consistently demonstrated a level of financial mismanagement that would be difficult to comprehend in any other industry.

Bolton Wanderers F.C. was an established Premier League club that had a reputation for progressive coaching and recruitment techniques - including the use of performance analytics and sports science. The team twice qualified for Europe and reached the last 16 of the UEFA Cup in 2007/08. However, the club experienced a spectacular demise that saw it drop to the fourth tier of English Football in the 2020/21 season. Although Bolton's problems manifested in the Championship, their problems emerged while they were playing in the Premier League – a mixture of muddled strategic direction, exorbitant wages, and unproductive transfer dealings.¹⁹

After being relegated to the Championship in the 2011-12 season, the club struggled with the realities of reduced crowd attendances and sharp falls in sponsorship and advertising revenue alongside loss of owner funding too, due to the health of the club's owner Eddie Davis. With the eventual end of parachute payments and desperate attempts to reduce its wage-related expenditure, Bolton was plunged deeper into crisis. In the 2018-19 season, the club was relegated from the Championship to League One – having to set up an emergency food bank with donations from the local community to help unpaid staff. Entering administration in May 2019 due to an unpaid tax bill of £1.2 million, Bolton started the 2019-20 League One season on minus 12 points – once again being relegated after finishing second from bottom of the league (with the bottom club



being Bury FC after its expulsion from the EFL). The case of Bolton shows the need for an effective independent regulator to ensure that top-tier clubs do not financially overextend themselves whilst in the Premiership, so they are better positioned to deal with inevitable financial shocks in the event of relegation.

West Bromwich Albion is another former Premier League club facing ongoing financial difficulties. The club agreed a £20m loan from US investment group MSD Holdings in December 2022 – which will be secured against the club’s assets including The Hawthorns stadium and the training ground.²⁰ This season is the last season covered by parachute payments after the club was relegated from the top tier of English football in 2020-21. It is worth noting that controlling shareholder and chairman Guochuan Lai (who was approved as the club’s owner by the Premier League in 2016) has yet to repay a £5m loan he took out of West Bromwich Albion during the Covid-19 pandemic to support another of his businesses.²¹ There is no question that these moves should be subject to regulation by an independent body with sufficient powers to intervene. Indeed, what has unfolded at West Bromwich Albion has been flagged by local MP Nicola Richards, who has called for the introduction of an independent regulator “which gives the fans power to stop owners abusing the club’s assets”.²²

Meanwhile, **Scunthorpe United F.C.** – a club which gave two-time Ballon d’Or winner and former England international player and manager Kevin Keegan his first professional contract – witnessed a period of hefty spending under the ownership of businessman Peter Swann. Under Swann’s tenure, wages have exceeded income in every season – with annual operational losses climbing as high as £4.5 million in 2017-18.²³ Swann also faced considerable opposition from fans over transferring the ownership of Scunthorpe’s Glanford Park ground to one of his own companies – Coolsilk Property and Investment.²⁴ Despite cuts to the club budget, financial problems intensified during the Covid-19 pandemic and the club was presented with an HMRC winding-up petition. After a decade at the helm, Swann was recently replaced by former chairman of Ilkeston Town David Hilton.

The expulsion of **Bury F.C.** from the EFL in 2019 was a watershed moment for the game in England. The club was founded in the northwest of England in 1885 after local man Aiden Arrowsmith convinced two church teams, Bury Wesleyans and Bury Unitarians, to merge and professionalise. A review by international law firm Bird & Bird found that former owner Stewart Day had spent money beyond the club's means, with his successor Steve Dale failing to provide adequate proof of funding to the football authorities before taking over Bury FC.²⁵ The events leading up to the club's expulsion from the EFL suggest that if there had been robust financial checks in place, Bury FC's downfall could have been prevented. Life-long supporters of Bury FC such as Martin Stenbridge, say that the main issue was that the club "had nobody there — like a regulator — who could step in".²⁶

There are similar sentiments over the winding-up of **Macclesfield Town** following a High Court ruling. The club's debts exceeded £500,000, which included £173,000 reportedly owed to former manager John Askey — who was one of the finest players in the club's history, playing 511 times for Macclesfield Town from 1984–2003.²⁷ The money owed to Askey was understood to relate to a promotion bonus for leading the club back to the Football League at the end of the 2017-18 season. Under the controversial directorship of businessman Amar Alkadhi, the club failed to pay the wages of both playing and non-playing staff on multiple occasions, as well as failing to fulfil fixtures — with this resulting in league points deductions.

First-team player boycotts over unpaid wages resulted in League Two Macclesfield Town fielding six youth players and five loanees against non-league, seventh-tier Kingstonian in the first round of the 2020-21 FA Cup — losing the home game at Moss Rose 4-0.²⁸ Had Macclesfield Town progressed, the club would have faced another non-league team at home in the shape of fifth-tier AFC Fylde — and after that, a third-round tie away to then-Premiership team Sheffield United at Bramall Lane (which could have brought in a considerable amount of money for the cash-strapped club). It is a clear example of how internal financial sustainability provides a strong base for clubs to progress and create further lucrative opportunities for themselves. Macclesfield Town could have secured a third-round FA Cup fixture away to a Premier League team, had their first-team players not boycotted over unpaid wages and the club won two matches against non-league sides.

3.3 IN-DEPTH CASE STUDIES

The recent experience of two existing football clubs in England — Luton and Blackpool — demonstrate the need for an effective independent regulator for the English game which can foster greater financial sustainability throughout the pyramid and encourage meaningful forms of fan-oriented consultation over sensitive matters of club identity and heritage (building on the Crouch review's concept of a 'golden share' which should be held by "a democratically-run Community Benefit Society").²⁹ The following case studies also emphasises how these football clubs — like many others in England — are vital community assets which are of social value, economic importance and cultural significance to families and communities across races, sexes and generations.

CASE STUDY: LUTON TOWN F.C.

Luton Town FC, formed in the large Bedfordshire town in 1885, was the first professional football club established in southern England – making payments to players as early as 1890. The club has been based at Kenilworth Road since 1905. Luton’s nickname, “The Hatters”, reflects the town’s historic connection with the hat-manufacturing industry, which continues to be a matter of great civic pride.

The club has experienced considerable turmoil in the 21st Century. In the summer of 2003, under the controversial ownership of businessman John Gurney, Luton went into administrative receivership - eventually entering administration in November 2007. Incurring a ten-point deduction for the 2007-08 season, Luton Town FC finished bottom of League One and was relegated to League Two. The FA levelled an unprecedented list of 55 charges against current and former directors of Luton Town, as well as multiple football agents, after a seven-month inquiry into alleged irregular payments made by the club (which entered insolvency proceedings shortly after being charged by the FA).³⁰ The club initially challenged the accusations but eventually pleaded guilty to charges regarding payments to football agents. Luton started the 2008-09 season on minus 30 points – 10 points by the FA for irregular financial matters involving player transfers and a further 20 points by the EFL for breaking rules on existing administration. Suffering its third consecutive relegation, the club finished bottom of the league for the second season in a row - relegated to the non-league Conference Premier.

The consortium that bought Luton after the club went into administration was fronted by television presenter Nick Owen, who was chairman for nine years. The rebuilding period involved the greater incorporation of the club’s supporters into the club’s decision-making processes. Luton Town Supporters’ Trust has held a legal right to veto any changes which it considers to be a threat to the club’s identity and heritage – including its formal name, internally-recognised nickname, kit colours, stadium mascot and crest (which includes the town’s coat of arms with a hat placed on top of it). It also owns shares in the club and elects a representative to the club’s board.

Under this period of democratising Luton Town FC’s internal structures, supporters have been consulted over plans regarding stadium relocation. The club, which has worked its way back up to being a settled Championship team, intends to move from its traditional home of Kenilworth Road to Power Court in the town centre and close to the main railway station – having a public



consultation process in place. The club's supporters have been consulted by the club on matters such as the proportion of safe standing installed for the new stadium (through the holding of accessible online surveys).³¹ In the local media and matchday programmes, current club CEO Gary Sweet has asked Luton Town supporters to be patient over the Power Court plans – citing rising costs of construction materials such as steel and concrete, as well as recent interest rate increases.³²

In terms of social value, Luton Town FC – through its registered-charity Community Trust – strives to “improve lives through the power of football in Luton, Bedfordshire and North Hertfordshire” (which includes towns such as Letchworth Garden City). The Community Trust's objectives are broken into four strands: sports participation, education, health, and social cohesion and inclusion.³³ It provides a range of projects designed to improve the lives of marginalised and disadvantaged groups – especially younger men at risk of offending or already involved in gang-related activity. In terms of inclusion, the Community Trust aims to play its party in integrating Luton's diverse communities. This is especially important in the case of Luton, which in the early stages of the post-9/11 era was home to the anti-military “Butchers of Basra” demonstrations and the subsequent formation of the English Defence League (EDL).³⁴ The Luton Town Community Trust also strives to engage with stigmatised members of the local community – including those suffering from mental health issues, homelessness and disability.

The case of Luton Town FC demonstrates how irresponsible and unprofessional ownership of a football club can pose a direct threat to its existence as not only a sporting institution, but also an important civic asset which has the potential to bridge divides between different racial, ethnic and religious communities. The rebuilding phase at Luton Town FC has seen the cultural sentiments of fans being better appreciated over sensitive matters of club identity and heritage – with supporters being consulted over the planned stadium relocation from Kenilworth Road to Power Court. Another club with a rich history and based in a relatively-deprived town is Blackpool FC – and like Luton Town FC, it has, in recent times, experienced considerable forms of turmoil due to grossly negligent ownership that was allowed to fester in the absence of an effective and proactive independent regulator.

CASE STUDY: BLACKPOOL F.C.

Blackpool FC, based in the Lancastrian town of the same name, was – like fellow Championship club Luton - founded in 1885, and have played their home games at Bloomfield Road since 1901. Nicknamed the Seasideers, the club's identity is strongly tied to Blackpool's status as a coastal town.

Between 1987 and 2019, Blackpool FC was owned by the Oyston family – with Owen Oyston buying the club after selling his estate agency business to Royal Insurance for an estimated £37 million. In 1996, Owen Oyston was sentenced to six years in prison for raping and indecently assaulting a 16-year-old girl when he was 58 years of age.³⁵ The Blackpool Supporters' Trust held demonstrations outside the EFL's headquarters in Preston – arguing that Oyston should have been banned from Blackpool FC over his 1996 rape-related conviction.³⁶ The EFL's owners and directors "fit and proper person" test, however, did not apply in this case as it only took into account crimes committed after the test was introduced in 2004.

His wife, Vicki, took over the chairmanship of Blackpool FC during her husband's three-year prison term. Karl Oyston – their son - took over the club in 1999 and remained in the role for nineteen years.³⁷ In 2017, the High Court ruled that the Oyston family operated an "illegitimate stripping" of the club following its lucrative debut season in the Premier League in 2010-11 - paying out £26.77 million to companies they owned.³⁸ The Oystons were ordered to pay minority-shareholder, Latvian bank mogul Valery Belokon, £31.27 million after taking legal action for unfair prejudice back in September 2015 – arguing that the family had used Blackpool FC as their "personal cash machine".³⁹

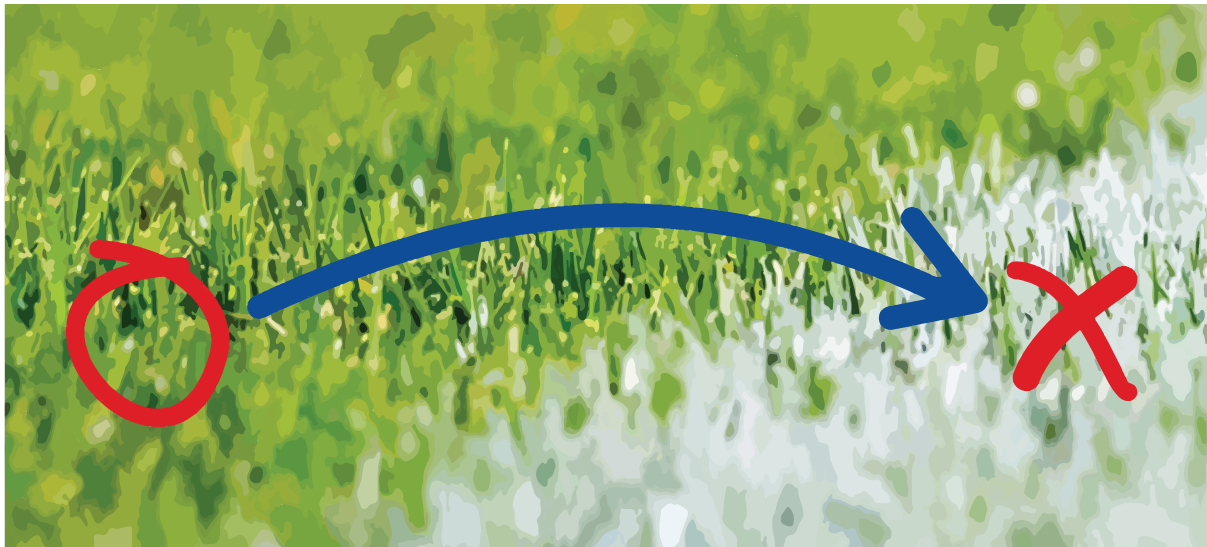


However, Belokon was not allowed by the EFL to own the club over a legal ruling surrounding banking activities in the central Asian country of Kyrgyzstan.⁴⁰ Owen relieved Karl of his role – with his daughter Natalie Christopher taking on the club. During this time, another member of the Oyston family, Sam – grandson of Owen - was controversially appointed as Blackpool FC's new chief executive following the removal of Alex Cowdy. According to local media, the move was condemned by then-chair of the Blackpool Supporters' Trust, Christine Seddon.⁴¹

During this tumultuous period following its relegation from the Premier League in the 2010-11 season, Blackpool ended up in the fourth tier of English football – League Two. The club was relegated to League One from the Championship in the 2014-15 – before which a total of 27 players departed Blackpool. The club was left with only eight senior outfield players and no goalkeeper.⁴² The club was relegated the following season, as well as being knocked out of both the FA Cup and League Cup at the first-round stage. Following the club's promotion back to League One in the 2016-17 season, the club was bought by British businessman Simon Sadler – ending the Oyston family's 32-year ownership. Born in the seaside village of Bispham on the outskirts of Blackpool, Sadler had joined fans who observed a four-year boycott of home matches - called by the supporters' trust – during the Oyston era.⁴³ Under Sadler – who has been previously referred to by Blackpool Supporters' Trust as "one of our own" – the club has won promotion to the Championship, stating that his top investment priority is an integrated training facility to be used by the club's players at all levels.⁴⁴

In regard to social value, Blackpool FC – through its registered-charity Community Trust – provides a range of early-years schemes, educational and employment opportunities and health-related programmes.⁴⁵ The “Fit2Go” scheme is a six-week programme which encourages children living in Blackpool to live a healthy lifestyle and participate in regular physical activity. The Trust also provides traineeship schemes to support young people aged 16-24 years who are not in education, employment or training (NEET). One of the Trust’s main community schemes is “DIVERT” - a custody intervention programme which strives to reduce reoffending (and is part of the broader Lancashire Violence Reduction Framework). Putting the importance of these schemes into context, the recent 2021 Census data showed that Blackpool had the highest household-deprivation rate out of all local authorities in England and Wales (61.8%) – a full 10 percentage points above the national average (51.7%).⁴⁶

The case studies, outlined above, make clear that the existing system of self-regulation for English football is not sustainable and does not deliver for the country’s fans. The status quo suffers from significant shortcomings when it comes to ensuring responsible ownership of clubs which can be vital community assets. There are also clear instances of supporters not only being marginalised from key decision-making processes at club level – but also feeling disconnected from national organisations such as the FA and EFL. What is required for English football is an effective independent regulator which fosters greater financial sustainability, along with encouraging stronger cultural protections in the shape of strengthened supporter involvement over sensitive matters of club heritage and identity.



4. TOWARDS A NEW REGULATORY FRAMEWORK FOR ENGLISH FOOTBALL

There are lessons to be learned by English football from the regulatory frameworks which have been developed in not only sport but also in the political and corporate world. Jean-Loup Chappelet, professor of public management at the Swiss Graduate School of Public Administration has advanced the view that a new approach to sports governance is needed that combines aspects of both democratic and corporate governance.⁴⁷

The argument here is that, while fostering financial sustainability and solid business practice is vital for sport, there needs to be a classically democratic element to governance as it is an area of life that has a unique ability to promote peaceful coexistence and cooperation – which is especially important in diverse societies. Indeed, in the academic field of sporting regulation studies, there is a general consensus that sports governance should combine elements of corporate governance (as applied in the business world) and democratic governance (as advocated for the public sector). Therefore, the model recommended for sport – in this case, English football – would be at the intersection of democratic and corporate governance.

The need for an independent regulator has been evidenced again very recently through the way in which the Premier League have handled their dispute with Manchester City. On Monday 6th February, the Premier League issued Manchester City with over 100 charges following a lengthy four-year investigation of financial accounts dating back over 10 years, prompting widespread media speculation and condemnation from both sides. Regardless of the merits, the case has exposed the Premier League's inability to react quickly and has called into question their ability to self-govern, or act in the best interest of the top tier of English football and their supporters.



The timing of this announcement – just 48 hours ahead of the intended publication of the government white paper - has also raised wider questions about the true intentions of the Premier League. As noted by Daily Mail journalist Oliver Holt, “[the Premier League] is so afraid of the spectre of the new that it chose this week, the week the white paper was originally scheduled to be published, to throw Manchester City under the bus”.⁴⁸ Further to this, prominent football finance expert, Kieran Maguire, has claimed “[the Premier League] are trying to do this to show they are capable of looking after their house and there’s no need for a regulator.” With Maguire continuing to say he believes Manchester City have ended up as collateral “because of their [Premier League] opposition to the White Paper”.⁴⁹

4.1 CORPORATE GOVERNANCE

While traditional models of corporate governance alone are insufficient for English football as clubs should be viewed as vital community assets, there are existing elements – within and outside of the UK - which can help to shape the creation and activities of a future IREF which ensures greater financial sustainability and social inclusion in the game.

The King Code in South Africa, adopted following the King Reports, defines corporate governance as “the exercise of ethical and effective leadership by the governing body”.⁵⁰ The purpose of the King Code is outlined through six key objectives: create an ethical culture in organisations; improve the performance and increase the value they create; ensure there are adequate and effective controls in place; build trust between all stakeholders; ensure the organisation has a good reputation; and ensure legitimacy. The focus

on ethics is designed to ensure that organisations apply ethical values to decision-making, conduct, and the relationships between the organisation, its stakeholders and broader society.⁵¹ Applying South Africa's King Code for corporate governance in the context of English football, the governing body would be a new independent regulator (IREF) which ensures that clubs operate in an ethical and effective manner – treating supporters as vital economic and cultural stakeholders, as well as taking into consideration the well-being of the wider community. The King Code is in line with broader international practices in the Anglosphere - with similar codes existing in the United States and fellow Commonwealth members such as Canada and Australia. All being multi-racial, multi-ethnic and multi-faith democracies, the King Code and similar arrangements in other countries emphasise the value of corporate organisations showing leadership in maximising the benefits of demographic diversity and managing social tensions.⁵²

While the emergence of the American-origin Black Lives Matter (BLM) movement in England has been somewhat controversial due to the vastly different national histories the two countries have on race and civil rights, it has shed light on the degree to which anti-discrimination strategies have been integrated into the broader sphere of corporate social responsibility. The Fair Work Convention, which acts as an independent advisory body to Scottish ministers at Holyrood, aspires for the people of Scotland to have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society.⁵³ The 'fair work' framework includes an anti-racist employment strategy that is designed to foster greater fairness through improvements in recruitment procedures, workplace participation and existing anti-discrimination regulations.

There is a moral imperative to ensuring that fair treatment is at the heart of corporate governance. However, ethical and effective inclusion and anti-discrimination strategies as an integral part of corporate social responsibility can also be beneficial for organisations in terms of wealth creation and economic profit. Research has shown that companies in the top-quartile for ethnic/cultural diversity on executive teams were 36% more likely to have industry-leading profitability.⁵⁴ A study published in June 2021 by the Henley Business School at the University of Reading concluded that businesses with practical anti-racism measures can expect to see an improvement in their employees' job satisfaction, loyalty, creativity and, ultimately, value - recording an average revenue 58% higher across three years than those that did not.⁵⁵ This followed a government-commissioned review carried out by Conservative Party peer Ruby McGregor-Smith found that the potential benefit to the UK economy from full representation of ethnic-minority individuals across the labour market, through improved participation and progression, was estimated to be £24 billion a year – which, at the time, represented 1.3% of the UK's GDP.⁵⁶ The case for heightened emphasis on diversity, equality and inclusion in the regulatory governance of English football is not only a principled moral stance; it can also be justified from a wealth-creating perspective.

Various models of democratic governance emphasise values such as reciprocity and mutual understanding between politicians and voters – and this could guide the kind of English footballing culture that can be fostered by a new independent regulatory body. Increased supporter representation on boards would not only reduce feelings of exclusions among fans who are important stakeholders in their own right – owners and directors can view it as a way for supporters to gain a more critical understanding of the pressures facing club management, subsequently moderating their expectations. While greater fan-focused representation on club boards could be seen by some football club owners and directors as a threat to their authority, it may strengthen their relationship with supporters who would not only feel more valued, but also provides them with an avenue for managing expectations – thereby shoring up their own position. From this perspective, greater supporter representation on boards is not a zero-sum development which undermines the power of owners and directors – but rather, it can be viewed as a mutually beneficial arrangement.

An obstacle in the English context is that British democratic culture is broadly characterised by confrontation and adversity – partly due to having a traditionally two-party system that does not necessarily give rise to consensus-building approaches.⁵⁷ In modern history, this is also reflected in the country's economic state of affairs – with widespread industrial action meaning that the UK has recently experienced its worst month of strikes for over a decade.⁵⁸ England is also one of the most inter-regionally imbalanced nations among developed countries – with London (home to the Premier League, the FA and the EFL's commercial office) continuing to dominate the country's centralised politico-economic and cultural model.⁵⁹ This is reflected in recent studies which show that levels of political disaffection tend to be higher in communities which are further away from London (especially in provincial towns across post-industrial Northern England).⁶⁰

By contrast, German history, politics, and culture, has evolved differently to the UK. Part of this relates to the German constitution – Basic Law – which devolved power away from central authorities in the post-WWII world. The national constitution is designed to foster consensus-building activities throughout Germany's democratic model of multi-level governance.⁶¹ To avoid the excessive concentration of power and influence, co-determination is at the heart of German corporate governance, exemplified in the concept that workers have the right to participate in the management of their own companies. The law allows workers to elect representatives (usually trade unionists) for the supervisory board of directors.

Post-WWII Germany's politico-economic model, traditionally defined by consensus-building and co-operation, is reflected in German football – where fans are more involved in the management of their clubs. While Section 7.15 of the Crouch review correctly pointed out that super-imposing the German Football League's 50+1 rule (where supporters by law hold a minimum of 50% plus one shareholdings in clubs) in England is unworkable as most clubs would be starting from a position of 0% supporter ownership, inspiration can be drawn from German football culture.⁶² This is certainly the case in terms of better fan consultation and involvement in key decisions – with greater fan-focused club board representation and supporter-oriented participation in national bodies (with such representatives elected by supporters trusts

and national-level organisations such as the FSA). However, due to the UK's entrenched centralising and adversarial model, facilitating such changes in English football is unachievable without a new independent regulator – one which is vested with the responsibility to foster a more socially-responsible domestic industry which maintains its international economic attractiveness.

4.3 FUNDING OF IREF AND LIMITATIONS

The costs of introducing financial regulations are well known— collecting, analysing and monitoring financial information for the 92 teams in the English football league pyramid will be a significant undertaking that will consume management time and require a well-resourced regulator.

This report recommends that the new independent regulator for English football is not state-funded – agreeing with Section 2.57 of the Crouch Review that the costs of sustaining the IREF should be met by football clubs in the form of a progressive levy (which could be linked to broadcasting-related revenue). A significant contribution towards the costs of the IREF's operational activities should be funded by the clubs in the Premier League. This would provide an opportunity for major city-based clubs to strengthen their credentials when it comes to corporate social responsibility – funding a new regulatory body which intends to ensure responsible ownership and sustainable management (especially when it comes to lower-league teams of significant economic and cultural value in provincial towns).

It must be recognised that there are limitations to what the new regulator can achieve in terms of ensuring greater financial sustainability in English football. The primary objective of the proposed IREF should be providing early-stage regulatory interventions – shedding light on potential issues at an earlier stage, thereby allowing for corrective action.⁶³ There are limits, however, on what regulators can do to support clubs when issues surrounding financial sustainability arise (as highlighted by the ongoing problems in the domestic energy supply market). The typical levers [currently] available to a sports-related regulator in cases of club/team mismanagement – such as financial sanctions, restrictions on transfer activity and points deductions – tend to exacerbate as opposed to alleviate such problems (either directly by plunging organisations into further debt or indirectly by worsening its league position which risks relegation into a lower-revenue division).

The IREF should not be expected to divert revenue (whether through broadcasting rights, a transfer levy or from its own funding pot) to clubs experiencing considerable financial distress. As well as giving rise to questions of fairness, it would essentially create a moral hazard in English football when the emphasis should be on the promotion of financial sustainability. Such measures would be exceptionally interventionist, ultimately doing more harm than good by leading to reduced incentives for club owners and directors to guard against risk. It is important that these limitations are recognised to ensure that the expectation of supporters are realistic when it comes to the regulation of English football.

For independent regulation to be a success, it is vital that the IREF is not an overly interventionist regulatory authority that gives rise to the kind of perverse incentives that are currently happening in English football. The primary responsibility of the IREF is to require clubs to provide evidence of the adequacy and integrity of their resources and produce stress-tested business plans (which is essential following the challenges which were presented by the Covid-19 pandemic, as well as the ongoing period of high inflation and increasing interest rates). This can help to curb the short-term, high-risk financial overreaching witnessed in recent times – reducing the likelihood of clubs experiencing financial distress further down the line.

Evidence to the Crouch review, as stated in Section 3.6, revealed that the most significant cause of financial distress was out-of-control costs which were primarily driven by players' wages.⁶⁴ UEFA considers that for clubs to have a chance of breaking even, total wages as a proportion of turnover should not go above 70%. At the time of the Crouch review, the figure for the Premier League was 73%, rising to 120% for the Championship (with some clubs having a total wage bill as a proportion of turnover which exceeded 150%).⁶⁵ However, it is worth noting the disparities within the Premier League. The global top 20 revenue-generating clubs in the 2023 Deloitte Money League includes Tottenham Hotspur (which had a wage/revenue ratio of 47% in 2022).⁶⁶ The corresponding figure for Everton, Newcastle, and Leicester were 96%, 95%, and 85% respectively.⁶⁷ Capping wage costs as a proportion of turnover has some merits, but this report recommends taking caution for two main reasons: it risks both distorting domestic competition and undermining the international competitiveness of English club football.⁶⁸

If club wages were to be capped as a proportion of revenues (for example, if the wage bill could not be more than 70% of revenues), this would entrench the dominance of larger wealthier clubs – making it more difficult for smaller clubs to compete. In this instance, the clubs with the largest revenue will be able to spend highest on its team, which is likely to translate into further dominance on the pitch. As pointed out in Section 3.24 of the Crouch review, greater success will lead to a multiplying effect in terms of prize money and sponsorship, thus increasing their turnover and amount the club can spend on wages, therefore "perpetuating the cycle".⁶⁹ Smaller clubs, especially those outside of the 'Big Six', should have the flexibility to spend an amount on player wages that helps them to become more competitive – provided its broader stress-tested financial plans and wider spending activities are considered to be sustainable in line with the requirements outlined by a new independent regulator.

It is vital that the proposed IREF does not undermine the international competitiveness of top-flight English football – and this is a genuine risk if player-wage controls were to be introduced. Clubs in England compete in a global market to attract investment and players – with the labour market for footballers being a truly international one. If wage-related regulations are unevenly applied across nations – with Premier League clubs being subjected to stricter cost controls than their European counterparts – England's top-tier clubs may lose ground on their international rivals (especially in UEFA competitions such as the Champions League and Europa League).

4.4 REGULATORY CAPTURE AND CONFLICT OF INTEREST

Along with the risks posed by an overbearing regulator in English football, provisions must be in place to neutralise the risk of regulatory capture. As the Crouch review noted, the leagues are currently run by their clubs which vote on key issues.⁷⁰ The existing model of self-governance is not fit for purpose. Considering the importance of full independence and the need to carry out sensitive activities such as conducting due diligence checks on potential club owners, this report strongly recommends that the IREF is not housed and run by members of institutions which are the subject of its regulatory functions.

The IREF must operate in an autonomous fashion – with no undue influence from political forces and private entities. It is essential that provisions are in place to ensure that the new independent regulator for English football is not vulnerable to influence from the Premier League and the wealthiest clubs in England. The risk of this should not be underestimated, especially if the IREF is resourced through a progressive levy implemented in the football league pyramid – which could potentially result in the largest contributions to the IREF coming from the Premier League. Much of the rationale behind the introduction of a new independent regulator is motivated by the social value of English football – therefore a framework must be in place to ensure that it does not advance narrow private interests over the wider public interest.

The OECD's July 2016 report on independent regulation found that over half of the regulatory authorities surveyed in its study placed no restrictions on pre- or post-employment of professional staff – giving rise to the risk of 'revolving doors' and conflicts of interest with industry.⁷¹ There can be great benefit in importing practical sector-specific knowledge and expertise into a new regulatory body, as well as exporting expertise, experience and 'good practice' messages from a regulator and into industry – but this comes with risks, and tensions can arise. The risks – such as favouring a former employer or taking confidential information from a regulatory agency – "require active ethical management".⁷² The independence of a new regulator for English football cannot be at the expense of accountability – the IREF itself needs to be part of a well-functioning and transparent governance-ecosystem (which is advised by the OECD when it comes to all independent regulatory agencies).⁷³

4.5 UK REGULATION AND THE FINANCIAL CONDUCT AUTHORITY (FCA)

Regulation in the UK encompasses various spheres of life, including education, finance, healthcare, social care, housing, transport, utilities and the environment. There are also regulatory bodies for the legal and charity sectors, as well as policing.

The UK's regulatory successes can be found in areas such as environmental sustainability and racial/ethnic/religious equality. Regulators such as the Environment Agency (EA), created in 1996 under the Conservative government led by former PM John Major, have helped the UK become one of the world's leading nations

when it comes to environmental protection. Using 40 performance indicators across 11 issue categories, the 2022 Environmental Performance Index (EPI) – which includes a total of 180 countries – ranked the UK in second place (with Denmark in first position).⁷⁴ The Equality and Human Rights Commission (EHRC), established by the 2006 Equality Act under the Labour government led by former PM Tony Blair, has helped to propel the UK as a clear leader among major European countries in the sphere of anti-discrimination protections on the grounds of race, ethnicity and religion. The 2020 Migrant Integration Policy Index concluded that the UK was home to some of the strongest equality bodies in the world – outperforming EU member-states such as France, Germany, the Netherlands, Italy and Spain.⁷⁵

However, there are clear instances where regulation in particular spheres of British life have been left wanting. The Office of Gas and Electricity Markets (Ofgem), has been under considerable scrutiny during the UK's cost-of-living crisis – with politicians on the House of Commons' Committee of Public Accounts concluding that Ofgem has failed to govern the energy sector “at a considerable cost to billpayers”.⁷⁶ The public accounts committee concluded that the regulator had failed to address weaknesses in the financial position of many energy suppliers before global factors – such as the ongoing Russia-Ukraine conflict – contributed to the surge in wholesale gas prices. Indeed, this gives rise to the view that one of the most important responsibilities of a domestic regulatory body is ensuring that organisations and institutions under its governance are financially well-positioned in the event of an international crisis – such as the Covid-19 pandemic.

While individual regulators have specific responsibilities and challenges when it comes to regulating their ‘subject industries’, it is worth exploring the functions, funding and public oversight of the Financial Conduct Authority (FCA) – the UK's primary financial regulator – and how it can inspire the organisational mission and operational activities of the proposed IREF.

CASE STUDY: THE FINANCIAL CONDUCT AUTHORITY

The Financial Conduct Authority (FCA), which was formed in April 2013, took over from conduct and prudential regulation from the Financial Services Authority (FSA). As of December 2022, it regulates the conduct of around 50,000 businesses, supervises 48,000 companies, and sets specific standards for roughly 18,000 firms.⁷⁷

The FCA works closely alongside the Prudential Regulation Authority (PRA), the prudential regulator of around 1,500 banks, building societies, credit unions, insurers and major investment firms. Advancing the view that “financial markets must be honest, fair and effective”, the FCA states that its central mission is to ensure that markets work well, competitively and fairly in order to benefit consumers,

staff and shareholders, as well as “maintaining confidence in the UK as a global financial hub”.⁷⁸ As part of its corporate responsibility agenda, it concentrates on three main pillars: diversity and inclusion, community engagement and environmental sustainability.⁷⁹

The FCA currently operates independently of the UK Government and is funded by charging fees to members of the financial services industry. However, it is subject to the requirements of the Public Sector Equality Duty (PSED) – meaning it should, as a public body, be committed “to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out its activities”.⁸⁰ It is also worth noting that even though the FCA operates independently, there is a notable degree of parliamentary oversight. The new chair of the FCA who is due to start in February 2023, Ashley Alder, was appointed in the role by then-Chancellor of the Exchequer Nadhim Zahawi on 8 July 2022. The appointment was confirmed after the approval of the House of Commons’ Treasury Committee, which considered Alder’s suitability against two criteria – whether he had the “appropriate professional competence and personal independence to undertake the role”.⁸¹ As part of its scrutiny of the work of the FCA, the Treasury select committee holds regular hearings with the Chief Executive and the Chair of the regulatory body.⁸²

While this report advises caution over the view that the proposed IREF can be directly modelled on an existing regulatory agency, there are elements of the FCA’s internal functions (as well as how it is scrutinised) which can help to shape how a new independent regulator sits in English football, as well as the external scrutiny of its operational activities.

The IREF’s central objective should be fostering a more financially sustainable and socially responsible culture in English football; one which ensures that supporters – as vital stakeholders – have cultural protections in place when it comes to their club’s location, identity and heritage. The FCA works closely alongside other bodies such as the PRA when carrying out much of its activities. The new IREF should also work closely with other institutions – such as the Home Office, National Crime Agency (NCA) and Interpol – in order to fulfil its objective of bolstering financial integrity in English football (especially when it comes to the ownership and directorship of clubs). However, like the FCA’s commitment to ensuring that the UK is maintained as a leading financial hub, the IREF must make sure that its regulatory activities do not undermine the global attractiveness and international competitiveness of English football.

While guarding against the introduction of onerous rules and costly regulations (especially for smaller football clubs down the pyramid), the IREF – much like the FCA – can have a three-pronged corporate responsibility agenda for English football which is rooted in diversity, equality and inclusion (DEI), community

engagement and environmental sustainability. This would further underscore the importance of football clubs as potentially vital civic assets for families and local communities across England. This in turn could inspire the development and creation of an IREF “Social Value Index” – a metric which ranks English football clubs on the basis of how they contribute towards the social, economic and cultural well-being of their local communities (in relation to their financial capabilities). The FCA has also recently introduced a new “consumer duty” principle in the summer of 2022, which require firms to consider the needs, characteristics and objectives of their consumers – including those with characteristics of vulnerability.⁸³ This could inspire the IREF-led introduction of a “supporter duty” principle in English football – requiring clubs to ensure that the game is as economically, socially, and culturally accessible as possible for fans (especially those in materially-disadvantaged groups and living with disabilities).

As stated in the report, it is fair that the IREF – similar to the FCA – is funded by the industry that will ultimately benefit from its operational activities. In the spirit of proportionality, a new independent regulator for English football should be financed through a ‘progressive levy’ where a considerable portion of its funds derive from the wealthiest Premier League clubs. In addition to this, it is important that these operational activities, as well as key appointments to the IREF, are subjected to parliamentary scrutiny and oversight (as in the case of the FCA). The Department for Digital, Culture, Media and Sport (DCMS) could act as the IREF’s ‘parent government department’ – making the new regulatory agency accountable to ministers and the subject of select committee scrutiny. Indeed, The House of Commons’ DCMS select committee should play a role in approving the appointment of the chair of the IREF – examining their professional competence and personal independence.

An FCA-style model can be somewhat put in place for the IREF – a regulatory agency which operates independently of government, funded by the industry it regulates, but is itself subject to the requirements of the PSED as well as a degree of parliamentary oversight. However, it is worth noting that the FCA in recent times has been criticised for failing to offer ‘stronger and faster intervention’.⁸⁴ Former chief executive of the regulatory agency, Andrew Bailey, admitted that this criticism was to a degree “justified” in light of a series of apparent failures and lapses. In June 2021, the Treasury Committee published a report which supported the view that the FCA needed to be a more proactive, agile, decisive and joined-up regulator that is willing to protect consumers and financial markets.⁸⁵ Therefore, learning from the failings and lapses of the FCA in recent times, it is vital that the new IREF has sufficient powers to act in an effective manner as part of a dynamic multi-agency framework which ensures that English football becomes a more financially-sustainable and socially-responsible industry.



5. CONCLUSION AND POLICY RECOMMENDATIONS

After analysing English football's inability to operate in the interests of football fans and their local communities, this report concludes that the existing model of self-regulation is broken and simply not fit for purpose – meaning that an independent regulator needs to be introduced to ensure that the wider public interest is prioritised. The expulsion of Bury from the EFL and winding-up of Macclesfield Town, along with the plethora of clubs which have entered administration in recent times, demonstrates that the ownership and management of football clubs must be regulated by an independent agency that recognises the social value and civic significance of English football. Devoted football fans in provincial working-class communities have all too often been left abandoned by England's national football authorities and marginalised by their own clubs from key decision-making processes – amounting to the fundamental neglect of vital stakeholders in the game.

For this report, interviews were held with a variety of people from all walks of life. This included members of football supporters' associations and trusts, academics specialising in regulation and risk, legal experts in the field of competition law, media professionals who have devoted their entire careers to English football and politicians who represent provincial working-class constituents. There was a general consensus that football clubs should not be merely seen as private-sector entities; but vital community assets that can provide much meaning and an uplifting sense of belonging to local communities. There was collective agreement that English football requires a new independent regulator that fosters a culture based on financial sustainability and corporate social responsibility – but one that does not undermine the global attractiveness and international competitiveness of English football.

Motivated by research findings and interview responses, the report makes the following recommendations:

5.1 THE IREF SHOULD PROTECT ENGLISH FOOTBALL

The IREF should protect the football pyramid in England. This new independent regulator should have the power to prevent English football clubs from competing in domestic competitions should they choose to join new competitions – such as the proposed ‘new-look’ European Super League (ESL) which is being promoted by A22 Sports Management.

5.2 IREF’S ROBUST OWNERS’ AND DIRECTORS’ ASSESSMENTS

The experiences of numerous football clubs, including Bury and Macclesfield Town, demonstrate that the existing fit-and-proper-persons tests are simply not fit for purpose in terms of fostering responsible ownership and sound financial management – especially when it comes to lower-league teams based in provincial towns where clubs are vital community assets; critical sources of local civic pride and sense of belonging. The proposed creation of a new independent regulator for English football (IREF) would be a golden opportunity to establish a comprehensive assessments system that examines the historic business practices and financial record of potential owners, as well as requiring them to submit detailed plans which are centred on how the club will be run in a financially sustainable manner post-acquisition. This should involve an enhanced due diligence check on source of funds – one which involves relevant stakeholders such as the UK Home Office and National Crime Agency (NCA). Considering the ever-increasingly globalised nature of the English game, the NCA’s positioning as the UK’s main point of contact for foreign agencies such as Interpol, Europol and other international law enforcement agencies, is critical in this context. This multi-agency regulatory framework would inject much-needed scrutiny over the ownership and directorship of football clubs in England. In addition to this, all clubs in the English football pyramid should be required to appoint – by statute – the equivalent of a Section 151 officer in local government.⁸⁶ The individual in this position would have the responsibility of overseeing financial compliance and report to the IREF.

5.3 LEVY ON PREMIER LEAGUE BROADCAST INCOME FOR PYRAMID-WIDE REDISTRIBUTION

This report strongly supports the view of EFL chairman Rick Parry – that a new independent regulator for English football should be given sufficient powers to impose a new financial settlement for the game. The EFL’s wish to have a greater share of the Premier League’s wealth is not unreasonable – the current structure of ‘parachute payments’ does not contribute towards financial sustainability throughout the pyramid. Academic research has found that parachute payments undermine the competitive balance in the Championship – with clubs receiving these payments being more likely to be promoted to the Premier League and less likely to be relegated to League One.⁸⁷ In some cases, the Premier League has



saved considerable amounts of money as a result of relegated clubs being immediately promoted back into the top tier of English football. It has been reported by *The Times* that for the 2022 to 2025 rights cycle, the Premier League's income from broadcasting – a combination of domestic deals, international agreements and commercial partnerships – will reach a total of £10.5 billion. One possible option is for the new IREF to have the power to implement a levy on the Premier League's broadcasting-related income, with the proceeds being redistributed throughout the football pyramid to shore up the wider game's financial sustainability. If a hypothetical 5% levy was applied to the 2022 to 2025 rights cycle, this would have generated in the region of £175 million per season for redistribution across the 72-club EFL and the grassroots game. The 10% solidarity transfer levy proposed in the Crouch review would have raised £160 million per year in the five seasons leading up to its publication.⁸⁸ A hypothetical 5% levy on the Premier League's vast broadcasting-related income can generate as much, if not more funds for IREF-led redistribution in English football than a 10% 'solidarity transfer levy', as well as helping to avoid complicating matters for Premier League clubs when they are competing in a truly international player-transfer market.

5.4 PROGRESSIVE LEVY ON INDUSTRY TO FUND NEW IREF'S ACTIVITIES

The report does not recommend that the IREF is state funded. In the middle of a national cost-of-living crisis, working-class taxpayers in relatively deprived areas – some of whom spend a notable portion of their wages to support their local football clubs – should not bear the costs of the creation and sustenance of a new independent regulatory authority for the English game. The resources for the new IREF should be

funded through a progressive levy implemented throughout the football pyramid. In accordance with the principles of fairness and proportionality, the levy-generated funds for the IREF's operational activities will predominantly derive from the coffers of the wealthiest Premier League clubs based in major cities such as London, Manchester and Liverpool. The contribution made by smaller provincial-town clubs in the lower leagues will amount to a token registration fee. This funding structure for the IREF provides an avenue for clubs such as Manchester City, Manchester United, Liverpool, Arsenal, Chelsea and Tottenham to rebuild relations with football fans across England who were strongly opposed to the breakaway European Super League (ESL) plans, which was perceived by many to be a betrayal of English football. It also offers a golden opportunity for elite clubs to strengthen their credentials when it comes to corporate social responsibility. It is hoped that the progressive levy implemented for IREF funding will foster a greater degree of solidarity and cohesion between clubs throughout the English footballing pyramid.

5.5 PARLIAMENTARY OVERSIGHT OF THE IREF AND WIDER FOOTBALL INDUSTRY

It is recognised that the importation of sector-specific expertise into a regulatory body, as well as the exportation of 'good governance practice' from a regulator and into industry, can be beneficial for English football. However, a degree of parliamentary oversight is needed to protect the integrity of the proposed IREF and reduce the threat of the 'revolving doors' phenomenon taking hold in English football. There are examples of parliamentary committees approving appointments for independent regulatory bodies. This includes the Treasury Committee approving the recent appointment of Ashley Alder as chair of the Financial Conduct Authority (FCA), which operates independently of the UK Government and is resourced by charging fees to members of the financial services industry.⁸⁹ Section 2.59 of the Crouch review recommended that the UK Government should search for a "world-class interim leader" for the proposed IREF.⁹⁰ The House of Commons' Digital, Culture, Media and Sports (DCMS) select committee should play a role in approving the appointment of the chair of the IREF. Indeed, DCMS could act as the IREF's 'parent government department' – making the new regulatory agency accountable to ministers and the subject of select committee scrutiny. There should also be an IREF 'code of conduct' which can be somewhat inspired by the core values of the Civil Service Code – integrity, honesty, objectivity and impartiality.⁹¹ Along with the DCMS Committee, the Industry and Regulators Committee – a select committee in the House of Lords which considers industrial matters and scrutinises the work of UK regulators – would be involved in evaluating the performance and delivery of the IREF in terms of fostering a more financially-sustainable and socially-responsible culture in English football, as well as regularly assessing risks associated with regulatory capture and conflicts of interests. This should also be reflected in the activities of relevant all-party parliamentary groups (APPGs) – such as the one for football.

5.6 GREATER SUPPORTERS' REPRESENTATION AT CLUB AND NATIONAL LEVEL

The supporter-oriented democratisation of English football should be a priority for the new IREF. This can draw inspiration from the Luton Town FC model of internal governance which has developed following the Championship club's three consecutive relegations (2006-7; 2007-8; 2008-9). It should be

an IREF-enforced requirement for all club boards to properly take into account the views of supporters, such as having a democratically-elected representative of the club's Supporters Trust join the board or a duty of consultation on key items, with the Trust holding a legal right to veto over any changes to the club's identity, such as its name, nickname, kit colours, club crest and mascot. The IREF should ensure that there are comprehensive forms of fan-focused consultation over major decisions such as stadium relocation – especially if the proposal involves the club playing home games outside of its traditional town or moving out of a city area that is strongly wedded to the club in a social, cultural and economic sense. Greater fan consultation over sensitive matters of club tradition and heritage should be promoted throughout the English game. If supporters believe they are being unfairly excluded from such decision-making processes by their club's owners and directors, there ought to be a serious regulatory body to which they can direct their grievances. Greater supporter-based representation is not only needed at club level, but also at the national level – especially on bodies such as the FA Council and the EFL Board of Directors. These representatives could be democratically-elected through the FSA – the national body for football supporters in England. It would be a positive democratising development to have greater FSA representation at the national level – bringing to the table their knowledge and expertise on issues such as supporter engagement, matchday experience for fans and how to broaden the game's inclusivity.

5.7 RENEWED EMPHASIS ON ANTI-DISCRIMINATION AND INCLUSION

England is a world-leading nation when it comes to the provision of anti-discrimination protections on the grounds of race, ethnicity and religion – outperforming other European footballing powerhouses with diverse societies such as France, Germany and the Netherlands.⁹² It is also home to some of the most robust equality bodies in the world. However, this should be better reflected in English football governance. This report supports Section 6.9 of the Crouch Review, which states that equality, diversity and inclusion (EDI) should be a pillar of good governance and seen as a central plan of any organisation's business plan (not simply an 'add-on' or 'tick-box' exercise).⁹³ Clubs should not only be obligated to submit annual plans to the IREF on how to foster a more inclusive environment for both their employees and supporters – an experienced EDI officer specialising in matters of inclusion and anti-discrimination should be required to sit on the club board. Strengthening the appeal of attending home matches for family-oriented supporters from communities which are sceptical of England's drinking culture remains a challenge for football clubs in parts of the country with notable Muslim populations. The EDI plans, however, should not narrowly focus on race, ethnicity and religious belief – but also other protected characteristics enshrined in the 2010 Equality Act such as disability and sexual orientation. Considering the nation's worsening cost-of-living crisis, improving the game's accessibility and matchday experience for fans in relatively deprived groups should be an EDI priority.

5.8 INTEGRAL ROLE FOR FOOTBALL CLUBS IN 'LEVELLING-UP' AGENDA OF UK GOVERNMENT

Financially sustainable and socially-responsible football clubs are a vital community asset for families and local communities across England. In this sense, they are unique – essentially being private-sector institutions of civic and spiritual significance for families and communities across the generations. Along with the creation of an independent regulator for English football the UK government should re-energise the flagship levelling-up policy of the Boris Johnson government and place football clubs – especially local teams in provincial market towns and post-industrial communities – at the heart of it. Making use of football's enduring popularity in left-behind areas, the UK government should better co-ordinate the holding of educational schemes and skills development courses at local football clubs which already provide a sense of belonging. These multi-agency initiatives can involve state-run academic/vocational institutions and established SMEs which join forces in local public-private partnerships fostered at football clubs which are civic assets in their own right.

5.9 EXPANDED ROLE FOR FOOTBALL CLUBS IN BUILDING SOCIAL COHESION

Football is also a game that helps to bridge divides – with local football clubs being well-positioned to bring together communities that do not have particularly high rates of social contact. The Department for Levelling Up, Housing and Communities should review how a shared sense of civic pride in football clubs can be used as a foundation to foster bonds of social trust and mutual respect between residentially-separated communities. The building of inclusive place-based identities remains a challenge in a string of multi-ethnic, Northern, post-industrial towns. However, local football clubs with rich histories and traditions have the potential to defuse community tensions, harness feelings of local pride and cultivate a sense of common purpose – ultimately helping to build more cohesive and resilient communities. The role that England's football clubs can play in facilitating stronger community relations should be explored in greater depth by the UK government's Independent Adviser for Social Cohesion and Resilience as part of broader political efforts to tackle extremism. This in turn can form the basis of a future annual "Social Value Index" designed by the IREF which ranks clubs based on their commitment to local causes such as improving the life chances and civic participation of younger people – including those who are the children and grandchildren of long-term supporters who should be treated as much-valued stakeholders in English football.

ENDNOTES

1. This has included, for example: the Labour Party's Charter for Football ('96); the Smith Report ('98); the Football Task Force ('99); the Independent Football Commission (2001); the Burns Review (2005); the All Party Parliamentary Football Group on English Football and its Governance (2009); the Culture, Media and Sport Select Committee Inquiry into Football Governance (2011); the Select Committee's follow-up report (2013); A Football Governance Supporters' Participation Bill (2016); A new Code for Sports Governance (2016); another Select Committee Inquiry (2016); and Backbench Parliamentary debate (2017).
2. Supporters Direct (2010), *The Social and Community Value of Football*, June 2010
3. Deloitte Sports Business Group (2023), *Deloitte Football Money League 2023*, March. Available at: <https://www2.deloitte.com/uk/en/pages/sports-business-group/articles/deloitte-football-money-league.html>, last accessed: 2 January 2023.
4. Rick Parry interview - BBC Sport Football, 16 January. Available at: <https://www.bbc.co.uk/sport/football/64285556>, last accessed: 17 January 2023.
5. Starkings, P. and Brett, W. (2021), 'These Clubs are Ours: Putting football into community hands', *Power to Change*, April. Available at: https://www.powertochange.org.uk/wp-content/uploads/2021/04/PTC_3789_Football_Report_DR2.pdf, last accessed: 17 January 2023.
6. Taylor, L. (2019), 'Relegation blues: how a football team's fortunes can affect a whole city', *The Guardian*, 8 May. Available at: <https://www.theguardian.com/cities/2019/may/08/relegation-blues-how-a-football-teams-fortunes-can-affect-a-city-sunderland>, last accessed: 17 January 2023.
7. Ibid.
8. Lee, M. (2020), 'How the people of Bury lost their 134-year-old football club', *Slow Journalism Magazine*, 13 March. Available at: <https://www.slow-journalism.com/from-the-archive/how-the-people-of-bury-lost-their-134-year-old-football-club>, last accessed: 17 January 2023.
9. Overall football attendance in the United Kingdom (UK) in 2021/22, by league. Published by Statista Research Department, Dec 8, 2022 [<https://www.statista.com/statistics/686981/football-aggregate-attendance-by-league-united-kingdom/#:~:text=Average%20attendance,39.5%20thousand%20in%202021%2F22>].
10. Football Association [FA] (2021), *The Social and Economic Value of Grassroots Football in England: An Analysis of the Contribution of Grassroots Football to the Nation's Economic and Wellbeing*, March. Available at: <file:///C:/Users/rakib/Downloads/the-social-economic-value-of-grassroots-football-in-england-march-2021.pdf>, last accessed: 2 January 2023.
11. Link to Everton in the Community projects: <https://www.evertoninthecommunity.org/projects/>
12. Roan, D. (2023), 'EFL chief Rick Parry says regulator must have power over funding "reset"', *BBC Sport Football*, 16 January. Available at: <https://www.bbc.co.uk/sport/football/64285556>, last accessed: 17 January 2023.
13. Smith, P. (2022), 'EFL boss nails problem with parachute payments with killer line', *Stoke-on-Trent Live*, 26 May. Available at: <https://www.stokesentinel.co.uk/sport/football/transfer-news/stoke-city-financial-fair-play-7130154>, last accessed: 2 January 2023.
14. Humayun, A. (2022), 'Clubs warn government of being "wiped off the map" without independent regulator', *The Athletic*, 1 November. Available at: <https://theathletic.com/3750604/2022/11/01/independent-regulator-fans-letter/> last accessed: 14 February 2023.
15. Crouch, T. (2021), 'Fan-led Review of Football Governance: securing the game's future', *Department for Digital, Culture, Media & Sport*, 24 November. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037648/Football_Fan_led_Governance_Review_v8Web_Accessible.pdf, last accessed: 2 January 2023.
16. Roan, D. (2023), 'EFL chief Rick Parry says regulator must have power over funding "reset"', *BBC Sport Football*, 16 January. Available at: <https://www.bbc.co.uk/sport/football/64285556>, last accessed: 17 January 2023.
17. Link to FA website's "What We Do" page: <https://www.thefa.com/about-football-association/what-we-do/history>
18. Link to Premier League website's "About" page: <https://www.premierleague.com/about#:~:text=The%20Premier%20League%20is%20a,to%20English%20and%20European%20law>
19. Taylor, D. (2014), 'Broken Bolton: where did it all go wrong for Wanderers?', *The Guardian*, 11 October. Available at: <https://www.theguardian.com/football/blog/2014/oct/11/phil-gartside-bolton-wanderers-abyss>, last accessed: 7 February 2023.
20. Express & Star (2022), 'West Brom take out £20m loan for club running costs', 28 December. Available at: <https://www.expressandstar.com/sport/football/west-bromwich-albion/2022/12/28/west-brom-take-out-20m-loan-for-club-running-costs/>, last accessed: 17 January 2023.
21. BBC Sport Football (2022), 'West Bromwich Albion agree four-year £20m loan with investment group MSD Holdings', 28 December. Available at: <https://www.bbc.co.uk/sport/football/64111067#:~:text=Championship%20promotion%20hopefuls%20West%20Bromwich,club's%20%22general%20business%20operations%22>, last accessed: 17 January 2023.

22. Chapman, J. (2023), 'West Brom situation receives Government response as 'plans' revealed', *Birmingham Live*, 26 January. Available at: <https://www.birminghammail.co.uk/sport/football/football-news/west-brom-owner-lai-government-26076904>, last accessed: 7 February 2023.
23. Buckingham, P. and Slater, M. (2023), 'Special report: Scunthorpe United, a club on the brink', *The Athletic*, 13 January. Available at: https://theathletic.com/4084541/2023/01/13/special-report-scunthorpe-united-a-club-on-the-brink/?source=emp_shared_article&redirected=1, last accessed: 17 January 2023.
24. Findlater, J. (2021), 'Scunthorpe United chairman defends transfer of club's stadium to his own company amid fans' concerns', *Grimsby Live*, 23 April. Available at: <https://www.grimsbytelegraph.co.uk/sport/football/football-news/scunthorpe-united-stadium-chairman-swann-5334623>, last accessed: 8 February 2023.
25. Bird & Bird (2020), *The Bury FC Review: Report to the EFL Board*, 20 February. Available at: <https://www.efl.com/siteassets/image/201920/governance-reviews/bury-review.pdf---adobe-acrobat-pro.pdf>, last accessed: 2 January 2023.
26. Neveit, J. (2022), 'Bury: The town where football fans are shaping politics', *BBC News*, 24 November. Available at: <https://www.bbc.co.uk/news/uk-politics-63707933>, last accessed: 2 January 2023.
27. Freeman, J. (2020), 'Macclesfield Town FC wound up in High Court over debts exceeding £500,000', *BBC News*, 16 September. Available at: <https://www.bbc.co.uk/sport/football/54177582>, last accessed: 2 January 2023.
28. BBC Football (2019), 'Macclesfield Town 0-4 Kingstonian', November 10. Available at: <https://www.bbc.co.uk/sport/football/50290494>, last accessed: 3 January 2023.
29. Crouch, T. (2021), 'Fan-led Review of Football Governance: securing the game's future', *Department for Digital, Culture, Media & Sport*, 24 November. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037648/Football_Fan_led_Governance_Review_v8Web_Accessible.pdf, last accessed: 2 January 2023.
30. Kelso, P. (2007), 'FA brings record number of charges against Luton over payments', *The Guardian*, 16 November. Available at: <https://www.theguardian.com/football/2007/nov/16/newsstory.luton1>, last accessed: 2 January 2023.
31. Luton Town Football Club (2022), 'Power Court Safe Standing Survey', 21 March. Available at: <https://www.lutontown.co.uk/news/2022/march/safe-standing-survey/>, last accessed: 2 January 2023.
32. Simmonds, M. (2022), 'Sweet: Power Court plans are 'carrying on' despite rising costs', 12 November. Available at: <https://www.lutontoday.co.uk/sport/football/luton-town/sweet-power-court-plans-are-carrying-on-despite-rising-costs-3916023>, last accessed: 2 January 2023.
33. Link to the Luton Town Community Trust website: <https://www.lutontown.co.uk/club/luton-town-community-trust/>, last accessed: 18 January 2023.
34. Taylor, M. (2011), 'EDL plans for Luton protest raises fears of disorder', *The Guardian*, 31 January. Available at: <https://www.theguardian.com/uk/2011/jan/31/edl-protest-luton-fears-disorder>, last accessed: 18 January 2023.
35. Blackhurst, C. (1996), 'Oyston gets six years for rape', *The Independent*, 23 May. Available at: <https://www.independent.co.uk/news/oyston-gets-six-years-for-rape-1348681.html>, last accessed: 2 January 2023.
36. Conn, D. (2018), 'Blackpool FC, a Kyrgyzstan money-laundering conviction and a non-takeover', *The Guardian*, 18 October. Available at: <https://www.theguardian.com/football/2018/oct/18/blackpool-takeover-valeri-belokon-owen-oyston>, last accessed: 2 January 2023.
37. The Newsroom (2018), 'Another Oyston leaves Blackpool FC board of directors', *Blackpool Gazette*, 6 February. Available at: <https://www.blackpoolgazette.co.uk/sport/football/another-oyston-leaves-blackpool-fc-board-directors-1049738>, last accessed: 2 January 2023.
38. Conn, D. (2017), 'Oystons ordered to buy out Blackpool shareholder for £31m after losing court battle', *The Guardian*, 6 November. Available at: <https://www.theguardian.com/football/2017/nov/06/oystons-blackpool-ordered-pay-shareholder-high-court-valeri-belokon>, last accessed: 2 January 2023.
39. Press Association (2017), 'Oyston family treats Blackpool as 'personal cash machine', high court told', *The Guardian*, 12 June. Available at: <https://www.theguardian.com/football/2017/jun/12/oyston-family-treats-blackpool-personal-cash-machine-high-court>, last accessed: 2 January 2023.
40. Conn, D. (2018), 'The curious case of Blackpool versus Football League's ownership rules', *The Guardian*, 27 February. Available at: <https://www.theguardian.com/football/2018/feb/27/curious-case-blackpool-versus-football-league-ownership-rules>, last accessed: 2 January 2023.
41. The Newsroom, 'EFL: Sam Oyston appointment is a matter for the club', *Blackpool Gazette*, 17 January. Available at: <https://www.blackpoolgazette.co.uk/sport/football/efl-sam-oyston-appointment-matter-club-1055748>, last accessed: 2 January 2023.
42. Canavan, S. (2014), 'Blackpool: From the Premier League to having eight players', *BBC Sport Football*, 14 July. Available at: <https://www.bbc.co.uk/sport/football/28194124>, last accessed: 2 January 2023.
43. Conn, D. (2019), 'New Blackpool owner Simon Sadler: 'I'm doing it for the greater good'', *The Guardian*, 1 July. Available at: <https://www.theguardian.com/football/2019/jul/01/new-blackpool-owner-simon-sadler-interview>, last accessed: 2 January 2023.
44. Blackpool FC (2022), 'Blackpool FC secures site for new training facility', 13 May. Available at: <https://www.blackpoolfc.co.uk/news/2022/may/13/blackpool-fc-secures-site-for-new-training-facility/>, last accessed: 2 January 2023.

45. Link to Blackpool FC Community Trust website ("programmes" page): <https://www.bfctt.co.uk/all-programmes/>
46. Ainscough, C. (2022), 'Census 2021: The three most deprived areas of Blackpool revealed', *The Gazette*, 4 November. Available at: <https://www.blackpoolgazette.co.uk/news/people/census-2021-the-three-most-deprived-areas-in-blackpool-revealed-3906004>, last accessed: 18 January 2023.
47. Chappelet, J-L, (2017), 'Beyond Governance: the need to improve the regulation of international sport', *Sport in Society*, 21(5): 1-11.
48. Holt, O. (2023), 'OLIVER HOLT: Man City's tainting is just a sign of an out-of-control Loadsamoney League - drunk on oil money - where greed is good... The Premier League must face up to its responsibilities and be saved from itself', *The Daily Mail*, 7 February. Available at: <https://www.dailymail.co.uk/sport/football/article-11723193/OLIVER-HOLT-Man-Citys-tainting-just-sign-control-Loadsamoney-League.html>, last accessed: 16 February 2023.
49. Douglas, M. (2023), 'Man City thrown under the bus by Premier League in attempt to avoid independent regulator, says finance expert', *iNews*, 7 February. Available at: <https://inews.co.uk/sport/football/man-city-premier-league-avoid-independent-regulator-2133291>, last visited: 16 February 2023.
50. Institute of Directors: Southern Africa (2016), *King IV: Report on Corporate Governance for South Africa 2016*. Available at: https://cdn.ymaws.com/www.iodesa.co.za/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/loDSA_King_IV_Report_-_WebVersion.pdf, last accessed 2 January 2023.
51. Ibid.
52. Ibid.
53. Website for the Fair Work Convention in Scotland: <https://www.fairworkconvention.scot/>
54. McKinsey and Company (2020), *Diversity wins: How inclusion matters*, May 19. Available at: <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>, last accessed: 2 January 2023.
55. Henley Business School, University of Reading (2021), *The Equity Effect: A report from Henley Business School*, 7 June. Available at: <https://assets.henley.ac.uk/v3/fileUploads/The-Equity-Effect-report.pdf>, last accessed: 2 January 2023.
56. McGregor-Smith, R. (2017), 'Race in the workplace: The McGregor-Smith review', *Department for Business, Energy & Industrial Strategy*, 28 February. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf, last accessed: 2 January 2023.
57. Keating, M. and Weller, P. [eds.] (2020), *Institutions on the edge? Capacity for governance*, London, Routledge.
58. Maclellan, K. (2022), 'UK hit by worst month of strikes in 11 years as pay disputes escalate', *Reuters*, 13 December. Available at: <https://www.reuters.com/world/uk/uk-faced-highest-level-strikes-october-more-than-decade-2022-12-13/>, last accessed: 2 January 2023.
59. McCann, P. (2020), 'Perceptions of regional inequality and the geography of discontent: insights from the UK', *Regional Studies*, 54(2): 256-267.
60. Quilter-Pinner, H., Statham, R., Jennings, W. and Valgarossen, V. (2021), 'Trust issues: dealing with distrust in politics', *Institute for Public Policy Research*. Available at: <https://www.ippr.org/files/2021-12/trust-issues-dec-21.pdf>, last accessed: 2 January 2023.
61. Goetz, K. and Cullen, P. [eds.](2013), *Constitutional Policy in Unified Germany*, Abingdon, Taylor & Francis.
62. Crouch, T. (2021), 'Fan-led Review of Football Governance: securing the game's future', *Department for Digital, Culture, Media & Sport*, 24 November. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037648/Football_Fan_led_Governance_Review_v8Web_Accessible.pdf, last accessed: 2 January 2023.
63. Davis, C. (2021), 'Tactical innovation or own goal? The proposals for an independent regulator', *Oxera*, 14 December. Available at: <https://www.oxera.com/insights/agenda/articles/tactical-innovation-or-own-goal-the-proposals-for-an-independent-football-regulator/#content>, last accessed: 2 January 2023.
64. Crouch, T. (2021), 'Fan-led Review of Football Governance: securing the game's future', *Department for Digital, Culture, Media & Sport*, 24 November. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037648/Football_Fan_led_Governance_Review_v8Web_Accessible.pdf, last accessed: 2 January 2023.
65. Ibid.
66. Deloitte Sports Business Group (2023), *Deloitte Football Money League 2023*, March. Available at: <https://www2.deloitte.com/uk/en/pages/sports-business-group/articles/deloitte-football-money-league.html>, last accessed: 2 January 2023.
67. Ibid.
68. Brown, B. and Olphert, J. (2022), 'An Independent Regulator for English football – How, when and why', *Mountford Chambers*, 20 July. Available at: <https://www.mountfordchambers.com/an-independent-regulator-for-english-football-how-when-and-why/>, last accessed: 2 January 2023.
69. Crouch, T. (2021), 'Fan-led Review of Football Governance: securing the game's future', *Department for Digital, Culture, Media & Sport*, 24 November. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037648/Football_Fan_led_Governance_Review_v8Web_Accessible.pdf, last accessed: 2 January 2023.
70. Crouch, T. (2021), 'Fan-led Review of Football Governance: securing the game's future', *Department for Digital, Culture, Media & Sport*, 24 November. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037648/Football_Fan_led_Governance_Review_v8Web_Accessible.pdf, last accessed: 2 January 2023.

71. OECD (2016), 'The Governance of Regulators: Being an Independent Regulator', 19 July. Available at: https://read.oecd-ilibrary.org/governance/being-an-independent-regulator_9789264255401-en#page3, last accessed 2 January 2023.
72. Thomas, R. (2017), 'Regulators and the revolving door', *Blog: Committee on Standards in Public Life*, 8 February. Available at: <https://cspl.blog.gov.uk/2017/02/08/regulators-and-the-revolving-door/>, last accessed 2 January 2023.
73. OECD (2016), 'The Governance of Regulators: Being an Independent Regulator', 19 July. Available at: https://read.oecd-ilibrary.org/governance/being-an-independent-regulator_9789264255401-en#page3, last accessed 2 January 2023.
74. Link to the 2022 Environmental Performance Index (EPI) rankings: <https://epi.yale.edu/epi-results/2022/component/epi>
75. Link to MIPEX rankings for anti-discrimination: <https://www.mipex.eu/anti-discrimination>
76. Lawson, A. (2022), 'Too slow to act: Ofgem's 'failures' cost energy consumers billions, say MPs', *The Guardian*, 13 November. Available at: <https://www.theguardian.com/business/2022/nov/13/too-slow-to-act-ofgem-failures-cost-energy-consumers-billions-say-mps#:~:text=The%20regulator%20was%20blamed%20for,transfers%20to%20a%20new%20supplier,> last accessed: 19 January 2023.
77. Link to Financial Conduct Authority website ("About the FCA" page): <https://www.fca.org.uk/about/what-we-do/the-fca>
78. Ibid.
79. Link to Financial Conduct Authority website ("Corporate responsibility" page): <https://www.fca.org.uk/about/how-we-operate/corporate-responsibility>
80. GOV.UK: "Review of public sector equality duty". Available at: <https://www.gov.uk/government/groups/review-of-public-sector-equality-duty-steering-group#:~:text=Terms%20of%20reference-,Overview,when%20carrying%20out%20their%20activities,> last accessed: 18 January 2023.
81. UK Parliament (2022), 'Treasury Committee approves appointment of FCA chair', 15 December. Available at: <https://committees.parliament.uk/committee/158/treasury-committee/news/175112/treasury-committee-approves-appointment-of-fca-chair/>, last accessed: 18 January 2023.
82. Link to Treasury Committee's website page on the work of the Financial Conduct Authority: <https://committees.parliament.uk/work/741/work-of-the-financial-conduct-authority/>
83. Financial Conduct Authority (2022), 'A new Consumer Duty: Feedback to CP21/36 and final rules', July. Available at: <https://www.fca.org.uk/publication/policy/ps22-9.pdf>, last accessed: 8 February 2023.
84. Campbell, D. (2019), 'FCA boss Bailey: the criticism we have faced is 'justified'', *CityWire Wealth Manager*, 25 October. Available at: <https://citywire.com/wealth-manager/news/fca-boss-bailey-the-criticism-we-have-faced-is-justified/a1285437>, last accessed: 18 January 2023.
85. UK Parliament (2021), 'Change in Financial Conduct Authority's culture needed to protect consumers and financial markets', 24 June. Available at: <https://committees.parliament.uk/committee/158/treasury-committee/news/156077/change-in-financial-conduct-authoritys-culture-needed-to-protect-consumers-and-financial-markets/>, last accessed: 18 January 2023.
86. GOV.UK: Annex 2 – Roles and duties of Statutory Officers: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/914651/Annex_2_-_Statutory_officers.pdf
87. Wilson, R., Ramchandani, G. and Plumley, D. J. (2018), 'Parachute payments in English football: Softening the landing or distorting the balance?', *Journal of Global Sport Management*, 3(4): 351-368. Available at: <https://shura.shu.ac.uk/17115/3/Wilson-ParachutePaymentsInEnglishFootball%28AM%29.pdf>, last accessed: 18 January 2023.
88. Crouch, T. (2021), 'Fan-led Review of Football Governance: securing the game's future', *Department for Digital, Culture, Media & Sport*, 24 November. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037648/Football_Fan_led_Governance_Review_v8Web_Accessible.pdf, last accessed: 2 January 2023.
89. UK Parliament (2022), 'Treasury Committee approves appointment of the FCA Chair', 15 December. Available at: <https://committees.parliament.uk/committee/158/treasury-committee/news/175112/treasury-committee-approves-appointment-of-fca-chair/>, last accessed: 2 January 2023.
90. Crouch, T. (2021), 'Fan-led Review of Football Governance: securing the game's future', *Department for Digital, Culture, Media & Sport*, 24 November. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037648/Football_Fan_led_Governance_Review_v8Web_Accessible.pdf, last accessed: 2 January 2023.
91. GOV.UK (Civil Service) (2015), 'Statutory guidance: The Civil Service code', 16 March. Available at: <https://www.gov.uk/government/publications/civil-service-code/the-civil-service-code>, last accessed: 2 January 2023.
92. Migrant Integration Policy Index (2020), 'Anti-Discrimination'. Available at: <https://www.mipex.eu/anti-discrimination>, last accessed: 3 January 2023.
93. Crouch, T. (2021), 'Fan-led Review of Football Governance: securing the game's future', *Department for Digital, Culture, Media & Sport*, 24 November. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037648/Football_Fan_led_Governance_Review_v8Web_Accessible.pdf, last accessed: 2 January 2023.



RESPUBLICA
society · prosperity · virtue

ABOUT RESPUBLICA

The ResPublica Partnership Ltd (ResPublica) is an independent non-partisan think tank. Through our research, policy innovation and programmes, we seek to establish a new economic, social and cultural settlement. In order to heal the long-term rifts in our country, we aim to combat the concentration of wealth and power by distributing ownership and agency to all, and by re-instilling culture and virtue across our economy and society.

Society

Society

Society

This report has been produced on behalf of 'For Fans Too' a supporters-first campaign advocating for improved governance and regulation of football in England. It follows on from the fan-led review into English football governance carried out by former sports minister Tracey Crouch MP and published in November 2021. It builds on the central recommendation of the review to establish an independent regulator for English football (IREF) which can protect the financial sustainability of the game.

The report explores how an independent regulator can be structured to function in an effective manner by delivering maximum value for the fans. It considers the evidence for regulatory best practice from within football, corporate governance and beyond. Case studies illustrate the importance of greater financial responsibility and the protection of cultural heritage in English football. This leads into a broader discussion of what good governance would look like – ensuring that the new IREF does not fall to Premier League dominance and forms of regulatory capture.

The main findings and recommendations consider a framework for English football governance which is enshrined in statute to recognise the unique social and economic value which football clubs provide to their community, while ensuring fair competition and greater supporter input, to secure the financial sustainability of the game and maintain the global economic appeal of English football.



ISBN: 978-1-908027-92-4

*ResPublica is the trading name of The ResPublica Partnership Limited
Company Registration No: 11068087 England and Wales*