

Football Governance Bill – Committee Stage

Premier League briefing

The Premier League's position

We are grateful to Committee Members for their scrutiny of the Football Governance Bill and look forward to engagement on the detail over the coming weeks. As MPs consider this legislation, we want to offer the Premier League's perspective, acknowledging the significance of these reforms, while also emphasising the extraordinary success story that is English football today.

Our perspective

We support key objectives within the Bill, including provisions that strengthen fan engagement, further protect against breakaway leagues, safeguard club heritage and augment owner suitability tests with statutory powers.

However, as custodians of a uniquely successful sport that matters to millions in our country, we have felt a responsibility to highlight the risk of unintended consequences from this new regulation. This is not because the Premier League resists regulation per se (we are, of course, a regulator ourselves). It is because we are resolutely determined to safeguard the finely balanced ecosystem that sustains not just the Premier League's success, but the strength and stability of the entire football pyramid.

The interplay of competition, investment and shared success that underpins English football is carefully calibrated. If new regulation is too rigid or poorly applied, that balance could be lost – with real consequences for the Premier League's global standing, and for the critical investment and support it provides to the whole of the football pyramid and grassroots football.

This balance is also under pressure from structural changes beyond football – in particular, from a rapidly evolving global media market. Our international competitors are having to adapt fast, with traditional models under pressure. English football must do the same, including while we face significant disruptive pressures from expanded international club competitions. But successfully adapting to stay ahead requires flexibility, regulatory stability and access to capital. Without those ingredients, we risk losing the momentum and competitive edge that underpins English football's global standing.

Amendments in the House of Lords

In that context we agree with the Government that the adoption of a light-touch, proportionate approach will be critical to the success of the Independent Football Regulator (IFR) – especially in a sector that will continue to be subject to several significant domestic and international regulators.

We welcome the improvements that the Government has made to the Bill following the debate in the House of Lords, including a duty to take account of damage to growth. Given the concerns we have raised, we continue to believe the Bill could be further improved to ensure that the Government's own objectives are met. This would include ensuring that the IFR is given all the levers necessary to work with the Leagues more effectively and focus on problem clubs, rather than imposing additional and potentially inconsistent regulation on well-managed clubs, damaging competitive balance.

Amendments before this Committee

Ahead of Committee Stage, the Government has tabled significant changes to the Backstop process that will help mitigate some – but not all – of our concerns about the risks that are intrinsic to this unprecedented mechanism. The Backstop is a novel and untested intervention into voluntary, complex and systemic industry agreements. We continue to believe that a football-led solution is in the best interests of the industry – and that any Backstop must only ever be available as a last resort, with a very high threshold for intervention and appropriate incentives for long-term industry agreements.

To support that, there continues to be a need for a mechanic in the Bill to enable both parties to mutually contract out of the Backstop by agreement, with the full visibility of the Regulator. This would help to ensure proportionate regulatory intervention and would be a useful lever for the new Regulator in avoiding unnecessary and heavily contested interventions.

Our approach

The Premier League is committed to doing all we can to make this new system succeed. We have been highly engaged from the outset of this process and continue to advocate for an effective regulatory regime that can work in practice - helping to safeguard the future of the game, without jeopardising the very ingredients that have made English football a global leader and the envy of world sport.

The success of English football

English football, with the Premier League at its apex, is a national asset our country can be incredibly proud of. The Premier League is the most-watched football league globally, reaching 1.5 billion people in 189 countries, generating significant economic activity (£8.2 billion GVA, £4 billion tax, 90,000+ jobs), and acting as a major soft power asset for the UK all around the world. This success is not accidental. It was built. It has created a virtuous circle of intense competition, high investment, global appeal and reinvestment that allows for cherished community institutions to be consistently refreshed and restored. The model depends on:

- **Intense competition:** An egalitarian approach to revenue distribution within the League fosters fierce competitiveness, making matches unpredictable and exciting. The League's competitiveness and top-to-bottom strength is the key driver of its appeal and value
- **High investment and aspiration:** The League encourages investment and considered risk-taking, allowing Clubs to compete for top talent, develop world-class facilities and aspire to success. This high-investment model focuses on long-term asset growth and capital appreciation. Like all successful economic sectors, it relies on regulatory certainty and investor confidence
- **Shared success and solidarity:** The Premier League is committed to supporting the entire football pyramid. We voluntarily share £1.6 billion over the current three-year broadcast cycle, supporting EFL and National League clubs, grassroots football, Parachute Payments, infrastructure, the women's game and community programmes throughout the pyramid. This investment is world-leading and sustains the best-funded and deepest pyramid globally

So far, 51 Clubs have participated in the Premier League, showing that financial distributions broadly work in supporting a vibrant, dynamic and aspirational ecosystem. The EFL Championship is among the best-funded leagues in Europe – ahead of the vast majority of top tier leagues, including in major footballing nations like Portugal and the Netherlands. The EFL has agreed new broadcast deals worth £1 billion that will increase EFL central revenues by c. 50% from 2025/26, compared with 2023/24.

Since 2012 when financial rules were strengthened, six clubs in the football league have gone into administration – a markedly reduced trend compared to previous eras. No league club has faced administration since the Fan-Led Review was published in 2021. Indeed, only seven league clubs have been liquidated since 1945, with the vast majority reforming and still existing in the pyramid today.

Key areas for consideration

We note that deregulation to drive economic growth is at the centre of the Government's domestic agenda. The Prime Minister has said *"there is a morass of regulation that effectively bans billions of pounds more of investment from flowing into Britain"*. The Chancellor has said that *"the regulatory system has become burdensome to the point of choking off innovation, investment and growth"*.

As this new and complex system is introduced, we should be aware that the Premier League operates in an international market that is in flux and more competitive than ever, both on and off the pitch.

The Premier League is conscious that that the UK is the first major country ever to introduce a statutory regulator for football – and that all novel regulation has unintended consequences. We would therefore encourage particular scrutiny across the following two areas:

The regulatory model

Rather than a strategic regulator overseeing the leagues, the Bill adopts a deep regulatory model that instead oversees and licenses all 116 professional football clubs. It is a model primarily influenced by prudential banking regulation, with a potentially bespoke and opaque assessment of individual football clubs' financial soundness. Football, however, is not banking. The magic of our football pyramid is its dynamism, which relies on managed risk-taking and aspiration – not just stability and risk aversion.

An overly cautious approach to financial regulation could easily stifle investment, reduce competitiveness and make the game less exciting for fans. In addition to navigating this difficult balance, it is essential that any regime of financial regulation is transparent, predictable and fair – different clubs cannot operate with different constraints if competitive balance is to be maintained and investor confidence upheld.

We believe MPs should therefore seek clarity that the IFR will work cooperatively with the leagues to ensure that the regime is proportionate, effective and reflective of the need for aspiration and risk-taking. The regulatory approach must also properly account for the unique necessity within sport to effectively manage competitive dynamics and ensure a level playing field.

The 'Backstop' powers

The Backstop is intended to be a last resort for financial distribution disputes and has been compared to the use of nuclear weapons by Dame Tracey Crouch. Its prospect has so far been a hindrance to collaborative, consensual approaches to the distribution of Premier League revenue.

The Premier League remains proactive, open-minded and solution-oriented on the question of fine-tuning how Premier League revenue is shared across football. But when considering the possibility of a regulatory intervention into such complex systemic matters, it must be recognised that the central challenge is not the flow of funds – substantial by any metric – but rather the foundations of governance, league regulation and enforcement, financial discipline and investment in long-term growth.

Financial distributions from the Premier League are only one tool among many available to football competitions and regulators to deliver greater financial sustainability and resilience. Tools to tackle the root causes of financial issues include better governance; rigorous ownership tests; more effective financial regulation and enforcement; competition mechanics like "merit rakes" that allow clubs to compound success over time and rise through the pyramid; greater investment in academies and youth development; upgrades to infrastructure to drive growth; and new commercial innovations and partnerships.

Mandatory redistribution of Premier League broadcast revenue – an unprecedented interference with Premier League Clubs' property rights – could only ever be the last resort, not the first.

While we support the rationale for moving away from a blunt "winner-takes-all" mechanism, it should be recognised that this significant change clearly affects the balance of risk and incentives in the Backstop. We are concerned that it further diminishes the prospect of an industry-led agreement – cementing the risk that no matter how positive the proposals put forward by one party may be, the

other will see no downside in exhausting the process fully rather than coming to a compromise agreement.

In this context we believe Parliamentarians should question whether the Backstop is sufficiently tightly focused, whether there is now appropriate risk and leverage for all parties to deliver an industry settlement, and whether this novel mechanic is set up to operate as a genuine last resort, rather than embedding conflict into the heart of a successful and collaborative ecosystem.

To create the appropriate incentives, we continue to believe that both parties must be able to mutually contract out of the Backstop by agreement, with the full visibility of the Regulator. This would encourage more proportionate regulatory intervention and would further allow for longer-term agreements to be struck, helping to avoid regular, unnecessary and heavily contested interventions.

Conclusion: Protecting a national success story

The Premier League is committed to working constructively with Parliament, the Government and the future IFR to keep English football growing and strong. As the new system is designed, we should bear in mind that far from somehow being 'on the precipice', English football is in fact remarkably successful and resilient – with the quality of our competitions, clubs, players, coaches and academies now the envy of the world, and with not a single football league club administration since the Fan-Led Review of 2021.

We approach this process with a long-term view, mindful that this legislation must equip English football for the challenges it will face in the future. The game is changing – rapidly and globally – and while we are not asking Parliament to shield us from change, new regulation must not prevent us from adapting to meet it. That means a regime that supports innovation, enables investment and encourages the responsible risk-taking and sporting jeopardy that is so central to fans' enjoyment of the game, and therefore its value to broadcasters and commercial partners around the world.

It is critical that the Government and Parliament ensures that the new Regulator supports the unique strengths that have made the English game so globally admired, and helped to deliver the success story of the deepest and best-funded pyramid in world football.

As amendments are tabled and debated, we are available to answer questions, or provide written or oral briefing, on any issue or aspect of the Bill as required by Committee Members. We look forward to engaging with you and your teams over this period.

Premier League
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Appendix: Key facts to consider

- **Global reach:** The Premier League is a leading UK export, reaching 1.5 billion viewers in 189 countries around the world
- **Strong domestic fanbase:** 36 million viewers and 15 million fans attending stadiums every season
- **Soft power asset:** The Premier League is a significant soft power asset for the UK, amplifying British cultural values and generating economic growth and inward investment through its global popularity
- **Driving economic growth:** Premier League Clubs contribute £8 billion in GVA, £4.2 billion in tax and support 90,000 jobs, with a third of those in the North West alone
- **Supporting the pyramid:** The Premier League shares its success willingly – £1.6 billion (16%) of broadcast revenues over a three-year cycle – to help support the whole of the football pyramid. It is more generous support than provided by any other league in any other sport, and includes community funding made available to all 144 EFL and National League clubs
- **Strong lower tiers:** English football's lower tiers are the best-funded and best-attended competitions of their kind in Europe; the Championship is the sixth best-funded league in European football, ahead of the top tier divisions of major footballing nations like Belgium and the Netherlands, and is the second best-attended league in all of European football
- **Substantial EFL success:** The EFL system is a highly competitive, appealing and commercially successful league system and is set to see its central revenues increase by 50% from next season, compared with Season 2023/24, further cementing its advantageous position
- **Premier League support:** This is further supported by considerable voluntary financial support from the Premier League, via an existing financial distributions settlement, in place since 2018, which the Premier League will continue to honour
- **Solidarity funding for every club:** Through this settlement, the Premier League currently provides funding known as solidarity to every one of the 72 clubs in the EFL, with this funding typically representing 20%-40% of each club's annual revenue
- **No cliff-edge:** The existing arrangements have a three-year notice period for either party, so there is no cliff-edge
- **Parachute payments support competitiveness and sustainability:** a recognised competitive mechanism used by leagues across Europe, including within the EFL system, Parachute payments provide clubs with the confidence to invest on promotion to be able to compete and sign multi-year player contracts. They also enable a smoother transition to a lower cost base for relegated clubs, and so have important secondary sustainability impacts
- **Performance of clubs in receipt of Parachutes:** Over a 20 year period, Premier League Clubs perform better on promotion, and worse on relegation, than clubs in the other major leagues in Europe. Relegated clubs finish on average 8th in their first season in the Championship, and 11th the following season
- **Grassroots football investment:** As part of the overall £1.6 billion investment, £500 million is dedicated to grassroots football, youth development and infrastructure and facilities over the same three-year broadcast cycle
- **A stable and resilient pyramid:** Since 2012 when financial rules were strengthened, six clubs in the football league have gone into administration. No league club has faced administration since the Fan-Led Review was published in 2021. Only seven league clubs have been liquidated since 1945, with the vast majority reforming and still in existence today.
- **Declining trend of club administrations:** Whilst every club facing administration causes uncertainty, it is notable that clubs such as Crystal Palace, Luton Town, AFC Bournemouth, Southampton and Leeds United, all successfully reset following administration to such an extent that they subsequently achieved promotion to the Premier League.