



# PUTTING PRIDE BACK IN THE SHIRT

Fair Game's solutions for the National Game

*Thursday 9th September 2021*



“Football clubs are not ordinary businesses. They play a critical social, civic and cultural role in their local communities. They need to be protected - sometimes from their owners who are, after all, simply the current custodians of a community asset.”

*Tracey Crouch MP  
22 July 2021*

# FOREWORD

Football is on a journey.

Over the last few years, we have seen Hull City almost rebranded as the Tigers, the Bluebirds of Cardiff City play in red, the near collapse of Bolton Wanderers and the demise of Bury and Macclesfield.

We have an Owners and Directors' test that is not fit for purpose. Equality standards that are not much more than lip service. Over 77 different forms of accounting and no real transparency. And some clubs spending over 200% of their revenue on players' wages. It is not sustainable.

Meanwhile, a club relegated from the Premier League in year one gets around £55m in parachute payment. That's more than all the money the Premier League gives to the 48 clubs of League One and League Two clubs put together. Tracey Crouch's football governance review has offered the chance to reboot the game. It is a once-in-a-lifetime opportunity. And one football must grasp with both hands.

Fair Game want fans to be able to put on their club shirt proud in everything it stands for and safe in the knowledge that the heritage and traditions of their club will always be there.

Never before have clubs come together like this, but we know that now is the time. We have been working closely with over 30 world-renowned academics and experts to address the problems football faces. This document is the result of over six months of hard work.

We want a different future. We need transparency. We need to incentivise good clubs.

Let's redistribute the parachute payments and give it to the clubs that are run well. Let's bring in a system that protects a club's crown jewels – the badge, the name, the nickname, the colours, its location. We want our clubs to be there for the long haul.

Central to all of this is independent regulation that works, and that incentivises good management of football clubs. A regulator free from vested interest, with the best skillsets to deliver, and representative of all elements of football and society. In short, we want a Fair Game. This document outlines the path to get there.



**Niall Couper**  
Director of Fair Game



# FAIR GAME CLUBS

## EFL CHAMPIONSHIP



## EFL LEAGUE ONE



## EFL LEAGUE TWO



## NATIONAL LEAGUE



## NON-LEAGUE



FAIR GAME IS IN ADVANCED TALKS WITH DOZENS OF OTHER CLUBS.

# FAIR GAME EXPERTS



**Dan Plumley**  
Sheffield Hallam University



**Daniel Parnell**  
University of Liverpool



**Christopher Winn**  
UCFB Global Institute  
of Sport



**Kieran Maguire**  
University of Liverpool



**Mark Middling**  
Northumbria University



**Greg Campbell**  
Campbell Tickell



**Radojka Miljevic**  
Campbell Tickell



**Caz May**  
HerGameToo



**Robert Wilson**  
Sheffield Hallam University



**Cathy Long**  
Women in Sport



**Martin Cloake**  
Tottenham Hotspur  
Supporters' Trust



**Nigel Fletcher**  
International Sports  
Convention



**Kevin Rye**  
Think Fan Engagement



**Ryan McKnight**  
Academic



**Rob Collins**  
Bank of England



**Joshua Cartmell**  
Sports Business contractor



**Colin Faulkner**  
Newport County  
Supporters Trust



**Dave Boyle**  
Former Chief Executive  
of Supporters Direct



**Kartik Raj**  
Human Rights Watch



**Nigel Davidson**  
Carlisle United  
Supporter's Trust



**Darren Bernstein**  
UCFB Global Institute  
of Sport



**Geoff Walters**  
Birkbeck, University  
of London



**Nigel Travis**  
Leyton Orient



**Nick McGeehan**  
FairSq



**Natalie Atkinson**  
Former CEO, Oldham  
Athletic



**Katrina Law**  
Tottenham Hotspur  
Supporters Trust



**Paul Thorogood**  
Former Chief Executive Officer  
of Football Foundation



**Mark Doidge**  
University of Brighton



**David Goldblatt**  
William Hill Sports Book of  
the Year Award winner



**Antonia Hagemann**  
Supporters Direct  
Europe



**Mark Bradley**  
Fan Experience Company



**James Allen**  
Public Affairs Consultant



**Sam Banks**  
Acting Secretary



**James Mathie**  
Policy Advisor



**Christina Philippou**  
University of Portsmouth



**Christopher Flanagan**  
Policy Advisor



**Oliver Ash**  
Policy Advisor



**Josh Bland**  
Director of Policy



**Mike Gilham**  
Policy Advisor



**Dr Richard Evans**  
Birkbeck, University  
of London



# CONTENTS

07	INTRODUCTION TO FAIR GAME	31	A FAIRER DISTRIBUTION OF FOOTBALL'S RICHES
08	EXECUTIVE SUMMARY		
10	A NEW REGULATOR	39	PENALTY POWERS OF THE REGULATOR
15	REMIT OF THE REGULATOR	41	CHANGES BEYOND THE REGULATOR
20	SUSTAINABILITY INDEX	44	FAIR GAME SUPPORTERS



# INTRODUCTION

## WHO WE ARE

Fair Game is a group of 24 value-driven clubs, backed by 32 world-renowned experts and supported by politicians, looking to change our national game for the better.

## OUR VISION

Fair Game wants a sport where every fan can put their shirt on in the morning proud in what it stands for, safe in the knowledge that the traditions and heritage of their club will always be there.

## OUR MISSION

- We are led by clubs, supported by experts and backed by politicians
- We believe in sustainability, integrity and community
- We wish to see football governed with fairness, openness and transparency at its core; honouring the mantra that the game can be a force for good and putting clubs at the heart of the communities they serve

## THE DEVELOPMENT OF THE MANIFESTO

This manifesto is the result of six months of work including:

- Ongoing consultation with the clubs;
- Identifying experts;
- Brainstorms;
- Four workshops;
- Nine expert-led working groups;
- A 66-page options document;
- Five surveys of clubs; and
- Two open scrutiny sessions.



# EXECUTIVE SUMMARY

## THE CREATION OF A SUSTAINABILITY INDEX

Football needs to incentivise and encourage good practice. The Fair Game Sustainability Index, run by an independent regulator, will do that. The Index will score clubs on four criteria. The score will then help determine how much of the redistributed TV revenues - and also any new funding pots that emerge in the future such as streaming - each club receives. The four criteria are:

- Equality standards
- Fan engagement
- Financial sustainability
- Good governance

## AN INDEPENDENT REGULATOR

- Board of up to 11
- Created by legislation
- Appointed by government
- Mixed skillset
- Operating in a hybrid model taking the best elements of the financial services regulator and the operations of the academy structure.

## NEW AND STRONGER RULES

- A new Owners and Directors Test should be put in place to address issues of criminality and transparency and ensure that the people running clubs have the integrity and skills to manage to a high standard
- The abolition of the football creditors' rule

# PROTECTION OF A CLUB'S HERITAGE AND TRADITIONS

Fans will have the final say on any proposed change to a club's 'crown jewels':

- Name
- Nickname
- Colours
- Badge
- Leaving the geographical location connected to the club's name

## A NEW FINANCIAL STRUCTURE

- 25% of Premier League TV revenues -and future new revenue streams - should be distributed outside the Premier League
- The Sustainability Index will define where 80% of that revenue goes
- Salary caps will be introduced across all divisions - the makeup will vary per division
- Relegation clauses introduced into all contracts
- Prohibit clubs from paying agents

## COMMITMENT TO FUNDAMENTAL REFORM OF THE FA



# A NEW REGULATOR

Football has failed to regulate itself effectively. Frequently bad management has gone unnoticed or ignored. Clubs are allowed to run unsustainably, putting at risk all the history, heritage and economic benefit they bring to an area – often in pursuit of short-term gain. Concerns around the FA and its ability to govern have also been previously raised in Parliament and change has been slow.

To ensure that football is regulated effectively, an independent regulator should be created and given statutory powers to ensure that football clubs are operated in a sustainable way and there are safeguards around their key heritage assets.

It is a view strongly echoed by Tracey Crouch. She writes in her letter to Oliver Dowden: “The football authorities have also had multiple opportunities to reform - the 2011 DCMS Select Committee highlighted many of the same problems that have been clear in evidence to the panel and stated that if football did not change legislation would be needed. I and my predecessors as Sports Minister often stood at the Dispatch Box and claimed that it was the ‘last chance saloon’ for football to reform itself. It is with some sadness that I note they didn’t heed those warnings and that therefore it is time now for external assistance.”

## A) THE POWER OF THE REGULATOR

The regulator should be established through statute with the objective of building trust and promoting sustainability in football. This can best be achieved by having powers to set rules and requirements for clubs to follow and monitor their compliance with them, as well as powers to pursue enforcement where clubs do not meet their obligations. The regulator would also be able to produce guidance for clubs to follow; with a view to modelling what ‘good’ looks like.

## B) THE MAKEUP OF THE REGULATOR

Appointment of Board members of the independent regulator will be made by an Approval Council.

The members of the fan-led review to be given an extended life and become the Interim Approval Council.

**The Interim Approval Council will then develop:**

- The makeup of the permanent Approval Council and
- How the permanent Approval Council will be selected.

As a statutory body, final approval of all board appointments to the independent regulator will lie with the government.

Good practice means the board should not consist of more than 11 members.

**The following general principles of Board composition must apply:**

- Ensure diversity of views and backgrounds (e.g. gender, ethnic origin, disability on Board
- Chair of Board should be an independent member
- Three-year terms of office for Board membership; no member to serve more than two terms
- No Board members to be current directors or substantial shareholders in, or employees of, clubs in the Premiership, Football League, National League, Women's Super League or Women's Championship
- The Board to have a skill matrix and prospective candidates to set out how they fit with those requirements

**The skillsets present on the board must include:**

- Business management in football;
- Equality, diversity and inclusion;
- Fan and customer engagement;
- Financial management;
- Governance;
- Legal and regulation;
- People management; and
- Risk and assurance.

The Board would report on a regular basis to (a) Parliament, (b) DCMS, (c) the FA (optionally), and (d) the public – but this is reporting for information, not approval/endorsement.

One of the Independent Regulator Board's first jobs should be to develop appropriate mechanisms to ensure various elements of the game are represented (such as fans, players' bodies and clubs) and any risks or vested interests are properly mitigated.

In an ideal world, the regulator would be part of the FA, but at the moment the FA is far from fit for purpose for this governance role - as Tracey Crouch points out - and needs considerable reform first.

Fair Game reaffirms the need for the FA to reform.



## C) THE REMIT OF THE REGULATOR

The governance of football covers a wide range of issues. However, the regulator should not be responsible for it all.

Tracey Crouch's letter to Oliver Dowden indicated that she believed the following should be included in the independent regulator's remit: "financial regulation, corporate governance and ownership".

She added that: "The related requirements are likely to include cost controls, real time financial monitoring, minimum governance requirements (including a requirement for independent non-executive directors on club boards) and revised separate tests for owners and directors of clubs on an initial and ongoing basis."

### SURVEY RESULTS

We asked our clubs what they believe should be covered under the remit of a new independent regulator. There was comprehensive support for the following to all be included in the regulator's remit:

- Academy Status
- Club licensing
- Equality Standards
- Fan engagement
- Financial redistribution
- Financial sustainability
- Good governance
- Owners and Directors Test; and
- Safeguarding heritage

**Our clubs also looked at who the regulator should have power over. The results were as follows:**

- 94%: FA
- 94%: Premier League
- 88%: Agents
- 88%: Clubs
- 81%: Owners and directors
- 75%: Other leagues

### THE FAIR GAME SOLUTION

There is great synergy between Tracey Crouch's letter and the views of Fair Game clubs.

**The following, therefore, should be part of the regulator's remit:**

- Academies
- Club licensing
- Owners and Directors Test; and
- Safeguarding heritage

**And the following should be part of the regulator's Sustainability Index:**

- Equality standards
- Fan engagement
- Financial sustainability; and
- Good governance

## D) THE STYLE OF THE REGULATOR

Self-regulation is taken for granted as a right by many in football. But this approach and style of regulation football has shown itself to be flawed. Financial mismanagement, poor governance, and unsustainable risk taking can frequently go unnoticed or even be ignored. Football has undergone intense professionalisation and commercialisation which places an even greater need for a regulator to ensure that clubs have effective controls and processes in place to properly manage their finances and operations.

Other industries have adopted regulatory styles to ensure better financial management and mitigate excessive risk taking. Football can learn from, and make use of, some of these approaches. Tracey Crouch's letter indicated that she will "look to learn lessons from successful regulators in other industries to ensure workable and effective regulation that ensures clubs are well run sustainably in a way that promotes competition without reckless risk taking".

Fair Game has considered a range of different regulators and their styles and approaches to regulation with a view to how football could make use of some of their key components.

### SURVEY RESULTS

We proposed four different models and the favourite option was copying the Financial Service Model. The full results were (out of 6):

- Financial Services Model: 4.35
- Football Academy Model: 3.94
- Speedy and simple Model: 3.24
- Ofsted Model: 3.00

### THE FAIR GAME SOLUTION

Fair Game agrees with Tracey Crouch that real-time financial reporting, cost control, and setting minimum governance standards will be central to how the regulator supervises football clubs.

The new regulator should primarily follow the model of regulation and supervision used in financial services.

However, there are benefits from some of the other approaches that were put to the Fair Game clubs. We are therefore proposing that the new statutory regulator uses a style and regulatory approach that makes use of elements of each of the models.

The regulator should be established and operate in line with the approach of the Prudential Regulation Authority (PRA) in having clear objectives and the rule making powers to set requirements, standards and rules focused on ensuring clubs have the funding they need and to meet clear governance and sustainability requirements.

The regulator should also use some of the tools and processes used by the PRA to achieve its objectives such as continuous regulatory reporting; regular engagement with senior executives and non-executive directors; annual assessments of key issues by supervisory specialists; and assessing the fitness and propriety of key individuals.

Like the PRA the regulator should have powers to intervene or place requirements on clubs but should also look for clubs to cooperate in order to resolve regulatory issues. Adopting a judgment based approach like that of PRA that uses regular and continuous contact with clubs and real time reporting would enable the regulator to identify problems early with the onus then on clubs themselves to fix any problems. Key issues are therefore less likely to crystallise since the regulator is able to identify them earlier and potentially limit the need to take enforcement action.”

**The new regulator should also use some elements of the academy model already used in football including:**

- The grading system helping the regulator identify clubs posing the most risk and requiring closer attention.
- Periodic qualitative and quantitative assessments (akin to the academy model, which cover issues such as infrastructure, staffing, leadership and management performance, player care and being safe to operate).
- The new regulator should use some elements of the Ofsted approach, notably in regulating and supervising establishments. In particular:
- Periodic, in depth, on-site examinations that Ofsted undertakes can be implemented by the football regulator to good effect.

**In depth, on-site reviews will give the regulator the opportunity:**

- To speak at length to key individuals at clubs and develop an understanding of how the club is operating.
- To focus on-site visits around particular thematic issues such as a club’s financial management or governance arrangements.

# REMIT OF THE REGULATOR

## A) ACADEMIES

### PROBLEM STATEMENT

The EPPP system is broken and favours Premier League clubs. And as we move to a post Brexit era, the temptation from clubs at the top of the pyramid to pick off talent nurtured further down the pyramid cheaply and with scant compensation for lower league clubs will grow.

### BACKGROUND

Football Academies are categorised based on a set of criteria including education, health and safety, EDI, finance, and sports science and medicine/performance support, and club academies are audited to ensure funding (and Category status) is reflective of club performance against the set criteria.

The current structure is a good one. There are, however, some concerns around the distribution of the CAT status funding across the four categories.

Furthermore, there are concerns around insufficient compensation to clubs for producing players that then move onto other clubs, which has led, for example, to clubs closing or undervaluing their academies because of the perception that when players move onto bigger clubs, the compensation doesn't mitigate for the loss to the club that helped develop the player initially.

### THE FAIR GAME SOLUTION

The current funding for CAT status and player compensation should be amended to both reflect a fairer percentage distribution and to ensure that the onus of paying said compensation is transferred from the original development club(s) to the final professional player signing club.

#### Fair Game propose that:

- CAT status funding is retained in line with categorisation (i.e. remains a sliding scale), but that the emphasis is amended to match grants awarded.
- Audit processes should reflect the sliding scale in place.
- The regulator maintains and monitors a register of players and payments that is accessible to all clubs to ensure that the correct payments are made.
- The payments for player development are revisited to ensure that payments to developing clubs are in line with current market valuations for players.



## **B) CLUB LICENSING AND “PERMISSION TO PLAY”**

### **PROBLEM STATEMENT**

Football has seen several clubs fall into financial ruin in its recent history. A significant factor in many of these cases has been a tendency towards taking too many risks with poor management by individuals arguably not fit and proper to manage a football club.

There are currently insufficient deterrents to operating a club with lax management and poor financial control, with owners of clubs able to operate opaquely and in an unsafe manner with the knowledge that there are limited ways to stop them from continuing to compete against clubs operating in a sustainable and safe way.

### **SURVEY RESULTS**

Fair Game clubs confirmed that they supported operating a system where clubs had a “permission to play” in the leagues contingent on them holding a licence.

In the same survey, Fair Game clubs rated the following criteria as the most important for a club to maintain and retain its licence and “permission to play”:

- Having a transparent business structure (5.38)
- Having a place to play for next 10 years (4.93)
- Satisfactory compliance with the Annual Owners and Directors Test (4.93)

### **THE FAIR GAME SOLUTION**

A new license system should be introduced that gives clubs ‘permission to play’. Failure to meet those criteria would result in a sliding scale of punishment as outlined in Chapter 7.

## **C) OWNERS AND DIRECTORS TEST**

### **PROBLEM STATEMENT**

The Owners and Directors Test is widely considered to be ineffective, slow and no longer fit for purpose. To safeguard the future of clubs, the Test needs to be more robust and be fully independent from the leagues and clubs.

## SURVEY RESULTS

We asked all the clubs to rank a range of choices to strengthen the test based on the options paper published in July. The scoring (out of 6) was among the highest from all our surveys. There was wide support for stronger scrutiny of owners and directors and less so for senior managers.

## THE FAIR GAME SOLUTION

Significant changes need to be made to the various football Owners and Directors Test and applied across all leagues down to National League North and South and the Women's Super League and Championship, including the splitting of the Test into an Owners Test and a Directors Test as recommended by Tracey Crouch.

**The following clauses should be added and applied to both the Owners Test and the Directors Test:**

- Owners and Directors to be barred from taking over a club if they have undertaken any activity that would be considered criminal in the UK (including hate crimes)
- Owners and Directors to be barred from taking over a club if they have been complicit in human rights violations under International Human Rights
- Owners and directors to be subject to ongoing assessment

### ***The Owners Test***

**The following rules should apply to all owners and prospective owners (this includes Community and Supporters Trusts):**

- Prospective owners who provide misleading (or seriously inadequate) information in an application to be banned from making further bids for a set period of time
- In any change in control of the club, the new owner must provide a clear and transparent outline of the proposed ownership structure (ie where is the money ultimately coming from to buy the club) in order to complete the purchase
- Owners to be subject to ongoing assessment, even if they aren't involved in running the club
- Proof and source of funds to be assessed by the regulator, to reduce the risk of money laundering or other criminal activity
- In any change in control of the club, the new owner must outline how the club will be a going concern if they were to leave
- In any change in control of the club, the new owner must provide a five-year business plan in order to buy a club
- In any change in control of the club, the new owner must provide a community plan in order to buy a club

## ***The Directors Test***

Fair Game also proposes a separate test for the fitness and propriety of directors at clubs. Prior to appointing a new director, clubs should notify the regulator and be able to demonstrate that the individual (including the individual performing the Chief Executive Officer function and Chief Finance Officer / Finance Director function) meets the following requirements:

- Is of sufficiently good repute;
- Possesses sufficient knowledge, skills and experience to perform their duties;
- Is able to commit sufficient time to perform their functions at the club;
- Is able to act with honesty, integrity; and
- In the case of non-executive directors is able to exercise independence of mind to effectively assess and challenge the decisions of senior management where necessary and to effectively oversee and monitor management decision-making.

Where the regulator is not satisfied that an individual is fit and proper with reference to this test the director would be unable to take up their position.



# D) SAFEGUARDING HERITAGE

## PROBLEM STATEMENT

Over recent years there have been numerous incidents where the ‘crown jewels’ of a football club have been put under threat. There is currently no central structure as to how to protect those ‘crown jewels’.

## SURVEY RESULTS

In order to create that central structure, we asked all the clubs how the crown jewels should be protected. Answers largely fell into two categories:

- High-level protection (fans having final say); and
- Medium-level protection (regulator having final say)

## THE FAIR GAME SOLUTION

Based on this feedback, in order to change any of the following, a club would have to apply to the regulator.

- Name
- Nickname
- Colours
- Badge
- Playing matches in the geographical location connected to the club’s name

If the regulator believes there is a case to answer, then it would have to go to a recognised fans’ body. This body would then have to vote 75% in favour. If no such body exists the regulator will make the final decision. In addition, any changes to the following will require a formal independent consultation process if either the club or the recognised fans’ body calls for it. The process will be run by the regulator, who will also make the final decision, and should be completed within two months.

- Art works
- Club history
- Paper treasures; and
- Trophies



# SUSTAINABILITY INDEX

A key reform needed in football is to incentivise and encourage good practice. The solution lies in the creation of the Sustainability Index.

The index will measure and reward clubs for good practice and will place every club down to National League North and South and including the WSL into one of four categories.

A club's category status will be determined by how they score across four different criteria:

- Financial sustainability
- Equality Standards
- Fan Engagement; and
- Governance

The new regulator will create a scoring mechanism for each of the four pillars, which will then be combined for an overall Sustainability Index Score. This score will be used to define how much money each club receives through redistribution of funds.

## A) FINANCIAL STANDARDS AND REPORTING

### PROBLEM STATEMENT

The financial regulation of football should be focused on ensuring financial sustainability of football clubs.

As Tracey Crouch points out in her letter "...only two Championship clubs made both operating and pre-tax profits, average wage to turnover was 107% and average operating losses £16m annually. Leagues 1 and 2 made pre-tax losses of £22m and £20m respectively. Operating at such a level of consistent losses is clearly unsustainable in the long term."

Meanwhile, regulation currently fails to adequately address the issues of financial sustainability. Regulation should strive to ensure the footballing eco-system operates in a way in which clubs are safeguarded and are able to thrive while being run in a financially sustainable manner.

## **The main concerns can be distilled into two main areas:**

1. Liquidity: Clubs experience financial distress when they lack the cash required to make payments as they fall due.
2. Solvency: Clubs are at greater risk of financial distress when they lack the ability to repay both short and long term borrowings.

Existing annual reporting practices are also not fit for purpose for the football industry. This is due to a number of reasons, including:

1. They follow the Companies Act reporting rules which are designed for the execution of accountability of private companies, not socially oriented organisations such as football clubs.
2. They are designed to meet the needs of shareholders and creditors rather than social stakeholders such as supporters
3. There is a lack of standardisation as different sized clubs publish different amounts of information and are able to choose their favoured format.

However, the main users of a football clubs are likely to be engaged supporters, not the traditional shareholders and creditors of normal businesses. Therefore the existing rules create a lack of transparency, a lack of accountability and a lack of additional information to supporters that would help them to understand the context and operations of their clubs.

In all too many cases, clubs that have found them in trouble are not investigated, supported or challenged by the governing bodies until the club is beyond the tipping point. The slow reporting process means problems are allowed to develop unchecked as was the case with Bury.

## **SURVEY RESULTS**

We asked the clubs their preferred methods to ensure that football clubs are run in a financially sustainable way. Answers showed a preference for the following options:

- Requiring clubs to have readily available cash to be able to pay bills as they become due over a six-month period (note a player or a financial asset such as a stadium is not applicable);
- Relegation clauses in player contracts;
- Requiring clubs to have a minimum of six months of reserves by 2027; and
- Putting limits on clubs making medium term financial commitments.

Below are the tools that Fair Game clubs support to ensure compliance:

- Standardised reporting (5.39)
- Annual auditing (5.08)
- Quarterly cashflow reporting (4.85)
- Spot checks (4.69)
- Relegation plans (4.46)

## THE FAIR GAME SOLUTION

In the finance sector - and clubs do need to be recognised as businesses - the best measure of financial sustainability is liquidity. This needs to be prioritised and form a key part of the Sustainability Index. Fair Game also believes the regulator should require all clubs to have six months' reserves by 2027.

The regulator would be able to monitor compliance with these requirements through the reporting requirements set out in the next section. This combination of measures could ensure that clubs are operating in a safe and sustainable way and that they are able to meet key financial obligations when necessary.

There are two ratios that should be an essential part of the Sustainability Index.

### 1. The Current Ratio

CA / CL

Definitions:

- CA = Current assets: Assets at the balance sheet date that are expected to be sold or used as part of the normal operation of a business within the next 12 months (per statutory accounts).
- CL = Current liabilities: Payments outstanding at the balance sheet date that are due to be paid in the next 12 months, including for player purchase, short term borrowing, HP lease repayments and normal operational requirements (per statutory accounts)

For a 'normal' business, accountants consider that the ratio needs to be greater than 1.5. However, over the last 20 years football clubs have averaged only 0.62.

Football clubs should have a minimum value of 0.2 for this measure by the end of year two. Anything lower than this would lead to an automatic zero rating on the Sustainability Index. Based on 2019 accounts, that would still mean that 5 Premier League, 7 Championship, 6 League One and 7 League Two clubs would have a zero rating on the Index.

In year three this figure will rise to 0.3 and increase incrementally by 0.1 each year thereafter, until the level reaches 1.1.

Notes:

- Transfer budgets and prospective sales are NOT included in current liabilities
- Fixed assets such as player registrations, stadiums, training grounds and other physical properties are not current assets
- Adherence to salary caps would also be part of the Sustainability Index rating. For how they would operate see chapter 6

## **2. The Net Debt Ratio**

ND / R

Definitions:

- ND = Net debt = Total amounts borrowed + Total HP lease repayments due - Cash (all per statutory accounts).
- R = Revenue = Revenue + Other operating income (both per statutory accounts)

The ratio of net debt to revenue to be less than 1 from the balance sheet date within two years of the implementation of the proposed reforms.

## **Standardised Reporting**

To ensure consistency and transparency, the regulator should ensure all the following:

- Real time financial reporting to the regulator
- Standardisation of annual reports to industry specific exemplar for EPL and EFL clubs. This should be expressed a minimum standard, and clubs be allowed to exceed it.
- All EPL and EFL clubs file properly accounts are audited.
- Single year end date for all clubs that falls at an appropriate point between the end of one season and the season start of the next.
- Absolute deadline of 31 December for all public reporting requirements.

Utilising the doctoral work of Middling (forthcoming), Fair Game recommend an additional report to be published on clubs' websites in addition to the statutory annual reports filed with Companies House. The report should be presented in a way that is understandable to the majority of fans.





The following list is the result of a number of focus groups with a panel of engaged supporters. They highlight not only the need for financial transparency, but also holistic operational transparency - for all areas of the football club:

### **General Factors**

1. A key facts summary
2. A top level business plan

### **Governance Factors**

3. Ownership and voting rights
4. Group structure
5. Top level decision making policies
6. Key risks
7. Non-football staff policies

### **Social Factors**

8. Fan Engagement
9. Community involvement
10. Equality, Diversity and Inclusion
11. Environment

### **Financial Factors**

12. Standardised Profit and Loss statement
13. Standardised Balance Sheet
14. Standardised Cash Flow Statement

### **Note to the accounts to include:**

15. Debt
16. Equity
17. Key Assets
18. Related Part Transactions
19. Audit

### **Sporting Factors**

20. Manager performance
21. Team performance
22. Academy
23. Women's team
24. FFP / SCMP results
25. Agents fees

## Real-time Reporting

Fair Game call for complete, as close to real time information as possible to be provided to the regulator. This should include, but not be limited to financial forecasts, up to date actual financial information and a business plan of how obligations will be met.

### The advantages of Real Time reporting include:

- Improved transparency – the regulator will be able to see more clearly the pattern of events at each clubs and identify the clubs that need support.
- Improved accountability – it will help clubs to be more responsible for their financial actions and provide an instant means of showing that responsibility.
- Identifying trends - when an organisation starts to get in financial difficulty, it will usually show over a period of time. By utilising real time reporting, this time period can be shortened and help offered to clubs sooner.
- Support from the regulator- it will allow for a regulator to act in a supportive, proactive and remediating manner to arrest any financial issues with in clubs before they become too severe.
- Understanding and alignment of goals – as the regulator will be aware of the short, medium and long term objectives of a club, they will be able to provide assistance and advice to clubs in achieving those objectives.
- Setting achievable goals – having an understanding and alignment of goals will allow clubs and the regulator to work together to plan realistic and achievable goals that do not jeopardise the financial sustainability of the club.

## B) EQUALITY STANDARDS

### PROBLEM STATEMENT

There is no system that can measure whether people or clubs are fit for purpose when it comes to Equality, Diversity & Inclusion (EDI).

EDI strategies and policies are not sufficiently embedded beyond that of a tick-box exercise in the legislation, governance, policies and procedures of governing bodies or football clubs.

## THE FAIR GAME SOLUTION

Equality Standards would be a key part of the Sustainability Index. The Standards should be outcome-focused, with every club down to National League North and South and Women's Super League and Championship being scored against them.

An appropriate body should be given the power to define the outcomes on the criteria and complete the scoring process. The funding required to complete the work would be provided by the regulator.

Among the Standards should be:

- A dedicated EDI officer in every professional club
- Mandatory EDI training at all professional clubs
- EDI embedded in all aspects of the game including governance; and
- Diversity and inclusion objectives set for clubs

## C) FAN ENGAGEMENT

### PROBLEM STATEMENT

Football fans are critical stakeholders who need to be engaged and listened to. The best clubs see fans as a key resource to a club. Fair Game clubs believe that the long-term sustainability of a club is directly linked to good "Fan Engagement". Good practice has emerged at several clubs but Fair Game considers it important that best practice becomes the norm across football both formally and informally.

Fan engagement was also identified as a key issue in Tracey Crouch's letter.

### SURVEY RESULTS

We asked clubs who should be responsible for overseeing "Fan Engagement" at football clubs. The vast majority of responses showed a preference for the regulator to be responsible.

## THE FAIR GAME SOLUTION

"Fan Engagement" must be one of the four central criteria of the Sustainability Index that will be operated by the regulator.

In doing so, Fair Game considers that clubs will be encouraged to listen to and engage effectively with their fans and can be achieved in the following ways:

The regulator would be able to provide non-prescriptive, but strong minimum standards for "Fan Engagement" and foster an environment in which clubs are encouraged to be innovative and qualitative in their engagement practices.

Clubs would be encouraged to adopt a multi-level approach to “Fan Engagement” and transparency through publication of formal club meetings

The regulator would also publish clubs’ performance against the “Fan Engagement” criteria in the Sustainability Index.

## **D) GOOD GOVERNANCE**

### **PROBLEM STATEMENT**

There are huge inconsistencies across football when it comes to governance. There are two main areas that need to be addressed:

- Structural Governance
- Environmental and Ethical Governance

The latter is of growing concern and is also a governmental priority.

#### **Structural Governance**

Football clubs have numerous different structures, often lack full transparency, and have multiple different accounting structures. This approach becomes near impossible to monitor and makes identifying potential pitfalls and problems very difficult.

#### **Environmental and Ethical Governance**

Football has been criticised by fans and other stakeholders for its collectively poor response to environmental and ethical (particularly with regards non-player staff remuneration) concerns. As an industry, football systematically limits integration of material environmental, social and governance issues, and climate change into its activities.

### **THE FAIR GAME SOLUTION**

A combined Good Governance rating scored by the regulator - taking in both Structural Governance and Environmental and Ethical Governance and the Owners and Directors Test - should be one of the four main strands of the Sustainability Index, helping incentivise clubs to reach the highest standards.

#### **i) Structural Governance**

Clubs and leagues should look at adopting five principles. In the case of clubs, achievements against all five will be scored and used as part of the Sustainability Index.

## **Principle 1 - Organisational Requirements**

Leagues and clubs must ensure they have robust governance arrangements in place including:

- A clear organisational structure with well defined, transparent and consistent lines of responsibility;
- Effective processes to identify, manage, monitor and report the risks it is or might be exposed to;
- Internal control mechanisms, including sound administrative and accounting procedures and effective control and safeguard arrangements;
- Providing the regulator with cash flow forecasts and publish cash flow statements, in standard accounting format, with the statutory accounts.

## **Principle 2 - Boards and Committees**

Clubs and leagues must be properly constituted and be led by an effective board which has responsibility for setting a clear purpose, culture, and strategy and whose role is to:

- Promote the long-term sustainability and long-term success of the club;
- Generate value for fans;
- Ensure the club contributes to wider community; and
- Operates ensuring the long term health of football.

Clubs and Leagues must ensure diverse viewpoints are considered and that its decision-making groups possess adequate collective knowledge, skills and experience to operate effectively.

Club's and League's boards should be comprised of at least two independent members who:

1. Are of sufficiently good repute;
2. Possess sufficient knowledge, skills and experience to perform their duties;
3. Reflect an adequately broad range of experiences;
4. Commit sufficient time to perform their functions in the club; and
5. Act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of senior management where necessary and to effectively oversee and monitor management decision-making.

**In this case independent means the following must not apply:**

- Is or has been an employee of the company (or group) within the last five years;
- Is a significant or controlling shareholder of the company or represents a significant shareholder;
- Also has a role as a member of the company's senior management team;
- Has, or has had within the last three years, a material business relationship with the company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;
- Has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme;
- Has close family ties with any of the company's advisers, directors or senior employees; or
- Has served on the board for more than nine years from the date of their first appointment.

**Principle 3 - Transparency and communication**

Clubs and Leagues must ensure they operate in a transparent manner and share information on their governance, structure, activities and financial position with the regulator and fans.

The current requirement for EFL Clubs to consult with fans is weighted towards a minimum level of acceptability. The bar is set low. The EFL states that clubs must have at least four interactions with supporters each year, which could be as simple as newsletters.

The focus should move away from tick-box towards qualitative and best practice. The regulator will ensure that best practice is highlighted and disseminated annually.

Clubs should have an annual fan engagement and consultation plan in place that is approved by at least one identified constituted supporter group per club.

**Principle 4: Culture & Standards**

**The following should all be in place:**

- Clubs and leagues must ensure that they conduct their operations in line with its desired culture
- Clubs and leagues must conduct their operations with integrity
- Clubs and leagues must conduct their business with due skill, care and diligence.
- Clubs and leagues must ensure that they are open and honest with the regulator.



- Clubs and leagues must ensure that conflicts of interest of directors, owners, and senior executives are assessed, recognised and managed by the board. Where conflicts of interest are identified, clubs and leagues must ensure they are recorded appropriately and communicated to the regulator.
- Clubs and leagues should establish effective policies, procedures and methods of engagement to foster and promote an inclusive and diverse culture

## **Principle 5: Risk & Controls**

Clubs and leagues must ensure appropriate procedures are in place in order to effectively identify, manage, monitor and report the risks they are or might be exposed to.

### **Clubs should consider adopting as a minimum:**

- Appropriate oversight of financial planning;
- Independent audit of their accounts;
- Effective health and safety policies and procedures;
- Effective controls, policies and safeguards to protect heritage assets
- Abiding by proposals on agents (outlined below)
- Mandatory relegation and promotion clauses in contracts; and
- Maximum bonuses available included as part of a club's salary cap.

## **ii) Environmental and ethical governance**

Clubs and leagues should agree to undertake the following by 2027:

- Pay a minimum living wage to all employees (including third party contractors), in line with the wages set out by the Living Wage Foundation
- Commit to a Net Zero carbon footprint operationally, including travel, stadium and training ground, food and drink provision, and third party suppliers
- Commit to plastic reduction (water bottles, training equipment) and recycling
- Sign up to the UN Sports for Climate Action framework and their principles
  - a. Principle 1: Undertake systematic efforts to promote greater environmental responsibility;
  - b. Principle 2: Reduce overall climate impact;
  - c. Principle 3: Educate for climate action;
  - d. Principle 4: Promote sustainable and responsible consumption;
  - e. Principle 5: Advocate for climate action through communication.

# A FAIRER DISTRIBUTION OF FOOTBALL'S RICHES

A huge proportion of funding for football for the EFL and football organisations such as the LMA, PFA and FSA are currently controlled by the Premier League. It destroys the independence of those clubs and organisations.

The distribution of funds does not incentivise good practice and reinforces structural failings within the game with parachute payments particularly to blame. The cliff edges between divisions creates a competitive disadvantage. Tracey Crouch articulated it well in her letter. She wrote: "I am in no doubt they [parachute payments] distort competition and drive unsustainable financial activity, but recognise that they do also assist the ambition of promoted clubs and stability of relegated clubs."

## A) NEW CENTRAL FUNDING POT

### PROBLEM STATEMENT

The funding of football is split across several different bodies, which causes confusion and does not make it easy for clubs to operate - especially new owners.

There needs to be a very clear definition of what funds the new regulator should be in control of, and what it should not. Also funding pots need to be clearly defined and ring-fenced.

### THE FAIR GAME SOLUTION

The regulator would draw in cash from existing and new sources into a central fund and distribute to the professional game below the Premier League. These sources are outlined below:

#### Existing sources

- Solidarity and Parachute payments
- FSIF funding
- Academy funding
- Transfer levy funds

#### New source

- Football betting levy

Note: The regulator should also be able to tap into any new income streams that come into football such as online streaming. This should form part of legislation.

The Independent regulator would then directly control funding to:

- Clubs in EFL, NL and WSL
- Independent organisations such as KIO, FSF, LPF, PLFF, PFA, and LMA; and
- Academies

The football betting levy would be used to pay for the day-to-day running of independent regulator and the independent organisations listed above.

The regulator would allocate the rest into four different pots of funding to individual non Premier League clubs (all ring-fenced):

- Baseline funding (akin to solidarity status)
- Sustainability Index funding: Unrestricted
- Sustainability Index funding: Capex spending and community programmes (can be rolled over or used to pay off loans made over last five years on previous capex spending); and
- Academy funding (based on category status)

## **B) THE ROLE FOR THE LEAGUES**

### **PROBLEM STATEMENT**

The leagues have an important role in running the logistics of matches (fixtures and referees, for example) and they are also important in the direct liaison with clubs.

### **THE FAIR GAME SOLUTION**

The leagues should administer and check the spend of the funding with oversight of the regulator.

# C) FINANCIAL DISTRIBUTION

## PROBLEM STATEMENT

Football clubs are not incentivised to achieve good behaviour.

The amount of funding given by the Premier League to support and improve the infrastructure to move clubs towards a sustainable model in stadiums that are fit for purpose and benefit the local community is miniscule.

Clubs are effectively encouraged to play Russian Roulette with their history and traditions to chase the Siren call of the Premier League.

The cliff edges between divisions throughout the pyramids need to be addressed and be consistent

## THE FAIR GAME SOLUTION

- Abolition of parachute and solidarity payments.
- 25% of The Premier League TV rights both domestic and international - and new income streams such as streaming - goes to the rest of the pyramid and independent football organisations such as the FSA, PFA, LMA (up from 14% currently - note to properly tackle the cliff edge between Premier League and the Championship this proportion would have to be significantly higher).
- The Introduction of the Sustainability Index as a measure to distribute funds fairly.

**This total pot is then split two ways:**

- 20% is given as baseline funding to clubs to spend in whatever way they see fit.
- 80% split dependent on a club's sustainability category rating (30% unrestricted; 70% on capex and community projects that can be either rolled over or backdated five years and should explicitly include investment in women's football).

**To ensure cliff edges rise consistently, each division's split of this money needs to be:**

- 46% Championship
- 24% League One
- 13% League Two
- 7% National League
- 3.5% National League North and South
- 2% Women's Super League
- 1% Women's Super League 2

*(note: WSL divisions only have 12 clubs)*

**Assuming every club reaches the highest standards on the Sustainability Index, this would give:**

- A category 1 Championship club not in receipt of parachute payments £13.91m an uplift of £8.81m
- A category 1 League One club £7.26m an uplift of £6.65m
- A category 1 League Two club £3.93m an uplift of £3.33m
- A category 1 National League £2.12m – when they previous received nothing
- A category 1 National League N & S club £1.06m
- A category 1 WSL club £724,000; and
- A category 1 WSL2 club £362,000

**These figures ensure the divisional cliff edges (difference in TV revenue between two divisions) from the EFL down roughly increases at the same rate:**

- Championship to L1: 48%
- L1 to L2: 46%
- L2 to NL: 46%
- NL to NLS or NLN: 50%

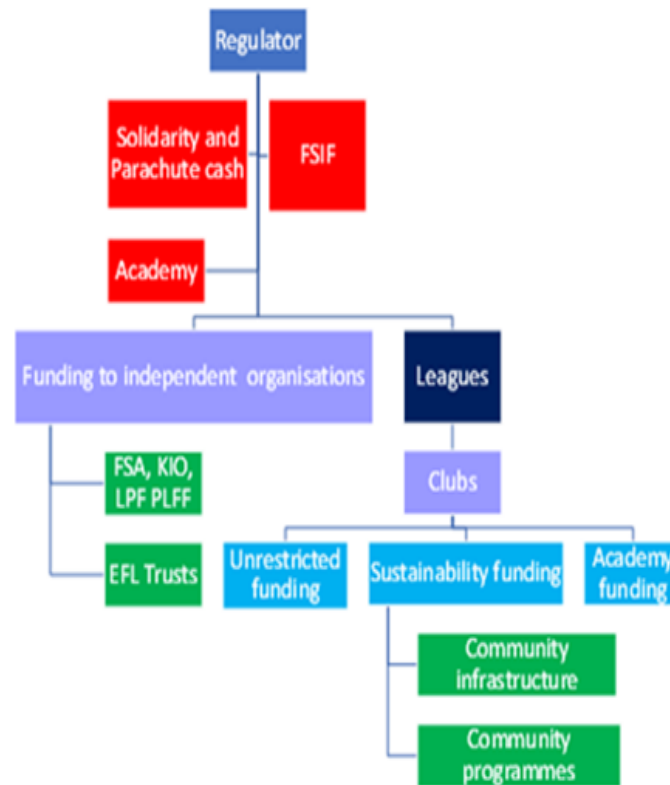
*(Note: It is unlikely every club in every division will be awarded the highest category status. So for better run clubs the figures will be even higher)*

**If it was to remain at 14%, a redistribution on the same structure would produce the following:**

- Category 1 Championship club not in receipt of parachute payments £8.01m an uplift of £2.91m
- A category 1 League One club £4.18m an uplift of £3.42m
- A category 1 League Two club £2.26m an uplift of £1.75m
- A category 1 National League £1.22m
- A category 1 National League N & S club £609,000
- A category 1 WSL club £417,000
- A category 1 WSL2 club £209,000

To enable a smooth transition to this model, for the first year all clubs will be placed in category 1.

## New Funding Structure



## D) PLAYERS' WAGES

### PROBLEM STATEMENT

Player wage expenditure is driving unsustainable financial practices in football, especially in the EFL.

The average Championship club spent 107% of its turnover on player wages in the 2018/19 season

This pattern of spend is not only unsustainable but encourages clubs throughout the pyramid to stretch themselves beyond comfort zones putting a club's existence on the line.

In Leagues One and Two the EFL applies a current Salary Cost Management Protocol (SCMP) which aims to restrict wage expenditure with the requirement that, for the "reporting period". This states that a club's "player related expenditure" must not exceed the sum of 60% for League One, or 50% for League Two of the club's "relevant turnover". This system is routinely abused.

There are no such restrictions in the National League.

In addition, the drop off in revenues when a club is relegated causes huge pinch points as the club is tied into existing player contracts.

## SURVEY RESULTS

We asked our clubs to identify their preferred option. Overwhelmingly clubs supported a cap of some sort. However, there was a variance across the divisions - and the difference between the top four answers was minimal.

### **The top four answers (out of 6) were:**

- A revenue-based cap: 4.6
- A hard cap: 4.1
- A hard cap plus luxury tax: 3.8
- A revenue cap plus luxury tax: 4

## THE FAIR GAME SOLUTION

Cost controls need to be introduced across the football pyramid. However, there is no one-size fits all solution and each division needs to be considered differently.

### **Fair Game proposes the introduction of salary caps across the football pyramid:**

- 60% revenue-based caps in the Championship and L1;
- 50% revenue-based caps in L2; and
- Hard caps in the National League and WSL.

The maximum bonuses available must be included as part of a club's salary cap.

Compulsory promotion and relegation clauses should be included in all contracts.

This also needs to be accompanied with a clear definition of revenue and comparable accounting across all clubs.



# E) AGENTS' FEES

## PROBLEM STATEMENT

A voluntary code does not work. Clubs are reluctant to change their individual practice as they have little faith that other clubs will follow suit putting themselves at a competitive disadvantage.

1. Clubs paying agents to find players. This is effectively 'tapping up'. It is a very common practice used to unsettle players
2. Clubs partially paying the player's agent fee (signing-on fees, loyalty bonuses and basic salary). This has never been agreed and is effectively a tax dodge with club's putting this through as other expenses rather than salaries – hence avoiding VAT and NI.
3. Agents representing both club and player.
4. A voluntary code does not work. Clubs are reluctant to change their individual practice as they have little faith that other clubs will follow suit putting themselves at a competitive disadvantage.
5. Senior directors and/or owners of clubs regard payments made to Football agent as an expense that is both forced upon them and doesn't represent value for money.

*Note: FIFA are conducting their own review into player agents*

## THE FAIR GAME SOLUTION

Any changes to agent operations have to be mandatory and enshrined both in legislation and constitutions of clubs and leagues.

**In addition the following must be implemented as soon as possible:**

- Adopt all FIFA recommendations when announced as minimum standard (regulator to ensure leagues and clubs in England and Wales adopt even higher standards)
- All rules on player agents to be equally applicable to agents acting on behalf of senior official in clubs, including: CEOs, paid directors, finance director, manager, first team coach and academy manager.
- Regulator to have powers to impose strict penalties and enforce sanctions
- Regulator to enforce all clubs and Leagues in England and Wales to incorporate agent-related regulations into their constitutions
- Independent regulator to have an agent-investigation arm to investigate agents, and the arm to be funded by penalties raised.
- Ban all clubs in England and Wales from paying agents – including point deductions imposed on any club using an agent (only players should pay agents – after all that is why they are called players' agents not club agents)

- Any club found to be withholding evidence of malpractice from agents to receive automatic points penalty – the reporting party being the beneficiary.
- All agents only allowed to operate in England and Wales under license
- An agent must hold a Representation Contract with a player that is registered and accepted by the regulator. Without this in place the agent cannot operate as an agent in England and Wales.
- Create more 'Good' rather than 'Bad' or 'Ugly' agents through continuous education and CPD requirements. This will include an annual exam, which will include issues such as safeguarding, finance, discrimination and wellbeing.
- Life-time bans on any agent caught 'tapping up' players on behalf of a club. Any club complicit in such practice to receive an automatic points' penalty
- Any licensed agent found having an interest in a football club such as sponsorship, corporate boxes or investment to lose their license permanently. Any club complicit in such practice to receive an automatic points' penalty
- Any licensed agent found having a shared business interests between agents and club officials (owners, directors, managers, players) to lose their license permanently. Any club complicit in such practice to receive an automatic points' penalty
- Remove solitary Rule K arbitration process for agent-related disputes to increase transparency
- Full disclosure of all payments by any agency to any rep client for any reason
- Full disclosure of all payments by a club to any agency as well as per deal



# PENALTY POWERS OF THE REGULATOR

## PROBLEM STATEMENT

Taking a remediation-based approach to regulation can be effective. It means the regulator is able to work with clubs on a continuous basis to ensure they continue to meet requirements.

However, it is sometimes necessary for a regulator to be able to use a range of formal enforcement options to address non-compliance with requirements and standards. Enforcement action should be proportionate, risk-based and always linked to the objectives the regulator is trying to achieve.

## SURVEY RESULTS

Fair Game clubs preferred the following options where a club has breached one of the core requirements or standards that are set by the regulator:

- Docking points (5.00)
- Fined % of revenue (4.23)

Fair Game clubs were also in favour of the regulator adopting a licensing or “permission to play”. Fair Game clubs were particularly in favour of the following criteria being used in order for a club to maintain its licence or “permission to play”:

- Having a transparent business structure (5.38)
- Having a place to play for the next 10 years (4.93)
- Satisfactory compliance with the Annual Owners and Directors Test (4.93)

## THE FAIR GAME SOLUTION

The regulator should not be an enforcement led regulator and should instead take a remediation based approach to regulation. This would enable it to identify problems through ongoing, real time supervision and, where a problem has been identified, require a club to remediate those issues within a certain timeframe.

It is also key for the regulator to be able to take action where it is justified and should have a range of options available to it to address areas of non-compliance.

This means real-time financial reporting.

## **Action against clubs - breaches of requirements**

Where a club has breached a core requirement or standard that has been set it would have the power to:

- Dock points from a club; and
- Issue a fine based on a % of a club's revenue

## **Action against individuals**

Where an individual fails the director's test the regulator is able to prevent their appointment to the club's board or require that they are removed from the board.

The regulator should be able to take action against individuals where, for example:

- They have engaged in serious misconduct such as not acting with honesty or integrity or with sufficient care, skill and diligence;
- They have misled the regulator; and/or
- They have been knowingly concerned in a breach of a requirement or standard

## **Sanctions should include:**

- Fines;
- Public censure; and/or
- Individuals being banned from taking up future positions

## **Actions against clubs - breach of "permission to play" criteria**

Where a club is in breach of one of the license or "permission to play" criteria - and the breach is not sufficiently remediated - the regulator would have the power to:

- Attach a condition to the club's licence or "permission to play";
- Remove and replace club directors; and
- Remove or suspend the club's licence or "permission to play"

This power would be a last resort for the regulator and would require a robust justification for it being used.

# CHANGES BEYOND THE REGULATOR

Various one-off reforms need to be put in place to achieve Fair Game's mantra of sustainability, integrity and community that fall outside a remit of a regulator.

## A) FOOTBALL CREDITORS' RULE

### PROBLEM STATEMENT

The Football Creditors' rule ensures monies owed to players or other football clubs from any club that goes into administration must be honoured first.

The rule fosters a deeply problematic environment in which players and agents are happy to sign for clubs in financial peril, putting clubs at risk and inflating players' wages.

Furthermore, clubs themselves are prepared to fly in the face of sound business sense and deal with clubs in financial peril. In short, the rule encourages "excessive financial risk taking, in a system that already offers other inducements to do so, by offering a safety net to those who seek to benefit from such practices" (Culture, Media and Sport Committee, 2011).

Implicit within the rule is a preferential treatment of creditors that would stand as illegal in the lead-up to insolvency in most businesses. For example, when Crystal Palace and Plymouth Argyle went into administration in the 2010-11 season, unsecured creditors were paid just 1.95p and 0.77p in the pound respectively, while football creditors were paid in full (R3, 2014). This is not only an immoral practice but undermines the interest of local businesses that could stand as a breach of competition law on the basis that "football creditors" abuse their dominance to the detriment of non-football creditors.

### THE FAIR GAME SOLUTION

Abolish the football creditors' rule.

## B) GOLDEN SHARE

### PROBLEM STATEMENT

Fan engagement is a key part of long-term security. Owners are custodians of a club and come and go, while the fans remain. And on this basis, they deserve some level of transparency.

## **SURVEY RESULTS**

We surveyed our clubs on a wide range of 'golden share' options - options that a recognised fans' body would be able to do - and three strands came through:

- Examine accounts
- Attend AGMs; and
- Veto significant changes to structure such as voting rights.

## **THE FAIR GAME SOLUTION**

The club's independent-regulator-recognised fans' group should be allowed to examine accounts, attend AGMs and veto significant changes to structure such as shareholding rights and voting rights.

## **C) INTEGRITY OF COMPETITION**

### **PROBLEM STATEMENT**

The European Super League debacle showed there is a real ongoing risk to the integrity of competitions within England and Wales.

### **THE FAIR GAME SOLUTION**

All leagues operating in England and Wales must ensure the following:

- No B teams competing at any level,
- No removal of promotion/relegation; and
- No erosion of value of Cup competitions

## **D) PITCHES**

### **PROBLEM STATEMENT**

A football club must utilise its facilities as a hub for the community to gather, exercise and socialise. A synthetic turf pitch is a vital tool to drive community integration and financial benefits for the club, yet the current top-down system of English club football prevents clubs that are the heart of the community from utilising such pitches.

The myriad of competition organisers for English and Welsh club football have regulations on the usage of synthetic pitches that are inconsistent not only among themselves but also with the rest of the United Kingdom and world football.

It is also worth noting that Tracey Crouch in her letter was 'minded' to 'allow clubs to operate all weather pitches in League 2'.



## **SURVEY RESULTS**

There was significant support for 3G pitches to be allowed further up the pyramid than is currently permitted (up to National League).

**We gave our clubs three options and out of 6 the results were as follows:**

- 3G pitches across the whole pyramid: 3.3
- 3G pitches in League 1 and League 2: 4.2
- 3G pitches in League 2: 4.2

## **THE FAIR GAME SOLUTION**

3G pitches permitted at League One and League Two levels.

## **E) REFORM THE FA**

### **PROBLEM STATEMENT**

In a perfect world, the FA would be the regulator. But it is currently not fit for purpose. Any regulator must be independent of the current structures of the game.

If the FA were to become the regulator there are many things that would need to be addressed. These include:

- Becoming divorced from any commercial functions and having a basis in statute to effectively regulate;
- Avoiding the conflicts of interest that hamper current governance structures; and
- The regulator should strive to promote good governance and sustainability and have clear objectives (focused on outcomes rather than process).

## **THE FAIR GAME SOLUTION**

A fundamental overhaul of the FA needs to take place. The Government should put in place a commission to complete this process that is fully independent of the FA to undertake this work.

# FAIR GAME SUPPORTERS



CAMPBELL  
TICKELL

**CHERRY RED  
RECORDS**





**DO YOU WANT  
A FAIR GAME?**



# PUTTING PRIDE BACK IN THE SHIRT

Fair Game's solutions for the National Game