



Rt Hon Nadine Dorries MP
Secretary of State for Digital, Culture, Media and Sport
Department for Digital, Culture, Media & Sport
100 Parliament Street
London
SW1A 2BQ

Friday 1 April 2022

Dear Secretary of State

Thank you again for your time this week. It was incredibly helpful for me to understand your perspective as we look to move football forwards together.

In our letter to you in February, we provided an overview of our approach to various topics in the fan led review. We also promised a further update following our Board and Council meetings to outline specific next steps on our Governance.

As mentioned in our meeting, we agree that there is the need for independent regulation of football, with a specific focus on financial regulation and the Owners and Directors Test. The current system, which is run by the leagues, and which their clubs must approve, could lead to potential conflicts of interest. Financial regulation of professional clubs is a problem that we need to resolve, alongside the financial sustainability of the entire football pyramid and we have a plan to do that.

This plan is based on a key conclusion of the Fan Led Review that a new system is needed where clubs are licenced by an independent body which itself sets the requirements for the Leagues and Clubs to follow. We believe that the best place for this new independent body is The FA, as it would benefit from our extensive knowledge of the game; work alongside our other regulator duties such as discipline, anti-doping and betting integrity; and we can align with UEFA and FIFA financial rules. We can also move quickly to put the model in place.

We recognise that for a regulator to function effectively, it must be independent, without conflicts of interest and have the powers to both enforce and sanction areas of non-compliance. We must also ensure that its status and independence is not reversible by football stakeholders.

This means that the regulator's structures must be designed so that football stakeholders are not able to change the regulator's statutes once formed, and that Leagues must not be able to override the requirements of the regulator with their own rules. FIFA's Statute 20 will ensure the later cannot happen. It says:

"Clubs, leagues or any other groups affiliated to a member association shall be subordinate to and recognised by that member association. The member association's statutes shall define the scope of



Patron
Her Majesty The Queen
President
HRH The Duke of Cambridge KG

The FA Group
Wembley Stadium
Wembley
London HA9 0WS

Postal Address
Wembley Stadium
PO Box 1966
London SW1P 9EQ

T +44 (0) 800 169 1863
F +44 (0) 800 169 1864
W TheFA.com
Registration. 77797

authority and the rights and duties of these groups. The statutes and regulations of these groups shall be approved by the member association. “

We are currently debating the principles for the proposed regulator with our Board and have commissioned Flint Global to produce a detailed model that we plan to present to you and your team by the end of June.

This proposal would create an independent body to lead licensing, sanctioning and enforcement with a separate appeals panel. The Body would report into our main Board, but would not have its remit set by the Board. Critically, the FA Board would have no ability to overturn or influence any decision.

Despite these governance safeguards, we also accept the findings of the Review that an independent regulator should not be within The FA, unless we undertake significant reform of our own Governance; namely restructuring the Board so that the football stakeholders no longer have a majority, removal of the Burns formula, and a review of roles and responsibilities of the Council.

We are addressing these requirements.

FA Governance

In anticipation of the Review, we have changed our constitution to add two new Independent Directors, who we are in the process of recruiting. We are adding a casting vote for the Independent Chair. We are also working through the stakeholder structure, with the objective of creating a majority independent Board, with the timing and conditions of that proposal to be recommended as part of the comprehensive plan, which we intend to present to you by the end of June .

Burns Formula

We are also detailing how we can replace the Burns formula, which currently stipulates that our surplus must be split equally between the professional and grassroots game. Whilst our budget is well structured in the best interests of the game and to fulfil our published strategy, we recognise that removing this would provide the Board with greater flexibility in distribution in the long term.

Role and Responsibilities of Council

We have started a comprehensive review of Council, which involves consultation with all Council members on a variety of aspects of the functions of Council, including its powers, role in debating matters of significant interest relating to football, , breadth of membership, training of members (and their induction), and its relationship to the Board.

It is of course up to Government to make the decision as to whether an Independent Regulator should sit within our structures or externally. We are very happy to work with you and your team in establishing which model works best. However, we wanted to ensure that we had done everything we could to provide you with an alternative option for effective regulation.

On top of the Governance changes above, there are many additional workstreams that The FA and the wider football family has started, to answer the points raised in the Fan Led Review.

1. Regulatory alignment

The Premier League is creating financial control proposals which will incorporate UEFA's new requirements. These will then be reviewed with the EFL to create cross-League controls. The EFL is also finalizing proposals for a new financial reporting unit which would complement any future regulatory change and which we at The FA will incorporate within our new regulatory design. The OADT is also being examined across the game, with new proposals having been created and currently being reviewed by the Premier League.

We should also point out that we have significantly strengthened our powers over the leagues by reinforcing our ability to sign off their rulebook every year and any proposed changes to their rules during a season.

2. Fan Engagement

The FA has started our new structured dialogue programme with fans, with the FSA's support. The fan groups include two Premier League, EFL, Women's, England and National League fans. The Leagues are also reviewing their fan engagement, for example, the Premier League is developing a new "fan standard".

3. Protection of heritage assets

We have drafted changes to our Rules and Regulations which will protect heritage items such as home grounds, club badges, and home club colours. These rules will provide safeguards such as those currently in place for name changes which previously prevented the change from Hull City to Hull Tigers. We are starting the consultation process necessary to approve the rules, with the aim of implementation ahead of next season.

4. Growing Women's Football

We are proud of the growth in women's and girls' football in recent years, but welcome the opportunity to work with you to support further growth in the game. We are in discussion with your team on how we can support the proposed review of women's football, but in the meantime have agreed a new mechanism for the redistribution of funds from the Premier League to the Women's game. We have also greatly increased the prize money to the Vitality Women's FA Cup from next season.

5. Collaborative working to grassroots and schools' football

We are soon to agree a new way of working with the Premier League in grassroots football which will combine our delivery models in areas such as school and community football so that The FA's delivery expertise can better benefit from the Premier League's funding and brand.

6. Anti-discrimination campaigning

We accept that a great deal of work still needs to be done in the pursuit of equality, diversity and inclusion. However, it is also true that football has made significant strides in recent years to break down historical barriers and drive real change across all levels of the game. Our EDI programmes are set out in our new '[A Game For All](#)' strategy.

Football has also successfully introduced the Football Leadership Diversity Code, which has over fifty professional clubs committed to greater transparency and targets in recruitment to increase ethnic and gender representation across senior leadership and coaching roles. At the grassroots level, it is also embedded in the Accredited Club Programme. A report will be published each year to chart the progress against the targets.

Over the past three years, The FA has introduced a Regional Code of Governance for the 50 County FAs, which includes diversity targets. We have also delivered LGBT+ role model and allyship programmes in partnership with Stonewall and launched an Asian Inclusion Plan.

The Review specifically asked football to look at a cross-football approach to campaigning and I can confirm that this process has started with Kick It Out designing a proposal for the whole of football.

7. Grassroots academy affiliation

We are considering how to encourage affiliation of grassroots academy systems, however, as discussed with the Review team there is not a way of forcing academies to affiliate. Teams from unaffiliated academies are not allowed to play affiliated teams, but only in their interaction with the affiliated game can we oblige particular ways of working.

8. Independent Football Ombudsman

An initial review of the Independent Football Ombudsman has been performed by the new interim IFO Chair which The Premier League, FA and EFL will now take forward in consultation with fans.

There are of course many other areas of the Review which are specific to the Leagues or Government such as the use of artificial pitches, transfer levies, amending the National Planning Policy Framework or standard contracts to name a few, but the relevant stakeholders will be able to update you further on those items.

We recognise that the most contentious workstream, and the one which needs to be resolved in order to unlock further joint working in football, is redistribution across the game.

We appreciate the biggest issue is redistribution between the Leagues themselves and we have been working with them to facilitate a way forward, acting as mediator, as we are aware that the funding impasse will inhibit us working together on some other elements of the review. We will continue to support the ongoing discussions by first reaching consensus on the principles for the new funding model and then agreeing the distribution percentages which should be fixed as far as possible.

Finally, it would be remiss of us not to look at the Fan Led Review again in light of the recent sanctions faced by Roman Abramovich and Chelsea FC. This has led many to consider whether buying football clubs should and could have tougher requirements over and above current UK law and Foreign Policy.

We appreciate that the Premier League is looking closely at how the Owner's and Director's Test could have an integrity component added, but we would welcome discussions with you on how the test might be able to hold prospective owners to higher standards than would-be investors in other sectors. We believe that this would be a very worthwhile conversation to have.

We hope that this update gives you a sense of the priorities that we are focused on across the Review and we look forward to updating you on our plans at the end of June.

Kind regards,

A handwritten signature in black ink that reads "Debbie Hewitt". The signature is written in a cursive style with a large, sweeping flourish at the end.

Debbie Hewitt MBE
Chair
The FA