

28 March 2021



Adam Conant
Deputy Head of Sport
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Sent via email [REDACTED]

Strictly Confidential and subject to Club approval

Dear Adam,

Proposal for an Exclusion Order under the Competition Act 1998

Following our discussions on this matter, we would appreciate your consideration of this revised and final proposal (further to our correspondence of 9 December 2020 and 18 March 2021) to stabilise the football pyramid as it recovers from the impact of Covid-19. As with our rescue plan for the EFL in season 2020/21, and aligned with the ambitions for your Winter Survival Package for the rest of the sport sector, our objective is to support football clubs in the English football pyramid as they deal with the financial impact of the pandemic.

If the Order is granted and our UK agreements are consequently renewed, our revised proposal has two main components:

1. Despite our substantial lost revenues, we would maintain our core Solidarity, Youth Development and Good Causes funding to the pyramid at 100% of the pre-pandemic level for the period to the end of Season 2024/25 and the parachute payment protection would continue as now, on the basis set out in our letter dated 18 March 2021; and
2. We would increase Solidarity and Good Causes funding by a total of £100m for that period so that recovery and development support can be extended to particularly vulnerable areas of the pyramid.

In the absence of the acceptance and implementation of the Premier League's proposal, the pyramid would have no certainty until the completion of the Premier League's domestic and overseas rights sales (not likely before end Q1 2022), and clubs throughout the pyramid would fear that the sales process result would produce a significant reduction in value. Confidence would be hit, investment would stall, and funding decisions deferred until budgets for the period 2022/23-2024/25 had been determined. If fears of a reduction were realised then clubs and other recipient organisations would cut their spending accordingly, and some would be thrust into crisis.

The table below outlines our proposed funding interventions that would flow from the acceptance and implementation of this Proposal (and the conclusion of broadcast contracts). It outlines the five main areas that would receive a share of the additional £100m referred to in 2. above, but it is important to note that the principal benefit of this intervention would be to maintain the current £1.5bn paid to football outside the Premier League (as provided in the present three-year rights cycle) for a further three years to 2024/25.

The first, and immediate, effect of the granting of the Order would be to reduce uncertainty, generate stability and promote confidence in the pyramid. The main beneficiaries of the implementation of the Proposal would be the Clubs in the EFL Championship who would gain the secure foundation of annual payments that currently provide £84m in Solidarity, £20m for Youth Development and £10m for community expenditure. As payments for 2021/22 are already budgeted for, securing a further three years following the passage into law of the Order would mean the assurance that c. £450m would be provided to Championship clubs, excluding parachute payments, over the next four years. This would underpin the Championship's status as the best-funded second tier league in European football, with the best paid playing talent at that level. This amount would be increased if the Premier League's international broadcast revenues exceed the present value.

Expectation of this funding has been of vital importance in securing the rescue loan of £120m negotiated by the EFL, and would create a stable foundation enabling the EFL and its member clubs to refinance existing loans and secure new loans where necessary. Many Championship clubs carry significant debt and have a recent record of spending more on players' wages than they receive in revenues. Confirmation of a continuation of what is their largest revenue stream would give them the opportunity to bring their costs under control and stabilise their debt position.

The Order coming into effect would also give the Premier League the ability to release circa £20m to fund the extension of the current rescue package to the 48 clubs in Leagues 1 and 2 into Seasons 2021/22, and kick start the National League System. This would permit clubs to prepare for Season 2021/22 with confidence, reduce the risk of insolvency, and retain playing squads and other staff. The Order would also secure the continuation of League 1 and 2 current Solidarity, Youth Development and Community funding levels through to 2024/25, and double the current level of Solidarity and Community payments to the National League.

Additional beneficiaries would include, amongst others:

- The 1,000+ clubs in the National League System
- Over 200 Women's football clubs
- The Football Foundation's community football facilities programme
- Fan groups which receive funding from the Premier League, including the Football Supporters Association, Level Playing Field, and a range of local club supporter groups that apply to the Premier League's Fans Fund
- Refereeing development in the NLS and the EFL
- Dementia financing and player/ex-player welfare support to past and present EFL professional players
- Anti-discrimination programmes extended to the EFL and the FA, notably measures to combat Online discriminatory and threatening abuse, and career interventions to assist recruitment and retention of under-represented groups
- The FA's World Cup Bid (subject to its proceeding)

In terms of handling distributions of the additional funds, our preferred solution would be to engage the services of the Football Foundation wherever possible, most obviously with distributions to the National Game, Women's football and community football. The remaining distributions would be made via appropriate bilateral or multilateral machinery (such as Professional Game Match Officials, procedures agreed with the PFA for player/ex-player welfare, etc.). These mechanisms will provide accountability and supervision, scrutiny of value for money, and the ability to be flexible as circumstances change over the period.

In summary, all levels of the pyramid would benefit from the knowledge that existing funding from the Premier League will be sustained. Additional funds will be provided for areas of the game currently insufficiently funded to manage the impact of Covid-19 enabling over 1,200 non-league, women's, and community clubs to prepare to return to playing football for next season and beyond. Lastly, high standard programmes now being run and developed by the Premier League will be extended to the whole game, improving player welfare, help to meet societal and employee expectations on equalities and improve skills and career progression.

The recovery of football will contribute to the general recovery of the economy and local communities, including the payment of tax revenues to HMRC. However, the most important beneficiaries will be the 18 million football fans who will be able to continue to enjoy their involvement in football, free from the anxiety that the oldest and strongest football system in the world is at risk of collapse because of the impact of Covid-19.

I would stress the need for urgency. Covid-related losses continue apace, arrangements for next season need to get underway, and uncertainty levels are high. A prompt and favourable decision would allow the Premier League to move swiftly to give assurance and build confidence in the whole of the game.

Kind regards,



Richard Masters
Chief Executive

Additional Funding Commitments 2021/22 - 2024/25 (over four years)	
	£m
National League System	19
Women's and Girls' football	21
EFL (L1/L2 Clubs)	20
Football Foundation/Facilities	18
Whole Game Projects	22
	£100m in total

**Precise quantum within £100m may vary*