



RM/HM

8 April 2022

Rt. Hon Secretary of State, Nadine Dorries MP
Secretary of State for Culture, Media and Sport
DCMS
100 Parliament Street
London
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Sent via email

Dear Secretary of State,

I write to provide an update following the most recent Shareholders' Meeting of Premier League Clubs on 31 March, where we discussed specific proposals relating to the Fan-Led Review of Football Governance. We understand you are preparing to publish your response to the Fan-Led Review's recommendations, so I hope this update is both useful and timely.

The Premier League and our Clubs have been working at pace to understand the full impact of the Review's recommendations and, having done so, to design and implement policy commitments that would fulfil key objectives of the Review.

We continue to believe that change is necessary and that the objectives of Tracey Crouch's Review will protect and add value to our game. We are acting now to make the changes that are within our control. We know that there is more for our clubs and us to do to regain the trust of fans.

Our objectives are aligned with those of the Review and, we believe, with the views of football fans in this country:

- To safeguard the future of the Professional Game through new and robust cost controls and enhanced sustainability measures, and
- To protect the competitiveness and integrity of our League and all those who take part in it through stronger rules and greater independence.

Every change that we make will seek to deliver on these objectives, whilst also protecting the Premier League's position as a global success story and one of this country's most successful exports. It is this status that has enabled our ongoing commitment to support football at all levels and our pledge to reinvest an unprecedented £1.6bn outside of the Premier League over the next three seasons.

We are ready to make serious commitments that mean our commercial success will continue to benefit the whole game, particularly as it continues its recovery from the damaging impact of COVID-19.

Future fan engagement

We agree wholeheartedly that supporters are the lifeblood of football and that their voices should be, but have not always been, listened to, so we are planning a number of significant measures to improve this area, to be voted on at a Shareholders' Meeting and effective from 1 July 2022:

- From Season 2022/23, every Premier League Club will have a Fan Advisory Board and a Board Director overseeing fan engagement. These new commitments will be enshrined in Premier League Rules.

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- We will implement a Fan Engagement Standard, requiring all Clubs to meet new minimum levels of fan involvement and incentivising them to continue to do more to improve over time. The Standard will be public and Clubs' performance will be assessed annually by an independent panel. We are working on the details of the Standard in close consultation with the Football Supporters' Association (FSA), fan groups and supporters more broadly.
- We will give more resource and support new powers for the Independent Football Ombudsman (IFO) to hear and resolve complaints from fans.
- We will provide greater and more permanent funding to the FSA so that they can support fan groups and advise their membership and campaign on their behalf without fear or favour. We are also increasing our financial support to the Fans Fund, which supports fan groups across all levels of the game to run projects that strengthen the bond between their clubs and the communities that surround and support them.
- We will replicate The FA's proposed strengthening of 'golden share' powers in our own Rule Book, providing appropriate protection for Club heritage assets. These rules will provide safeguards across a range of heritage items including home grounds, club badges and home club colours. These rules have proved effective protection in the past and we believe extending them to cover those heritage items that fans value the most is the right thing to do.

Improved Governance and Independent Regulation

We understand that the Government has endorsed the principle of an Independent Regulator for professional football.

We recognise and accept the need for change and that there should be a strengthened regulatory system across football, including greater independent oversight of some aspects of that regulation. Our concerns relate to the statutory nature of the proposed regulator; and those aspects of the recommendations that we believe, without being the original intention, will take value out of the English game and damage our international competitiveness.

In our view a reformed FA (under its new independent Chair) would be well placed to fulfil the role of the Regulator given their unique position and understanding of football as the sport's governing body. Whatever the eventual form of greater independent regulation, there are steps we are taking now to increase independent oversight of the Premier League:

- The Premier League's internal Governance was independently reviewed last year and now meets 'Wates Principles' standards of governance. We have an independent Board and we are recruiting two further INEDs (with two currently in position).
- We plan to strengthen the Premier League's regulation on Club ownership; including adding new provisions to the gateway Owners' and Directors' Test, whilst strengthening the requirements of the annual affirmation process and introducing an independent panel to validate Premier League Board process and proposed decisions on ownership. As proposed, we hope this new test will be consistently applied across English football.
- We have already agreed greater powers of oversight for The FA, as the current football regulator. Since Summer 2021, they have more significant power to agree the Premier League Rule Book and can veto any changes that they believe will harm the game.

Enhanced Financial Regulation and Controls

We commissioned independent economic analysis to understand the impact of the financial recommendations in the Fan-Led Review. A copy of this analysis from Frontier Economics is attached. Your officials have seen this previously and had the chance to question the authors of the report on the content. The research demonstrates that, if implemented as described in the report, some of the Fan-Led Review's recommendations have the potential to deter investment, impose very significant costs across the industry and restrict competitiveness, particularly internationally.

The continued success of the Premier League is fundamental to the health of the entire football pyramid.

We accept that stronger financial regulation could enhance the health and sustainability of the game but believe it is essential that any new regulation recognises the differing dynamics within football, from the Premier League and its Clubs, through the EFL and the rest of the football pyramid. A 'one size fits all' approach risks introducing unnecessary costs and stifling the growth of the Premier League when it has not suffered from the sort of failings that are outlined in the Review.

However, we believe in the case for stronger financial regulation. Since the publication of the Review, we have introduced new Rules to ensure fairness in associated party transactions to protect the integrity of our competition. Our Clubs have also agreed that there should be a new system of financial regulation across the Professional Game including introducing cost control measures; regulatory alignment between the Leagues and an enforcement regime that will operate across Leagues so that clubs will be bound by the same rules as they are promoted or relegated. This is a significant step.

Through these measures we aim to enhance the financial stability, integrity, and competition in the Premier League and the EFL and address many of the concerns raised by the Fan-Led Review.

Securing Financial Support For the Game

The Premier League and the EFL are in productive dialogue about all options for improving funding flows to the EFL, including the possible reform of parachute payments and reducing the 'cliff edge' between the Premier League and the EFL Championship (and importantly to also address similar 'cliff edges' between the Championship and Leagues One and Two). It is our view that it is not as simple as more money to the EFL automatically leading to greater sustainability; we know from experience this is not the answer. However, collective reform, paired with new and robustly enforced financial controls, is the right way to address the current challenges.

We need the EFL Championship to continue to produce competitive teams that thrive when promoted to the Premier League and we need many teams in the Premier League vying for the top places and aspiring to European competition. The unique quality of our League, when compared to our global competitors, is its competitiveness on the pitch. Every match is worth watching. It is that which drives the broadcast revenues that mean we can grow and attract the best football talent in the world and have the income to support the rest of the Professional Game.

The Premier League's current commitment to the football pyramid is unprecedented in professional sport and we have committed £1.6bn to the wider game over the next three seasons. We recognise and are proud of our responsibility to provide structural support for professional football. We invest over £7m into bodies such as the League Managers' Association (LMA), Kick It Out, and the FSA. We provide over 90% of the Professional Football Association's (PFA) funding in order that it can support current players, those retired from the game, and deliver other services, including transition from their professional career. The Premier League funds all professional players' pensions throughout the game.

Commitment to Equality, diversity and inclusion (EDI)

The Premier League and its Clubs are totally committed to eradicating prejudice and creating more opportunity for minority ethnic groups in our game. We know there is much more to do here. In 2021, we introduced the revised Premier League Equality, Diversity and Inclusion Standard (PLEDIS) which leads sport in this area, introducing required standards and incentivising annual improvements at every Premier League Club.

Our No Room for Racism (NRFR) campaign and action plan is making significant progress, including increasing diversity in coaching and executive pathways, player pathways, and the continued recruitment of EDI leads in our Club Community Organisation.

We are further strengthening our wide range of campaigns and activities to promote EDI including introducing a new Gender Equality Standard. We also want to create greater independence for

Kick it Out so that they can hold us to account as well as provide a strong combined voice for football on equality.

Supporting Women's Football

We want to play our part in the development of the Women's game and are talking to The FA about where we can best provide support it. In 2021, we committed to £21m of new funding to help develop women's and girls' football over the next three years, including investing in the Women's Super League and Women's Championship, and building capacity in the lower leagues of the women's game to ensure a stronger pyramid.

Safeguarding Player welfare

The Premier League is committed to the welfare of its players from the Under 9s to the first team. We recognise that this is a vital area, and we are currently undertaking a review of the Academy system and our Elite Player Performance Plan (EPPP) after ten years of unprecedented investment and welcome progress. Enhancing existing provisions in place to support players released from Academies has been identified as a priority.

Since 2018, the Premier League has delivered residential support programmes for Academy Players in the U16-U23 age groups who have not had their registration renewed by their Club. The programmes are aimed at supporting players' academic, personal and sporting development as they transition away from Academy football. These residential support programmes will be expanded to be made available for released players in those age groups from all Premier League and EFL Clubs; an enhanced Academy Alumni network and activities including a new leadership development programme to support career transition; continued broadening of the education offer for Academy Players aged 16+ and improved access to higher education opportunities; enhanced parent education, and centralised CPD opportunities for club Player Care personnel.

The Premier League and our Clubs are committed to delivering change across the game and the proposals outlined in this letter will be developed further and implemented in the coming months.

We know that the Government is supportive of preserving English football's current pre-eminent position. There are two further areas of work it would be useful to brief you on. First on how the possible easing of competition law restrictions might deliver more value to the game and allow the Premier League to do more on behalf of The FA and EFL, and secondly, on potential changes to the current immigration restrictions that would assist Premier League Clubs from over subsidising their European counterparts in the global market for talent.

I remain keen to discuss our progress with you and your policy officials and to outline our broader vision for the Premier League and its contribution to the UK.

Kind regards,



Richard Masters
Chief Executive