



House of Commons  
Culture, Media and Sport  
Committee

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**Football Governance  
Follow-Up:  
Government Response  
to the Committee's  
Fourth Report of  
Session 2012–13**

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**First Special Report of Session 2013–  
14**

*Ordered by the House of Commons  
to be printed 14 May 2013*

## The Culture, Media and Sport Committee

The Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Culture, Media and Sport and its associated public bodies.

### Current membership

Mr John Whittingdale MP (*Conservative, Maldon*) (Chair)  
Mr Ben Bradshaw MP (*Labour, Exeter*)  
Angie Bray MP (*Conservative, Ealing Central and Acton*)  
Conor Burns MP (*Conservative, Bournemouth West*)  
Tracey Crouch MP (*Conservative, Chatham and Aylesford*)  
Philip Davies MP (*Conservative, Shipley*)  
Paul Farrelly MP (*Labour, Newcastle-under-Lyme*)  
Mr John Leech MP (*Liberal Democrat, Manchester, Withington*)  
Steve Rotherham MP (*Labour, Liverpool, Walton*)  
Jim Sheridan MP (*Labour, Paisley and Renfrewshire North*)  
Mr Gerry Sutcliffe MP (*Labour, Bradford South*)

The following members were also members of the committee during the parliament.

David Cairns MP (*Labour, Inverclyde*)  
Dr Thérèse Coffey MP (*Conservative, Suffolk Coastal*)  
Damian Collins MP (*Conservative, Folkestone and Hythe*)  
Alan Keen MP (*Labour Co-operative, Feltham and Heston*)  
Louise Mensch MP (*Conservative, Corby*)  
Mr Adrian Sanders MP (*Liberal Democrat, Torbay*)  
Mr Tom Watson MP (*Labour, West Bromwich East*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at [www.parliament.uk/cmscom](http://www.parliament.uk/cmscom). A list of Reports of the Committee in the present Parliament is at the back of this volume.

### Committee staff

The current staff of the Committee are Elizabeth Flood (Clerk), Grahame Danby (Second Clerk), Kevin Candy (Inquiry Manager), Victoria Butt (Senior Committee Assistant), Keely Bishop (Committee Assistant) and Jessica Bridges-Palmer (Media Officer).

### Contacts

All correspondence should be addressed to the Clerk of the Culture, Media and Sport Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 6188; the Committee's email address is [cmscom@parliament.uk](mailto:cmscom@parliament.uk)

## First Special Report

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On 29 January 2013, the Culture, Media and Sport Committee published its Fourth Report of Session 2012-13, *Football Governance Follow-Up*. The Minister for Sport and Tourism responded to this Report in a letter to the Committee dated 30 April 2013, and on 14 May 2013 the Committee agreed to publish this letter as the Government Response. The letter is published as an appendix.

## Appendix: Government response

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### **Letter from Rt Hon Hugh Robertson MP, Minister for Sport and Tourism, dated 30 April 2013**

I am grateful to the Culture, Media and Sport Select Committee for carrying out its follow-up inquiry into football governance, and its report, published on 29 January 2013.

I share the Select Committee's frustration at the football authorities' slow progress in implementing long promised, and much needed, reforms to the game. I also share your analysis that there are three key areas where we need to see real progress made. In particular, the licensing system for clubs, the introduction of a representative and balanced Board, and improved supporter engagement at club level. I agree with your recommendation, that in the absence of significant progress with these by the beginning of next season, we should seek to introduce legislation as soon as practically possible.

I have already been given drafting authority by the Parliamentary Counsel, and my officials have started working up a draft Bill and supporting documentation, should football fail to deliver. This Bill will reflect the conclusions of your report.

While most of the Committee's recommendations are directed towards the football authorities, I thought it might be useful to re-iterate the Government position on some of the Committee's key conclusions and recommendations.

#### ***Reform of the governance structure***

I agree with the Committee, that the FA should provide strategic leadership for all levels of the game, representing the interests of the professional and national game equally. I welcome the football authorities' proposal, therefore, to require all committees to report to the main FA Board. The FA Board should act on the recommendations of its advisory game boards, but not be subject to them.

I agree, also, with the Committee that the FA decision-making bodies should be representative of the modern game and its diverse stakeholders, and should be equipped with the right balance of skills, experience and independent expertise to be able to meet the challenges that arise in the game. While I have previously made clear that I think a representative and balanced Board is the first priority, I still expect the FA to deliver its undertaking to have a Board of between 8-12 members, by the start of the 2013-14 season.

#### ***Club ownership and supporters***

My Department continues to urge the football authorities to make full transparency of club ownership, a key condition of the new licensing system for clubs. The licensing system should set out stricter criteria, in terms of owners being both fit and proper, and around the requirement to have clearly defined business plans for how they will safeguard the club's future. Taken together, these would provide greater transparency to clubs' supporters. In this context, work is also underway across Government to strengthen the requirements on all companies around ultimate beneficial ownership disclosure.

I also agree that more needs to be done to ensure that supporters' interests are given due consideration in any decision making. I agree with the Committee, that more detail is needed on how clubs will engage with their supporter groups, and expect this to be laid out clearly, in the new licensing system. At the same time, I believe the football authorities should continue to consider ways to actively encourage and incentivise the inclusion of supporter representatives on the boards of clubs. I support the recommendation of the Committee that a long term funding solution for Supporters Direct is needed. The organisation continues to provide a valuable service to supporter groups, particularly those that seek to rescue clubs that have fallen into financial difficulty.

I will be meeting with representatives of Supporter Direct shortly, with a view to working with them to set up the working group as recommended by the Committee.

### ***Financial matters***

I agree with the Committee that the new club licensing system, and the financial rules that underpin this, will be key to ensuring the long term sustainability of clubs. However, further detail is required from the football authorities on the content of the licence, and the role that the new FA Regulatory Authority (FARA) will have in monitoring and enforcing FA Rules and Regulations.

I join with the Committee in welcoming the recent progress made by the football authorities and all 92 professional clubs, in agreeing to adopt Financial Fair Play (FFP) principles. The implementation of FFP should gradually lead to clubs reducing their spending, and as a result, see fewer incidents of club insolvencies. I hope that the FFP, should, in turn, negate the need for football to rely on the Football Creditors Rule in cases of club insolvencies. However, we will monitor the effect this self-regulation has on the financial discipline and solvency of clubs, and, if necessary, will re-consider whether legislation is needed to address this issue.

My Department will continue its dialogue with the football authorities in the coming months, to ensure that necessary action is taken to deliver these important governance reforms.

A copy of this letter has been sent to David Bernstein, Chair of the FA.

*April 2013*