

DAMIAN COLLINS MP



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Oliver Dowden CBE MP
Secretary of State for Digital, Culture, Media and Sport
Department for Digital, Culture Media & Sport
100 Parliament Street
London SW1A 2BQ

Mr Greg Clarke
Chairman of the Football Association
The FA Group, Wembley Stadium
PO Box 1966
London SW1P 9EQ

Mr Rick Parry
Chairman of the English Football League
EFL House, 10-12 West Cliff
Preston
Lancashire PR1 8HU

28 May 2020

Our Ref: DC/PA

Dear Oliver, Greg, Rick,

We may only have a few weeks to save professional football in this country as we know it.

The shock of the COVID-19 crisis has badly exposed the weak financial position of clubs in the English Football League (EFL), many of whom were already on the edge of bankruptcy.

For clubs in Leagues 1 and 2 in particular, the loss of match day revenue and money from the sale of season tickets is a major blow that some will not be able to survive. We want to see football return as soon as possible and for the current

season to be completed in the divisions above League 2. Without matches being played, the salary costs of clubs are too high to make it viable for them to mothball their operations, even if the existing government support and furlough schemes continue. We do though need to address the fact the clubs would have to incur costs by taking staff out of furlough in order to resume training and matches, but without receiving match day revenue. Also, the cost of the COVID-19 testing protocols needed to ensure the safe return of players and staff will cost clubs around £140,000 each, a significant figure for some in the lower leagues, given the circumstances they face.

Overall, if nothing is done to provide financial support to football, clubs with old and famous names will almost certainly go into administration within weeks. More communities will go through the agony that Bury suffered last year and see a beloved cultural and sporting institution taken from them. We will also see the release of up to 1,400 players who will fall out of contract this summer.

There is a great urgency now for an agreement on a rescue package for clubs in distress, and this will require the resources both of the football authorities and the government. However, this should also recognise both the short-term requirement for cash and the longer-term need for much greater oversight and regulation of the financial affairs of the clubs, including the opportunity for more supporters and communities to acquire a stake in them. Without this any bailout scheme will only be a short term fix. This would also complement the government's existing manifesto commitment to a 'fan-led review of football governance, which will include consideration of the Owners' and Directors' Test.'

We would urge you to convene talks for as soon as possible to agree measures that can be put in place to save clubs from bankruptcy and expulsion from the League. We would also ask you to consider the following six-point plan as the potential solution to this problem.

1. A 'Football Finance Authority' (FFA) scheme should be created by the Football Association - but working with and backed financially by the government - to provide financial assistance to EFL clubs.
2. Funds should be provided by the FFA to allow clubs to meet their short-term liabilities and provide them enough breathing space to restructure their finances but couldn't be used to invest in recruiting new players or improving the club's infrastructure. Rather than being offered as loans these funds would instead be

exchanged for a minority shareholding in the club, of between 10% to 49% depending on the level of investment required and the value of the club.

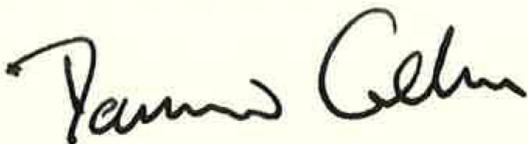
3. Independent directors would be appointed to the boards of clubs as representatives for this minority shareholding. These directors can be nominated by either a registered Supporters Trust or by the relevant local government authority, but they must be non-political and subject to approval as Fit and Proper by the FFA.

4. These Independent Directors shall have real time access to the financial records of their club and can report their concerns back to the FFA. Clubs that continue to trade outside the rules of the EFL would be put into a form of administration by the FFA, where a credible plan would be implemented by independent auditors to bring the financial affairs of the club back in line with the League's rules.

5. Either a recognised Supporters Trust or a local authority can subsequently acquire the FFA shareholding in their club at a discount to market value, and funds raised in this way would be returned to the government to help repay the public investment in this scheme.

6. The EFL's financial regulations should be set and enforced by the FFA, the governing body of which should include representation from the EFL, the Professional Footballers Association (PFA), the Football Supporters Association (FSA) and the clubs themselves, but with an independent majority.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Damian Collins', written in a cursive style.

Damian Collins MP, former Chair of the Digital, Culture, Media and Sport Select Committee

Charlie Methven, co-owner of Sunderland Association Football Club

Dr Malcolm Clarke, Chairman of the Football Supporters Association

Philip Day, Chairman of Grimsby Town Football Club

The Lord Triesman, former Chairman of the Football Association

Greg Dyke, former Chairman of the Football Association

Ian Mearns MP, Chair of the All-Party Parliamentary Group for Football for Football Supporters

Clive Betts MP, Chair of the All-Party Parliamentary Group for Football

The Rt Hon Damian Green MP, Vice Chair of the All-Party Parliamentary Group for Football Supporters

Jonathan Gullis MP for Port Vale Football Club

Henry Smith MP for Crawley Town Football Club

Carolyn Harris MP for Swansea City Association Football Club

Kevin Brennan MP for Cardiff City Football Club

Rehman Chishti MP for Gillingham Football Club

Chris Green MP for Bolton Wanderers Football Club

Steve Baker MP for Wycombe Wanderers Football Club

Daniel Kawczynski MP for Shrewsbury Town Football Club

Sir David Amess MP for Southend United Football Club

Scott Benton MP for Blackpool Football Club

David Morris MP for Morecambe Football Club

Karl McCartney MP for Lincoln City Football Club

Ian Byrne MP

Rosie Cooper MP

Derek Twigg MP