

## Reading FC

I have been saddened to read of the financial difficulties of Reading FC and to see the understandable impatience of fans with the owner and management. I have not made any public statements as government has no powers to intervene in these matters and it would be wrong to suggest government can find a solution to the difficulties of paying the wages and tax bills and creating more harmony between owner and fans. Reading FC is regulated by the FA.

The Club owner needs to understand that the financial value of the club depends on a strong and loyal fan base willing to buy plenty of tickets for matches and club merchandise. A team is more likely to play well and boost fan numbers if there is no financial problem hanging over them. If an owner cannot get the fans on board and motivate players it is usually best for a new owner to take over. The goodwill and support of the fans is crucial.

A few have written to me hoping regulation could put things right. The government has consulted on introducing a new independent regulator with powers to intervene over issues like financing a club and its ownership. It has promised legislation in due course following more detailed discussions with clubs and the authorities. It will need to balance club independence allowing them to make often expensive decisions that offer the prospect of better results, with Regulator worries about overspending on players, management and facilities and over the stability of income. The legislation is not imminent and is unlikely to be retrospective, so it cannot deal with the urgent issues currently facing Reading FC.