<u>Statement on the Fan Led Review of</u> Football Governance

Mr Speaker, with your permission, I would like to make a statement setting out the Government's response to the Independent Fan Led Review of Football Governance. This is further to my Written Statement issued earlier today. The Government's response has been provided in hard copy to the Vote Office. I will also be placing a copy in the Libraries of both Houses.

At the start, I want to thank my Honourable Friend, the Member for Chatham and Aylesford, and the entire panel for their diligent work on the Review — and indeed colleagues from across the House and all stakeholders who have debated these matters at length over a number of years.

Most importantly Mr Speaker, I want to thank the dozens of clubs and thousands of football fans from across the country who contributed to the Review. They sit at the heart of the Review and our response to it.

Football is a defining part of our national identity, and has been a central part of British life for over a century.

English football has had some extraordinary success. Our Premier League has grown to become the most watched sports league in the world.

However, good governance of our clubs has not kept pace with this expansion and development.

The football pyramid itself has come under threat in recent times, with clubs risking collapse.

Many fans have felt alienated from their own clubs.

It is obvious that reform is needed to keep our national game alive and thriving.

This Government has already taken strong action to support the reform of football.

This includes financial support to help clubs through the pandemic, and amendments to competition law to provide financial stability to English football.

But, we also committed to undertaking a review of football governance in our manifesto, a review led by fans and for fans, a review to protect the future of professional football in this country.

In late November, the independent 'Fan Led Review of Football Governance' published its Report.

I am today pleased to announce the publication of the Government's response

to that report.

Our response acknowledges the clear case for reform, and sets out our approach to move forward. It marks a significant step in protecting our national game.

Today I am confirming that the Government will introduce an independent regulator for football, in law, as part of a wider plan for reform.

GOVERNMENT RESPONSE

An independent regulator is just one of 10 strategic recommendations set out in the Report. I am pleased to say that the Government will endorse all of the Review's strategic recommendations.

Some of these are for government to implement; and some are for the football authorities to take forward. And we expect them to take action too.

As well as surveying thousands of fans directly, the Review benefited from over 100 hours of engagement involving representatives of over 130 clubs. This all built a clear picture of the challenges in the game.

The Review, and our response, are for them. For the fans who make our national game what it is — and without whom, football would be nothing.

To coincide with the response, we are also publishing the findings of a Government-commissioned study by academics and football finance experts Kieran Maguire and Christina Philippou.

Their analysis confirms that there is a widespread issue of fragile finances across English football clubs, and that action is needed to secure the sustainability of the game.

The sum total of our plans amount to significant reform. In our response, we are committing to publish a white paper in the summer which will set out further details of the implementation of this reform.

Through a new financial regulation regime, the regulator will usher in a new era of financial competency and sustainability for our clubs.

We also recognise that who runs our football clubs goes hand in hand with how they are run.

And so, the regulator will establish new owner's and director's tests — replacing the three existing tests — to ensure that only good custodians and qualified directors can run these vital community assets.

The strengthened test will include a new integrity test.

Recent events have shown the importance of us having confidence in the custodians of our football clubs.

Fans have a crucial role to play in the future of football in this country,

and for that reason we believe fans should be properly consulted by their clubs in taking key decisions.

And therefore the regulator will set a licence condition setting out a minimum level of fan engagement to ensure clubs are meaningfully engaging fans.

We also acknowledge the crucial role that football clubs play in the identity of this country, and particularly in the communities that are so intrinsically linked with their local team.

The stadium, colours and badge are an integral part of this.

Therefore, we believe they should have additional protections — including a mechanism for fans to consent before any changes are made to these key items.

Mr Speaker, our manifesto commitment was instigated by the financial jeopardy that many clubs were being pushed into.

The long term health of professional football in this country is dependent on fairer distributions throughout the football pyramid.

That is why we agree that the Premier League should strengthen its support across the football pyramid.

We expect further action from the football authorities on this important recommendation — and if they don't come to an agreement on financial flows through the pyramid, we reserve the right for the regulator to have powers in this area.

Football also needs to ensure there is a clear and supportive pathway for players. That is why we agree with the recommendation that the welfare of players exiting the game needs to be better protected. I have asked the football authorities to act with urgency on this matter.

Taking forward these recommendations and securing the future of football is a key priority of this Government.

But this is a priority that stretches beyond Government.

The Review contains actions specifically for the Football Association, the Premier League, the English Football League, and the Professional Footballers' Association, on which we expect to see action — without waiting for government legislation.

WOMEN'S GAME AND LISTED EVENTS

Mr Speaker, the majority of the Review looked at issues related to the men's game.

Women's football has gone from strength to strength over the last few years, with a record-number of tickets sold for this year's European Women's Championship to be hosted here in England.

This Government has shown that we are right behind women's sport in every aspect and so we will launch a dedicated review of women's football in this country.

As well as the women's football review; I am also pleased to confirm that the FIFA Women's World Cup and UEFA European Women's Championship Finals will be added to the listed events regime.

As a result, the tournaments will continue to be available to free-to-air television broadcasters; hopefully inspiring the next generation of Lucy Bronzes and Ellen Whites.

SUMMARY

Mr Speaker, the changes we have set out represent a real turning point for football, and will have a considerable impact on clubs.

It is crucial that we get this right, to give confidence to fans and future investors going forward.

That is why we will set out further details on how reforms will be implemented in a White Paper in the summer, and we are committed to legislate to make football reform a reality. We will implement the reforms as soon as possible.

We are paving the way for a more sustainable, accountable and responsible future for football; one that ensures fans are front and centre of our national game.

I commend this statement to the House.

Government takes next steps towards delivering major reform of football in England

- Central to the plans will be the establishment of a strong, independent regulator established with statutory backing to deliver financial sustainability throughout the national game
- Strengthened owners and directors test, including an 'integrity test' to improve corporate governance and protect clubs and their fans from unscrupulous owners
- Government commits to giving fans a voice in the running of their clubs with white paper to be published in the summer

The Government has today set out its plans to radically reform the governance

of men's football in England, reiterating its commitment to fans to deliver a sustainable future for the game.

In a statement to the House of Commons, Sports Minister Nigel Huddleston announced that the Government has endorsed the 10 key strategic recommendations set out in its fan led review of football governance, published by Tracey Crouch MP in November 2021, which will improve financial sustainability and corporate governance across our national game, and place fans squarely at the heart of decision-making.

The regulator will be backed by primary legislation to provide it with the statutory powers to licence and sanction clubs as part of its remit to tackle the most pressing issues throughout the football pyramid.

It comes as an independent study commissioned by the Government published today highlights the widespread culture of clubs operating unsustainable financial practices, placing the pursuit of success over sound financial management. This includes an over-reliance on owner funding which can leave clubs dangerously exposed if owners decide to pull the plug on cash injections.

Premier League and Championship clubs are now regularly exceeding UEFA's guidance on spending no more than 70 per cent of club revenue on wages, leading to weak balance sheets across the industry that would be unacceptable in any other field.

The regulator will also be given the power to exercise financial oversight of clubs, including information gathering, investigation and enforcement powers. The review recommended looking at financial distribution, including solidarity payments. It is the Government's view that this should be solved by the football authorities in the first instance. Further details on the Government's preferred option, including on regulatory 'backstop' powers will be set out in the white paper.

The new independent regulator will also be tasked with applying an enhanced Owners' and Directors' Test, both ahead of an acquisition of a club but also on an ongoing basis. This will include a new 'integrity test' for all owners and executives, and enhanced due diligence — including sources of funding — upon an acquisition. This will be to ensure that skilled, experienced owners and executives are in place to run these vital community assets. It will replace the current tests administered by the Premier League and English Football League.

Today's announcement follows the Government delivering on its manifesto commitment to <u>launch</u> the <u>fan-led</u> review of football governance in <u>April 2021</u>, to explore ways of improving the governance, ownership and financial sustainability of clubs in the football pyramid. It was launched following a series of crises, starting with the collapse of Bury FC in 2019, followed by Bolton Wanderers, Derby County, Macclesfield Town and Wigan Athletic, culminating in the widely discredited plans to form a European Super League.

The review was based on engagement with supporters' trusts, fan groups,

women's football representatives, football authorities, club owners, players representatives, and underrepresented interest groups, alongside over 20,000 fans responding to an online survey. The <u>final report</u>, supported by an expert advisory panel from the world of football, was submitted to the Government in November 2021, with 47 recommendations put forward in total, including 10 key strategic recommendations.

It concluded that football requires a strong, independent regulator to secure the future of our national game, and found a significant part of the reason for the perilous state of football was due to reckless financial decision-making often being prioritised by unsuitable owners and directors in the pursuit of glory, putting the future of clubs — and their status as community assets — at risk.

A white paper setting out full details on these measures and an indicative timetable for legislation is expected to be published this summer.

Prime Minister Boris Johnson said:

Football brings friends, families, and communities together, which is why we are taking forward the fan-led plans to secure the future of our national game — from the £230 million investment to level up grassroots pitches to strengthening the voice of fans in the running of their clubs.

Whether you're cheering on at home or away, this government will ensure fans are once again at the heart of the game.

Culture Secretary Nadine Dorries said:

Football is nothing without its fans and for too long the football authorities have collectively been unable to tackle some of the biggest issues in the game.

The Government took decisive action to conduct the fan led review and today we have endorsed every one of its ten strategic recommendations and the approach set out by Tracey Crouch.

We are now committed to fundamental reform, putting football on a more sustainable financial path, strengthening corporate governance of clubs and increasing the influence fans have in the running of the national game.

Following a wave of feedback as part of the review, the Government has also confirmed its support for the following recommendations today, with further detail to be set out in the white paper:

• A greater role for fans in the day to day running of clubs: the

Government will now look at mechanisms including the option of a 'shadow board' in order to give fans a greater voice in the running of their clubs with further detail to be set out in the summer.

- Fan engagement on club heritage issues should receive greater regulatory oversight: the Government will set out plans to ensure fans have a bigger say on changes to their club stadia, logo, name and kit via a 'golden share', in order to protect clubs and the central role they play as vital community assets.
- Stronger action to improve equality and diversity in club boardrooms throughout the football pyramid: the Government will set out further details on how this will be addressed and how that will be linked to the role of the regulator.

Sports Minister Nigel Huddleston said:

It's just over a year since the failed European Super League bid but it is clear that radical change is needed to protect the future of our national game.

We will work at pace to establish a strong, independent regulator however the football authorities can be taking action now to tackle issues currently facing the game such as the issue of fair distribution of finances throughout the football pyramid and giving fans a greater say in the running of their clubs.

The Sports Minister has confirmed that the Government will launch an in-depth review of domestic women's football this summer. It is expected to look at how to deliver bold and sustainable growth of the women's game at both elite and grassroots level, in order to achieve parity with the men's game. Details on the Chair, expert advisory panel and terms of reference will be announced in due course, with the findings of the review expected to be published by the end of the year.

The Government will also work with relevant football bodies and the police to consider the safety and economic case for piloting the sale and consumption of alcohol in sight of the pitch at matches in the men's lower leagues, as per the recommendation within the fan-led review.

Today's announcement is the latest move by the Government to support football fans across the country. In January 2022, it launched an 'early adopters' programme to pilot the roll out of licensed 'safe standing' during the remainder of the 2021/22 season, meeting another of its 2019 manifesto commitments.

Interim evidence published last week by the Sports Grounds Safety Authority indicated that licensed safe standing is having a positive impact on

spectator safety and is improving the matchday experience for fans as a result of the pilot.

Under the Government's commitment to ensure it has the robust evidence in place to assure the safety of fans and the backing of supporters' groups, a final report will be provided to Ministers at the conclusion of the pilot programme. This will help to further inform their decisions about the potential wider roll-out of licensed standing for Premier League and Championship clubs that wish to introduce it and have met strict conditions.

The Government is putting the grassroots game at the very centre of its plans to level up access to sport for all. In March 2022 it announced the first tranche of recipients as part of a £230 million package to build or upgrade up to 8,000 grassroots football and multi-sport pitches across the UK by 2025.

ENDS

Notes to editors:

The Government announced the <u>fan led review of football governance</u> in April 2021.

The <u>review's interim findings</u> were published on 22 July 2021.

The <u>review</u> was published on 24 November 2021.

Read the <u>Government's full response</u>.

Read 'Assessing the Financial Sustainability of Football: a research paper by Christina Philippou and Kieran Maguire'.

A full white paper outlining the Government's official response will be published this summer.

Motorists to avoid annual EU price hike thanks to Brexit powers

- contentious EU motor insurance rule scrapped in UK as Bill passes through Parliament
- cost-of-living boost as British motorists spared roughly £50 yearly insurance hike, with motorsports sector protected from potential collapse
- Vnuk law could have required vehicles, such as golf buggies and ride-on lawnmowers, used on private land to be insured

British motorists will be spared a possible £50 annual insurance hike, as the government continues to assist with cost-of-living pressures and uses post-Brexit freedoms to scrap a controversial EU law.

A bill to scrap the EU's Vnuk motor insurance law has passed through Parliament today (25 April 2022) and will go on to receive royal assent to confirm changes in the law.

The EU law could have required a wider range of vehicles beyond cars and motorbikes to have motor insurance, such as golf buggies, mobility scooters and quad bikes.

It would have extended to vehicles on private land, meaning even people with a ride-on lawnmower at home would have potentially required motor insurance. However, other insurance options are already available to people who need cover on their private land, such as farmers.

Not implementing the law will prevent an almost £2 billion hike for the country's insurance industry, which would have translated into a potential increase in individual insurance premiums of around £50 per motorist per year.

Transport Secretary Grant Shapps said:

Sacking this nonsensical EU rule will protect the pockets of hardworking British people as we continue to help ease cost of living pressures.

This is another Brexit win and I'm delighted this bill has rightfully passed through Parliament, saving billions of pounds of additional insurance costs and protecting our world-leading motorsports sector.

The bill was introduced to Parliament by Peter Bone MP, who said:

I am delighted that Brexit has allowed me to promote a bill that could save the average motorist £50 per year.

I am grateful for the help that the Motor Insurers' Bureau and the government provided in drafting the bill. My Motor Vehicles (Compulsory Insurance) Bill is just a small example of our Brexit dividend.

Vnuk would have also covered motorsports collisions, potentially involving vehicles from go-karting to Formula One, which would have been treated as regular road traffic incidents requiring insurance.

This could have decimated the motorsports industry due to additional insurance costs of roughly £458 million every single year. Scrapping Vnuk

will therefore save the world-leading sector from potential collapse and secure hundreds of thousands of industry jobs in the process.

The CEO of The Motor Insurers' Bureau (MIB), Dominic Clayden, said:

The MIB welcomes the passing of the Motor Vehicles (Compulsory Insurance) Bill. We have campaigned on this issue for a number of years and we're delighted that the necessary legislation to remove the effects of Vnuk has now passed.

Motorists will no longer be faced with the additional costs relating to future accidents on private land and accidents involving a range of extra vehicles — including lawnmowers and golf carts. This will save all motorists money and take us back to the commonsense approach we had before the Vnuk ruling in 2014.

In addition to the likely financial burden on British road users, the Vnuk rules are considered unnecessary as there are already insurance packages available to Brits that cover certain risks on private land.

Motor insurance will still be required for any vehicles being driven on roads or other public places. However, the removal of Vnuk means insurance for vehicles used on private land is not needed.

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<u>Managed move of claimants to Universal</u> Credit set to restart

- Government outlines plans to resume helping claimants move to Universal Credit by end of 2024
- Universal Credit successfully supported millions during the pandemic

All benefit claimants will be moved over to Universal Credit by the end of 2024, with moves from legacy schemes resuming next month, the Department for Work and Pensions announced today.

Today's announcement reaffirms the Government's target to complete the programme. The restart follows a pause to the process during the pandemic when staff were focused on supporting the surge of new claimants to Universal Credit.

The six benefits being replaced all have complex and inefficient systems based on aging, inflexible IT. Universal Credit uses a modern, digital system which stood up to the test of Covid-19 where it quickly ensured three million new claimants were protected from the financial impact of the pandemic.

Universal Credit also provides claimants with one to one individually tailored support to help them into employment or to further their career, and people with a health condition or disability who cannot work could receive almost £350 a month on top of the Universal Credit standard allowance. Additional support remains available for those in need, including the Household Support Fund and Discretionary Housing Payments.

The process will resume on 9 May and will be carefully managed. Claimants will gradually be notified of when they will be asked to move to Universal Credit so as to complete the process by 2024.

Everyone moving over from legacy benefits will have their entitlement to Universal Credit assessed against their current claims, with top up payments available for eligible claimants whose entitlement would have been reduced because of the change — ensuring they receive the same entitlement as on a legacy system. These will continue unless their circumstances alter.

Secretary of State for Work and Pensions Thérèse Coffey said:

Over five million people are already supported by Universal Credit. It is a dynamic system which adjusts as people earn more or indeed less, and simplifies our safety net for those who cannot work.

Parliament voted to end the complex web of six legacy benefits in 2012, and as this work approaches its conclusion we are fully transitioning to a modern benefit, suited to the 21st century.

Although notifications will be gradually sent out across the country, people who are currently claiming legacy benefits do not have to wait to be moved to Universal Credit. Anyone who thinks they will be better off can move straight away. Claimants can check their entitlement for Universal Credit using an independent benefits calculator.

People who are unsure whether they would be better off should wait to be moved as the transitional protection top up payments only apply to claimants moved by DWP, and people cannot reclaim their old benefits after switching to Universal Credit.

Claimants can also use the separate Help to Claim service for support.

A dedicated helpline — signposted on the notice claimants receive — will provide support to make their Universal Credit claim, and guidance will also be available online. Those in need of further support can also visit their local jobcentre.

Claimants moving to Universal Credit will receive a two-week run-on of their Income Support, Income-Based Jobseeker's Allowance, or Income-Related Employment and Support Allowance. Those moving from Housing Benefit will receive a two-week Transition to Universal Credit Housing Payment.

- All legacy benefits will be coming to an end. These are: Income-Related Employment and Support Allowance, Income-Based Jobseeker's Allowance, Working Tax Credit, Child Tax Credit, Income Support and Housing Benefit for those of working age.
- The Department today published its <u>Completing the move to Universal</u> <u>Credit document</u>.

Media enquiries for this press release — 0115 965 8781

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