

DEBATE PACK

Number CDP-2017-0046, 8 February 2017

Governance of the Football Association

John Woodhouse and Sarah Pepin

Backbench Business Debate Main Chamber, 9 February 2017

A backbench business debate on a motion relating to governance of the Football Association will be held in the Commons Chamber on Thursday 9 February 2017.

The debate will be led by Damian Collins MP, Christian Matheson MP and Andrew Bingham MP.

Damian Collins is Chair of the Culture, Media and Sport Committee, which has a <u>page</u> about the debate.

The original representation to the Backbench Business Committee may be watched via this page.

The text of the motion is:

That this House has no confidence in the ability of the Football Association (FA) to comply fully with its duties as a governing body, as the current governance structures of the FA make it impossible for the organisation to reform itself; and calls on the Government to bring forward legislative proposals to reform the governance of the FA.

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1. Introduction

Culture, Media and Sport Committee work 2011-2013

In July 2011, the Culture, Media and Sport Committee published a report on *Football Governance*. The report focused on the game in England and looked at the following areas:

- the current regulatory model and role of the Football Association
- football financial management
- club ownership
- supporter involvement
- the future development of the game

The report acknowledged the success of the Premier League and the Football League but also pointed out that this success had been accompanied by "financial instability and increasing levels of debt, which remains a serious problem throughout the football pyramid". The report recommended, among other things, reform of the Football Association:

(...) The Football Association (FA) is the national governing body of English football. It is the most appropriate agency to take the lead in addressing the weaknesses of English football, but it needs urgent reform to carry out its responsibilities effectively and meet the future challenges of the game. We recommend an FA Board of ten, consisting of: the Chairman; the General Secretary; two further FA executive staff; two non-executives; two professional game representatives; and two national game representatives. The reconstructed FA Board should reconsider whether the 50:50 divide of surplus revenues should be scrapped to allow it to take strategic decisions regarding the distribution of FA funds.

The FA should review the composition of the FA Council to improve inclusivity and reduce average length of tenure. The reformed Council should absorb the shareholder role. All FA Committees should report to the Board not the Council. We urge the FA to consider whether the National Game Board and Professional Game Board promote strategic decision-making...²

Recommendations on reforms to the FA Board and FA Council are set out on pages 99-100 of the report. The Committee said that almost all of its recommendations for reforming football governance could be achieved through agreement between the football authorities. However it also said that the Government should consider introducing legislation if substantive progress wasn't made. This would be a last resort.³

The Committee published a <u>follow-up</u> report (HC 509 2012-13) in January 2013. This said that the football authorities had not done

¹ Culture, Media and Sport Committee, <u>Football governance</u>, HC 792-I 2010-12, July 2011, p3

² Ibid, p3

³ Ibid, p105

enough on governance reforms and that the Government "should introduce legislation as soon as practically possible":

The football authorities jointly responded to our report with proposals for reform which they described as "extremely radical" and "progressive". However, these proposals failed to go far enough in addressing the crux of the governance problem, that the structure of the Football Association led to delegation of too much responsibility away from the Main Board and towards committees dominated by the Premier and Football Leagues, and they also failed to provide the greater financial stability that the game needs.

While progress has been achieved, further reform is needed, especially in relation to the licensing model, the failure to ensure that membership of the Main Board, Council and influential committees is fully representative and balances interests adequately, and the way in which supporter engagement will operate at club level. Most fundamentally, the financial proposals were hugely disappointing, with the only really positive development being the eventual introduction of Financial Fair Play rules despite the football authorities' initial reluctance.

We recommend that the DCMS make it clear to the football authorities that further progress on these issues is expected within twelve months. In the absence of significant progress, the Government should introduce legislation as soon as practically possible.4

Appendix 1 to the report contains a document (dated 29 February 2012) from the football authorities to the Government setting out proposed changes to football's governance framework.

In May 2013, the then Government responded to the Committee's report. The Minister for Sport said that legislation would be introduced "as soon as practically possible":

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.⁵

The Coalition Government did not introduce legislation.

Code for Sports Governance (October 2016)

A new Code for Sports Governance was published in October 2016.⁶ The Code will come into effect in April 2017 and "sets out the levels of transparency, accountability and financial integrity that will be required from those who ask for Government and National Lottery":

Culture, Media and Sport Committee, Football Governance Follow-Up, HC 509 2012-13, January 2013, p3

Football Governance Follow-Up: Government Response to the Committee's Fourth *Report of Session 2012–13*, HC 156 2013-14, May 2013, p2

[&]quot;New Code for Sports Governance published", UK Sport news, 31 October 2016

4

The Code has three tiers and will apply to any organisation seeking funding from Sport England or UK Sport, regardless of size and sector, including national governing bodies of sport, clubs, charities and local authorities.

The Code is proportionate, expecting the highest standards of good governance from organisations requesting the largest public investments, including:

- Increased skills and diversity in decision making, with a target of at least 30 per cent gender diversity on boards
- Greater transparency, for example publishing more information on the structure, strategy and financial position of the organisation.
- Constitutional arrangements that give boards the prime role in decision making.⁷

Current work of the Culture, Media and Sport Committee

Karen Bradley, the Secretary of State for Culture, Media and Sport, was asked about the FA and the Code of Governance when she <u>appeared</u> before the Committee on 24 October 2016:

Q103 **Chair:** One of the national governing bodies that looks least compliant with the draft code is the Football Association, particularly of the requirement that 30% of members of the board should be female, which the FA would not meet, and general concerns about its standard of governance. Do you regard the FA as being non-compliant at the moment with the code?

Karen Bradley: We are all well aware of the concerns that there are about governance of the FA and the Sports Minister has been clear on the record. I will repeat that we expect the FA to improve its governance, as it is in receipt of public money and we do expect them to improve their governance arrangements.

Q104 **Chair**: The Sports Minister said, "I am not shy to say to the FA if you do not reform your governance structures I will give that money to other bodies to deliver football". Is that your view too?

Karen Bradley: Yes.

Q105 **Chair**: Without reform of governance the FA will lose the money it currently receives from the Government?

Karen Bradley: We have been clear on the record about that, yes.

The Secretary of State was also asked about possible legislation on football governance:

Q107 Chair: (...) Much of the debate around governance of the FA...is that the FA has been constantly told that if it does not sort itself out, the Government will not be afraid to legislate. It has not sorted itself out and there does not appear to be any legislation on the horizon. My concern would be that the FA council do not take it seriously and they do not think we are going to do anything about it. Maybe the time has come to show that things genuinely cannot continue as they are.

Karen Bradley: I am considering all the options.

The Committee is again <u>looking at football governance</u>:

(...) The Culture, Media and Sport Committee has repeatedly urged the football authorities to improve self-governance.

Although the Committee's recommendations have been backed by successive Sports Ministers and progress has been promised by the FA, in practice very little has changed: the governance of football is cumbersome, and power lies with the clubs, especially in the Premier League. Real reform in relation to the ownership of clubs, transfers of players, the influence of fans, the role of agents and investment in the grassroots-amongst other issues-has stalled.

The Football Association gave oral evidence to the Committee on 17 October 2016.

The Chair of the Committee, Damian Collins, has secured a Backbench Business debate on the governance of the Football Association.8 This will take place on 9 February 2017 and will be on the following motion:

That this House has no confidence in the ability of the Football Association (FA) to comply fully with its duties as a governing body, as the current governance structures of the FA make it impossible for the organisation to reform itself; and calls on the Government to bring forward legislative proposals to reform the governance of the FA.

The Committee's <u>website</u> includes the following comment from Mr Collins:

"The current Minister for Sport told the Committee that The FA had been given six months from publication of the Government's guidance in October 2016 to demonstrate that it was willing to improve governance, otherwise public money would be withdrawn from The FA and distributed to football through other means.

We do not believe that The FA will comply voluntarily: it can survive easily without the Government's contribution of money to grassroots sport, and there are powerful vested interests that refuse to accept the right of all those involved in football to play a role in the governance of the sport. We are therefore preparing a draft Bill to bring the structure of The FA, especially its Board and Council, more into line with modern company practice and the Government's quidelines for sports bodies."

Football Association comment

In December 2016, the FA said that it welcomed the Code for Sports Governance and was working on reforms to adhere to the Code.9

Mr Collins' original representation (13 December 2016) to the Back Bench Business Committee can be viewed on the parliamentary website

[&]quot;FA issues response to Monday's governance debate", FA news, 12 December 2016

2. Media

2.1 Articles and blogs

BBC online

FA reforms: Chairman Greg Clarke to quit if government does not back plans

7 February 2017

Guardian

MPs to consider vote of no confidence in 'outdated' FA

3 February 2017

BBC online

Football Association: Parliament to have 'no confidence' debate

3 February 2017

Independent

<u>House of Commons to hold debate on vote of no confidence in the</u> Football Association

Jack de Menezes 3 February 2017

Telegraph

<u>Football Association faces 'no confidence' vote from MPs as they debate using law to force reform</u>

Ben Riley-Smith 3 February 2017

Guardian

Random selection could help FA in its interminable quest for urgent reform

Marina Hyde 25 January 2017

National Law Review

Martin Glenn promises UK sport governance reform but can the Football Association deliver?

12 January 2017

Guardian

Tracey Crouch warns that government may legislate to reform the FA

David Conn 13 December 2016

BBC online

FA reform: Former chiefs say 'elderly white men' block change

12 December 2016

BBC online

Funding warning for sports governing bodies under new gender diversity code

31 October 2016

Guardian

FA chairman Greg Clarke to appear before MPs over Allardyce investigation

4 October 2016

Telegraph

The Sam Allardyce scandal must finally drive the FA to become an effective regulator for football

28 September 2016

Telegraph

Football Association will lose government funding if it does not reform, warns Tracey Crouch

24 July 2016

BBC online

FA governance structure needs reform - Prince William

6 April 2016

2.2 Press releases

Football Supporters' Federation

Urge your MP to attend FA reform debate

3 February 2017

Supporters Direct

Ministers must ensure report marks 'new era' for supporters

19 January 2016

Football Association

FA issues response to Monday's governance debate

12 December 2016

UK Sport

New Code for Sports Governance published

31 October 2016

Department for Culture, Media and Sport

New Governance Code will ensure highest levels of transparency in British sport

12 May 2016

3. Parliamentary Business

3.1 Debates

Football Governance (Supporters' Participation) Bill

HC Deb 4 March 2016 c1285-94 [Extract]

Clive Efford:

I thank the Football Supporters Federation and Supporters Direct, which helped me consult supporters trusts and fans groups up and down the country. Nearly 100 groups responded to the consultation. I had telephone conferences with them and held meetings in Manchester, London and other places to discuss the issues. We surveyed their attitudes towards fans' involvement in the governance of football and their football clubs.

Some 97% of respondents said that they were not given enough representation. Nearly 86% said that they supported the concept of the right to buy shares and nearly 84% wanted representation on their club boards. When we look around football today, it is clear that football fans are under-represented and not listened to. No matter what level of the game we look at, we see examples of where things could be improved if football fans had greater representation. The Football Association has a 123-man council; it is almost entirely male. There are a handful of women, but I am not sure how many, and there is just one fan representative on that council. That cannot be right. We need to improve representation and the voice of football fans at every level.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (David Evennett):

Unfortunately, the Government are not able to support the Bill and are opposing it. We do not believe that legislation is the right way to achieve our aim. The FA is embarking on a review of its governance, and we hope genuine progress will be made, including on giving supporters greater representation on its decision-making boards. In my future discussions with the FA, I shall seek confirmation that this matter is being considered properly, seriously and sensibly. I recommend going forward on that basis.

3.2 Parliamentary Questions

Football Association: Governance

Asked by: Ian C Lucas

What discussions she has had with the Football Association on its governance arrangements.

Answered by: Tracey Crouch | Department: Culture, Media and

You will be unsurprised, Mr Speaker, to learn that I have had several discussions with the Football Association on this subject. As recently as Monday, I spoke to the chairman, Greg Clarke, and I was clear that I wanted reform and that the clear mechanism for achieving that is through compliance with the new code of governance for sport, which was published in October.

HC Deb 15 December 2016 c937

Football Association: Governance

Asked by: Ian C Lucas

I have always been a great admirer of the Minister's optimism, especially when we played on the same five-a-side team. Unfortunately, her optimism about the future of the FA is not shared by three of its previous chairmen, who said earlier this week that legislation was needed to address the deficiencies in the organisation. Will she therefore give an undertaking that, before the end of April, she will come to the House either to announce her agreement with the FA about future governance arrangements, or with proposals for legislation?

Answered by: Tracey Crouch | Department: Culture, Media and Sport

On the five-a-side pitch, it was never optimism, just skill.

I assure the hon. Gentleman that I take this matter incredibly seriously. We believe that the FA has heard the warnings from all parts of the House and all levels in Parliament that it needs to reform guickly. We strongly believe that the incentive of removing public funding will achieve that. I would be happy to update the House on progress in

HC Deb 15 December 2016 c937-8

Football Association: Finance

Asked by: Richard Graham

To ask the Secretary of State for Culture, Media and Sport, how much public funding was given to the Football Association in each of the last five years.

Answered by: Tracey Crouch | Department: Culture, Media and Sport

Since 2010, the Government has invested, via Sport England £56,031,671 million of National Lottery and Exchequer funding to the FA to help grow and sustain grassroots football participation in this country. That equates to £8,176,302m in 2010/11; £5,550,910m in 2011/12; £5,042,685 in 2012/13; £10,287,050m in 2013/14;

£9,175,259m in 2014/15 and £9,345,964m in 2015/16 and 8,453,501 over this last year.

Corrected on: 15 November 2016 | Written questions | 49082

Football Association: Cost Effectiveness

Asked by: Richard Graham

To ask the Secretary of State for Culture, Media and Sport, what assessment she made of the value gained for the public of Government funds given to the Football Association in each of the last five years.

Answered by: Tracey Crouch | Department: Culture, Media and Sport

Football continues to be the nation's most popular team sport, with over 1.5m more weekly participants than any other team sport. Public funding has gone into programmes delivered by the FA that sustain that interest and also that encourage more people from all ages and backgrounds to take part in the sport.

Sport England has challenged the FA to deliver results for the public money it receives. In 2014, £1.6million was taken away after the FA failed to reverse a decline in the number of people regularly playing the sport.

Since then, outdoor 5-a-side football has seen an increase in participation from 744,200 people per week in 2010 (APS4) to 795,700 in 2016 (APS10 Q2) showing changing customer demands which the FA must continue to respond to.

21 October 2016 | Written questions | 49081

3.3 Early Day Motions

Football Corruption

26 October 2016 | Early day motions | EDM 611 | 22 signatures

Graham Jones:

That this House is concerned by the widening detachment between the fans who love the game and a growing number of football owners, authorities and leading figures; is shocked that the England manager has resigned after just 67 days for what the Football Association has called inappropriate conduct and a significant error of judgment; is alarmed by a continued lack of transparency in football, given that a newspaper investigation was required to bring these allegations to light; is further concerned by the widespread nature of the problem, since there is evidence of improper transfer activity by a number of managers; notes the comments of Gary Lineker that it is time for a proper police investigation into such allegations and that the game is rife with corruption; further notes that the fans of many clubs including

Blackburn Rovers, Coventry City, Leeds United, Charlton Athletic and Blackpool, including clubs in Scotland, have lost faith in their clubs' owners amid deep concerns about the future direction of their clubs; and calls for rapid progress from the Government in legislating to introduce a robust fit and proper persons test for those who seek to purchase football clubs which will require clearly defined business plans for how they will safeguard the club's future and which will mandate fan representation on football club boards.

4. Organisations and further reading

Football Association, The FA structure, web page

Football Association, Reports and financial statements, web page

UK Sport, A Code for Sports Governance, October 2016

Government Expert Working Group on Football Supporter Ownership and Engagement, Final report, November 2015

House of Commons Culture, Media and Sport Committee The Governance of Football inquiry

House of Commons Culture, Media and Sport Committee, Letter to former FA executives: written evidence, 12 December 2016

House of Commons Culture, Media and Sport Committee, Letter from former FA executives: written evidence, 12 December 2016

House of Commons Culture, Media and Sport Committee, The Governance of Football: oral evidence, HC 731 2016-17, 17 October 2016

House of Commons Culture, Media and Sport Committee, Football Governance Follow–Up: Government Response to the Committee's Fourth Report of Session 2012-13, HC 156 2013-14, 23 May 2013

House of Commons Culture, Media and Sport Committee, Football Governance Follow-Up, HC 509 2012-13, 29 January 2013

House of Commons Culture, Media and Sport Committee, Football Governance, HC 792 2010-12, 29 July 2011

Transparency International, Why good governance in football associations matters, 18 November 2015

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