

# **What is the vision for the future of supporter-owned football clubs?**

**The All-Party Parliamentary Group for Mutuals**

**Report of Special Hearing  
Published February 2014**

## **A Statement from the All-Party Parliamentary Group for Mutuals**

The purpose of the Group is to discuss and support building societies and financial mutuals.

This Short Inquiry Report was authored by Peter Hunt of Mutuo, in the interest of furthering the general understanding of the issues raised and facilitating a contribution from Parliamentarians.

Mutuo has not been paid to produce this Report; the cost of the inquiry transcripts and printing the Report is charged to the All Party Parliamentary Group.

Mutuo acts as administrative secretary to the Group, for which it is paid a fee of approximately £12,000 per annum.

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## **Contents**

|           |  |           |
|-----------|--|-----------|
| <b>1.</b> | <b>The All-Party Parliamentary Group for Mutuals Panel</b> | <b>4</b>  |
| <b>2.</b> | <b>Terms of Reference for the Hearing</b>                  | <b>4</b>  |
| <b>3.</b> | <b>Introduction - Jonathan Evans MP</b>                    | <b>5</b>  |
| <b>4.</b> | <b>Summary Findings and Recommendations</b>                | <b>6</b>  |
| <b>5.</b> | <b>Verbatim Transcript</b>                                 | <b>9</b>  |
| <b>6.</b> | <b>Names of witnesses examined</b>                         | <b>39</b> |

## **1. The All-Party Parliamentary Group for Mutuels Panel**

The All-Party Parliamentary Group for Mutuels has 158 Members from both Houses of Parliament.

The Purpose of the Group is to discuss and support mutuels.

Listed below are all the Members who participated in the Hearing.

|                           |                          |
|---------------------------|--------------------------|
| Jonathan Evans MP – Chair | Cardiff North            |
| Adrian Bailey MP          | West Bromwich West       |
| Steve Baker MP            | Wycombe                  |
| Stephen Doughty MP        | Cardiff South & Penarth  |
| Tom Greatrex MP           | Glasgow Rutherglen       |
| Sir Edward Leigh MP       | Gainsborough             |
| Paul Uppal MP             | Wolverhampton South West |
| Rt Hon Lord Naseby        |                          |

## **2. Terms of Reference**

The objective of this Hearing was to look at the current state of football supporters' trusts and what assistance they need to develop further.

The session gave Members of the Group, who have an active interest in football governance, the opportunity to hear from key figures from across football in order to learn more about the important role their work plays in the development of supporters' trusts.

Group Members were particularly interested in hearing about the crucial role that the Football Authorities have played in supporting the development of these organisations, and from Supporters Direct, whose job it is to advocate for supporter involvement.

### **3. Introduction**

The All-Party Group for Mutuals is a reconstituted All-Party Group that had its origins in the original All-Party Group for Building Societies and Financial Mutuals. It has been widened now to include all mutual interests.

One of the first subjects that we thought we ought to look at was the position following on from the investigation undertaken by the Select Committee on Culture, Media and Sport, under the chairmanship of John Whittingdale MP, in relation to football governance, specifically looking at the inter-relationship between football clubs and supporters' trusts. We are all aware that following that report the Government was looking to the football authorities for some action within a period of about 12 months.

Our Group wanted to examine what has happened since that Select Committee report, and reach some conclusions itself that could be shared that with colleagues who were members of that original inquiry.

There is also in Parliament an All-Party Group on Football under the chairmanship of Clive Betts MP. Again, we have discussed with them our Group's interest in undertaking this Special Hearing today and are keen that our report should add to the important work that the All Party Group for Football undertakes in Parliament.

Evidence was taken in select committee style in the Hearing. Invitations were extended to witnesses from the football authorities, and those with expertise in fan ownership. All oral evidence was recorded verbatim. A list of witnesses is recorded in this report. This report was produced solely in the interest of contributing positively to the debate.

I would like to thank all those organisations and individuals who gave evidence to our Hearing and to members of the Group. The Inquiry makes a number of recommendations and we will pursue these with the Government and the Football Authorities.

**Jonathan Evans MP, Chairman**

## 4. Summary Findings & Recommendations

### 4.1 The ownership of football clubs matters and mutual ownership stakes by football supporters are a positive feature

Professional football in the UK is among the most entertaining in the world. It is also, at the level of the Premier League, the most profitable example of the game anywhere.

Yet, there is great discrepancy between the wealth of the most successful clubs and of the majority of professional clubs in the lower leagues. At all levels, clubs are prone to sudden changes of fortune and financial crises, brought about not by their fortunes on the pitch, but by the capricious behaviour of many owners of clubs.

Too often, it falls to the long-suffering supporters to rescue a club from the brink of extinction, or at best, to re-build its relationship with the local community following the experience of poor ownership.

The Group notes that whilst sincerely wishing to see 'good ownership' of professional football clubs, the Football Authorities all state that they are 'ownership neutral.' We believe that this shows an absence of understanding of the causes of corporate crises in football clubs.

**Recommendation:** Football authorities should undertake a joint study of football club ownership in other countries, including for example the Bundesliga, in order to understand the effect that different ownership structures have on the corporate behaviour of football clubs.

### 4.2 Supporter ownership should be actively encouraged by the football authorities

The positive value of supporter engagement in the governance of football clubs is now well established, and the Group wants to see a system of ownership based on what people can put back into the game rather than on what a wealthy elite can take out of football.

The Group believes that we should encourage club ownership based on the long term sustainability central to mutualism, rather than the financial dependency of wealthy rentier owners.

We heard from each of the Football authorities that they accept the crucial role that football clubs play in lives of their communities. Yet, we see little understanding of the link between the community – i.e. fans and the governance and long term sustainability of clubs.

**Recommendation:** Football authorities should adopt a policy of promoting supporter involvement and ownership in football clubs as a strategy for building trust and confidence for the long term.

#### **4.3 Supporters Direct should have a stable and predictable funding from the proceeds of Football**

The DCMS Select Committee asked for the long-term funding of Supporters Direct to be finalised by March 2013. It was still outstanding at the date of our Hearing.

The Group is dismayed that this has not been actioned as requested by the Select Committee and was disappointed that the Premier League did not see itself as responsible for ensuring that this matter had been expedited.

In the short term, this must be resolved as soon as possible. For the longer term, a stable, predictable and reliable funding mechanism must be put in place.

**Recommendation:** Supporters Direct should immediately receive all monies owed. In the future, the Football industry should pay for the work of Supporters Direct on the basis of a fixed percentage levy on transfer fees. This could also cover other community activities and remove the self-interested discretion from the decision making processes. This grant could continue to be managed by the Football Foundation, but should not be subject to short term changes or unreasonable delay.

#### **4.4 Certain football community assets should be protected**

Certain aspects of a football club have immense significance and value to their supporters, such as club colours, club name, home ground ownership and the rights to securitise assets. There should be a system of binding protected rights for these.

Such a system would help to build supporter confidence in their clubs and would maintain the long term interests of the community in the clubs they support, rather than being trade-able assets for transient owners.

**Recommendation:** FA and League rules should be altered to protect these legacy assets of football clubs. If this does not happen, Government should consider amending the Localism Act to include such protections and to extend the right to bid for community assets to a right to buy for community groups.

#### **4.5 Parliamentarians must encourage the Government to take a stronger line with football authorities**

The Football Association has the opportunity to take the lead on improving the involvement of supporters in the running of clubs and the game in general. Yet, Supporter representation on the FA Council is woefully inadequate.

In addition, the FA has reported to the Group that it has no plans to revise its rules to allow clubs to establish as co-operatives, given that insolvency rules in relation to co-operatives are about to change

This is a further example of the widely held, complacent attitude to issues relating to supporter ownership from the Football Association, Premier League and Football League, which each insist on maintaining their 'neutrality' on issues of ownership, regardless of the evidence.

**Recommendation:** As it has already warned, the Government should consider legislating for the changes it wishes to see in the ownership and Governance of the Football industry. A draft Bill should be prepared urgently to take forward the measures promised by the DCMS in 2013. Each of the parties should also prepare detailed plans for their election manifestos, aimed at addressing the inherent weaknesses in this dysfunctional system once and for all.



## 5. Verbatim Transcript

**Special Hearing, 25 November 2013**

**15.30 – 17.30, Committee Room 20, House of Commons**

**MR SHAUN HARVEY**, Chief Executive, The Football League; **MR BILL BUSH**, Director of Policy, The Premier League; and **MR JAMES MacDOUGALL**, Senior Public Affairs Manager, The Football Association.

CHAIRMAN: Thank you very much indeed to our guests. If I may, I will begin with just a few preliminary words. I am Jonathan Evans and I am the Member of Parliament for Cardiff North, but in this context today I am Chairman of the All-Party Group for Mutuels. The All-Party Group for Mutuels is a reconstituted All-Party Group that had its origins in the original All-Party Group for Building Societies and Financial Mutuels. It has been widened now to include all mutual interests.

One of the first subjects that we thought we ought to look at was the position following on from the investigation undertaken by the Select Committee on Culture, Media and Sport, under the chairmanship of John Whittingdale. I thought it might be helpful just to give you a few preliminary remarks that set the context of this meeting alongside what so far has taken place.

An All-Party Parliamentary Group is not a formal body of Parliament. It is an All-Party Group that is constituted amongst parliamentarians who share a common interest, and in this context a common interest in the promotion of mutuality in its various forms. It is very important to distinguish that from a Select Committee, which is an official body of Parliament which has been created by the House, its membership voted on by the Members of the House of Commons itself.

Having said that, our starting point is, as I have just indicated, the Select Committee report that was done in relation to football governance, specifically looking at the inter-relationship that there was between football clubs and supporters' trusts and examining what has happened since that Select Committee report, and in this context perhaps reaching some conclusions ourselves on the basis of that information so that we are able to share that with colleagues who were members of that original inquiry. To that end, I have discussed what we are doing today with the Chairman of the Select Committee, John Whittingdale. He strongly supports the fact that this meeting is being held and he has asked for a full report. I think that it is known that back in February he attended a meeting of Supporters Direct in which he encouraged Supporters Direct members to keep up the pressure on the football authorities to put into place the recommendations that had been made by the Select Committee, and I think we are all aware of the fact that following that report the Government was looking to the football authorities for some action within a period of about 12 months or so

One final thing that I wanted say is there is as well in Parliament an All-Party Group on Football under the chairmanship of Clive Betts and, again, we are all entirely joined up here because I discussed in advance with Clive Betts the Mutuels APPG's interest in undertaking these sessions today and investigating what progress has been made in term of implementing the recommendations made by the Select

Committee and Clive Betts, also on behalf of his All-Party Group, is fully supportive of what we are doing. Although there are in a sense a number of irons in the fire here, they are all in one direction, they are all co-ordinated and the steps that we are taking today have the support of all of our parliamentary colleagues.

That being said, may I take the opportunity of welcoming the representatives of the football authorities who are present. Immediately to the left-hand side is Shaun Harvey, who represents the Football League. In the centre is Bill Bush, who I do know, who represents the Premier League and on the right-hand side is James MacDougall from the Football Association.

Perhaps I could ask something of all three of you first before my colleagues then take up some of the questions. When the Select Committee reported, I think it was very, very clear from that report that what Parliament was looking for was very, very much more of an inclusive position being adopted towards supporters of football clubs, not just in the lower leagues but across the piece in terms of all football within the United Kingdom. That was the recommendation. Perhaps I could begin by asking, how do our colleagues see that recommendation? Do they recognise the importance of supporters' trusts and supporter engagement? What would they say they have been doing over the course of the last year or so to address the issue that was raised by John Whittingdale's report about improving the situation over that which subsisted at the time that the Select Committee undertook its investigation? First of all perhaps Mr Harvey.

MR HARVEY: Thank you for giving us the opportunity to be here today. It is slightly ironic. I am exactly six weeks into my role, so whilst I have got some knowledge of the CMS football governance report, it was not whilst occupying my current position.

The Football League, as we know, is made up of 72 clubs of which four are supporter-owned. It has not come about purely as a result of the report but certainly our acknowledgement of the part that supporters do have to play in the actual ownership of some of our clubs. As an organisation, we are neutral in terms of ownership. What we seek are good owners. There is no discrimination as to from where those owners should originate. What we do do is encourage each of our member clubs to have a full and open dialogue with supporters' groups, whether they be from Supporters Direct, the Football Supporters' Federation or any of the other many groups that are fans that actually follow each of our football clubs.

We were waiting until the final governance report is issued and the DCMS letter is in its final form to be able to then go back to our clubs with a further set of recommendations.

MR BUSH: We fully support the spirit of the CMS report about the inclusion of supporters. We encourage best practice rather than instructing clubs what to do. One of the more significant changes in terms of communication between clubs and supporters was the introduction of supporter liaison officers, which was an idea proposed by UEFA. Most of our clubs seek to compete in Europe, and so the vast majority apply for an UEFA licence so this was something that was an effective thing to do. We then encouraged SLOs to encourage the clubs to establish forms of engagement with supporters, both as formal groups and, as Shaun indicated,

informal groups. At many, many clubs supporter groups will grow, merge, new ones appear, so we try and encourage our clubs to keep in touch with supporters in the widest range of manifestations of opinion and bearing in mind that sometimes there will be the occasional falling out and so trying to mandate who talks to whom from the centre not knowing exactly what is happening locally can sometimes be counter-productive. We are encouraging communication and encouraging inclusion and involvement wherever possible.

We have also tried to put our own arrangements with supporter groups on a more formal footing. We have always been open to meeting with supporter groups. If they request a meeting then we say yes in other words, but, by definition, that is slightly ad hoc. The supporter group has to have an issue where it wants the view or the involvement of the Premier League and come along and ask for a meeting. In the past we have met with Portsmouth fans, Blackburn Rovers, Manchester United, Newcastle United and others. We met with the Spirit of Shankly in Liverpool. However, that was very much because there was an issue that they wanted to talk about. Prompted by the Select Committee, we thought we would move to a more formal arrangement which would include asking groups whether there were issues they wanted to raise and creating formal opportunities at least once a season for them to meet. The first of those was in the closed season just gone where, for reasons which I am very happy to expound on, we decided to meet at Cardiff City.

CHAIRMAN: Do not play to the gallery with the Chairman!

MR BUSH: As you are determined for me not to tell you, I will tell you! The actual reason was Cardiff have done some really quite extraordinary work in trying to make the stadium more welcoming and we thought a theme across the two days would be to talk to both club staff across the Premier League but also supporter representatives about some of the work Cardiff was doing. That is why we chose Cardiff. Day one was meeting with club staff, SLOs and other staff who engage with supporters. Day two was meeting with representatives of the supporter groups. Obviously we put things on the agenda and we asked club staff to put things on the agenda, but left it open to the supporter groups to say what they wanted to talk about. We are moving towards a more formal engagement. With the funded groups, the ones that we fund directly like the Football Supporters' Federation, Supporters Direct, Level Playing Field and a couple of others, obviously it is a funding arrangement and so there is frequent communication with those.

I would say under the proposals for governance change at the FA, one of the proposals from the football side is that the Professional Game Board, which looks at professional game matters before they go on to the Play Board, should include an input from supporters. That is something that we recommended and we want to make progress with once the governance discussion moves on.

CHAIRMAN: Before we go to Mr MacDougall, I know that Tom Greatrex is going to come in with a series of questions in a minute, but I want to follow up on the point you have just mentioned. It is all well and good for the Premiership to be encouraging the clubs but Mail Online on 1 November said: "Newcastle supporters' group loses seat on fan forum at its very first meeting" because apparently Newcastle did not like something or other that was said in some minutes of the

meeting. You have just mentioned Cardiff. I will not go into all the issues about Cardiff, this is not a discussion about Cardiff, but just to set the context, Tim Bartley, who is here and is the Chairman of the Supporters Direct group in Cardiff, I had the pleasure of introducing him to the Chairman of Cardiff City, Vincent Tan, here in the House of Commons ten minutes after I had been introduced to him by Neil Kinnock, and that was the first occasion that the Chairman of the Supporters Trust had met the Chairman of the football club. That is against a background in which the Premier League is saying its member clubs are being encouraged to take these supporter groups seriously. So beyond encouraging, is there any other tool in your toolbox that can, when that is not really happening and there is not really any engagement, in a sense oblige people to do that, unless it is by some form of legislative action on our part?

MR BUSH: I think it is very hard to mandate who talks to whom. There will always be local relationships which need to be taken into account and sometimes people can fall out. I think we would be reluctant to say who absolutely should talk to whomsoever, for various reasons, of which the most obvious is if you mandate people to talk to each other they may get into a room and pass the time of day or not, but it is not a meeting of minds, it is not a meeting of enthusiasm, it becomes a rote, a box-ticking exercise whereas we would much rather have meaningful engagement where people feel there is something to be gained on both sides from a decent exchange. For the vast majority of clubs the vast majority of the time the exchange and involvement of fans in those kinds of discussions is more or less continuous. Of course, clubs want their fans to be on board for what they are doing and of course they want to talk to them. The fans are obviously the life blood of clubs. They generate the revenues which allow clubs to prosper and poor relationships are things that clubs would like to avoid if possible. To have supporter liaison officers is a requirement in the rule book. Clubs need to have SLOs and SLOs have to carry out their responsibilities reasonably.

Another element which is required is a complaints procedure, which means for any individual fan, different from an organisation, who has a complaint, it must be dealt with fairly and properly by the club in a reasonable timetable. If the club fails to do so, then that complaint can be taken to the independent Football Ombudsman, who can then call in both sides, talk to them, take evidence and reach a recommendation, which the clubs, by and large, take extremely seriously. So there are formal means of encouraging clubs, but, as I said, we feel that a heavy-handed "this is who you must talk to and these are the terms on which you must talk to them" is not conducive to establishing really close, effective relationships which are built up through mutual trust. Even the mutual trust built up through having arguments, if you like, you still build up trust with people that you argue with on certain issues, and most clubs, I feel, have good relations with most of their supporters and supporter groups most of the time.

Football being football and life being life, there will every now and then be disputes and arguments. Football without arguments would be not something that could be recognised in the last 150 years of football's history in England and Wales.

CHAIRMAN: We have made Mr MacDougall wait for a moment or so but perhaps he would now like to address this question of follow-up to the Select Committee and

what the FA has been doing.

MR MacDOUGALL: Thank you very much first of all for inviting me here today to address you. To start with I think it might be worth giving a little bit of context and background in terms of the three organisations that we have got in front of us just to explain what the Football Association does specifically. There are three key strands to what we do. Football for everyone or grass-roots football is our main business, if you like Shaun has already mentioned the 72 Football League clubs that are in the Football League. Of course, Bill has 20 Premier League clubs in the Premier League and there are about 30,000 grass-roots clubs around the country that come under our remit as well.

The other part of what we do are the England teams, for example, so we have 24 England teams, in actual fact, the men's teams, the women's teams, disability teams, youth teams, boys' and girls' teams as well, and they are all based at our Centre of Excellence at St George's Park. The third part is the rules and regulations as well, so, specifically, we will do some of the bits that it would perhaps be unwise for other areas to do, so, for example, the discipline of players is done by the FA rather than the Premier League, as is things like anti-doping. In terms of rules and regulations, owners regulations as well, there is a basic set of rules and regulations that are Football Association ones but in the main those are controlled by the football leagues; they are devolved responsibility to those organisations. There are various different regulations depending on the size of the club. As we have just mentioned, there are 30,000 of them.

Obviously they vary hugely in terms of what is there. First of all, it is important to say that the FA is neutral in terms of an ownership model, it does not prefer one over the other, but what all the football authorities try to do is make sure that we have suitable rules and regulations in place depending on the teams and their different divisions.

Bill might go into a little bit more detail in terms of the Premier League rules and regulations in terms of short-term cost control that they have brought in recently, or Shaun might go into more detail about salary cost protocols in Leagues One and Two and we will have more in the Conference and more in the Northern Premier. They are different sets of regulations depending on the club and that is obviously important because what we want to try and do is create that level playing field.

One of the things that is important for the FA in particular is those other grass-roots clubs that we have mentioned today, and that is relevant in terms of community ownership and it is relevant in terms of fan ownership in that area as well. Some of the things that are on the agenda at the moment which we are working with various organisations, with local authorities and with Supporters Direct on are things like community asset transfer, and things like the right to bid as well, which has been popular at both a professional level and the grass-roots level as well, and club ownership, too.

In terms of the parts that we are doing that have come out of the Select Committee report, they are structured into various different elements. We have already worked through a lot of the governance structures, for example, that were mentioned in the Select Committee report. The Board is now the main decision-making body of the

FA and the Board has been reduced in size with a National Game Board and a Professional Game Board rep as well. Those are some of the things that came out of the Select Committee. The Board is now a third independent, which fits in with Sport England's recommendations of 25 per cent and there is regular skills assessment as well. There have also been changes to how long people can sit on the Board. Most of the supporter elements that have happened as a result of the Select Committee you have already heard in terms of the Premier League and the Football League where they have been focused upon. Bill has talked about support to the liaison officers as well, which are now compulsory in the Premier League, and they also have an annual forum now.

We have also mentioned some of the funding that both the Premier League and the FA have committed to do with Supporters Direct, the Football Supporters' Federation, Level Playing Field, Kick it Out, and also the independent Football Ombudsman that is there as well. I am sure Bill might touch a little bit later as well in terms of what is being done for fans on away travel ticket prices and so on, because that is an area that came up as part of the report and some of the areas that have been addressed as well. That is a flavour of some of the things that we have done as a direct result of the Select Committee report and those are things we are still working on and we are still in constant discussion with DCMS in terms of moving that forward.

CHAIRMAN: Thank you very much indeed. Mr Greatrex?

MR GREATREX: Could I start by declaring my interest as a member of the Fulham Supporters' Trust since it began about ten or 11 years ago. Could I follow up quickly on one point that Bill Bush made to be clear about the supporter liaison officers. Did you say that they are a requirement of the UEFA licence?

MR BUSH: Yes, I think they are.

MR GREATREX: So it is something which has happened because of pressure or rules from UEFA rather than the Premier League taking the initiative?

MR BUSH: I hesitate to say pressure from UEFA. There is discussion about SLOs. I think it was something that various elements of the supporter movement were keen on. UEFA thought it was a good idea and we thought it was a good idea. Clearly, the Culture, Media and Sport Select Committee thought it was a good idea. Most of our clubs have someone designated already to do supporter liaison, so it seemed like a very straightforward thing to embrace. If we did not like it we would leave it as a condition of the UEFA licence rather than saying it is a matter for the League as a whole. We see it as a matter for the League as a whole because we see it as a sensible formalisation of something that was happening in, I would say, a significant majority of clubs. There was a minority of clubs that did not have such a creature but the majority did and it was a simple step to take.

MR GREATREX: Can I just ask, you said a couple of times about encouraging dialogue, obviously with the caveats around local relationships and everything else which you have to be aware and careful of, I am just thinking about what Shaun was saying about four of the 72 fan clubs in the Football League, and in the Premier

League there is Swansea, I suppose, with 20 per cent supporter ownership. There are others with different stages of relationship with trusts or other fan groups. What is it that the Premier League actually does to encourage the dialogue? When the relationships are not good, do you involve yourselves in any of that or is that when you say, "Hang on, we can't get involved in this so we should stand back from it"?

MR BUSH: There are some rows we stand away from because innocent bystanders can get hurt, but, generally speaking, we do not like it if there are breakdowns in communication, if fans feel not well served or clubs feel that they are under unreasonable pressure from particular groups, so we would encourage the healing of wounds rather than the opening of wounds. That said, it is frequently club business and often the direct dialogue that supporter groups want is with the club. However, what we try and do is say, "Whatever your relationship is with the club, provided you conduct your business in a reasonable manner, then our door is open." We are happy to talk to supporter groups about League matters. We cannot intervene on club matters but we can talk to supporter groups about League matters, and do. We do not necessarily advertise that these meetings take place and sometimes groups, if there is a row going on, do not want to advertise it either. Sometimes they do. Sometimes they tweet while the meeting is taking place, which is fine, but sometimes they might want to come for a quiet chat, run through the rules, run through past history, whatever it might be, and we do our best to accommodate them.

The key relationship is between the supporter groups and the club and so what we try and do is if it seems like there is an opportunity to persuade people to chat, we take that opportunity. We do not waste it because it is not ---

MR GREATREX: Just as an innocent bystander, you would not see your role as being an innocent bystander?

MR BUSH: No, the nature of the Premier League is we have 21 shareholders and 20 are the clubs at any one time in membership, so we are owned by the clubs, and the 21st shareholder of course is the FA which holds a special share. So, in effect, the Premier League rule book is the owners of the clubs and the clubs have agreed that this is the set of rules that they wish to be bound by and they sign an agreement to conduct their engagement with each and with us in the spirit of the rules rather than strictly the absolute letter of the rules only.

So in that environment, in which there is a lot of informal exchange and discussion before issues become formal, the idea is not to have formal rows, if we can possibly avoid it, but there is a lot of discussion and contact and conversations that take place. I was being facetious about the innocent bystander remark. The actual reality is if there is a locus for the League to get involved in any particular role, then of course we seek to use our good offices with both the clubs involved and the supporter groups involved to see if there is anything we can do, if only in terms of clarifying the situation, if not resolving it. Resolution belongs to the two parties.

MR BAKER: Steve Baker, MP for Wycombe. First of all, thank you very much indeed for coming. I am sorry I am going to have to run off shortly as any moment I will be running into my next meeting. I know how important Wycombe Wanderers is to a community like High Wycombe. Can I ask you to characterise how you see the

importance of those smaller clubs to those towns?

MR HARVEY: I will start. It is imperative. The football club in its community is arguably the single most discussed organisation. If that does not in its own right highlight how important they are. The Football League covers the length and breadth of the country and obviously into Wales as well. There are 72 clubs which bring tremendous benefit to the communities they serve. We as a Football League looking after our particular subset of clubs, a lot of which are at the smaller end of the professional game, by pure definition, we want to work with them to try and ensure that maximum benefit is derived for the people in the community that they serve.

MR BAKER: Marvellous. Would you want to add anything to that?

MR BUSH: Shaun is absolutely right and it would be wrong for the Premier League to claim responsibility in an area that is clearly the Football League's. However, although there can be tension in the relationship, in general, the Premier League takes its responsibilities seriously enough to have a solidarity agreement with the Football League to enable distribution of resources to go to the clubs because we understand the fairly obvious principle that all of football benefits from a healthy football pyramid. We make a significant contribution to youth development in the lower leagues and we make a significant contribution to community development in the lower leagues through not just cash but through best practice, training and development and so on.

MR BAKER: I am sorry to interrupt you but you have hit on the head the nail I particularly wanted to bring up, which is youth development and how it is tied to transfer fees and particular arrangements, because I understand that in Wanderers a particular player ended up transferred for a market price that was far in excess of what would have been paid under the arrangements for youth development. Could you just explain what is going on with those arrangements around youth development and talent scouting and how it affects the prices that are paid for players when they move?

MR BUSH: I hesitate to answer the last bit because football economics in the talent market is an interesting thing to behold and Shaun is more far more expert in me in explaining how it works. Youth development is undergoing a change. There is a general feeling expressed by many inside the game and observers of the game that coaching standards in English and Welsh football are not high enough and one reason for slipping behind world standards is that coaching standards are not good enough. The Premier League, in discussion with the Football League and with the FA, over the last few years has sought to achieve some changes and these changes are difficult. However, we felt that it was important to introduce a dynamic for change that was focused on quality. There is a straightforward tension. Most modern sports, certainly the Olympic movement and other sports would say to get the high standards you need the best talent being trained in the best facilities by the best coaches; "best for the best" is the general shorthand. Of course that bumps into a very venerable and honourable British football tradition that talented youngsters as they come through their school or whatever are spotted by their local club and they are training with their local club and it is only in the older age range that they move



into the transfer market.

The feeling was, in common with many other sports, you need to identify talent at a younger age and make sure that the best for the best philosophy is applied earlier. That can mean that youngsters at one club in the younger age range when still quite young are moving to other clubs and then compensation arrangements become appropriate and difficult and argued over, as you can imagine. I do not know the Wycombe case so it would be wrong for me even to begin to speculate about it, but it is an attempt to try and balance the honourable tradition which we want to see encouraged of local clubs encouraging local talent, identifying it and giving it age-appropriate coaching and competitive opportunities but feeding them in at a point at which they can properly benefit from the best for the best. Then there is the question of what is the best, how do you define it, how do you measure and all the rest of it, and those questions are also capable of being controversial.

MR BAKER: I suppose in a nutshell the problem is that some supporters' groups, where it is the supporters putting their own money into the clubs often, I would suggest, are going to feel shortchanged by the Premier League. What would you say to them if they are feeling shortchanged by the Premier League arrangements?

MR BUSH: It is fairly obvious - and this is not just an observation around British football, it is observable across football and in other sports - that however good you are at identifying talent at particular age bands with the younger age bands, there will be people who take off subsequently and people of whom there are high hopes at a young age who do not take off, and therefore there will be people who you will look back and think, "Blimey, we should have got three times as much for so-and-so", but there will be also be people who change hands for a relatively large amount of money who then disappear without trace. It is not a science. It is a science and an art. There is significantly more money going into youth development than hitherto so the internal rewards to coaches and others are getting better. Whether every single player at every single age range gets absolutely the right value put on them, in a very imprecise world, I think is unlikely. Whether the system can be made fair is different and it is a proper challenge as to whether the system is fair, and I think it is fair to say that is a dialogue which continues.

MR HARVEY: To add to that, youth development is better the more funding that comes in, by definition. Obviously, the point that you refer to specifically is compensation payments if a player leaves one club's particular scheme to go to another. It is fair to recognise that the players do not just go from a lower league club to a Premier League club. They do move inside Football League and they do also move inside the Premier League. The tension about players moving at a value (we will not worry whether it is an under-value or over-value) happens across the game. It does not just happen top-down or bottom-up, depending on which end of the telescope you are looking. I think the real importance is that clubs in the community, and I include all 72 in the Football League, the 20 Premier League clubs are as well, the 72 that we represent, there is nothing better than seeing the local lad coming through and playing for his first team. There is a fear that if players move more prevalently then that will not happen as much. Ultimately, the opportunities for a player coming through and making his professional debut at his local club are still far greater than making it away from his local club.

That is a key educational issue that needs to be put through all these different academies. In short, we now have a formulaic approach to the compensation fee rather than a good old traditional arm wrestle to get to the actual answer. Some players will go for more money than they represent value and some will be undervalued. The problem is for the 10/11/12/13 year olds of today, it is going to be a different three people sat in front of you to determine whether it was the right value or not.

MR UPPAL: I am just going to slightly change my question and I am not sure it is actually going to be a question. It starts with an observation and then I will probably lead on to something. I have a 16-year-old son who can actually play, believe it or not. He plays centre half and where I am going to go with this is specifically in terms of where that point is in terms of a local lad playing and then going down the academy route. His experience always was, he was fairly tall for his age, so being centre half, and as soon as he would have the ball the coach would invariably say get it up the pitch. He could take care of the ball, he could use both feet, he was quite pacey, but, invariably, it was lump it up the pitch, so he could play but he ended up in the centre half position to the point that he then put that on the back burner and became much more of an academic. He still plays but not really to the level he could have done. Lots of kids go through that sort of journey.

I am interested, and I appreciate it is just an observational thing, in that balance between the local lad done good and again going down the academy route. Obviously, we are doing a lot more of this stuff but that means catching the kids at a younger age almost so they take care of the ball, they caress it, they enjoy possession. For goodness sake, having followed England for 40 years of my life and seeing how we enjoyed possession of the ball in the back third of the field desperately trying to defend 1:0, we just seem to be at a turning point now. The last two friendlies put aside, just generally having that care of the ball. The opinion of all three of you generally on that?

MR HARVEY: I will go first to help Bill out. Having spent 20 years in football, I am probably slightly better placed. You are right, the issue of development schemes and the key to their success is how early you actually start with the player themselves. Players that are going to play in the 2022 World Cup are probably the young kids in our academies today and it is important that the ethos of how to play football is taught to them at a very early age so when they get to 16, in the particular example, there is an across-the-board view of how to play the game. When they become professionals they need to adapt how they play the game, ultimately to win, which unfortunately or fortunately is the driving influence. You have to have the core skills and the ability before you can actually make that choice otherwise you go down the route of only being able to do it one way, which unfortunately has been characterised over many, many years of get it from back to front as quickly as you can and we will see what we can do when we get into their area. That is why in the development schemes of all the clubs in this country there is a new ethos about playing football: the skills, the technical ability, the smaller sided game, smaller sided pitches. When I first started playing at school you had nine-year-old lads running round on a full-sized pitch. It does not actually lend itself to developing players. It certainly did not in my case. So I think we are starting at the right point now. The

problem is we are all going to have to be patient with this process to allow it to come to fruition.

CHAIRMAN: I am going to avoid, unless somebody is desperate to make a point, having three views about it because we have only got 15 minutes more and we have a lot more questions to ask.

MR MacDOUGALL: It is probably too late for someone who is playing at under-16 level because these changes have only just come in. The FA did complete its youth development review a couple of years ago and, as Shaun says, now you do not have young kids playing on a big pitch. I do not know if you saw some of the adverts that we did earlier in the year where we expanded a full-sized pitch and let adults play on it and you see how ridiculous it is having people who are too small for the pitch on it. Now that does not happen. It is graded football from a youth level. I went to a club on Friday that has 700 members in the community and it has one full-sized pitch and four or five smaller sided pitches around it and that is where the young people play now. That is not just the 92 clubs. That is across 33,000 clubs where the game has changed, where the idea is that you get more touches on the ball, it is a closer environment, you do not hoof the ball long, in fact you cannot hoof the ball long because the pitches are smaller, and that is the change in football. It is coming and, as Shaun says, it takes a while to go through it.

The other thing the FA is doing is working in schools at the moment. We have a programme we do with Tesco, the FA Skills Programme, which is for five to 11-year-olds in schools, so we are going in at an early age and teaching them those basic skills; how to touch the ball, control the ball and so on, so that the children have the ability to have spatial awareness and have footballing and sports skills that they can transfer to other areas. We have 160 full-time coaches who go around the country and provide sessions in schools. They are there for six weeks. They upskill the teachers while they are there as well, so there is a legacy from the programme they are doing to make sure those children at a very early age are getting the touches on the ball and getting the right skills so then when they progress through the elite systems that they have got those good basic groundings. We have changed it root and branch but it will take some time to get through.

LORD NASEBY: I would like to ask a couple of questions about structure. I chaired a mutual. I chaired the Tunbridge Wells Equitable Friendly Society. I also used to be the MP for Northampton. We have First Division cricket, Premier League rugby. The Cobblers are not quite there, in fact, they are bottom of the league at the moment, but, interestingly, though, I have noticed that the local authority has loaned money to Silverstone, which has just been repaid. The ground the Cobblers play on, which is now a shared ground, somebody else is borrowing it for a bit, belongs to the local authority. The local authority has done some sort of loan to the rugby team and we are negotiating from the cricket, since I am the President, for a little bit of help there as well.

That being the case, is there not a very strong case that, wherever the local authority is involved in providing pitches or grounds or whatever it might be, that there must be a condition that there is a proper supporters' group? Out of that arises the question of whether there should not actually be a formal structured relationship for all clubs

because we know there are owners that do not really want it, do we not? Finally, I would just add, I have started a Private Member's Bill in the Lords. It has had its first reading. I do not think it will get to be law in this particular session, but I expect it to get to become law in the following session, and the whole objective of the Bill is to allow mutuals to raise money because at the moment, basically, it is the profit that the mutual makes that gets reinvested to enable development. You cannot go to the market as a mutual. That seems to me to possibly be an opportunity for all sports, particularly your own sport, if that goes through, to be able to go into the market because we are then talking about real money and real investors but they are investors who have an interest as part of the membership of the relevant club. So my question is how far have we really gone? I do not actually see much mutuality on the ground in any of our sports clubs, not just football. I just do not see it. So is it the finance stopping it or is it something else?

MR BUSH: First of all, if local authorities get involved and do really invest and want to put conditions into the agreement to invest, that seems to be a perfectly reasonable thing for local authorities to sort out with the local club. I think there are state aid issues which certainly the larger clubs would have to look at fairly carefully. No-one wants to be at the wrong end of a state aid action if they can avoid it. The question of the absence of mutuality, as both my colleagues have said and the Premier League agrees, we are ownership neutral. If there is a well-run club that is owned by supporters and makes its way through the divisions and qualifies on sporting grounds to come into the Premier League, they would be welcomed with open arms. In our view, there are good owners and bad owners and the rule books, both our own and the FA's are about trying to incentivise good owners and disicentivise bad owners.

In a way, it would be ridiculous of me to opine about the absence of mutuality. Of itself, is it a good thing? Yes, obviously it can be. Can clubs be successful with that model? I think they can be. You are right that the difficulties over raising finance and the way in which they enter into the various markets they have to be involved in, can be a challenge and the Select Committee had a recommendation, which we fully endorse, which is to create an expert working group which is not a group of football experts; it is football experts meeting with the relevant government experts, particularly those with knowledge of company law and Treasury and HMRC backgrounds, to see whether there are financial obstacles (nothing to do with football rules and regulations) which, inadvertently, are obstacles to mutually owned clubs making progress.

I understand that the difficulty of mutually owned clubs making financial guarantees unless backed by the members is a significant problem because it does prevent them from taking on debt. Therefore, moves which enable them to compete on a more equal footing would seem to me to be a good idea. They are matters strictly for public policy and football to engage with the relevant public policy experts to see what football can do to effect the handshake to make sure that public policy change has a response from football. We would like the expert working group to get going but can understand why from a government point of view officials in the Treasury and HMRC may feel they have got other things on their plate at a difficult time, and BIS is the other department.

MR BAILEY: Adrian Bailey. I apologise for coming in late and I will also apologise for having to leave at 5 o'clock as well. I accept the point that has been made that it is very difficult to prescribe a particular model for a club but, equally, it should not be impossible to define a set of regulations that prevent, if you like, unworthy or unacceptable ownership of clubs. Could I just ask how you are looking at giving possible protected rights - colours, names, grounds, securitisation of assets - to the fans or in some way protecting them? I do not need to go through them but there are obvious examples where wealthy people would come in and try to obtain at least some of those I have listed to the detriment of the club and the fans locally. At least that would provide a certain sort of regulatory embedding in the local community in a way that we do not have at the moment.

MR BUSH: First of all, there are some protections there already. Both change of name and stadium move require FA approval. The famous case which everyone knows about is Wimbledon and their move to Milton Keynes, but that was an adjudication by an independent panel which was looking at the situation. I think there was an element of surprise in some quarters that the move was allowed, but it was not a failure of the football authorities involved because it was an independent panel that took the decision.

MR BAILEY: It does not give much confidence in the process.

MR BUSH: It is one example. I was thinking about where questions might come from and I was doing some research and I came across the example of a club where a wealthy owner wanted the stadium to be named after him and he wanted the shirt colours to be changed. The colours were changed from predominantly brown and pink to blue and the ground he insisted on being named was named Ninian Park. Obviously that was a long time ago but the point I am making is that these sorts of pressures have been around for a very long time. There are rules, particularly around stadium moves and around team names, that require sanction. Hull FC is an example at the moment where clearly the owner has said he wants to change the name but there is a rule that says for the football club to change its name (not the holding company) it requires FA sanction, which I think is a matter for the FA Council.

MR MacDOUGALL: I will have to check.

MR BUSH: So the FA Board and the FA Council and the FA shareholders, in this particular case it needs to be approved by the FA Council. So it can be done but getting the approval of the FA Council is a fairly stern test. It is a conservative body (small "c") in these matters. In other words, it is not for the Premier League and it is not for the club to decide; it is for the FA Council to decide.

MR GREATREX: The four clubs that Shaun referred to, and also if you think about Swansea when there was an element of supporter ownership, and some of the clubs which have been through supporter ownership and are no longer supporter-owned, I think I am right in saying that every single one of those clubs has been at a point of crisis when everyone else has walked away, with the exception of Wimbledon which was founded effectively by its fans. I cannot think of anywhere it has come about in any other circumstance. Do you therefore think it is something that is in the interests

of the clubs to have that sort of structured relationship with fans and supporters' groups to stop you getting into that situation where they only come in to rescue when everyone else has walked away? Bill, I was struck by the way you said you were a bystander but not really a bystander and your Premier League structure is that effectively it is the clubs plus the FA. Given that you are therefore acting in your clubs' interests, perhaps it would be better if some of these aspects of governance, including fan involvement in governance, for Premier League clubs should be handed over to the FA to lead on?

MR BUSH: The FA is one of our shareholders. The FA also sanctions our rule book and there is a constant exchange between the FA and the Premier League about what the rules should be. There is a general philosophy that you are going to get better rules and better observance of the rules if there is a governance of the willing, as it were, so having the clubs involved in what their governance is is important. It is not an absolute but it is an important element.

To go back to the principles of neutrality of ownership - and there are good owners and bad owners - I think so long as there is an environment in which dialogue between fans and clubs is encouraged, and in the vast majority of cases it does take place on a very good basis, if you were to take steps towards enshrining one ownership model as somehow being more virtuous or more effective or better in some way than others, you are moving away from sporting excellence being the test. We would never want to be in a position where a club is moving up through the divisions and is being denied opportunities because of ownership.

To use an analogy, obviously with stadium safety being hugely important in English football for all the obvious reasons, there are safety obligations as you go up through the pyramid and there are measures in place to try and assist clubs where if on playing on merit they qualify, they are not held back. That emphasises the way football operates: it is football excellence that gets you up and it is football incompetence that takes you down. Or not even incompetence, just being not as good as the other people that you are in a division with. It might not be incompetence. They might all be brilliant but just two or three or four will go down.

MR GREATREX: It is the incompetence of running clubs that has led to every single one of those clubs we have referred to getting into the crisis where the only people that have been left to step in is the fans, surely?

MR BUSH: Sure, I completely understand that at a moment of crisis the people most likely to step up and say, "This club will not die" are the fans. I think it is a very interesting statistic that, despite all the trials and tribulations of English and Welsh football, if you look at the league positions from the 1920s and 1930s, most clubs are roughly in the same sort of division that they were in back then. There is a lot of stability and that stability, I think, is part of the traditional strength that clubs have and their communities do literally support them.

MR GREATREX: Or because the fans do not let the clubs die when everyone else has walked away. That is what has happened with at least five clubs I can think of.

MR BUSH: I am saying that is the strength of English football that if there is a crisis -

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MR GREATREX: So therefore why not divest some opportunity to allow that relationship to be more structured so you prevent the chaos happening when people make a mess of it or walk away?

MR BUSH: Strong rule books are essential and also rule books that change with time and the pressures that come on clubs. Certainly looking from the outside at the Football League rule book that we operate, there have been substantial changes, often caused because of crises. It is very difficult to have a rule book which, as it were, anticipates every crisis that will take place in the next ten years. You try and predict what you can and have rules to deal with the predictable. Then when other things happen, you adjust your rule book to try and make sure that those excesses do not occur. Some of the crises that have led to clubs being in trouble have led to substantial changes in the rule book. As I say, there are good owners and bad owners, and what we have tried to do is make sure that, for example, the tests for directors are stronger than they were. The business plans which clubs need to offer on change of ownership, and indeed on a year-by-year basis, are now tougher than they were, so there are rules in our rule book which you could look at now and say that is a consequence of Portsmouth FC's troubles and the evidence that came from that about the need to strengthen the rules.

Rather than say a better relationship with supporters is the only or is the best means of dealing with it, we would say we are ownership neutral. We are in favour where it comes about and works with the club for supporters to be heavily involved in an ownership capacity, we are not against it, but it is more important to have rules that deal with crises rather than something which says this ownership model is better than that ownership model.

MR MacDOUGALL: It goes back to the previous question as well about opportunity. The opportunity is obviously there when a club is in crisis for the fans to step in. The last question we discussed was what is stopping fans stepping in when a club is not in crisis? That is when we talked about the expert working group as well and what can be done from the legal and political side to open it up and prevent the barriers that are there at the moment. Do you need to have look at the Financial Services and Markets Act and things like that and find out where those barriers are at a different point in the club's history? I am sure David in the second session will give you a lot more detail of the sort of things that need to be looked at.

CHAIRMAN: Although we have got to half past, this session is going to continue just while I ask three more questions. Number one is going straight to the FA. Are you happy with how supporters' interests are represented on the FA, one seat on the FA Council, no involvement at the Board level, is that adequate? Yes or no will do. No comment?

MR MacDOUGALL: No, there is a comment and I think where we are looking at the FA perspective as well is slightly different given the club that we look after are the England fans, if you like, as well, and we have quite a good relationship with those fans and that Club England aspect of it, which gives them a say in what we do.

In terms of our Board element, in actual fact you can say that question of whether a supporter representative should be on the Board, we are going to go down an awful lot of different representative groups here as well and say should somebody who is representing an anti-racism group be on the Board or somebody who is representing anti-homophobia? There are lots of interest groups with very, very relevant requirements and desires to be part of the Board.

CHAIRMAN: A supporter is a bit more generic, is it not, than any of those representatives?

MR MacDOUGALL: Whether it is generic or not or whether it is more important than either of those two, I would certainly argue with, but there are certainly different areas that could all be represented there.

CHAIRMAN: Okay, I have heard what you say. Next then to the Football League: insolvency rules in relation to industrial and provident societies are about to change so are you going to revise your rules to allow clubs to be set up as community mutuals?

MR HARVEY: The one thing we committed to when the new legislation is passed is to make sure we sit down and consider exactly how that can be implemented as it affects clubs in membership of our League. It is difficult to answer yes or no until all those facts have come out. Equally, we also need to make sure that all the component parts that go into the ownership of a football club are respected at the same time. To answer your question, as soon as legislation is in place, yes, we will consider how that sits inside our ownership strategy.

CHAIRMAN: Then long-term funding of Supporters Direct was recommended by the Select Committee to be sorted out by March 2013. What is the situation?

MR BUSH: The Premier League created a fund initially £800,000 a year, raised this year to £1.2 million to enable fans' groups, particularly Supporters Direct and the Football Supporters' Federation to apply. I can understand why Supporters Direct wants greater stability than that. I make two points. First of all, for regulatory reasons as much as anything else, the Premier League is on a three-year cycle. No element of the Premier League has much security beyond the three years of the cycle that we are in. What we are trying to do is within that to give a three-year stable planning horizon for each of the core groups that apply and some indication, subject to the rights deals and so on, for the following three years that there will be resources available. That is the first point.

The second point is for good governance reasons the money is not handled directly by the Premier League but we put it in the hands of the Football Foundation. They act not a charity in this; they act as an executive grant-processing body. They have expertise and we do not. We asked them to use their governance rules and their standards. You will understand in this environment it is one that is very familiar to grant-giving, for example through Lottery bodies like Sport England and UK Sport and so on, that with each grant goes an application process which includes terms and conditions, indications of business plans and then monitoring and evaluation, so the security we give is within the business plan that has been submitted and for



which a grant award has been given, there is M&E and subject to blah blah blah. We cannot give open-ended blank cheque promises but within the framework that we have, and certainly compared to the funding of supporter groups across Europe, we have the most stable and the most secure of any.

It does mean they have to put in an application. It does mean it is scrutinized, not so much by us as by Foundation staff, and there is monitoring and evaluation attached to it, but it is not widely onerous. It is handled properly at arm's length by the Foundation so that our self-interest is at arm's length.

CHAIRMAN: Do you think that satisfies what the Select Committee asked you to do?

MR BUSH: I think it is the best we can do within the constraints that we have.

CHAIRMAN: We will see whether they think that. Can I make one other statement. I have got to say, Bill, we are friends so I am about to say something to you now. Do not actually tell the history of Cardiff City to somebody who has been supporting the club for 50 years. Here in the House of Commons we have a plaque and the plaque is to Lord Ninian Crichton-Stuart, who was the Member of Parliament for Cardiff and occupied the role that I have. The plaque is inside the Chamber because he died in 1915 fighting in France. He was not the owner of Cardiff City. He was approached by a club called Riverside Athletic which played in brown and pink and they were applying to join the Football League but they needed to have a new stadium. The stadium was built on a rubbish tip and to acquire and build the stadium, it cost a lot of money, and they borrowed the money. He did not provide it but being the son of the Marquis of Bute he was the guarantor and they therefore decided to call the ground after him. I have to say that the analysis that you gave of a wealthy owner changing the colours and changing the name of the stadium was not altogether accurate. Okay?

MR BUSH: Chairman, first of all, if I could apologise if I was appearing to lecture you. All I did was look up to see colour changes and was surprised to see the Cardiff one come up. It just goes to show ---

CHAIRMAN: It is not an analogous situation.

MR BUSH: --- on-line searches cannot always be trusted.

CHAIRMAN: Absolutely. Speak to me in future. Thank you very much indeed to the three of you for attending. We will now move, if we may, to hearing from the supporter representatives.

**MR DAVID LAMPITT**, Chief Executive, Supporters Direct; **MR WILLIAM GAILLARD**, Director of Communications, UEFA; and **MR KEVIN JAQUISS**, Partner, DWF LLP.

CHAIRMAN: Thank you very much indeed for coming along. As you were present when I opened the session at half past three, you will know that we are particularly interested in looking at the recommendations that were made in terms of engagement for supporters' groups, Supporters Direct and so on, in the governance of football and also in their engagement with both the Football League and with the Premier League.

The first question that I was keen to ask of the representatives of those leagues and the FA is what progress has been made since the Select Committee's report. I will begin, if I may, by asking the same question of each of you, so David first of all.

MR LAMPITT: Thank you, Chairman. I think our position would be that that progress has been limited at best and pretty selective as well. You heard the representatives refer to a particular meeting with SLOs. In fact, that meeting was arranged to discuss away fan issues and the fan representatives who went to that meeting were selected by the SLOs themselves, by the clubs themselves, so there was nothing democratic and nothing structured about the way in which that process happened. I think it is very disappointing to hear that being relied upon as one of the things that the football authorities have done to fulfil those excellent recommendations from the Select Committee.

If you go to the very heart of what the Select Committee recommended, it was about the problem of vested interests in the structures of the FA and the need for reform in there and the need for a greater degree of independence. As you, I think, alluded to, there is little independence still in those structure. There is little room for supporter interests in those structures and to our mind there is still a great deal that needs to be done in order to fulfil the requirements and the recommendations of that Committee.

CHAIRMAN: Mr Gaillard, are you able to add anything in this area?

MR GAILLARD: I testified in front of the Select Committee. We have been funding Supporters Direct for almost a decade. Of course, I represent a European organisation so the situation is different in each country ---

CHAIRMAN: I will ask you later on, if I may, about what the structure is in other parts of Europe. I am thinking particularly in the context of your having participated as a witness in the Select Committee process, I am looking at what you know of what has taken place since. Is it adequate?

MR GAILLARD: Of course not. We think that the support should be steady and it should be foreseeable so that the supporters' groups can do their job and know what is coming year after year. That there should be scrutiny of what goes on, of course is normal, but I would imagine that in a particular situation three or four or five years ago we had a more stable relationship between supporters' groups and the league than we have today in some ways.

CHAIRMAN: Is there anything you would like to add, Mr Jaquiss?

MR JAQUISS: I would like to give a perspective as the person who was responsible (insofar as lawyers are responsible for anything) for the supporters' trust model when we first established it now many, many years ago. Against that background, to me it is a little frustrating to see a debate which is conducted almost entirely about supporter ownership and how supporter ownership compares to other kinds of ownership in football because that is to ignore what the supporters' trust movement started out as being about and what the model says the supporters' trust movement is about.

Firstly, it is about community benefit and recognising all those things about the importance of a football club in its community, which everybody does seem to agree on, and, secondly, using mutual concepts of democracy and engagement with people to create, if you like, a group which is a realistic proxy for the community which the club actually serves. There is an importance here to me in community engagement, supporter engagement which tends to get lost in all the buzz around supporter ownership and what forms of ownership are appropriate. I am very happy to talk about ownership, and there are lots of issues to discuss, but I think engagement is another important word which is not being heard very much.

CHAIRMAN: I think within the context of the Premier League we all accept that the likelihood of there being some mutual organisation that is going to take over the running of a Premier League team, unless that team has (like Swansea) developed as a mutual in the lower leagues and then come through, is non-existent. I think our questioning is all about and has always been about the extent to which both in the Football League and the Premier League there is real and meaningful engagement between the clubs and the supporter base, let's put it in that way, in whichever guise you put it, and that engagement is really taking place and what form can we propose structurally as a mechanism for ensuring that it takes place better than it has to date. I think that is really what the focus of our questions is and what we are all about here today.

I feel that is what the Select Committee in that part of their report which did deal with this (and it dealt with other things as well and we accept that) and the reason John Whittingdale is very encouraging, and I should say that to anybody who was not here earlier on, I have spoken to the Chairman of the Culture, Media and Sport Committee and he is very supportive of us asking these questions today in order to see whether anything meaningful has taken place since the report, bearing in mind that a period of a year was put in place for there to be significant progress. It seems to me from what you are saying that we are not really seeing too much in that area. Can I ask about, if we just for a moment challenge your concept about the ownership issue, ownership in the lower leagues, bearing in mind some of the financial pressures that there are in the clubs, ownership through the mutual model in the lower leagues has, I think, got some more life in it, is that so? Do you agree with that?

MR JAQUISS: Yes, and I suppose the example I would talk about would be FC United, where I have been involved and my firm has been involved in their fund-

raising exercise. Last week I actually authorised a transfer of £1.8 million from my firm's client account to FC United to enable them to begin their stadium project. I think that is a good example of a club which started out with a commitment to the kind of relationship with the community that we are all saying is the ideal, and it demonstrates that if you make that commitment real, it is possible, firstly, to make progress as a club, but, secondly, to use that as a means of raising funding. I think it is certainly true that there are examples in the lower leagues of there being more of a level playing field than there will be in the higher leagues.

I guess the comment I would want to make about all of that though is that all of this needs to be seen as a process. I do not think it is satisfactory, and I speak as one who has had lots of phone calls from people in taxis on the way to try and do some sort of deal to save their club, that we only talk about these issues at the point where it is total ownership or total dissolution of the club. I think there are very serious possibilities in the lower leagues for investment and funding and minority stakes that grow in the lower leagues as a mechanism towards ownership, and I think that is something that needs more exploration than it is getting at the moment.

CHAIRMAN: Can you tell us in this context then what is it that we as parliamentarians can contribute to the process? Mr Lampitt is going to have an event later on he might tell everybody about across the road, and no doubt half of the parliamentary forces will be turning up for their photograph to appear in the local paper. Other than being photographed alongside Mr Lampitt, which no doubt is a wonderful experience and is very, very good for one's re-election chances, what is it that we as serious parliamentarians will want to contribute to the legislative process? What is it that we need to put in place that helps the sort of approach that you are proposing for some of these lower league clubs where it becomes, in a sense, a more financially manageable situation?

The raising of capital has always been an issue, for instance, with the mutual movement and that it seems to me is a difficulty. Do you have any agenda items that you think we need to see some legislative change on that could help the development of a bit more mutual ownership down at the bottom end of the Football League?

MR JAQUISS: I should declare a backroom interest in the Mutuals' Redeemable Capital Bill, on which we are doing some work. I think if that becomes law, it will be extremely helpful, not just in this area but in other areas as well. I think the tidying up of mutuals legislation so that mutuals' structures are more up-to-date and more commercial. We have focused on the insolvency regime, there are other things there, so I think there is some work to be done and some tidying up to be done, but I am a bit of a purist about these things and the mutual structure is a different structure from the standard company limited by shares structure for a reason, and therefore mutuals will always raise capital in particular ways and the Bill is way of focusing that in a sensible context.

To me I think the really important thing that Parliament can do is maintain the pressure on the football authorities to actually progress the Select Committee recommendations. Ultimately, unless there is some form of licensing structure that requires clubs to do these things as a condition of continuing to play in the leagues

they play in, we are not going to make any progress. Therefore, I would be saying that following through on that is the biggest contribution that Parliament can make. I do not know whether David would agree.

MR LAMPITT: Yes, absolutely. I would take it from here and in order to promulgate the model, you need the right environment, you need opportunities and you need the means to do it. In terms of what parliamentarians can do in relation to the environment and the creation of opportunities, I think Kevin is right: it is about maintaining that pressure on the football authorities through the Minister and through the Government to make sure that they are not let off the hook with a set of actions in response to the clear recommendations of Select Committee that simply do not fulfil the outcomes.

A comprehensive licensing system is one of those things and we talked about the fact that a structured relationship should be part of that licensing system because leaving it to the whims of any particular owner who may or may not want to engage is simply not satisfactory. For the football authorities to recognise that the importance of community, and they do recognise the importance of community and they use the words that the supporters are the “life blood” of the sport, but then to say it is not important enough to make that binding in some way and therefore we will carry on leaving it to the lowest common denominator at any particular club is simply not good enough. The environment and opportunity is, I think, where parliamentarians can simply apply pressure.

When it comes to the means, there are more things that can be done through the legislative process. There are extensions of things like EIS relief to make the possibility of investing through a community shares bid more attractive. We have got members from the Portsmouth Trust here and they took over 50 per cent of the club but because they did not get to 90 per cent, they could not get the EIS relief, which would have been available in other circumstances. There are clear opportunities to make that process easier. You have given me the opportunity to wave my bit of paper and we are having a mini launch event after this. We have just produced some research looking at exactly this area of what can be done to make things easier and we advocate the creation of a Community Football Fund, which can be funded by a number of different organisations, whether that is people like big society capital with grant funding, but also I see an opportunity for the people who are sat at this table to provide some of the incredible wealth that comes into the top end of the English football pyramid and use that to the betterment and the good of that wider base of the football pyramid to make sure that is shared to support and save the clubs that are part of the life blood of this sport in this country.

LORD NASEBY: Could you explain, certainly to me and I imagine to one or two other people, what really is the difference between the supporters’ trusts and the Football Supporters’ Federation?

MR LAMPITT: I certainly can explain that. Supporters Direct is the umbrella organisation for the supporters’ trust movement, so we are, I guess, relevant for this Committee but we are founded on the basis of mutual values and promoting those mutual values in sport and in football in particular. Since our creation in 2000, we operate across 20+ European countries, including England, Wales and Scotland.

The FSF, whose Chairman is behind me (so I had better make sure I get it right!) is an organisation purely focused on English football so it is an English football organisation and it accommodates all fans as individual members. Our members are the trusts and we are set up as a members' organisation for those trusts and the people who want to support the mutual ideal and model in football in particular.

LORD NASEBY: That was pretty good actually. Thank you.

MR LAMPITT: Does that help?

LORD NASEBY: Has there really been any support from the rest of the mutuals sector in terms of either advice or finance to the football world?

MR LAMPITT: We receive some partnership funding from the Co-op Group, which in the current environment is something that we are not 100 per cent certain how it is going to pan out over the next year or so. We have got another year to that funding agreement but you will understand that I am slightly nervous about how concrete that is going to be going forward.

In terms of the wider financial mutuals sector, there is little support, certainly financial support, to what we do, and that is potentially something that we should explore more keenly.

LORD NASEBY: In a nutshell, would it be right to say you really would value if that funding could be made a great deal more secure than it appears to me to be at the moment?

MR LAMPITT: That is absolutely right. We are still in the process of trying to finalise our funding. Our funding year started in August this year and it still has not been done. We have not received any money as yet. So we certainly would want more certainty. That is one of the representations that we and the FSF made to the Select Committee that there should be a long-term solution and it should not be contingent every one, two or three-year cycle that we have to come back and be in that position. From my personal point of view, the trajectory that I would like Supporters Direct to go on is that it becomes more self-funding in fact and therefore more intellectually and financially independent from the organisations that you saw appear at the front, because I think that is the best long-term solution for us.

The rider I would give to that is that a lot of the groups that we help, and we spend a lot of time helping a number of groups and we have 180 member trusts and more coming all the time, but a number of those groups are volunteer fans and they simply do not have the means to provide us with the funding for the support that they need in order to help them save clubs. In the last 13 years we have saved over 50 clubs. To my mind there will always be an element of the work that we do that will, and quite properly should always be funded by some sort of grant support. It will not always be commercially supported, but I would like to see us gain more financial independence, for obvious reasons.

CHAIRMAN: How much have you had in the last 12 months from the Premier

League?

MR LAMPITT: In the last 12 months? We finished the last funding cycle in July so since July we have not received anything.

CHAIRMAN: Let's say in the last funding cycle.

MR LAMPITT: In the previous two-year cycle?

CHAIRMAN: On an annual basis. Give me an average figure of how much on an annual basis you would expect to get? Out of their £6 billion from Sky how much do you get?

MR LAMPITT: On an annual basis we have received roughly £400,000 for the last two years. Previously it was quite a bit higher.

CHAIRMAN: A week and a half's wages for a Manchester City player.

MR LAMPITT: Maybe three or four days. I am joking. The previous year it was a bit higher. It is on a downward trajectory.

LORD NASEBY: May I just say thank you to everybody. I have another meeting in the Lords at 5.00.

MR GREATREX: Following on from that, Bill Bush referred to the expert working group, which is one of the recommendations from the Select Committee. Has that started? Is that process underway?

MR LAMPITT: No, in a word. To be fair to the football authorities, it has not been for a lack of willingness on their part. You have heard them say they are willing contributors to that group, as are we. I think the issue has more been about the co-ordination in Whitehall and within government departments.

MR GREATREX: So it is a DCMS issue that has not happened?

MR LAMPITT: To make that happen, exactly, so we continue to apply pressure and express our more than willingness to get on with it, because the very purpose of that group is to explore whether there are things within the legislative set-up that are creating barriers to making co-operative ownership easier within football. As I say, if you are sticking around for a drink, grab the guys from Portsmouth to hear some of the flaming hoops they had to jump through in order to get to the position they got to, which were significant obstacles, shall we say.

MR GREATREX: The question I put to Bill Bush about the Premier League, which would seem to me to be very powerful in all this, not just in terms of Supporters Direct funding but more widely, if his reticence is partly to do with the fact that his organisation is the sum of its parts ie the clubs, does it not make sense and should it not be the FA that then takes the role in terms of football governance and the structural relationship with supporters' groups as part of that governance rather than the group of clubs?

MR LAMPITT: Absolutely, and this comes back to the point about environment and the recommendations of the Select Committee which were exactly that, about creating a greater degree of independence and a lesser degree of vested interest making those game-wide decisions about the direction of football in this country. Absolutely that level of regulatory change is something that we would support. I would have loved for one of you to asked them a question about German football, particularly when you see the regulatory environment and the ownership structures in place where co-operative ownership can work, and you only need to ask all of these three gentlemen, whom I suspect were at the Champions League Final in May, as to whether or not that delivered success in a sporting environment, in a football environment, and they would begrudgingly have had to admit the answer.

MR DOUGHTY: Before we even get to questions of the regulatory environment and alternative ownership models and everything else, in terms of the previous panelists and in terms of what the two leagues and the FA are doing, do you think they are doing enough in terms of their good offices to encourage the changes in the engagement with supporters and supporter organisations, just the basics in terms of expectations of best practice, of good works. Are they doing enough? Is it even being raised with all the clubs, for example? Is Richard Scudamore chatting with the owners of the clubs and saying, "Come on, guys, you could be doing a bit better on this. This is good practice. This is good form". Do you think they are doing that?

MR LAMPITT: I have got no idea whether Richard is doing that on a personal level, but I would only reiterate what I said earlier, which is leaving it to this informal process of colloquial dialogue between individuals is absolutely not enough and it is never going to be enough because then you are always at the whim of owners or senior executives, directors, whoever, some of whom may not want to engage.

MR DOUGHTY: Sure.

MR LAMPITT: And so in that context that is why, as I said earlier, the only real solution and the only real way that there is going to be proper recognition of the voice of supporters in that process is for it to be binding through the licensing system and through the regulatory infrastructure.

MR DOUGHTY: Personally I find some of those arguments very convincing, but given that is not going to happen overnight, what could they be doing this week or next week? Is it your experience that they are doing enough or not?

MR LAMPITT: No, my experience, absolutely, is that they are not doing enough. As I said, I cannot remember if you were in the room when I said at the start, Bill referred to this meeting of the SLOs that happened over the summer, but actually that was a meeting on the particular issue of away fans, and the representatives from clubs who attended that meeting were selected by the clubs and by the SLOs, so there was no democracy in that process. There was no "we are going to engage with properly elected members of those fan organisations". I would not go so far as to call it a self-serving exercise, but it was an exercise that fitted a particular desire on their part.



Again, from our side the language and the terminology is important and engagement in the eyes of a number of people who not only sit here but their member clubs is often about keeping supporters happy and making sure that they can therefore be commercially benefited from, shall we say. I am trying to put it in nice words for you! Commercially benefited from as supporters rather than actually properly engaging with them as people who have the long-term interests of that club at heart. These are people who have supported that club for generations and they absolutely should have a say in key issues around what goes on at that club, whether it is about the securitisation of their assets, whether it is about team colours or badges or whether indeed it is about location.

Bill very carefully alluded to the Wimbledon example and obviously did not allude to the Coventry example because Shaun was sitting next to him and I suspect he did not want Shaun to have to answer a difficult question about how Coventry got moved 38 miles down the road when the supporters absolutely would not have countenanced it. It happened ten years after Wimbledon and the same mistakes are still being made.

CHAIRMAN: Is there a mechanism whereby whatever you call it, protected rights as I have heard others talk about this, where you can get your location, the colours you play in, even I think in the case of Hull what they are called, protected at least for the fans, even if we do not get into the issue of the ownership of the club?

MR DOUGHTY: Almost like listed building status?

MR LAMPITT: Absolutely, yes, it is. To me I find it slightly ridiculous that buildings in our communities are given greater protection than the football clubs which, as the gentleman who preceded us said, are the absolute heartbeat of those communities. It is what most people speak about. It is such an important factor in the life of our country and in the life of those communities and yet we afford greater protection, as you say, to a nice bit of architecture than we do to these fundamentally important community assets.

CHAIRMAN: Mr Gaillard has been waiting patiently and we are all very, very keen to have some of the perspective that there is from the Continent. He is a man from a UEFA background and I think it would be helpful if he were to share with us the structure of football clubs in this country compared to the structures in other parts of Europe.

MR GAILLARD: The origins of football are very different from one country to another and therefore the type of ownership that you get in different European countries, even if we are just talking about Western Europe, are also extremely different.

You mentioned the German example. That is probably the most structured and the most elaborate institutional set-up that we have in Europe. In Germany there is this 50+1 rule which means that local ownership is preserved. A number of large clubs are fully owned by supporters. It is a minority but still a substantial number. The consequences are not only the issue of sporting success, because I remember talking to people in the Premier League seven or eight years ago and they would point out how much more successful the Premier League was sportingly than the

German league. That cannot be said today and not only because of the last final of the Champions League but the German League today is a very healthy sporting organisation with outstanding results. And not only at the top; in terms of the financial stability of the clubs, it is also an example. Its licensing system has been very strict, its infrastructure is second to none, so from all points of view, that is a great example of at least a mixed ownership between private money and mutual funds.

Of course, the historical example of supporter ownership is Spain, but there was a law passed in the early 1980s which actually reversed that tendency. At that time, the Spanish Parliament thought that the supporter ownership model was actually a threat to the financial stability of Spanish clubs and that there would be more opportunities if clubs were transformed into what they called limited sports companies. Four clubs were kept in supporters' hands for historical reasons and because there was an uproar about the idea of creating those limited companies, and those four clubs were Atletico Bilbao, Osasuna in Pamplona, FC Barcelona and Real Madrid. Those four clubs are still in the first division. Many clubs that were transformed into limited sports companies either went bankrupt or went down to the second or third divisions.

Today, there are many voices, including the Spanish Parliament, that think that it was a real mistake to change the status of clubs, and there is a move, both among football fans and among Spanish politicians, to try to begin to reverse the process because it is obvious that the limited sports companies had much worse financial results than the supporter-owned clubs.

There are other countries that have a system similar to Germany. Sweden has a 50+1 rule for example. You have countries like Italy or France where supporters' trusts are in their infancy but a lot of supporters' groups are looking into them because of the inherent financial instability of the clubs in those countries. You have a lot of clubs that have been relegated because of bankruptcy and you have a lot of clubs that are on the verge of having extremely serious problems.

I must say in Europe there is a state of flux between private ownership, limited companies and supporter ownership. It is a very mixed picture and we cannot draw any conclusions from the diversity of the solutions. What we can say is that professional football is in financial trouble all over the Continent, with better situations like Germany and very bad ones like, for example, Spain but also Greece, the Balkans and Eastern Europe.

CHAIRMAN: In the context of the ownership model that we have within the Premiership, it has been said, in fact it is increasingly being said that the pool of English qualifying players who are playing within the Premiership is now probably at an all time low and that in its way has an impact upon international performance. Is there some comparison that you can allude to on what the situation may be elsewhere in Europe in that regard?

MR GAILLARD: It is a complicated issue because we have European legislation in place. We have treaties.

CHAIRMAN: I am not at this stage proposing a solution. I am trying to identify the problem. Many people talk about there being a significant reduction in the number of English qualifying players now who are playing in the Premier League. What is the situation elsewhere?

MR GAILLARD: The statistics show that the Premier League has the lowest number of national players playing in its clubs compared to the French, Germans, Italians and Spaniards, to compare leagues basically of more or less the same size.

The reasons are probably linked to the fact it was the first league to open up to foreign owners. It was the first league that saw a big influx of capital out of Russia or the Middle East and obviously these foreign owners were very impatient in terms of being successful and they started buying players wherever they thought they could get the best deal in the shortest amount of time.

UEFA introduced in 2004 a rule called “locally trained players”, which forces clubs that compete in the European club competitions to have at least eight locally trained players, two groups of four under different rules, out of the 25 that they submit at the beginning of the year.

I must say that the Premier League, when we presented that rule to the Committee of the European Parliament, was fiercely against it. They argued that this would actually dry up the influx of money into the leagues which applied that rule. This rule was accepted by the European Commission, with the opposition of the English Premier League, which later reversed that position and itself introduced some kind of locally trained player rule, showing that they did not consider it a threat to their success any more.

I believe that today our rule is probably too bland, too weak. We may want to strengthen it and maybe push it in the future, although that is still very much an hypothesis, maybe from eight to ten, but still this would not guarantee that these players would actually be English players because we cannot discriminate on the basis of nationality.

CHAIRMAN: Can you clarify one other matter? Sir Edward Leigh, who has now joined us, who is the Member of Parliament for Gainsborough, he and I both sit on the Council of Europe and we take a very strong interest in everything proposed at the European level. We do not necessarily always share a view about these proposals but we both have this interest. Is there any proposal of which you are aware at the European level for addressing issues of ownership of football clubs, either in legislation or in regulations, anything being proposed either legislatively or even with UEFA at the moment?

MR GAILLARD: No, not about ownership. There is a proposal that we have made, and we have discussed it with the Commission and discussed it with number of MEPs, and it is the issue of third party ownership of players, which in this country is not a lot and it is not a lot in France either, but in many countries it is tacitly ---

CHAIRMAN: Is it like the Tevez situation, for instance?

MR GAILLARD: Yes, it is like the Tevez situation and in countries like Portugal and Spain it represents a substantial number of players who basically do not own their own contracts. We want to have it banned both within football and through legislation at the European level. I must say that the present European Commissioner Mr Barroso has been very encouraging (although he is Portuguese). He believes that it is wrong to have this kind of situation in the 21st Century.

SIR EDWARD LEIGH: I am a bit dubious about people who argue that structures can change success. We are told that in Germany mutual ownership structures have created the most successful league, but it could be that Germany has the most successful league because it is a very talented nation and a very rich nation and a very well-organised nation and, whichever structure it had, it could be equally successful. France and Italy, as you said, which have different structures, have also been at times equally successful. You quoted the example of Spain where perhaps a move to company ownership has not been so successful. The point of my question is, is it not rather dangerous in this very complex field for government to wade in and dictate structures because these things have to evolve naturally? I am neither in favour of mutual ownership nor against it. I just want to have a successful Premier League. I wonder whether we have the confidence in government to actually dictate what should happen, especially given the complexity of the issues and the very different structures that you have talked about across Europe.

MR LAMPITT: Can I come in on that? I guess from a personal point of view I just do not want to see a successful Premier League; I want to see a successful footballing pyramid and a successful footballing infrastructure. I think the measure of success is quite an important factor in that. Do we measure success as having the highest commercial broadcast income or do we measure success as having the deepest pyramid and the most sustainable clubs within that pyramid and it being the best governed sport in the world? To my mind the second bit is far more important than the first bit.

The reality is I do not think we would mandate that everyone has to follow a particular structure. I think we point to Germany or indeed we point to the example of the Green Bay Packers in US sport in the NFL as examples of where mutualism can be incredibly successful. From a personal point of view I would say, given the nature of football and given the nature of what football clubs are about, they are not just normal enterprises and therefore they are particularly well-suited to this as a model of ownership. That is to my mind why that should be encouraged. The Government has recognised that through the Localism Act and has for the first time recognised that football club assets in their stadia should be recognised as assets of community value. They are already seen within the legislative framework as something that is slightly different from normal business. I think it is quite right that that should be the case. I also think more should be done in order to encourage it. I look at the last 20 years of football governance in this country and the litany of boom and bust and 90+ clubs going into insolvency and clubs on the brink of oblivion which are becoming disconnected from their fans and I definitely think it can be done better.

SIR EDWARD LEIGH: Do you trust us in Government and in Parliament with our inadequate record of success in many areas where we have tried to intervene (for

the best of motives) to change things, for better or for worse we have one of the most successful Premier Leagues in the world which, as we have heard and as we know has attracted enormous amounts of inward investment into this country and the best players in the world into this country. Of course, I am aware of all the arguments about ensuring that local people are brought up and that we have better English players and all the rest of it, but I just wonder whether you can trust government to actually improve things given the way that we have cocked everything else up?

MR LAMPITT: I am not sure whether my personal trust of government is the issue. I think the issue is that, notwithstanding that financial success, things could be done differently and things could be done better. The success of the Premier League is built upon the fact that over 93 per cent of the income that comes into English football now goes to the top 20 clubs. If you go back to the early 1980s that distribution was spread much more evenly. What has happened is that the wealth that the game has created has gone into creating some extremely wealthy players and some extremely wealthy agents and, potentially, some extremely wealthy club owners, who are looking at what they can take out of the game rather than a mutual and co-operative approach which is actually based on what people can put back into the game. For me it is a completely different way of seeing things and if I did not think that was absolutely worth fighting for, I would not have been doing the job that I have been doing.

CHAIRMAN: We seem to be in a little bit of a Pyrrhic debate here.

MR LAMPITT: We have gone philosophical.

CHAIRMAN: Nobody is anticipating that 20 clubs in the Premier League are likely to become mutuals any time soon unless, like Swansea, they were mutuals and come up into the Premier League. I will close the questioning with this, unless my colleagues have any other point that they desperately want to raise, the two aspects that have come to the fore here are these. Number one: the Coalition programme for government says we will “encourage the reform of football governance rules to support the co-operative ownership of football clubs by supporters”. That is a clear Coalition commitment in the Coalition agreement. We would all accept in practical terms it is likely to only operate in the lower leagues rather than the higher leagues in the short term, so my question is what steps would you like to see taken to deliver on that pledge? The second and final question is the one we have asked our speakers earlier on: what can we do to see better engagement between supporters’ groups and the clubs themselves? Final two questions. Shall we start with you, David?

MR LAMPITT: In terms of the changes to deliver on that pledge, I do not wish to repeat the things I have said earlier but, as I say, I think there are three levels to that. The environment and the opportunity come back to applying pressure on the football authorities because they are the people who have the most control over that process, and they should absolutely not be let off the hook in terms of delivering against the recommendations from the Select Committee, many of which go exactly to the points of the Coalition pledge in delivering on that pledge, which to my mind to date has not been delivered upon.

The third bit is about creating the means, and I think there parliamentarians have a wider ambit in order to make some of the changes that we have talked about, whether that is inculcating certain tax reliefs, whether it is supporting the idea of Community Football Fund, whether it is making the process of mutual ownership easier by raising the limitation on the amount that can be invested in a community benefit society by individual shareholders. There are a number of those very specific things that can and should be acted upon with the support of parliamentarians to make that process easier.

CHAIRMAN: Thank you very much indeed. Do colleagues want to add anything to that?

MR JAQUISS: I will add something on the other end of it, if you like, because we have talked a lot about the top-down and what can be done from the top to encourage these things to happen. I think the question of funding for Supporters Direct that we talked about earlier is quite significant in the context of something that needs to be bottom-up if it is actually going to lead anywhere.

It was a key part of the proposal around licensing that clubs should be required to engage with trusts that were viable, active, genuinely representative of a community and could show that they were active within the community and represented that community's interests in the football club. It does seem to me that there is a need to invest in that part of the structure as well as in the top because if we only throw money at the top and only impose obligations on the FA, either moral or statutory obligations, and there is in fact no supporters' movement enabled to grow to respond, then we will not make much progress. I think that is the significance of funding Supporters Direct, which may only be one mechanism for that. I do not think we should lose sight of the bottom-up part of this whilst thinking, as we have been, about the top-down bit of it.

CHAIRMAN: Can I take the opportunity of thanking you very much indeed. As I said at the beginning, what we have been endeavouring to do for the last two hours is to examine the extent to which the recommendations put forward by the Culture, Media and Sport Committee have been implemented, and I think that we have found what we have heard very interesting and we will be producing a report on it for the Committee and also for the All-Party Group on Football as well.

Thank you very much indeed for your attendance and thank you everybody at the back for your patience. Thank you very much.

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## **6. Names of Witnesses Examined**

### **Football Authorities:**

Shaun Harvey – Chief Executive, The Football League

Bill Bush – Director of Policy, The Premier League

James MacDougall – Senior Public Affairs Manager, The Football Association

### **Supporter Involvement:**

David Lampitt – Chief Executive, Supporters Direct

William Gaillard – Director of Communications, UEFA

Kevin Jaquiss - Partner, DWF LLP