



HOUSE OF COMMONS
LONDON SW1A 0AA

Our Ref: JP/ZA2851

3 January 2018

Dear

Re: FA Reform

I enclose a letter dated 26th November 2017 from Tracey Crouch MP, Minister for Sport and Civil Society, regarding governance of the Football Association (FA).

The Minister states that the FA has agreed to move towards a smaller, more streamlined board and that the financial state of clubs in this country is better than at any time over the last twenty years. She praises the football authorities' ownership and financial rules which she believes has resulted in more responsible spending by clubs.

Given the numerous high-profile cases of clubs in difficulties which we have seen in recent years I am astonished by the complacency of this response. I am also concerned that the Government appears to have watered down the tough approach that it appeared to be adopting towards FA twelve months ago. I would be happy to make any further representations on this subject which you feel would be helpful.

If you feel I can be of any further assistance on this or any other matter please do not hesitate to get in touch.

Yours sincerely,

Cat Smith
Member of Parliament
Lancaster and Fleetwood

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Our Ref: MC2017/07509/pd
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Cat Smith MP
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26 November 2017

Dear Cat

Thank you for your correspondence of 14 November on behalf of a number of your constituents regarding governance of the Football Association (FA).

I can assure your constituents that I have regular meetings with Supporters Direct, and I am aware of the SKINS campaign.

You may be aware that the Digital, Culture, Media and Sport Select Committee have explored in detail the call for greater, more independent regulation of professional football, underpinned by a licensing system, in their governance inquiries of 2011 and 2013. The Committee concluded on both occasions that the FA's ability to regulate the professional game was in many ways made more difficult as a consequence of the delegation of too much responsibility to the leagues. The FA's Board and Council were deemed unrepresentative and incapable of taking necessary decisions in the best interests of the game at all levels.

Since those inquiries, we are pleased to report there have been significant changes to put football on a stronger foothold, and through the Government prompting for stronger governance of all national governing bodies of sport, the FA is among those that have sought to reform, with greater independence introduced to its board. Furthermore, in line with the UK Sports Governance Code requirements, the FA has agreed to move towards a smaller, more streamlined board that has better gender representation, with reduced term limits for both board and council members.

Equally, we are pleased that the financial state of clubs in this country is better now than at any time over the last twenty years. The majority of clubs are also well-owned, with those in charge of clubs carrying out their custodial duties properly. It is also important to note that owners inject much of their own money into clubs, especially lower down the leagues, and without this many clubs would struggle to remain competitive, or worst still survive altogether.

A lot of the credit for the improved financial regulation over recent years is down to the football authorities introducing new ownership and financial rules, which include: a means and abilities test that requires proof of funds from prospective new owners; transfer embargoes that help curb club spending; and adoption of the Financial Fair Play principles across the 92 professional clubs, which has led to more responsible spending by clubs and, as a result, fewer incidents of club insolvencies.



The level of regulation is not the same in the non-league, and so I am pleased that the FA has taken steps to introduce a new licensing regime for clubs in the National League. Clubs in the high end of the non-league pyramid are now only allowed to compete if they meet a set of legal, ownership, integrity, stadia, insolvency and sustainability criteria.

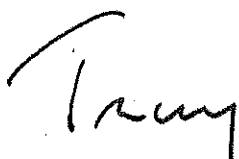
Ensuring the long-term financial sustainability of clubs must be the primary responsibility of the football authorities and of all owners, and while I have indicated good progress, we must never be complacent. We will continue to work with the football authorities to ensure we see fewer incidents of clubs suffering through poor ownership and financial struggles.

The Government also believes improving supporter engagement with club owners beyond the customer relationship, into recognising them as an integral part of the clubs' success, is key to improved regulation. Structured dialogue was a key recommendation in the report of the Government's Expert Working Group on football supporter ownership and engagement, which reported last year. The report was the culmination of the Government's partnership with the football authorities and supporter representative groups, including Supporters Direct, over a number of years, to find ways to help ensure fans are better informed and consulted on club activities, including its financial standing, the identity of its owners; and other matters of real importance.

Overall, governance and the integrity of sport is absolutely paramount, and as set out in the Government's sports strategy, we expect the highest standards of governance, independence and transparency from all our sports governing bodies. We have been clear that as the national governing body of the sport, the FA must have strong leadership in place, with the right checks and balances to minimise the likelihood of integrity issues arising. Should the FA fail to deliver this, then the Government has been clear that it will not hesitate to take action around its funding decisions.

I hope that this is of use, and if I can be of any further assistance please do not hesitate to contact me.

With best wishes,



Tracey Crouch MP
Minister for Sport and Civil Society