

**To: Rt. Hon Jeremy Hunt MP, Secretary of State for Culture, Olympics, Media and Sport
Hugh Robertson MP, Minister for Sport and the Olympics**

**From: David Bernstein, FA Chairman
Roger Burden, FA National Game Board Chairman and FA Board member
Richard Scudamore, PL Chief Executive
Greg Clarke, FL Chairman**

29 February 2012

Introduction

In your Department's formal response to the Culture Media and Sport Select Committee Football Governance Inquiry, you urged the football authorities to work together to agree a way forward to address structures, governance arrangements and relationships in the interests of the long-term health of the game at all levels.

As you have highlighted on many occasions, English football in 2012 is in many ways a vibrant, successful, diverse and economically important part of our national way of life.

The Premier League and The Football League are responsible for Britain's "greatest sporting export" and the most followed and largest professional game in the world. At the grass roots a great number of people work tirelessly, and in the main voluntarily, to ensure the safe, fun and inclusive participation of millions of men, women and children in the game.

The FA, the National Game, and the Premier League and Football League, understand the responsibilities we share to grow and protect our sport. We also know that we will do so by making the right decisions for the future of the game. We were appointed by those we represent to recommend reforms to address long-standing issues, including those you have highlighted.

This paper sets out proposals for a new governance framework through which we believe better decision making will be achieved. The package is the result of extensive dialogue in a positive spirit and represents a balance of significant reform and practical evolutionary change.

This positive dialogue will continue. As you will know, there is work still to be done, and the proposals are subject to the approval of our collective and individual shareholders, but each of us is committed to working hard to ensure that can be achieved.

Starting Principles

In carrying out this complex process, we saw the following principles as paramount:

- **Working together to provide a collective response** – as we state above, we have taken as our starting point that only a collective approach amongst the authorities will be able to assess and deliver appropriate change.
- **Focusing on structure and process** – the matters covered by the Select Committee report, and therefore your response, are a mixture of the general and structural, and the very specific. We quickly determined, as your response highlighted as a recommended approach, that the focus of our work in the time available needed to be on structural issues. Our work has therefore focussed on agreeing who does what and how in the running of the game, to enable effective and speedy decision making, with real accountability.
- **Understanding the need for clarity** - one of the key themes of the Inquiry and your response was the need for all authorities to take time to explain how decisions are made, and why. Clear and visible consultation and communication to the game we serve, and wider audiences, is an important element of the new system.

The Role of The Football Association (The FA), County FAs and the Leagues

Both the Select Committee and the Government have focused on what has been described as the 'role of The FA'.

Like many long-established bodies (The FA celebrates its 150th anniversary in 2013) The FA's role and responsibilities have evolved over time. The same also applies to how Clubs in the professional game have organised their affairs, initially in the formation of The Football League in 1888, and to every organisation across the whole game.

However, the fundamental constitutional principles and responsibilities remain the same.

The FA is a member association of Clubs and County FAs (themselves made up of Clubs,) who comprise its shareholders. The game is organised as a professional game (the leading 92 clubs in what is now the Premier League and Football League) and the national game (the semi-professional game otherwise known as the "Alliance", and 30,000 grass roots clubs represented by their County FAs).

The FA is empowered and entrusted by the Clubs (either directly or through their respective County FAs) to carry out the role of a governing body. Specifically, the roles that The FA is empowered and entrusted by the Clubs to carry out are

- to promote inclusive, fun and safe **participation in the game for all**;
- to **regulate** the game effectively and with integrity;
- to support the **technical development** of England international representative teams as well as grassroots and professional football;
- to represent the interests of the game **internationally**;
- to coordinate, manage and support **The FA Group subsidiary companies** (e.g. Wembley Stadium, St. George's Park);
- to organise and make the most of its **assets including The FA Cup**;
- to manage the **England teams** including the engagement of England coaches and staff through Club England.

Those same Clubs that empower and entrust The FA also empower and entrust the leagues, and the County FAs, to carry out important roles.

The FA and the FA Board – Composition, Committees and Decision Making Processes

In order to fulfil its roles, The FA acts as both a corporate body with its own business, financial and commercial decisions; and as a representative and regulatory body making decisions for the game and its shareholders.

It is our clear view that the Board is the body responsible within The FA for managing and governing the affairs of the organisation. Our proposals remove any doubt that the Board must carry out this single most important role within the FA.

The Board and its Directors will therefore have the duty and responsibility to its shareholders for:

- creating an overall strategy for The FA and specific strategies for aspects of the game
- all FA Group financial matters including budgets and business plans
- taking decisions and actions to manage the affairs of the organisation appropriately and
- recommending changes to the FA Rules and Regulations.

The Board will establish a four-year strategy and plan as to how it will address each of its duties and responsibilities. In the new structure, it will do so through a comprehensive consultation process across the game, and establish clarity as to who is responsible for implementation.

An early task for the FA Board in the new structure will also be for it to review and report to the shareholders, and therefore the game as a whole, on the allocation of resources generated from the FA group's commercial activities following the implementation of the changes set out in this paper, particularly bearing in mind the objective of removing duplication and inefficiency. The Board will establish an overall budget for the organisation, including the costs of delivering services to both the national game and professional game, as well as overheads. It will also budget sufficient funding to meet all subsidiary company liabilities and obligations as well as retentions for contingencies. In addition, the Board will continue to determine the overall levels of national game and professional game distributions with the budgetary responsibility for allocating such resources to be delegated to the NGB and PGB and approved by the Board. The issue of the funding flows within the FA has been

highlighted by both the Government response and the Inquiry, and is of course a matter of the utmost importance to the shareholders. It will be for the newly constituted Board to assess this.

In January 2012, The FA Council approved the appointment of two Independent Non-Executive Directors to The FA Board. This is a significant development. They have joined the Chairman (like the two new posts, also appointed by and accountable to the FA Council), the General Secretary and five representatives each from the national and professional game.

The addition of two further Directors therefore took the membership of The FA Board to 14.

The football authorities have considered the appropriateness of this Board constitution, in terms of balance and numbers, in the context of what is planned as the decision-making processes for the future. The view is that a new governance structure for the sport means that the constitution of the Board should change. We are aware of the Government's view that best practice strongly suggests a reduction, as well as a change in the balance between representative and non-representative, and executive.

Subject to the successful implementation of the package of reform outlined in this paper, the football authorities commit to a new Board constitution, reducing to between 8 and 12, with effect from the beginning of Season 2013/14 at the latest.

The newly constituted Board will exercise its authority in the new governance structure through clear and published processes. The Board is to focus on the strategic and core business decisions, and will delegate decisions to Committees or the executive. The Board must therefore clearly oversee the implementation of this structure.

Therefore, all committees will report to the Board either directly or indirectly.

This change will make the Board's authority clear and enable the Board to delegate decision-making to the most appropriate body, avoiding much of the duplication that currently exists.

Clear decision making structures for the game

It was evident to the football authorities, even prior to the commencement of the Select Committee Inquiry, that there was a need to clarify the roles, responsibility and accountability for the development of policy and its implementation across the whole game. A clear picture was required of how each decision is made, by whom, to what objective, and through what process. The FA in their oral evidence to the Committee described this as a need to "re-set the regulatory architecture of the game."

Our new approach is based on the following principles:

- Clarity of role and responsibility and process for each decision
- Achieving the appropriate levels of delegation and subsidiarity within the game
- Addressing commercial or other conflicts within the decision making structures
- Ensuring appropriate separation of powers and roles at every level
- Ensuring effective consultation
- Identifying where expert independent input can provide complementary value to executive and representative decision-making

Decisions will be made on the basis of an agreed model, under which it is clear as to who has responsibility for making decisions and under what process.

An outline of the model and examples is as follows:

	Responsibility	Examples
FA business decisions	FA Board to decide on recommendation of Executive	FA financial and commercial decisions; Club England; Wembley; St. George's Park
FA decisions as FIFA member National Association	FA Board to decide after full consultation with NGB and/or PGB	International relations policy, off-field integrity issues, on-field behaviour
FA decisions on other regulatory and representative matters	FA Board to decide after NGB/PGB recommendation which the Board may either accept or reject/remit	Fixture calendar; youth development; European Club qualification; public policy issues; content of FA Club Licence
FA implementation matters	Delegated to NGB/PGB/Executive under plan and budget set by Board and subject to Board review	Implementation of professional game youth development policy as per FA business plan; annual determination of UEFA Club Competition Licence applications
Matters outside scope of FA	Matters dealt with by County FAs, Clubs, and Leagues as appropriate	County FA, Club, and League commercial and financial matters; club business and operating issues, stadium, customer/fan issues; club/league relationship with other competition organisers eg UEFA, either individually or through ECA, EPFL; club ticket prices; club distributions and parachute payments .

We have focussed on the way in which the interests of the County FAs, leagues and Clubs they represent can best be incorporated into the decision-making structures. Our proposals therefore set out important roles for newly constituted National and Professional Game Boards.

Newly constituted National and Professional Game Boards will lead the consultation and decision-making process within The FA on behalf of the national and professional games.

Of particular significance in the new structure, the NGB and PGB will have the specific duty to manage effectively the necessary consultation on matters with not only the County FAs and Clubs they represent, but also with players, managers, coaches and supporters on all relevant issues, including for instance in the formulation of The FA 4 year plan. The NGB and PGB will therefore establish standing and ad-hoc consultation groups in order to ensure that the necessary consultation

takes place. It will be a specific role of The FA Board to ensure that appropriate consultation has taken place when receiving a recommendation from the NGB or PGB.

The NGB will represent the views of the National Game to The FA Board and will have sole authority to make recommendations to The FA Board for approval in key areas. These are:

- National game strategy
- National game public policy
- National game competition schedules
- National game youth development
- National game player registration matters
- National game licence rules and content

The PGB will have the same role on professional game issues and will have the sole authority to make recommendations to The FA Board for approval on:

- Professional game strategy
- Domestic and international fixture calendar
- FA Cup inventory and calendar
- England team call up protocol beyond FIFA statutes
- UEFA competition qualification
- Professional game youth development
- Professional game public policy
- Professional game player registration matters
- Professional game licence rules and content

As at present The FA Board will also appoint the following sub-committees under good governance principles:

- Audit
- Remuneration
- Health and Safety
- Nominations
- Finance
- REAG (race equality advice)
- DEAG (disability equality advice)

In addition a new Women's Football Committee with responsibility for developing the 'whole game' of women's football will now for the first time report directly to The FA Board. This change reflects the increasing importance of women's football which in its own right is now England's third most played team sport.

The FA Council and Shareholders

The new structure will make the greatest possible use of the FA Council as a representative body, with a wealth of experience across all levels of the game, whilst ensuring clear responsibility for decisions as outlined above.

Council will have the important role of holding accountable the FA Chairman and the two independent non-executive directors it appoints to the FA Board on a non-representative basis.

One important consequence of Committees reporting into the FA Board is that Council members will have the opportunity to impact on decision-making processes before a matter reaches final approval stage. The current Council format provides only limited opportunity for experienced Council members to express their views and impart their experience on important decision-making in advance.

It is also intended to raise the value of Council meetings by having at least one presentation on a high profile matter such as international team preparations, international tournament reviews or on-field disciplinary strategy. It is hoped that this will more genuinely establish The FA Council as a 'Parliament of football'.

Council is, with the exception of the Vice Presidents, an elected body, with all members of Council elected to represent their organisations on Council, mostly on an annual basis.

In the main, the County FAs, Leagues, Clubs and other organisations are represented by either their Chairman or their Chief Executive. This ensures that each representative is able to speak with some authority at Council and Committee meetings about the realities of the grassroots or professional game and the challenges they face.

We consider that the age limit of 75 for Council members, and 70 for Board and PGB/NGB members reflects current good Corporate Governance guidelines. On the other hand, building relationships within FIFA and UEFA is a priority for English football, and we consider that a term limit for Council members would seriously undermine our ability to develop friendship and trust with our international colleagues. We must also allow all organisations to be able to democratically elect a member with the appropriate level of knowledge and experience to best represent them on Council.

Under the new structure, the legislative process within The FA and responsibility for making rules and regulations, and on what basis, will be changed. We have agreed that the Board must take the central role in making proposals to amend Rules and Regulations, and in the future it will be the Board only that can make such proposals, having gone through the relevant consultation and committee processes. As set out above, this may require a recommendation from either the NGB or PGB, or on other matters such as those on which The FA acts through being the FIFA member association, will be determined as the Board sees fit after the prescribed consultation process.

We have also agreed to remove duplication in the legislative process. Currently, changes to FA Regulations to implement Rules require a majority support of Council members. Shareholder approval is not required for this "secondary legislation". This means that such changes do not require a General Meeting and that there is no duplication in the process.

Changes to the Articles or Rules of The FA, however, do require support of 75% of shareholders. Historically, they have first required approval by a majority of Council members. This is not only duplication but can also give rise to embarrassment should the Shareholders reject something that has been approved by Council. There is also an anomaly in that Shareholders can bypass Council and place their own Rule change resolutions before an Annual General Meeting.

To eliminate the duplication, it is proposed that changes to the Rules of The FA are decisions for the Shareholders only. In addition, Rules changes will only be proposed by the Board to Shareholders for decision, and changes to the Rules will in future require the support of 66% of Shareholders (a reduction from 75%)

Regulating the game

In the new structure, there will be a separation of policy making - setting standards both on and off the field - and implementation of those standards.

In future, regulatory policy decisions are to be made by the Board according to the agreed processes referred to above. The Board shall have the sole authority to propose FA Rule and Regulation changes to enact that policy.

To assist the Board in carrying out its role, a new Regulatory Policy Group (RPG) will be created.

Reporting directly to the Board, this Group will deal with policy on its behalf to ensure: compliance with international football regulation and law; consistency across both the national and professional game; that appropriate levels of consultation have been undertaken; that new policies are costed and understood; and that newly drafted rules achieve the requisite policy objectives.

The composition of the Board's Regulatory Policy Group will be equal National Game, Professional Game and non-representative appointments to ensure the Group has the necessary skills and experience.

There will also be created a separate regulatory implementation body, the FA Regulatory Authority (FARA), to oversee the implementation of on and off field regulatory policy.

The role of the FARA will be:

- monitoring, investigation, charging and enforcement;
- oversight of the process of appointments to judicial (regulatory commission) and appeal bodies; and
- ensuring effective training and performance assessment.

The FARA management board will be comprised of people with skills and senior level experience in regulatory and/or regulated environments, not necessarily from football. The NGB and PGB will both appoint members, identifying individuals with a good level of experience of their respective parts of the game but with no material conflict of interest. These individuals will be joined by a non-representative Chair who will have skills and experience to reflect the desire of the game for implementation to meet the highest regulatory standards.

The FA Regulatory Authority executive will be an autonomous unit within The FA, accountable to the FARA Chairman and the FARA management board. The FARA Chairman will be responsible for the FARA performance evaluation and assessment to the Board.

The FARA will be accountable through its Chairman to the FA Board for performance and budget (including quarterly reports); and to each of the NGB and PGB for performance of roles and responsibilities for national and professional games respectively (on a quarterly basis) to help guide future policy definition.

The FARA will be responsible for the operation of the disciplinary procedures for on and off field offences and for ensuring that the penalties applied (whether fixed or within the agreed ranges/tariffs and based on agreed guidelines) adhere to the highest regulatory standards. It will also play a significant role in the necessary education and awareness programme within the game.

The FARA will also oversee, through specialist sub-committees and panels, the consideration and determination of complaints, disputes and other matters relating to alleged breaches of FA Rules and Regulations, including appeals from County FAs.

An objective in the new structure is that implementation of decisions under league rules and regulations, as well as under FA Rules, will be assigned to FARA so as to remove duplication and achieve consistency.

The tasks of the new FARA will include the determination of applications under FA and league owners and directors' criteria, and also determination of applications for ground moves.

A new Licensing Framework

English football will adopt a new "licensing" framework for the application of minimum criteria or standards at each level of the game. A new FA Club Licence will be created to ensure that every club in English football, at every level will be required to be registered with the FA, either directly or indirectly through County FAs, through an FA Club Licence in order to participate in either the national or professional game, and each Club shall be obliged to satisfy the requirements of a "Competition Licence" in order to participate in that competition.

Whilst many of the features of such a system are already contained in the consolidated 'rule book' approach that exists in English football, we do recognise value in adopting a 'licensing' approach. Indeed, licensing in this sense is not new to English professional football; the Premier League through the existing PGB structure has been supporting its clubs attain the UEFA Club Licence for a number of years.

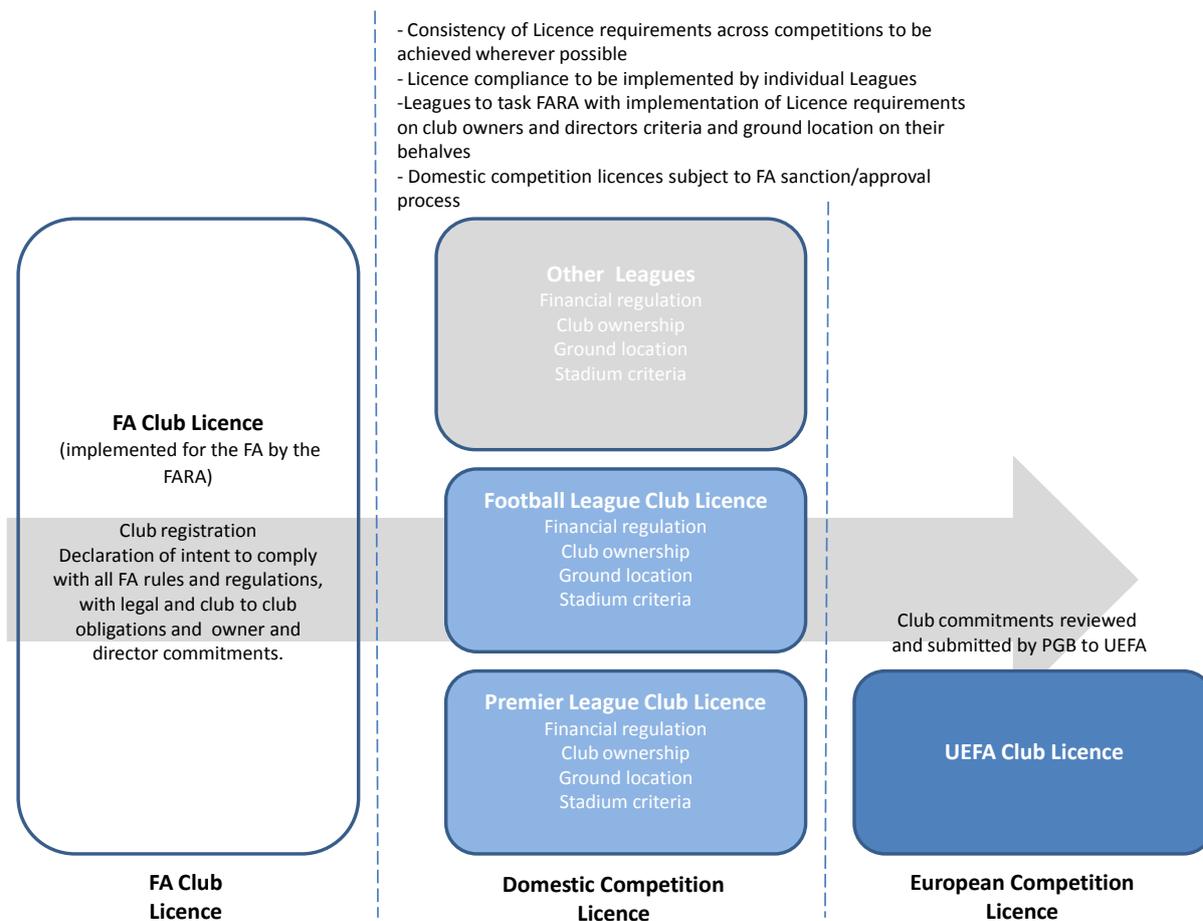
Under this system, there will be criteria set through UEFA's decision-making processes which apply to the professional clubs that wish to participate in European club competitions; there will also be criteria that apply to all clubs in a particular league through its decision-making processes; and there will be universal criteria established through the FA Club Licence.

The FA Club Licence will:

- form the annual "registration" process of a club to take part in the English game
- be operated by FARA through a shared online system
- contain a declaration on behalf of each club that it will comply with the instructions of The FA as set out in the FA Rules and Regulations and specifically the investigative authority of both the FARA and relevant Leagues.
- set out an express director/owner commitment to adhere to the FA and relevant league rules and obligations
- require express confirmation that Club is not in breach of any legal obligations or club to club obligations.

In addition to the new FA Club Licence, a club wishing to participate in any competition must also adhere to the Rules and Regulations of that competition. Such Rules and Regulations will form a "Competition Licence" in the same way as the criteria for entry into European club competition are set out in a UEFA Club Licence.

This will create a tiered approach to the licensing of Clubs and is exemplified in the diagram below.



The operation of this new licensing framework and its performance in achieving objectives will be overseen by the FA Board. The FA Board will exercise the overarching licensing authority, known in English football as “sanctioning”. It will do so on the recommendation of the RPG, and the NGB and the PGB respectively. It will be the NGB’s role to propose to the Board approval of the rules/regulations of leagues in the National Game and it will be the responsibility of the PGB to propose approval of the Premier League and Football League rules/regulations. The operation of the licensing framework will be subject to specific review annually by the FA Board. The football authorities undertake to seek to achieve a consistent approach between different league and competition rules and regulations whenever appropriate, and this work will be carried out through the NGB and PGB.

Each league is responsible for and on behalf of the Clubs in that league for monitoring and enforcing its own rules as is currently the case. Leagues may implement those rules directly or, as referred to above, may specifically appoint the FARA to carry out implementation for the league.

The FARA is responsible for monitoring and enforcing FA Rules and Regulations. In doing so, in the event that it concludes that a matter is not being dealt with appropriately by a league under league rules, the FARA will be able to act in the ‘last resort’ in relation to suspected breach, having first evaluated the position through consultation and liaison with the league concerned, and reporting to the FA Board.

Transparency and public communication

A consistent theme through the work of the Committee and reflected in your response was the need for greater transparency and public communication around the regulation of the game. As demonstrated above, collectively we are determined to address the need for greater clarity in the decision making process, but we also understand that this clarity needs to be shared with the public to address unnecessary misconceptions and build greater confidence in our governance.

The FA Board will report annually on its operations in all areas as set out above, in addition to normal company reporting. We also undertake to provide clear and concise public communication across digital platforms on the governance structures and decision making regulatory processes in the game.

Supporter Engagement, Consultation and Ownership

Club's interests are best served through having effective working relationships with its supporters. Our view is that the issues underpinning those relationships must be dealt with primarily at Club level (including the FA where it is acting as a "club" for these purposes in its management of Club England), between the Club and its different supporter interests and groups. It is also recognised that support takes many forms, and we agree with the view that there is not a "one size fits all" approach.

There are, in addition to the Club specific issues, matters where those with responsibility for making decisions will want to obtain input and engagement in policy development from supporter perspectives, both from individuals with particular skills and experiences, and representative organisations. An example only recently has been the development of policy and initiatives in the important areas of combating homophobia and racism, where individuals and supporter groups have a significant role to play.

Club Forums: Clubs will be required under league regulation to set out in a structured format the ways in which they will consult and engage with different supporter interests and groups. Clubs will also have to report on how that consultation and engagement has been carried out. Where a supporters group believes that a Club is acting outside its policy, and is not content with the response from the Club itself, the group can raise the issue first with the relevant League and, if still not satisfied with the outcome having raised it with the League, then with the Independent Football Ombudsman, who will publish their decision, and the Club will have to publish its response.

Supporter Liaison Officers: From Season 2012/13, each Club in the Premier League will be required under league rules to appoint a dedicated and identified official who shall be that Club's "Supporter Liaison Officer" (SLO). Football League clubs will be required to designate an individual who will perform a similar role. It is intended that, through this initiative, Clubs and their supporters, including through supporter groups and trusts, will develop further constructive and open dialogue. There will be a close relationship between consideration of issues through the SLO and the roles and responsibilities of other staff at Club and League level responsible for stadium safety, customer relations, and stadium operations and ticketing. In addition, the Leagues will each identify an executive responsible for overseeing the introduction and on-going operation of the SLO network and their role within Clubs. This will also include an initial training programme. The role of the League will also cover establishing communication links between Clubs and the football authorities, to ensure that issues of a general nature arising from the SLO network can be addressed, and best

practice and information can be shared. Each League already operates working groups for safety officers and for staff responsible for customer issues and the SLO coordination will form part of this.

League Consultation: The leagues will continue their regular formal and informal dialogue and engagement with supporter groups at both Club and national level, and in reference to particular issues or interests.

As a further new initiative from Season 2012/13, the Leagues will organise and host an annual workshop for SLOs and for recognised Club supporter group representatives. This will take place in the pre-season period, as a review of issues arising in the previous season, and to address issues going into the new season.

NGB and PGB Consultation: As stated above, the NGB and PGB will be tasked with carrying out formal consultation with all interested parties in the new structure. The NGB and PGB will therefore establish standing and ad hoc working groups to advise and assist the formulation of policy, and this will include appointing individuals who can contribute to this work and bring supporter perspectives and input.

League rules to require consultation on specified issues: Each League will undertake a review of matters on which a Club should be obliged to seek League approval, and the consultation that a Club will be required by the League rules to have carried out with recognised supporter groups in order for a matter to be considered. An example of the type of Club decision on which a Club will have to gain consent, and on which appropriate consultation must have taken place, is a Club moving ground. The Leagues agree that the presumption should be against proposals to move a ground unless it is in the best interests of the Club. Any decision by the FARA on ground moving would require proof of supporter consultation as per the league rule requirements.

Supporting the cooperative ownership of clubs/removing obstacles to Supporters' Trust ownership: The football authorities commit to working with Government to remove legal and bureaucratic hurdles to supporters obtaining and retaining ownership interests in Clubs. To that end, the football authorities will participate in Government expert working groups to review the recognition, rights and responsibilities of supporters' trusts within the statutory framework. It is understood that the group will consider the merits or otherwise of "fanshare" and "community share" schemes, including whether or not any current legislation or regulation inadvertently create obstacles to such schemes. The group should also review existing legislation and its current impact on the ability of trusts to establish and operate. It is understood that this may include for example exemptions for Industrial and Provident Societies and Community Investment Companies from the Financial Services and Markets Act; and the possibility of protection of trust minority stakes from compulsory purchase.

The football authorities do not consider that the current football rules and regulations present an obstacle to cooperative ownership, but commit to reviewing the rules in conjunction with the Government working group.

The football authorities also commit to working with Government through the working group to consider the specific circumstances of a Club insolvency. This will include addressing interests of supporter groups in the event of insolvency. The football authorities will also review the ways in which meaningful and direct financial support could be provided to support cooperatives that have credible plans to own and operate a Club following an insolvency event. One option is to provide direct funding to a cooperative, to assist with the professional fees and related costs in preparing a

bid. A scheme could be set up for these purposes with published criteria for applicants, overseen by a board which could include, for instance, expertise and experience from the cooperative sector.

Legislative recognition of football clubs in their communities: The football authorities also commit to work with Government in relation to specific treatment and protection of football and other sports stadia and facilities under legislation, for instance under planning laws and through the Localism Bill.

Supporters Direct: The Government comments on the finance and governance of Supporters Direct (“SD”) are welcomed. The plans and budgets of any supporter group, at Club or national level, must be for those organisations to consider as they think appropriate. In relation to the specific issue of SD’s plans and budgets, these should be based on its requirements to function as determined by its members, with accountability to them. In the long term SD should, as in the normal course of a membership body, primarily rely on funding raised from their membership or their own initiatives. The Premier League “Fans Fund” currently fully funds the operation of SD, and is funding a capacity-building programme to assist SD diversify its sources of income. It is intended that an element of match-funding would be made available from the Fans Fund to SD as income from members and other sources begins to be generated.

Supporter groups will continue to be able to access funding on the basis of criteria established by the “Fans Fund”, subject to normal grant conditions and the availability of funds. The FA will continue to fund both the Football Supporters Federation and Level Playing Field and play an active role as a trustee of the Fans Fund. Furthermore The FA will consider the provision of office accommodation to SD on favourable terms.

Independent Football Ombudsman: The FA, Premier League and Football League will continue to fund and support the work of the Independent Football Ombudsman (IFO). In addition to its existing responsibilities, the IFO will be tasked with meeting club supporter groups and trusts on an annual basis, and reporting the prioritised and relevant issues back to the Leagues and Professional Game Board.

Anti-discrimination in football

You will have recently witnessed a range of activity in this regard, not least the launching of The FA’s *Opening Doors and Joining In action* plan to tackle homophobia across the whole game which was created with the support of all the football authorities. In addition all the Premier League clubs have signed the Government Charter for equality and all Football League clubs have committed to do the same.

The game at all levels is committed to addressing all forms of discrimination and ensuring that it can provide an inclusive football experience for anyone who wishes to play, coach, officiate or support English football. As you are aware, much has been achieved over a number of years, particularly in the area of racial discrimination. However, we are in no way complacent. The football authorities will continue to campaign positively to promote inclusion and, where appropriate, to be tough in our sanctions against discriminatory behaviour. The recent launch of the COACH programme is an excellent example of where all the football authorities have been able to come together (The FA, Premier League, Football League, League Managers Association and Professional Footballers Association) to identify a specific requirement and deliver a positive solution. The Government’s support for this programme which will create opportunities and funding for a new generation of BAME coaches through specific intervention is welcomed.

Furthermore, following your request at the recent Downing Street summit The FA has undertaken to collate the range of existing and new anti-discrimination initiatives in football at all levels and to report these back to Government by May 2012.

Delivering for the grassroots of the game

The NGB leads on behalf of The FA Board the development and delivery of The FA's National Game Strategy. This strategy is a comprehensive and co-ordinated action plan to increase the level and quality of participation in the game at every age and ability. This strategy is meticulously developed on the back of a research programme that takes in the views of over 25,000 participants in the game; and it is delivered within a strict monitoring and evaluation framework. Over £40 million per annum is distributed by NGB into funding the strategy. This funding sits alongside, and in many cases is matched, by funding from Sport England, the Premier League, commercial partners and other public national and local bodies. Between 2008-11 the Strategy delivered:

- 74% of all youth teams achieving chartered standard status including having a qualified coach
- Over 2.6 million 5-11 year olds participating in the FA Tesco Skills coaching programme
- 4000 newly qualified referees since
- £253 million invested into grassroots facilities collectively across the game
- Substantial increases in the number of teams in adult female, boys and girls youth, mini-soccer, and men's and women's disability football

There is a determination within the football authorities to keep up the momentum of this work, and that is why the National Game Strategy was refreshed again for the period 2011-15. The new Strategy will specifically focus on:

- Retaining and developing the existing number of affiliating teams
- Raising standards of player and spectator behaviour across the grassroots game
- Increasing football opportunities and the profile of women and minority groups
- Providing flexible formats of football to suit changing lifestyles of players
- Introducing proposed changes to youth football
- Maximising investment into facilities

The Government's continued support for the partnership between The FA and Sport England through the Whole Sport Plan and Football Foundation is very much welcomed. It is central to ensuring that the National Game Strategy continues to deliver for the grassroots of the game. A particular challenge for the grassroots is the availability of places to play the game and it is essential that Government continues to support the work of the National Game regarding facilities, whether through the protection of playing fields, access to school facilities or other means. You and your Department's continued support for football and other sports' requested changes to the draft National Planning Policy Framework is key to this. In addition, as Ministers will know, the real difference that ensures this level of planning and funding impacts on the ground is people. It is in that regard that we all, football authorities and Government, owe a huge level of debt to the 400,000 or so volunteers who give such tireless service to making football happen up and down England.

Inspiring success for future England teams

Of course we understand that the ‘health’ of a sport and its governance will often be assessed by the performance of its national teams. The game at all levels is committed to England teams having the best chance to be successful in every tournament in which they compete.

The Club England Management Board is chaired by The FA Chairman and reports directly to The FA Board, with clear authority and responsibility for all Club England operational issues. The Club England Management Board has extensive playing and coaching experience of the international game and meets regularly to make the important business and operational decisions to support all the England teams in order to give those teams every chance of success. This includes, for example, overseeing the extensive and detailed arrangements required by way of preparation for the senior men’s team’s participation in the European Championship Finals tournament in Poland and Ukraine this summer.

We also continue to work together on the development of a future generation of English playing talent to support international team success. The FA is reforming the formats of youth football in the grassroots to create fundamental change in the way in which technical player development is delivered through junior clubs. These changes will dovetail with the Premier League and Football League reform of the academy and centre of excellence structure within the clubs to deliver a player-focused, high quality and assessable conveyor belt of talent. Both of these reforms will of course be supported by the opening of St. George’s Park. The new national football centre will be the home of coach education, training and qualifying thousands of coaches every year, raising the standards and quality of every playing experience in the English game. Collectively we believe these developments represent a seismic leap in the ability of English football to bring forward the talent to deliver national team success.

Strong Professional Game

Part of the unique character and traditional strength of the English game is the depth provided by four divisions of professional football, with both the Premier League and The Football League currently enjoying periods of historical success on and off the pitch.

This success is based on delivering attractive and compelling football, with the most talented players from around the world as well as home-grown. Fans create the unique English football atmosphere. Together this creates commercial interest, notably through broadcast, and revenues that are invested within the Clubs and to all levels of the game.

A vibrant successful professional game has been instrumental in creating the conditions from which the whole of football can continue to flourish. From the work done in local communities right through to the global interest in English football the benefits are manifest and many. The economic advantages at a local and national level cannot be underestimated, with the Treasury’s tax take from the Premier League alone now in excess of £1.2 billion, with a further £250m being contributed by The Football League.

This is conducted within a regulatory framework which is highlighted above, and will continue to develop and evolve to ensure Clubs can make their decisions within a sustainable model.

As an example of this constant change, Football League clubs have in recent months made significant progress towards creating a more sustainable economic model for professional football

clubs below the top-flight. In June 2011, Football League clubs indicated their support for the principles that underpin the UEFA Financial Fair Play framework, namely that clubs should operate within sensible financial parameters that do not put their long-term participation in the competition at risk.

In the 8 months since, each of The Football League's three divisions has made significant progress towards delivering on this aspiration, but with differing approaches. Demonstrating that even within The Football League itself, there is not a 'one size fits all' solution to these challenging issues.

League 1 and League 2 clubs are currently operating the Salary Cost Management Protocol (SCMP), which has been in use in the latter division since 2002/03. Essentially, the SCMP limits spending on total player wages to a proportion of each club's turnover. For 2011/12, League 2 clubs have reduced the permitted base spending threshold to 55% of turnover, from the previous 60%, with sanctions applying (in the form of transfer embargoes) for clubs that breach this figure. For League 1 clubs this is a transitional season with clubs setting a 75% of turnover spending threshold but with no sanctions being applicable. This threshold will reduce to 65% in 2012/13 and 60% in 2013/14 with sanctions applying (in the form of transfer embargoes) in both seasons.

In the Championship, a new break-even financial model that more closely resembles the UEFA approach will be introduced from the beginning of the 2012/13 season. This will see clubs being monitored on an annual basis to ensure that any losses incurred stay within pre-defined limits that will reduce each season in order to help clubs live within their means. No sanctions will be applied during an initial two-year implementation period. Thereafter sanctions will apply in the form of transfer embargoes for clubs staying in the Championship and financial penalties for clubs that earn promotion.

Conclusions and next steps

The football authorities have always understood the need to reform and update their structures and processes on a regular basis. Prior to the Select Committee Inquiry of 2011 work was already underway between the Leagues and The FA in this regard. This collegiate approach has been maintained throughout this reform process and we hope it is demonstrated in the recommendations put forward in this response.

The football authorities will continue to work on refining both the fine detail of these recommendations and the process by which they can be implemented. Subject to the approval of the shareholders of each constituent authority our expressed desire is where feasibly possible to have made these changes for season 2012-13. However, there is significant work to be done, including approval of the FA Council and shareholders to allow for constitutional change within The FA, as well as the appointment of individuals to significant new roles and executive and resource decisions.

The reforms outlined above demonstrate the level of the determination within the football authorities to enable decisions to be made in the best possible way. We have very much appreciated your engagement in this process, and look forward to this continuing as we move to implementing this significant package of reform and change in the governance of the national game.