

'FOOTBALL FINANCE'

A policy breakfast from the [APG on Business, Finance and Accountancy](#)

Tuesday 27 July 2010, 8.30am – 9.30am, House of Commons



Football needs to give something back to society to justify the preferential rules society allows it to operate under, concluded the BFA's first event in the new Parliament. The breakfast brought football, business and parliament together to diagnose the financial health of football.

BFA chair **Iain Wright MP** introduced the debate, highlighting the high debt levels, tax payment problems and financial sustainability problems in the football sector. Award-winning sports columnist **Mihir Bose** spoke alongside **Clive Betts MP**, captain of Parliament's football team, and **Paul Rawnsley**, Head of Deloitte's Sports Business Group, whose team produces the definitive annual report on football finance.

Contributions from leading stakeholders



Mihir Bose and Iain Wright MP

Football finance expert Paul Rawnsley opened the event with Deloitte's latest analysis, observing that despite concerns about sustainability, profits in the football business had been relatively resistant to recession, with a 15% increase in revenues. The new UEFA 'Fair Play' requirements on financial management and reporting in football will help, he said, though we will have to see how they are applied in practice – especially crucial new 'break even' requirements. Sheffield Wednesday fan and Parliament's football club captain **Clive Betts MP** raised the issue of 'unsustainable' pay levels, arguing that cash wasn't filtering down to the lower leagues. He thought a change in governance might be needed. "The Premier League tail must stop wagging the Football Association Dog", Betts concluded.

Our final speaker **Mihir Bose** identified foreign ownership as the problem. He suggested new laws on club ownership, suggesting the UK emulate German laws stipulating that English owners should hold majority shares in clubs. England's poor performance in the recent World Cup was no surprise he said; he Premier League is a success story, but English football itself is going nowhere.

Debating the issues

After our speakers' contributions, Iain Wright MP opened the discussion to guests. The **Premier League's Bill Bush** put up a staunch defence against criticism of the Premier League's role, pointing out its commercial successes, its considerable contributions to the Revenue, and its financial support of the lower leagues. **Robert Sullivan of the Football Association** explained his organisation's work to support youth and women's football. **Leading sports journalist Simon Banks** asked why profitable football clubs should get preferential treatment from HMRC at a time when the government needs all the revenue it can get, and suggested that authorities should reverse the separation of the Premier League from the Football League. Asked whether some form of fan ownership might not improve the way clubs are run, **Deloitte's Paul Rawnsley** suggested that while it might help lower league, smaller clubs, the more successful and bigger clubs get, the more professional and commercial they must become.



Bill Bush defends the Premier League as Baron Rosser listens; Paul Rawnsley of Deloitte explains football's finances; Clive Betts MP addresses the meeting

The BFA's next event will take place at **8.30am on Thursday 21 October**, the morning after the **Comprehensive Spending Review 2010**. It will examine a new era in public finances with major stakeholders from government, parliament and business.

If you have any queries about the BFA, please contact the BFA secretariat, Sarah Buckley at the Institute of Chartered Accountants in England and Wales on 0207 920 8614 or at sarah.buckley@icaew.com.

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