***"I have already made clear my conviction that the precious and unparalleled role that football clubs play in their communities justifies regulation. Fans should be listened to, and they deserve protection from the occasionally bad, if generally well-intentioned, stewardship of owners and management who take ill-considered risks and lose control of their finances—the overwhelming reason why clubs fail and falter."***

**Is there a place for the statutory Independent Football Regulator in governing club finances or are the present regulations set by the Premier League and English Football League sufficient?**

**Introduction**

English football's romantic appeal often rests on clubs defying the odds, building fervent local identities, and chasing transformative milestones. Yet, throughout this history, financial fragility has repeatedly derailed teams, undermining their competitive aspirations and devastating local communities with the collapse of the world's first "money-club" in 1901[1]. Whilst comparatively few teams collapsed during what Beech terms the "professional era" (1885-1991), a noticeably high concentration of insolvency cases have occurred since 1991 (what Beech calls the "commercialised" and "post-commercialised" eras).[2] Whether one recalls Leeds United's free-spending collapse in the early 2000s (colloquially known as "doing a Leeds"), Bury FC's expulsion from the English Football League (EFL) in 2019 after being bought for just a £1 or Darlington FC's failed conquest for European glory in 2012 with a mammoth 25,000 seater stadium (compared to average gate receipts of less than 3,000), the message is clear: clubs' stewardship and solvency are a persistent area of concern[3].

Against this backdrop, the question arises: Should existing self-regulatory frameworks—led by the Premier League (PL), the EFL, and the Football Association (FA)—continue to oversee clubs' finances, or is a statutory Independent Football Regulator (IFR) essential to protecting the game from reckless spending and mismanagement? Proponents of an IFR highlight the

[1] Blackburn J, 'The Story of the World's First "Money Club" (Liverpool Echo, 2023)
[2] John Beech, Simon JL Horsman and J Magraw, *The Circumstances in Which English Football Clubs Become Insolvent* (Centre for the International Business of Sport Working Paper Series, Coventry University 2008) 1.
[3] David Conn, 'Death Knell Prepares to Toll for Darlington FC' (*The Guardian*, 2012); David Conn, 'We Never Got That Money': The Inside Story of Bury's Road to Financial Ruin' (*The Guardian*, 2019); Chris Burton, 'What Does "Doing a Leeds" Mean? Yorkshire Club's Relegation Woes Explained' (*Goal Magazine*, 2022)

Football Governance Bill [HL] 2024–25, which introduces statutory licensing systems and strengthened ownership checks. Critics, however, insist external regulation risks hampering the ambition that makes English football so enthralling, even generating a "regulatory paralysis," as Crystal Palace chair Steve Parish suggests. This essay evaluates both views, examining how best to preserve the sport's competitive vitality while minimizing financial chaos[4].

**Part I: The Case for an IFR**

**1. Mitigating Chronic Financial Instability**

**1.1 Historical Lessons: Darlington and Bury**

One of the most tangible arguments for an IFR stems from its potential to curtail the perennial danger of insolvency. Darlington FC's ill-conceived stadium project, financed far beyond realistic gate revenues, spiralled into administration—demonstrating how owners can undertake outsized, short-sighted ventures. Bury FC faced near-instant collapse under an owner who allegedly lacked any reliable funding plan, revealing glaring weaknesses in the EFL's existing "Fit and Proper Person" checks. If the IFR had been operational, it would likely have stepped in with a mandatory feasibility review for Darlington's stadium, or refused to license Bury's questionable ownership unless it demonstrated proven capital and sound governance.

**1.2 Statutory Licensing and Tiered Oversight**

The Football Governance Bill [HL] 2024–25 envisions a licensing regime that compels clubs to demonstrate robust governance, sustainable finances, and open fan engagement. Far from mere league guidelines, an IFR's directives would carry legal authority, obligating universal compliance. This shift addresses critics who see the PL/EFL's self-regulatory approach as patchy and easily circumvented. Notably, the Bill also allows for tiered oversight: clubs that routinely exhibit sound finances would face minimal interference, whereas those at risk of overspending would be required to draft contingency plans or

[4] Jamie John, Rachel Rees, and Samuel Agini, 'English Football "Paralysed" by Prospect of Regulator, Warns Crystal Palace Chair' (*Financial Times*, 2025)

accept IFR-imposed spending constraints[5]. In principle, such flexibility helps stave off the radical “one size fits all” approach, allowing genuine risk-takers some freedom—provided they can afford it.

## 2. Preventing Breakaway Leagues

### 2.1 The European Super League Fiasco

The near-launch of the European Super League (ESL) in 2021 underscores another dimension of IFR necessity. A handful of elite clubs sought to create a self-contained “closed-shop” competition, bypassing the PL and UEFA’s open, merit-based structure[6]. Although public backlash and government condemnation forced the ESL to stall, the attempt revealed how swiftly powerful clubs might circumvent domestic and European rules for private gain.

### 2.2 Statutory Deterrence

Under the Bill, the IFR could designate “prohibited competitions”—blocking top-tier clubs from joining breakaway ventures. This statutory threat is more potent than internal league sanctions, which clubs can challenge under competition law. An IFR would streamline how new competitions must satisfy sporting and financial criteria possibly including what Zglinski calls “sporting merit and financial solidarity” principles—thereby ensuring legitimate innovation while barring “closed-shop” expansions[7]. In doing so, it preserves the pyramid system so cherished by fans, acting as a bulwark against large clubs unilaterally seeking excessive revenue at the expense of the wider community.

## 3. Combating “Lawfare”

### 3.1 Legal Exploitation by Wealthy Clubs

Football has attracted investment from private equity, sovereign wealth, and hedge funds. Coupled with soaring broadcast revenues, disputes over sponsorship rules, financial fair play

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[5] Russell Taylor, *Football Governance Bill [HL]: Library Briefing* (HL Bill 41 of 2024–25, 1 November 2024) 14–27; Osborne Clarke, *Football Governance Bill in Second Run for England Could Encounter Legal Challenges* (10 January 2025).
[6] UEFA, 'Our Principles: The European Sports Model (UEFA.com, 2025); Premier League, Premier League Explained (2025)
[7] Jan Zglinski, 'Who Owns Football? The Future of Sports Governance and Regulation after European Superleague' (Revised version, forthcoming in *European Law Review*), 2.

(FFP), or revenue-sharing can easily end up in protracted legal fights. Wealthy clubs can hire top barristers and exploit the PL or FA's voluntary guidelines, turning self-regulation into a labyrinth of legal complexities[8].

**3.2 Statutory Clarity and Consistency**

An IFR established by Parliamentary statute would enact transparent and uniform financial regulations, preventing big clubs from picking apart guidelines through indefinite arbitration or "voluntary" loopholes. Clubs challenging IFR decisions must follow the IFR's formal appeals route, limiting vexatious lawsuits. By consolidating these powers, an IFR diminishes the advantage of so-called "lawfare," freeing clubs to focus on performance. As an additional benefit, straightforward statutory rules can bolster public confidence, showing that governance—rather than haphazard punishments—guides financial controls.

**Part II: Criticisms and Counterarguments**

**1. Risk of Stifling Success**

**1.1 Historic Spending Successes**

Many critics believe a statutory IFR could hamper the bold investment that fosters great triumphs. Nottingham Forest soared to consecutive European Cups under Brian Clough after investing in key signings—yet never went bankrupt. Chelsea benefited from Roman Abramovich's lavish outlay from 2003 onwards, winning multiple titles without slipping into administration. Similarly, Manchester City's transformation under Sheikh Mansour suggests that clubs can blend heavy spending with stable finances if owners have the means. Similar examples include the Blackburn title winning side of 1996 and the Wolves title winning team of the 1950s. Detractors of an IFR fear that scrutiny over owner wealth, wage controls, or rigid licensing might hamper precisely this kind of ambitious, yet feasible, plan.

**1.2 "Regulatory Paralysis" and Investment Fears**

Steve Parish has lamented that IFR discussions create "paralysis," as clubs hesitate to proceed with stadium expansions, big transfers, or marketing ventures for fear of subsequent IFR clampdowns. Todd Boehly at Chelsea wonders whether an IFR "improves

[8] Josh Noble, 'We're eating ourselves: big money turns football into legal battlefield' *Financial Times* (London, 27 October 2024)

the product,"[9] pointing out that foreign investors might simply shift their capital to less restrictive leagues. Critics argue that the Premier League's global traction rests partly on unbridled ambition, and that legislative frameworks might slow the pace of deals, stifle star signings, or hamper foreign interest. They believe that while sporadic failures—like Leeds or Bury—are tragic, they represent a fraction of the league's total clubs, with many overshadowed by success stories.

**2. Bureaucratic Overlap**

**2.1 Duplication of Governance Layers**

Another critique, raised by those such as Baroness Evans of Bowes Park, warns that an IFR introduces an extra layer on top of the FA, EFL, local supporter boards, and even UEFA rules. This duplication may bog down clubs in redundant compliance tasks or contradictory processes[10]. Smaller clubs, with limited administrative staff, might struggle to keep up with IFR paperwork. Meanwhile, local initiatives—for instance, stadium expansions or grassroots academies—could face new IFR checks, potentially hindering swift action and local autonomy.

**2.2 Undermining Grassroots Solutions**

Supporters' trusts and community boards often tailor solutions to unique local conditions, from capping ticket prices to improving matchday safety. By imposing a "top-down" approach, critics argue, an IFR may inadvertently marginalise these grassroots efforts. The fear is that universal statutory rules might overshadow fans' voices, ironically weakening rather than strengthening the link between communities and clubs that IFR advocates seek to protect.

**2.3 Interference with Property Rights**

Some argue that mandating a golden share interferes with owners' property rights by transferring veto power to fan groups who bear no financial risk. Citing Arsenal's move from Highbury to the Emirates, or Manchester City from Maine Road, critics note that owners often need the freedom to relocate or redevelop their clubs' assets for growth and

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[9] Josh Noble, 'Football's Search for Solutions' Financial Times (2025

[10] Baroness Evans of Bowes Park, 'Football Governance Bill [HL]' *HL Deb* vol 840, 13 November 2024.

sustainability. Had a golden share existed, these major developments—despite initial fan resistance—might never have happened, curbing stadium expansion and potential revenue. Moreover, "sugar daddy" owners who inject substantial funds without expectation of profit could be deterred by the prospect of being overruled on major decisions. Similar golden share requirements in other industries (e.g., BAA) were ruled unlawful in part because they restricted free movement of capital, underscoring the tension such a veto creates with the fundamental rights of private owners.[11]

**Part III: Balancing Reform with Competitiveness**

How might legislators reconcile robust financial safeguards with the raw ambition that underpins English football's most captivating achievements? The Football Governance Bill [HL] 2024–25 can integrate reforms that address critics' concerns about stifling success or duplicating governance, while still bolstering accountability.

**1. Tiered Oversight and Proportional Sanctions**

In line with the Football Governance Bill [HL] 2024–25, a key recommendation is to implement a two-tier operating licence framework—comprising a provisional licence followed by a full licence—augmented by the power to impose discretionary licence conditions where needed. Under this model, clubs initially obtain a provisional licence by demonstrating baseline compliance with duties on regulated clubs and mandatory licence conditions, including submitting financial plans, corporate governance statements, and fan consultation evidence. During this transition period, the IFR monitors clubs' multi-year forecasts and contingency plans, ensuring that any potential risks are identified early. As clubs work toward the higher standards required for a full licence, the IFR can intervene by attaching bespoke, proportionate discretionary licence conditions if a club's performance on financial, non-financial, or fan engagement thresholds is lacking. This mechanism ensures that clubs with sound finances continue to enjoy investment freedom, while those facing greater risk receive targeted oversight—thereby balancing robust financial regulation with the flexibility needed to foster ambitious, transformative investment.[12]

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[11] J R Shackleton and V Hewson, Red Card: Why English Football Doesn't Need an Independent Regulator (Institute of Economic Affairs 2022) 39.
[12] Impact Assessment: Fact Sheet – Licensing Regime (Updated 25 October 2024)

**2. Strengthened Agent Licensing and Transparency**

Many controversies revolve around hidden agent fees, unclear "third-party" payments, or owners incurring unreported liabilities. The Bill could unify agent licensing under IFR oversight, obliging all intermediaries to pass an exam on contract law and professional ethics, plus register fees centrally. This step fosters transparency and deters inflated commissions. Meanwhile, clubs with stable finances remain free to sign marquee players, so long as they fully disclose agent structures. Doing so preserves vital competitive ambition while stamping out unscrupulous deals that undermine trust and result in ballooning debt.[13]

**3. Collaborative Approach With Existing Bodies**

Another solution is to limit "bureaucratic overlap." The IFR might focus on major structural crises—such as ownership vetting, breakaway competition attempts, or clubs teetering near insolvency—rather than micromanaging day-to-day issues. Local supporters' trusts could retain authority over stadium expansions or matchday enhancements. The IFR would co-ordinate with the FA, EFL, and PL to avoid confusion, only intervening when:

- Clubs fail financial thresholds.
- Ownership or directorship changes violate OADT conditions.
- A new, closed-shop league arises.

By adopting a collaborative enforcement framework, the IFR can strengthen existing governance rather than replace it entirely.

**4. Enforcement, Not Paralysis**

Finally, to prevent "regulatory paralysis," the Bill must clarify IFR scope and expedite its decision-making processes. Deadlines for IFR reviews of proposed deals or competition changes could be set, ensuring clubs are not stalled indefinitely. Well-defined appeals channels—perhaps culminating in a small "Special Football Tribunal"—would guarantee clubs recourse without lengthy court wrangling. Such procedures address critics' worries

[13] Gregory Ioannidis, "Transparency through Disciplinary Law, Sanctioning and Qualifying Criteria" (International Sports Law Journal 2019) 154–170.

that statutory regulation might strangle the “speed” of investment or hamper owners’ capacity to react swiftly to on-pitch necessities.

**Conclusion**

While the Premier League and English Football League have made genuine attempts to enforce financial sustainability through self-regulatory frameworks, the persistent pattern of insolvencies and mismanagement—epitomised by Bury, Darlington, and others—suggests these measures are not fully sufficient on their own. Indeed, the sheer variety and severity of modern financial risks, from high-stakes spending to potential breakaway ventures like the European Super League, indicates that stronger statutory oversight could provide clarity, consistency, and legal force beyond what leagues can offer voluntarily.

A statutory Independent Football Regulator (IFR) would not necessarily replace or undermine existing bodies. Rather, if carefully tailored—through tiered licensing, targeted oversight of at-risk clubs, and collaboration with the Premier League, EFL, and FA—the IFR could reinforce the best elements of current self-regulation while plugging its most significant gaps. Crucially, this approach need not stifle the “raw ambition” that underpins English football’s appeal; proportionate, risk-based interventions would leave responsible investment intact, while preventing short-sighted or ill-financed gambles from derailing clubs and communities alike. In this sense, an IFR can be the necessary legal backstop to protect clubs and fans without suffocating the competitive drive that makes the sport so enthralling.

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