



The Rt Hon Oliver Dowden CBE MP
Secretary of State for Digital, Culture, Media and Sport
Department for Digital, Culture, Media and Sport
100 Parliament Street
London
SW1A 2BQ

Letter by email.

28 October 2020

Dear Secretary of State

Thank you for your response to my recent letter, however I am afraid that it both misunderstands and misrepresents the EFL's position, which I cannot allow to go unchallenged at this critical time for our clubs. I therefore suggest that from this message onwards our written correspondence is a matter of public record.

I would like to make it clear that I have never given any commitment, personal or otherwise, that the EFL has the resources to prevent clubs from folding. Nor have I ever said anything that could be construed as such, despite several attempts by DCMS in recent weeks to get us to commit to such a position in public. If the EFL did have these resources, why would we have been engaged in the rescue package debate for so long?

EFL clubs will require £400m of funding from their owners to keep them in business this season. This sum will only increase while we do not have fans in grounds and are without an acceptable financial bailout. Should any of our owners find themselves unable or unwilling to provide these funds, perhaps because their other businesses are also struggling, there is very little that the EFL will be able to do to stop clubs from going to the wall.

What I have said, repeatedly, is that we are working tirelessly to secure solutions which will keep our 72 clubs afloat. This includes long running discussions with DCMS and the Premier League about financial support. Once again, I feel the need to remind you that in giving the Premier League the opportunity to complete the 2019/20 season, thereby protecting around £1billion of its commercial revenue, you stated that this should "ensure finances from the game's resumption supports the wider football family."

Additionally, following the Government's decision to prohibit the return of fans to stadiums from 1 October, it committed to provide financial support to sports that were affected. DCMS responded to this by determining that professional football should support itself and that you expected the Premier League "to step up to the plate".

Discussions with the Premier League continue, however it is clear that top-flight clubs are also feeling the effects of the pandemic, particularly the loss of gate revenue, and it may not be in a position to provide the level of support that is required. Therefore, the onus remains on you to remedy the situation rather than thinking of it as 'job done'. After all, it is the Government that is currently preventing fans from going to games not the Premier League.

I think it is essential that I am very clear about the predicament that is now facing our clubs. This will help us avoid any further misunderstandings. The current approach of simply hoping that a solution materialises is going to have devastating consequences for the very same communities that the Government claims it wishes to "Level Up". EFL clubs, almost all of them the social cornerstone of the towns and cities they bear the names of, stand on the brink of a financial precipice.

It will not be good enough to blithely state that help will be available at the point where a club is about to go out of business, as by that stage it will inevitably have been hollowed out to a point where it is barely functioning at all, with its academy, community programme and in some cases women's team closed for good and with the staff that



deliver these benefits to the wider community having been made redundant. These are structures that have taken decades to establish and will take decades to replace.

The Government's response to the crisis that is engulfing football is particularly galling when compared with the comparative generosity being extended to other areas of your portfolio – for example, the £1.5 billion funding package to the Arts sector alone. While football grounds in Rochdale, Grimsby, Mansfield and Carlisle might seem an awful long way from Glyndebourne or the Royal Ballet, they are nonetheless equally important parts of our nation's heritage. It must have dawned on you that it is deeply unfair that cultural institutions like these are receiving Government hand-outs while also being able to generate revenues by admitting the paying public. Yet at the same time, football is told to support itself and its clubs have to play behind closed doors. I am sure you can understand how this disparity in approach must look to football fans in constituencies across the country.

What is needed is a clear plan as to how we are going to keep EFL clubs in business in the period ahead. In our view, this must involve getting fans safely back into stadia as quickly as possible and, in the meantime, providing relief on PAYE payments to HMRC so that clubs do not continue to hemorrhage cash while playing behind closed doors. In any event, clubs will soon begin defaulting on these payments and the Government would be better off managing this situation rather than having it land on its toes.

Secretary of State, I urge you not to respond dismissively to this letter as you did our earnest contribution to recent conversations about creating a financially sustainable model for the English professional football pyramid. For too long, we have been highlighting the financial chasm between the Premier League and the Championship, the destabilising effect of parachute payments (which comprise 30% of Championship Clubs' aggregate turnover) and the unsustainable losses incurred by clubs in every division of the EFL. Therefore, to suggest that now is not the right time to be addressing these issues is, frankly, baffling.

Instead I would encourage you to think long and hard about the future consequences of the approach you are currently taking. In all other areas, the Government has accepted that when it restricts business activity it should provide some form of support. For some reason, football is being regarded as a peculiarly undeserving case and, as a result, many of our clubs have now reached the conclusion that we are at best being ignored by a Government that doesn't understand our National Sport and at worst being victimised by it.

Ultimately, the football public will judge the performance of this Conservative Government on how many football clubs remain in business once the pandemic finally subsides. Certainly, those communities that are inextricably linked to their local team will never forgive it if their beloved football clubs are driven into extinction.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Rick Parry', is written in a cursive style.

Rick Parry
Chairman
English Football League

cc: Nigel Huddleston MP, Parliamentary Under Secretary of State (Minister for Sport, Tourism and Heritage)