

ANNUALREPORT | 2004



THE INDEPENDENT **FOOTBALL** COMMISSION

ANNUALREPORT | 2004

going forward

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THE INDEPENDENT **FOOTBALL** COMMISSION

# ANNUALREPORT | 2004

going forward

## with thanks...

The Independent Football Commission would like to thank the Football Association, the FA Premier League and the Football League for their co-operation and help during 2004, and all the other organisations and individuals who gave generously of their time to meet with members of the Commission and to share with them their views and ideas.

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THE INDEPENDENT FOOTBALL COMMISSION

## CHAIRMAN'S FOREWORD

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### CHAIRMAN'S FOREWORD

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This Annual Report, our third, marks an important watershed in the life of the Independent Football Commission. The IFC was established in 2001 by the football authorities with the agreement of government, as a three year experiment in self-regulation. 2004 was the final year of this experimental phase and for the IFC this year has been one of decision over its future. I am pleased to record that the football authorities have now decided to renew the IFC's mandate on an indefinite basis. In so doing, the three football bodies - the Football Association, the FA Premier League and the Football League - have confirmed that the IFC now forms an integral part of the self-regulatory framework in football.

Hence, this year has been a rather unusual one for the IFC as we awaited the decision over the future. It was also unusual in that for the first time we produced independent single issue reports during the year, in advance of our annual report. As a contribution to the decision-making process, we published in May 2004 *Self Regulation*. In this report we reviewed the work of the IFC through its initial term and analysed regulatory frameworks both outside football and outside sport itself. In September 2004 we produced a report, *Euro 2004*, which examined the preparations for the European championship, particularly by the FA, and the experience of English supporters in Portugal. In both cases it was timely to publish the reports during the year and these are summarised in this Annual Report.

# CHAIRMAN'S FOREWORD

In addition, the Annual Report records the wide range of other activities on the central concerns of the IFC in governance, finance, equity and diversity issues, charters, community links and complaints. Work on aspects of child protection regulation and activity is ongoing and we intend to produce a separate report on this important area in the first half of 2005.

As we look forward to implementing our renewed mandate, I confirm that the Commission will continue to research relevant topics with thoroughness and robustness. We will wish to remain a listening organisation, sensitive to the concerns of supporters and other stakeholders. Now that the status of the IFC has been confirmed, I hope that the wider world of football will take the IFC more seriously as a critically important, independent element within football's self-regulatory system. The impending structural review of the FA must take account of the role and function of the IFC and I, and the Commission, stand ready to assist the review as it develops. The life and experience of the IFC in the first three years represent an important part of the evidence base which the review will need to consider.

I thank the members of the Commission for their support during the year.

If readers of this report have any comments about the Commission and its work, I will be glad to receive them.



**PROFESSOR DEREK FRASER**  
CHAIRMAN



THE INDEPENDENT FOOTBALL COMMISSION

## EXECUTIVE SUMMARY

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### EXECUTIVE SUMMARY

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#### **The Independent Football Commission** (page 12)

The IFC comprises its Chairman and 5 Board members. This is a reduction on 2003, following the resignation of Garth Crooks. Details about the commissioners and the IFC office can be found on the IFC website: [www.theifc.co.uk](http://www.theifc.co.uk)

#### **2003 Progress Report** (pages 14-17)

In the three years to December 2004, the IFC has made 70 recommendations. The football authorities have accepted, in some form, approximately 75%. The IFC's 2003 Annual Report developed two main themes: finance and governance, and racism. The authorities responded positively to IFC proposals on finance and governance, though sometimes accepting the spirit of the suggestions, not necessarily the method suggested. The IFC has generally found increasing signs of sound financial management policies across the game. In response to the IFC's comments on racism in football, an All Agency Group has been formed to promote equity in the game, representing the three authorities and other major organisations in football. Specific targets have been set and some action taken, including co-options to some FA committees; Premier League action on equity training and policies; and Football League plans for diversity and equity planning. The IFC will monitor achievements. The football authorities also responded positively to other sections of the 2003 Annual Report on community activity, neighbourhood relations and facilities for disabled supporters. On Customer Charters, the football authorities have been sympathetic to making charter reports more accessible; and the FA and Football League have simplified their charter reporting. All three authorities are placing increasing emphasis on outcomes and customer-friendliness. A full implementation record can be found at Annexe A of this report, page 55.

The IFC produced two stand-alone reports in 2003: *Self Regulation* and *Report on Euro 2004*. The authorities did not accept the IFC's recommendation for future self-regulation of football. However, the FA accepted 8 of the 10 recommendations on off-field initiatives and supporter services during Euro 2004 (page 17).

# EXECUTIVE SUMMARY

## **2004: A Critical Year for the IFC** (pages 18-21)

2004 was the third and final year of the IFC's initial term. During its three years, the IFC has achieved a considerable amount (page 18). Having considered the IFC report, *Self Regulation*, the three authorities decided, in October, to renew the IFC on an indefinite term, subject to 12 months notice should it be no longer required. On balance the IFC was pleased with the outcome, and accepted the authorities' proposal that the IFC's future would be revisited during the structural review of the FA in 2005. The tightness of the IFC's budget is a continuing restriction on IFC activity (page 19). In 2004, lack of resources limited its activity to four areas: regulatory processes; Euro 2004; governance and financial management; and child protection. Reports were issued on the first two topics. On governance and finance the focus was on the progress of the FA's new Financial Advisory Committee, and on the impact of Supporters' Trusts. The IFC conducted extensive work on child protection and will issue a separate report on its findings in 2005.

## **Self Regulation: How Well is it Working?** (pages 22-25)

The primary purpose of the *Self Regulation* report was to compare successes and failures within other regulated and self-regulated industries which might usefully be compared to the football business. It examined five topics (page 23) and offered a vision for the future. The IFC's conclusion was that football's regulatory function

is in need of overhaul. It called for a radically revised role and structure for the independent scrutiny function (page 23). The IFC's understanding is that the key points from *Self Regulation* will be considered during the structural review of the FA. The IFC continues to argue that the present self-regulatory system does not work well (page 25).

## **Euro 2004: How Did it Go?** (pages 26-30)

In 2004 the IFC conducted an extensive enquiry into the FA's England supporters' club, englandfans, and the FA's success in meeting off-field objectives for Euro 2004. It found that Euro 2004 marked a significant change in the FA's approach to England supporters, which encourage a fan empowerment and built constructive relationships with fan groups. There was a further departure in that the FA worked actively in support of the multi-agency approach to disorder issues, led by the Home Office. The IFC's *Report on Euro 2004* is summarised on page 28. It concludes that the FA had much with which to be satisfied, following the tournament, especially in view of the sensitivity and boldness of some of its strategies (page 28). There was virtually no football-related trouble at venues, a fact that deserves particular recognition in the context of England's fan following being much larger than that of other competing countries'. The IFC identifies continuing areas for action, however, particularly in relation to FIFA and UEFA policies and rules which the FA is in a position to raise internationally (page 29).

# EXECUTIVE SUMMARY

## **Governance and Finance: Changes and Challenges** (pages 32-41)

On governance, the IFC's focus has been on Supporters' Trusts and supporter representation. It notes the rapid development of the Trust movement. In August 2004 it held a seminar to discuss governance issues with a range of clubs that had faced particular challenges and represented governance models both with and without supporter participation. It found much emerging good practice (page 32) and wide recognition of the need for changing previously accepted practice. The seminar drew out risks, shared principles and practices, and good practice. It also discussed clubs' links with their communities and the strengthened role Trusts might play, (page 35). The IFC conclusion is that there is no template for a "best" model of governance and it is yet too early to judge the success of active supporter involvement against other models, whilst recognising the impressive impetus behind Supporters' Trusts and their achievements to date (page 36). A report on the proceedings of the IFC seminar can be found on the IFC website: [www.theifc.co.uk](http://www.theifc.co.uk).

The IFC received the first report from the FA's Financial Advisory Committee early in 2004. The FAC's composition and work programme are summarised on page 37. The Commission applauds progress made against FAC objectives in several areas such as cashflows, and fit and proper person testing, whilst noting no substantive work in others (page 38). It believes that in 2005 the FAC should consolidate its existing work, with

the support of all the leagues (page 39). The IFC welcomes initiatives taken by the football authorities in 2004, noting particularly initiatives taken by the Football League to improve governance and financial accountability, and action by the FA and Premier League to introduce UEFA licensing (page 40). Overall, the IFC commends considerable improvements in financial management since the turmoil football appeared to be in three years ago, whilst recognising that there is no room for complacency (page 41).

## **Charters: Communication and Commitments** (pages 42-47)

In 2004, the IFC's focus in examining football's work on charters was simplification and dissemination, and keeping promises. It expresses some concern about the growing volume of charter outputs and the time, effort and expenditure involved (pages 42-43). It finds, however, that much progress has been made over the last three years, particularly new initiatives to bring charters and reports together; to report precisely against targets; and to raise charter awareness, although the latter remains low, with very few clubs using, for example, matchday programmes to publicise their charter commitments to fans (page 44).

## **Addressing Public Concerns** (pages 48-51)

The IFC's focus here is on improvements to complaints procedures and public awareness of

# EXECUTIVE SUMMARY

## IFC RECOMMENDATIONS 2004

them. Sixteen complaints have been referred to the IFC since 2002. The IFC feels that many of these could have been resolved at an earlier stage and that simple complaints resolution still needs to be cultivated. All three football authorities have addressed the gathering of complaints information; some standardisation of categories would be beneficial. Improvements to procedures have been achieved. The IFC identifies two areas for change to eliminate current confusion over areas of responsibility (page 49). Overall, there is insufficient interest in encouraging customers to exercise their rights. A survey of matchday programmes illustrates this (page 50).

### **Going Forward** (pages 52-53)

The IFC's proposed focus in 2005 is given on page 52 and is a modest agenda. At its current levels of staffing and funding, the IFC's work will be limited to seven issues. This is of concern to the Commission, which feels strongly that the IFC should be addressing a number of additional matters that are of fundamental importance at present. These are listed on page 53. The IFC is consistently criticised for its powerlessness and low profile. The IFC acknowledges these criticisms as valid and is unhappy that the work it should be doing will, in present circumstances, remain on the bench. To allow it to move into more meaningful territory more often, it calls for: realistic resources; triennial funding; and sensible empowerment (page 53).

### ***Self Regulation report***

1. The IFC **recommends** that option 4 in this report be taken forward.

This option gives the IFC a new funding base and a stronger focus on its having independence and authority. It stands between football and statutory regulation. It proposes a shift in emphasis and suggests that football structure its self-regulatory model around a formal Code of Practice, devised by the football business, drawing on an empowered regulatory body to adjudicate breaches of the Code. Public concerns would thus be addressed through a powerful and effective complaints mechanism.

### ***Report on Euro 2004***

2. The IFC **recommends** that the FA should give careful consideration to its strategic objectives for the 2006 World Cup qualifying campaign and competition and express them unequivocally from a position that recognises the relatively small role it can play, and a willingness to contribute to the larger strategy led by the Home Office.

3. The IFC believes the FA adopted the right approach in providing support and encouragement to supporter empowerment, but keeping it low-key and, in the case of its office in Lisbon, low-profile. It **recommends** that this policy should carry forward to preparations for 2006.

4. The IFC **recommends** that the FA revisit its risk assessment procedures, drawing on external expertise.

# EXECUTIVE SUMMARY

5. The IFC **recommends** action to widen the membership of England fans, looking particularly to attract more families, ethnic minorities, youth groups, the disabled, and senior citizens.

6. The IFC **recommends** that there should be an annual occasion when fans' representatives could discuss current issues with the FA's Chief Executive or a senior manager with the power to make executive decisions.

7. The IFC **recommends** that the FA should make information available on how the official ticket allocation for away international games and tournaments is distributed, and the vetting procedures applied to all recipients of tickets.

8. The IFC **recommends** that the FA gives particular attention to the timeliness, currency and manner of its communications and suggests that, additionally, there would be merit in establishing a specific, measurable target to do with deadlines for match and ticket-allocation information, and fans' perception of transparency.

9. The IFC **recommends** that the FA reviews the level of service provided by major contractors and objectively monitors its members' satisfaction.

10. The IFC **recommends** that the FA should work with the England fans membership to set and communicate standards, values and objectives for the club for the short and longer term, measure progress and report it regularly in a document available to club members.

11. The IFC **recommends** that the FA should, in the immediate future, reach an understanding with the international authorities concerning responsibility for travelling supporters who are not England fans members. The objective should be to preclude any sense of buck-passing in future and to avoid internal and public disclaimers of responsibility, damaging to the purpose and presentation of English successes in building and managing support for English football in safety.

## *Annual Report 2004*

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### **2004: A Critical Year for the IFC**

12. The IFC **recommends** that it should receive combined funding from football and government.

This will let it build on its achievements and strengthen its contribution to improving the business of football.

### **Self-Regulation: How Well is it Working?**

13. The IFC **recommends** that its *Self Regulation* report should be taken into account during the structural review of the FA, and that the IFC should be consulted early and extensively in the review.

14. It further **recommends** that the review should conclude no later than summer 2005, in the interests of setting football on a clear forward path.

### **Euro 2004: How Did It Go?**

15. The IFC **recommends** that the FA pursue clarification of the relevant rules applied to FIFA and UEFA tournaments, and their interpretation, with the aim of avoiding the confusion that produced potentially harmful tensions at Euro 2004.

# EXECUTIVE SUMMARY

## Governance and Finance: Changes and Challenges

16.The IFC **recommends** that the Football League should give a lead, in consultation with Supporters Direct, on providing benchmarking data to clubs, and facilitating imaginative opportunities to share best practice and ideas, outside the formal structures.

17.The IFC **recommends** that the football authorities, through Football in the Community and liaison with Supporters Direct, should assist Trusts' greater and purposive contribution to community partnerships.

18.The IFC **recommends** that national licensing, stricter financial undertakings on changes of club ownership, examination of the rules affecting ground tenure, and directors' loans should stay on the Financial Advisory Committee's agenda. The IFC will monitor progress in 2005.

19.The IFC **recommends** that the progress the Premier League and the FA have made in implementing the UEFA Licence should be publicised through websites, and with cross-reference or links to announcements on the UEFA site.

## Charters: Communication and Commitment

20.The IFC **recommends** that the FA makes clear which of its charter pledges it will report on, and that they should number no more than a dozen in any one year.

21.The IFC **recommends** that the Premier League further simplify its reporting, designate its audience, and express its charter commitments in terms of results, rather than process.

## Addressing Public Concerns

22.The IFC **recommends** that the IFC's role should formally be extended to include complaints concerning services provided by County Football Associations, and that it should be resourced to fill this role.

23.The IFC **recommends** action from the football authorities to encourage clubs to publicise complaints procedures, and to encourage public advertisement at matches of the public's rights and opportunities for redress.



THE INDEPENDENT FOOTBALL COMMISSION

# THE INDEPENDENT FOOTBALL COMMISSION

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## THE INDEPENDENT FOOTBALL COMMISSION

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Professor Derek Fraser completed his third year as IFC Chairman at the end of 2004, and will continue for a further term. The football authorities have welcomed the part he has played in establishing the IFC's role.

At the beginning of July, the Commission regretfully lost the services of Garth Crooks, who resigned in order to avoid conflicts of interest with a new appointment he accepted at the Professional Footballers' Association. During his 15 months with the IFC, Garth raised the profile of IFC work on equity issues, and was central to the IFC's report on racism in its 2003 Annual Report.

Otherwise the IFC maintained its 2003 line-up, completing the year with five commissioners: Alan Watson (Deputy Chairman); Clive Betts; Brian Lomax; John Simpson; Julian Wild. With the Chairman, they form the Board of the IFC. Each of the commissioners held an individual brief for one or more subjects on the IFC's 2004 agenda. During the year, all the commissioners served on panels that adjudicated complaints referred to the IFC.

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Details about the commissioners and information about the IFC office and its staff can be found on the Who's Who page of the IFC website: [www.theifc.co.uk](http://www.theifc.co.uk)

The IFC's full contact details are on the back cover of this report.



THE INDEPENDENT FOOTBALL COMMISSION

## 2003 PROGRESS REPORT

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### 2003 PROGRESS REPORT

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The 2003 Annual Report was published in February 2004. The Board of the IFC met with the three football authorities in May 2004 to receive their response to the Annual Report and its 37 recommendations. Commissioners also met with the individual associations in October 2004 to discuss progress made since the Annual Report was published. In the three years to December 2004, the IFC has made 70 recommendations. It estimates that some three-quarters have been accepted in some form by the football authorities. In announcing their decision to renew the IFC's mandate, the authorities said that the large proportion of IFC recommendations they had accepted and implemented had influenced their decision.

The 2003 recommendations are listed in Annexe A, together with a summary of responses in tabular form. Progress since then, as reported to the IFC by the authorities, is discussed below.

The 2003 Report developed two main themes: finance and governance, and racism. The authorities responded positively to the proposals to improve finance and governance, though in some cases they accepted the spirit of the suggestions, while not necessarily accepting the method suggested. For example, there was acknowledgement that financial reporting and monitoring could be improved, but a belief that the FA Premier League and the Football League were better placed to deliver this than the central institutions of the Football Association itself. Again in response to an IFC suggestion, made both in 2002 and in 2003, Fit and Proper Person Tests have now been introduced. It had been originally hoped to introduce a single test for the whole of the professional game through the aegis of the FA's Financial Advisory Committee. However, the three football authorities have each developed their own slightly different tests: the Football League introduced its test in June 2004 and is now actively exploring ways in which its scope may be extended; the Premier League test was introduced in August 2004; the FA will administer a test which is being developed for the Football Conference and its three feeder leagues.

The football authorities accepted that clubs would benefit from the sharing of financial good practice and the generation of benchmark data; this again is being developed by the individual leagues. The FA has revised the mandatory Form A (see page 38) in order to reduce administrative burdens and provide more relevant

# 2003 PROGRESS REPORT

financial and management data. The FA is also hoping to develop a Code of Good Governance for implementation in 2005: this is being developed through the Financial Advisory Committee. The Premier League remains confident that it already acts effectively in many of the areas discussed by the IFC and, in particular, sees the progressive introduction of the UEFA Licence as ensuring that Premier League clubs conform to good financial management practice. The Football League has been steadily introducing good corporate governance initiatives, including its Salary Management Protocol in Leagues 1 and 2 and the publication of aggregate agents fees, which were geared to encourage financial prudence combined with sustainability. In response to the large number of clubs in administration, the IFC in 2003 made a study of clubs in financial difficulty and recommended that the football creditor rules should be reviewed. In response, the Premier League offered the IFC a paper setting out the justification for these rules, which the Commission looks forward to receiving. The Football League explained to the Commission that the recent legal cases concerning Exeter City and Wimbledon have, in fact, strengthened the basis of the football creditor rules. It further pointed out that the introduction of the sporting sanction of a 10-point penalty for going into administration was intended to have a powerful deterrent effect. In the latter part of 2004 there was only one club in administration. The IFC has found that there are increasing signs of sound financial management policies being widely

introduced across the game, though sporting failure inevitably carries with it the risk of severe financial consequences (see pages 40-41).

Much of the extensive media interest which accompanied the launch of the IFC's 2003 Annual Report derived from what the Commission had to say on equal opportunities and diversity. The IFC discussion of racism was reinforced some six months later by the publication of a report by the Commission for Racial Equality<sup>1</sup>. Both the IFC and the Commission for Racial Equality identified the fact that in some important respects football does not reflect the diversity of modern British society. In club and team management, in both central and club administration, in the composition of the spectators and, to some extent, in the ranks of the professional playing staff, football could do more, it was suggested, to promote equal opportunity and diversity.

Football is rightly proud of the progress made in recent years to outlaw racist abuse at matches, to integrate black players into the professional game, and to promote anti-racist initiatives such as Kick It Out. The game's senior administrators are fearful that these achievements might be diluted if those who have brought them about feel that they have been unfairly criticised for not having done more. The authorities believe that progress is being made, but also believe that the pace of change will fail to satisfy the aspirations of many activists.

1. *Racial Equality in Football: A survey*, Commission for Racial Equality, October 2004

# 2003 PROGRESS REPORT

In order to make rapid changes to the composition of key committees, the IFC suggested a number of targets for ethnic minority participation. This approach was rejected by the football bodies on the grounds that quotas are akin to positive discrimination, which is illegal. Their preferred approach is to work through an All Agency Group which has drawn up a ten point plan to promote ethics and sports equity. The All Agency Group comprises representatives from the FA, the Premier League, the Football League, the Professional Footballers' Association, the League Managers' Association, and the Football Foundation. Under its proposals some progress has already been registered. The FA has made co-options to some of its committees<sup>[2]</sup>, pointing out that it cannot, under current rules, co-opt to the FA Council. Two specialist committees have been established along with a panel of advisers and experts. In December 2004, the FA held a second conference to promote and discuss its diversity strategy, under the generic title Football For All. This was well-attended and well-received by an audience less critical of the FA than at the 2003 event. The Premier League has reported that it has reviewed all Premier League club equal opportunities policies and is issuing guidance for developing them further; that it has contracted for the provision of diversity awareness training which will be delivered to all Premiership clubs; and it points to the fact that Premiership clubs are working towards the Kick It Out racial equality standard. Less progress has been reported by the Football League, faced with the challenge of working with 72 clubs of very different financial and geographical character. There are plans to consult with all clubs and perhaps bring forward

proposals in the middle of 2005. The IFC wonders if the Football League could explore whether some of the larger Championship clubs could access the FA Premier League training programme. While acknowledging some of the logistical and resource difficulties, the IFC wishes to encourage the Football League to move with greater speed to develop its diversity policies. As at November 2004, the IFC had seen no evidence of its proposed Diversity and Equity Plan. The Commission has been impressed by the seriousness of football's responses to the racism section of its 2003 Annual Report. The IFC is aware how important it is to understand the issues thoroughly, to develop well thought-out policies and strategies and to set objectives couched in practical action plans. The IFC believes that such processes are in train. The Commission is equally aware that there is widespread expectation that there will be visible and measurable outcomes. The IFC will pursue a programme of active monitoring and evaluation in 2005, seeking to identify actions and achievements in the light of its 2003 proposals.

The football authorities also responded positively to the other sections of the 2003 Annual Report. In the areas of community and neighbourhoods, it was broadly accepted that the wide ranging community activities promoted by football deserved a higher profile. The Premier League has produced *Community Report 2003/04*, which highlights significant community activity by each club. The Premier League has committed itself to be "the driving force behind tackling social exclusion, raising educational standards and promoting community involvement"<sup>[3]</sup>. It took up the IFC's suggestion that it should meet with the

2. notably the Race Equality and the Disability Advisory committees

3. *The FA Premier League Community Report 2003/04*, page 1

# 2003 PROGRESS REPORT

Federation of Stadium Communities to discuss matters of common interest. The Football League has always been a strong supporter of the national Football in the Community Scheme. As part of the re-branding of the Football League, associated with a new sponsor, the League is rolling out a series of initiatives, aimed at building on the well-established links between its 72 clubs and their communities. Football in the Community itself commissioned, in 2004, a valuable study<sup>[4]</sup> which commended club schemes' substantial contribution to community life in England and Wales, and the quality and range of that provision, despite under-resourcing which can affect impact. The FA points out that it has myriad schemes promoting football at the grassroots level in communities across the country. It also drew the IFC's attention to the Wembley project, where 1% of the profits will go into a trust for local community projects.

On disability issues, in line with the IFC's suggestion in its 2003 Annual Report<sup>[5]</sup>, the football authorities, together with disabled supporters, are planning a major new initiative: a Disability Awareness Week, similar to the high-profile Racial Awareness Week clubs held in 2003. It is hoped that this will be held in the spring of 2005. The IFC recommended wider consultation with disabled supporters groups and found the authorities receptive. The IFC is willing to facilitate this. Overall, the football authorities accept that football should now look forward to the implementation of the Disability Discrimination Act, rather than back to the proposals in the 1998 Football Task Force report<sup>[6]</sup>. The IFC looks forward to reports from the authorities in 2005 on

progress in implementing the Disability Discrimination Act.

In 2003 the IFC funded and organised a validation exercise on charter reporting. The Commission recommended that validation should be incorporated into the authorities' own processes. This has not been accepted, with the Premier League particularly believing that such validation is unnecessary, partly because its knowledge of its clubs is well-developed, and partly because, it argued, such validation is not required in other reporting contexts. The authorities were more sympathetic to making charter reports more accessible. The Premier League has now followed the example of the FA and produced an attractive, glossy publication which summarises Premier League club charter outcomes for the season<sup>[7]</sup>. The Football League has successfully simplified its annual charter report<sup>[8]</sup>, in line with IFC recommendations, which is easier to read and clearly reports action and results against commitments. The FA has further improved on its new customer-oriented reporting style. The charter reports for 2003-04 are discussed on pages 42-47.

The IFC made additional recommendations in 2004 specific to the two stand-alone reports it produced: *Self Regulation* and *Euro 2004*. The football authorities did not accept the IFC's recommendation for changes to regulatory processes in the former: this is discussed on pages 22-25. The FA accepted 8 of the 10 recommendations in the *Euro 2004* report, which it welcomed.

4. *Football in the Community: Resources and Opportunities, a national research project for Football in the Community*, Department of Exercise and Sport Science, Manchester Metropolitan University (Cheshire), 2004

5. *Annual Report 2003*, Independent Football Commission, February 2004, page 54.

6. *Improving Facilities for Disabled Supporters, a report by the Football Task Force*, July 1998

7. *The FA Premier League Community Report 2003/04*

8. *Customer Charter Report 2004*, The Football League, December 2004



THE INDEPENDENT FOOTBALL COMMISSION

## 2004: A CRITICAL YEAR FOR THE IFC

### THE IFC

#### FOCUS 2004:

- FUTURE OF THE IFC
- RESOURCES

2004 was the third and final year of the IFC's initial term. The decision about its future rested with the three football authorities which, at the beginning of the year, undertook to reach a decision by mid-year. The Commission welcomed a review of its performance and achievements. There are several salient features to its three years of activity:

**fulfilment of the terms of reference, interpreting them constructively in order to address the widest range of supporter and stakeholder concerns**

**six reports<sup>9]</sup>, including three Annual Reports, all of which have been respectfully received and widely distributed in response to demand**

**visits and consultation with nearly 200 separate organisations**

**a network of contacts and information exchange throughout English football and with some extension into Europe**

**sound working relations with the football authorities after some initial tension on both sides**

**growing recognition, though advancing more slowly than desired, especially amongst supporters**

**effective through exerting influence on the football authorities.**

The decision about the IFC's future was delayed for some three months. The reason given was that the authorities needed time to consider the issues raised by the IFC in its report, *Self Regulation*, issued in May. A turbulent period for the FA in the early summer led to a further delay. The uncertainty was unsettling. However, in October, the FA, the Premier League, and the Football League issued a joint letter to the IFC Chairman expressing their wish for the IFC to continue on its existing terms and conditions but now with an indefinite term. Should, in the future, the IFC be no longer required, then the authorities undertook to give it 12 months notice. All three authorities underlined the

9. Annual Reports for 2002, 2003 and 2004; three stand-alone reports: *Self Regulation*, *Euro 2004*, and a report on an IFC seminar, *The Governance of Football Clubs*

# 2004: A CRITICAL YEAR FOR THE IFC

value they placed on the IFC and its positive achievements - reflected, as they pointed out, in the large percentage of IFC recommendations that the football authorities have accepted and implemented.

On balance, the IFC was pleased with this outcome and glad to have its role and achievements endorsed. However, it regretted that its call for a strengthened and empowered IFC was not heeded, and was disappointed that there was to be no review of its terms of reference. The football authorities' explanation, which the Commission found reasonable, was that a structural review of the FA was to take place early in 2005, which was expected to examine regulatory structures. The football authorities argued that a logical time to revisit the status, function and funding of the IFC would be after this review has delivered its findings. The IFC has no role in the remit or conduct of the review.

The IFC faces an uncertain future therefore. It is funded until the end of 2005. The football authorities indicated in their letter to the Chairman that notice to close the IFC would be given in or by September in the year preceding closure. September 2005 will thus be a critical month for the IFC, as the football authorities consider the outcomes of the review and what role there might be for the IFC or a remodelled version of it.

The biggest challenge for the IFC in 2004, and one that it carries forward to 2005, has been the tightness of its budget. Lack of resources obliged the Commission to

reduce its staffing from four to three, and to restrict its activities. In these circumstances, the IFC is justly proud of its outputs and the quality and professionalism of its work. A higher level of funding would allow it to do more, to raise awareness and to operate more comfortably. A supplementary grant from government is one option the Commission has raised, as a means not only of relieving the financial strain but also giving the IFC clear independence of the football authorities. The Department of Culture Media and Sport has not formally taken a position on this.

Both the source and level of the IFC's funding are issues that require resolution. The IFC argues that though it receives money from the authorities it oversees, this does not compromise its work, and is typical of self-regulatory regimes. However, the All Party Football Group recommended that the IFC receive money directly from government in order to demonstrate 'genuine independence'. Indeed, the IFC itself notes that, 'as funders and creators of the IFC, they (the football authorities) expect to decide its future role and to appoint, under Nolan principles, its chairman'. It is difficult to see how an organisation can be wholly independent, when the appointment of the key figure is in the hands of those being scrutinized ... Regardless of the model adopted - self regulation or independence - it seems clear that the IFC's resources need to be increased.

*The State of the Game: The Corporate Governance of Football Clubs 2004*, Football Governance Research Centre, Birkbeck, November 2004, page 12

## fact box

### THE IFC

<b>role:</b>	to evaluate the effectiveness of football's self-regulatory system and the performance of the three football authorities
<b>established:</b>	2002 for a 3-year term
<b>funding:</b>	annual grant from the football authorities
<b>status:</b>	independent company, limited by guarantee
<b>powers:</b>	none
<b>product:</b>	publicly available reports including an Annual Report

## fact box

### IFC RESOURCES

<b>annual grant:</b>	c. £230,000
<b>payment to Board members:</b>	none, with the exception of the Chairman
<b>staff numbers:</b>	three
<b>other revenue sources:</b>	none
<b>balance of income over expenditure:</b>	none

# 2004: A CRITICAL YEAR FOR THE IFC

## ACTIVITY

### FOCUS 2004:

- REGULATORY PROCESSES
- EURO 2004
- GOVERNANCE AND FINANCIAL MANAGEMENT
- CHILD PROTECTION

2004 was the IFC's busiest year yet, with the production of four reports and a sharp increase in the number of issues and complaints brought to the IFC's attention. However, lack of resources in 2004, human and financial, has meant that the agenda the IFC set at the beginning of 2004 progressed more slowly than the IFC would wish, and that the scope of work has been narrow.

## fact box

### TOPICS COVERED BY THE IFC 2002-2004

customer charters, charter reports, validation

ticketing for away supporters

the FA's Financial Advisory Unit

complaints processes and procedures

merchandising

match rescheduling

the crisis in club finances

the governance of football clubs

football in the community programmes

the FA's Financial Advisory Committee

neighbourhood issues

facilities for disabled supporters

racism

self-regulation of the football business

Euro 2004

child protection

The Commission reluctantly decided to put on hold projected work on a standard for customer services in football; the role of agents; revenue distribution; conflicts of interest; codes of conduct.

On equity issues, the IFC has taken no further its work in 2003 on combating racism, though the football authorities have reported to it action they have taken (see pages 15-16). The IFC has not been able to verify very much however, nor to examine activity and impact on the ground. The IFC had intended to embark on a wide-ranging consideration of women's football but, although it had a preliminary meeting with the FA, and touched on women's and girls' football during some club visits, it was clear the topic could not be properly researched within the IFC's 2004 resource. The IFC extensively examined child protection in the game, however, and has only decided not to report its findings at this stage because the topic merits more time and is, in the opinion of the Commission, of an importance that calls for a separate report. This is scheduled for issue in the first half of 2005.

In early 2004, the IFC received the first Annual Report of the FA's newly constituted Financial Advisory Committee, which is chaired by former IFC Commissioner Kate Barker. The FAC's work plan for 2004 covered much of the ground the IFC had flagged as priorities for football's attention and which, had the FAC not been constituted, the IFC would have felt essential to pursue itself. The Commission decided, therefore, to concentrate on monitoring the progress of the FAC against the intentions and targets in the FAC Annual Report. These included matters of good governance as

# 2004: A CRITICAL YEAR FOR THE IFC

well as improving financial practice. An area not covered by the FAC was the impact of Supporters' Trusts. This the Commission therefore examined separately.

The IFC's *Self Regulation* report took up much of the first part of the year and is discussed in detail on pages 22-25. The middle part of the year was occupied by Euro 2004, where the IFC's focus was on the FA's services to and care for England supporters. This is discussed on pages 26-30.

It is unlikely the IFC will be able to maintain its 2004 output in 2005. It hopes that at the end of the year, however, the IFC will have a certain future and combined funding from football and government that will let it build on its achievements and strengthen its contribution to improving the business of football. This it strongly **recommends**.

**The IFC's current Terms of Reference can be found on the IFC website: [www.theifc.co.uk](http://www.theifc.co.uk).**



THE INDEPENDENT FOOTBALL COMMISSION

## SELF REGULATION: HOW WELL IS IT WORKING?

### SELF REGULATION: HOW WELL IS IT WORKING?

#### FOCUS 2004:

- FOOTBALL'S SELF-REGULATORY SYSTEM
- ROLE OF THE IFC

As the IFC moved towards the end of its first term, it felt it would be appropriate to share its experience of working within football's self-regulatory system, in order to inform a wider debate on how well the current system operates. The IFC hoped the football authorities would find this helpful in considering whether to continue with the IFC, but recognised that the IFC, though often referred to as a "regulatory body" in fact provides simply a scrutiny function, without powers. The primary purpose of the report was not to make a case for or against the IFC, but to draw attention to alternative systems, and compare successes and failures within other regulated and self-regulated industries which might usefully be compared to the football business. The report also drew on the principles of good regulatory practice, devised by the Cabinet Office's Better Regulation Task Force, and on the National Consumer Council Report, *Models of Self-Regulation*<sup>[10]</sup>.

The IFC report, *Self Regulation*, was issued in May 2004 and distributed to the football authorities and the Department of Culture Media and Sport, ahead of discussion about the future of the IFC. The report was also distributed to a wide range of stakeholders, many of which had been represented at meetings convened by the IFC to exchange views and opinion.

*Self Regulation* examined five topics, summarised in box one, and offered a vision for the future.

The report recognises the diverse ways in which football is currently regulated, which include the jurisdiction of the Financial Services Authority for clubs listed on the London Stock Exchange, Company Law, national regulations to do with health and safety, the Office of Fair Trading, the Football Licensing Authority, UEFA, FIFA, the European Commission - and the three football authorities themselves. But it equally recognises that normal market forces do not operate in football and that there are widespread perceptions that current regulation does not seem to be protecting the best interests of the game. The report compares football's current situation with those that spawned the Advertising Standards Authority and the Press Complaints Commission:

10. *Principles of Good Regulation*, Better Regulation Task Force, 2003; *Models of Self-Regulation: an overview of models in business and the professions*, National Consumer Council, November 2000.

## BOX ONE

### SELF REGULATION: SUMMARY OF TOPICS

#### the self-regulatory framework in football

perceived flaws in the existing model whereby the Football Association, with the Football League and the Premier League, seek to fill both a regulatory and representative function

#### the impact of independent scrutiny

the IFC's relations with the governing bodies; the governing bodies' experience of independent scrutiny; stakeholder views; media reactions; complaints handling; change and improvements effected

#### the IFC experience

what has enabled the IFC to function well, and what have been the constraints; reference to the active network within which the IFC operates; comment on inadequate resourcing which restricts its operations; limits of the IFC's remit and powers; measures taken to assert the IFC's independence

#### the regulatory process

comparison with regulatory processes in other industries: football put in context with reasons why, as a relatively small industry, it is perceived to be "different" and in need of regulation; different forms of regulation, with examples from the Law Society, the General Medical Council, the Jockey Club, the Advertising Standards Authority, the Press Complaints Commission; call for the regulation of football to be geared to public interest issues and a public information function, backed by the industry and government

#### options

six options ranging from the abolition of the IFC, through to statutory regulation; recommendation that a genuinely independent regulatory function should be introduced, with the power and capacity directly to address public concerns, funded by a very small levy on the industry, and responsible for overseeing adherence to a Code of Practice for football, devised by the football business itself

#### conclusion

a vision for football, expressed with confidence that the business has the ability and will to regulate itself and that self-regulation is the best route forward

low public esteem

crises that reflect badly on the industry's capacity to self-regulate

poor public awareness of how to express concerns and influence change

lack of transparency

a mixture of arrogance and unwillingness, in the eyes of many, that means strong remedial action is evaded.

The report notes that football has no Code of Practice.

The IFC concludes that the regulatory function is in need of overhaul. It calls for a radically revised role and structure for the external scrutiny or regulatory body, modelled broadly on the Advertising Standards Authority and Press Complaints Commission. Key points are:

surrender of some of the FA's powers to the new entity

some necessary separation of the FA's regulatory and representative functions

a code of practice for football

a mix, on the regulatory authority, of lay representatives and experience from the football business.

# SELF-REGULATION: HOW WELL IS IT WORKING?

The football authorities did not accept the IFC's recommendations for radical change. Between the report's issue and the authorities reaching their decision, resignations and some turmoil at the top of the FA led to a decision to commission an independent structural review of the FA. The terms of reference of the review are not known to the IFC but its understanding from discussions with the football authorities and the Department for Culture, Media and Sport is that the four key points from *Self Regulation*, listed above, are the kind that the review will be expected to consider. On these grounds, the football authorities argued that the future role and resourcing of the IFC, and possibly other regulatory mechanisms, should be deferred until the outcome of the review is known. This is expected to be around the middle of 2005.

*Self Regulation* generated considerable comment and interest amongst its readers. Supporters' groups, in particular, were keen to push hard for a stronger, empowered version of the IFC as a minimum step towards effective regulation. Were nothing done, then they were prepared to object strongly. The general feeling was that the IFC had done as good a job as it could, within its very obvious constraints, but that its powerlessness and poverty were insurmountable impediments to real authority. The very tentative IFC experiment has invited comment such as that expressed at the end of the year by Birkbeck's Football Governance Research Centre:

*The IFC has been subjected to criticism for being funded by the authorities that it polices, and for being without the authority to impose its recommendations. In our view the role of the IFC should be written into the rules of the relevant governing bodies, most specifically within the FA.*

*The IFC should have a broader range of powers, including the capacity to ensure that their recommendations are acted upon. Whatever forms such moves might take, the IFC needs to be given sufficient authority to help restore the integrity of decision making.*<sup>[11]</sup>

Parts of the media remain prepared to give the IFC a shout; others have lost what patience they had and are ready to write off the whole experiment. Overall, the principal concerns expressed about the IFC as currently constituted are:

its source and level of funding

its levels of access and independence

its authority

its locus with government.

## fact box

### APPROXIMATE BUDGETS OF SOME INDEPENDENT REGULATORS (2003)

Advertising Standards Authority:	£4.6m
Commission for Racial Equality:	£18.7m
Football Association:	£186m
Football Licensing Authority:	£1.1m
General Medical Council:	£60m
Independent Football Commission:	£0.22m
Jockey Club:	£9.2m
Law Society:	£91m
Press Complaints Commission:	£1.6m
Sport England:	£58.3m

source: information from the individual regulatory bodies; and the Better Regulation Task Force publication, *Independent Regulators*, October 2003

11. *The State of the Game: The Corporate Governance of Football Clubs 2004*, Football Governance Research Centre, Birkbeck, November 2004, page ix

# SELF-REGULATION: HOW WELL IS IT WORKING?

At the time of the Football Task Force<sup>12</sup>, football supporters had been strong advocates of statutory regulation, though willing to accept the IFC as a compromise on a “wait and see” basis. They were not then, nor are they now, alone in calling for statutory regulation. The IFC does not believe that government intervention and the inevitable inflexibility of statutory regulation will serve football’s present needs. Nor does it see statutory regulation as a politically probable step.

It does conclude, however, that the present self-regulatory system does not work for three basic reasons:

**it is beset with conflicts of interest and growing tensions between the three football authorities, whilst tied to an anachronistic model of governance that impedes decision-making and a flexible response to the changing circumstances that football needs**

**the present system does not attract the confidence and belief of either the game’s own hugely important stakeholders, or that of the general public**

**public and media opinion does not budge from the perception that football is in a mess, as it witnesses governance failures at club level and also in the authorities’ handling of crises that, in recent years, have ranged from the relocation of Wimbledon, through the collapse of ITV Digital, to well-publicised off-field matters.**

The IFC **recommends** that its *Self Regulation* report should be taken into account during the structural review of the FA, and that the IFC should be consulted early and extensively in the review. It further **recommends** that the review should conclude no later than summer 2005, in the interests of setting football on a clear forward path.

12. The Football Task Force, chaired by David Mellor, was convened in 1997 by the new Labour government, to tackle some of football’s problems at a time when its image was deteriorating, amidst general public concern. It issued four reports, in one of which it recommended the establishment of an Independent Scrutiny Panel - which eventually led to the formation of the IFC.

## A VISION FOR FOOTBALL

This vision rests in the knowledge that football is the national game, loved by millions of people in this country. Nowadays, it has to be run as a business. But that business has a duty to achieve and maintain the highest standards on and off the pitch. The vision is of a game run by authorities who love the game with same passion as its supporters. A form of governance that seeks - because it has nothing to hide and everything to gain - strong, independent regulation to protect and make public its high standards. Differences that are settled through conciliation, and reach just and authoritative resolution. Corrective action that is quickly taken when things go wrong. Wider public knowledge and trust. A guardian for the future of the game, its traditions, its social value. A code of behaviour that tells the supporters that they and their clubs matter. A culture that fosters the rights and expectations of ordinary people who enjoy football.

English football must demonstrate, more clearly than it does now, that it has the ability and will to regulate itself, and that it is prepared to shoulder the responsibilities that go with self-regulation. The governing bodies must take the lead, and must lead by example. They can do it. English football authorities have taken many initiatives that put them amongst the best national bodies of any sport. The regulatory change that is needed calls for perhaps the biggest initiative yet. Independent regulation is not a feature of many of football’s national governing bodies, and certainly not in the forms described in this report. But English football, as we have shown, is different.

*Self Regulation*, Independent Football Commission, May 2004

***Self Regulation* can be obtained free of charge from the IFC office at the address on the back cover of this Annual Report, or in pdf version from the publications page of the IFC website: [www.theifc.co.uk](http://www.theifc.co.uk).**

## EURO 2004: HOW DID IT GO?

### EURO 2004: HOW DID IT GO?

#### FOCUS 2004:

- THE FA'S ROLE IN OFF-FIELD ACTIVITIES AT EURO 2004
- SERVICES PROVIDED FOR SUPPORTERS

How did it go? Apart from the results of two of the England games, it went spectacularly well.

In 2004, the IFC conducted an extensive enquiry into:

**the success of the FA in organising and running England fans, its club for England supporters**

**the views of supporters on off-field issues important to them as supporters of the England team**

**best practice with regard to supporter issues at Euro 2004**

**the FA's off-field aims and objectives for Euro 2004 and its success in meeting them.**

The purpose of this enquiry was to encourage the development and future application of best practice and to suggest areas where change might bring about improvement to the FA's service-provision, and also to the wider image of English football and its supporters in the international context<sup>[13]</sup>.

The IFC issued its findings and recommendations in its *Report on Euro 2004* in September 2004. The conclusion of this report was that the FA had done all it could to contribute to ensuring a positive outcome from the tournament, both for supporters and for the image of English football. The IFC's view was that the FA had implemented a bold strategic shift since Euro 2000, which both improved its relationship with supporters and positioned the FA more responsibly as a contributor to action to deter football-related disorder.

The IFC conducted its work primarily through face to face meetings: see box two. Additionally, the IFC attended fans' forums and road shows, and also went to friendly,

13. The IFC advised the Football League and the FA Premier League of the work it was doing on Euro 2004 and, before beginning work on its report, formally asked both bodies if they had any points or comments they wished to make. As neither did, the FA is the only governing body to which the report refers.

## EURO 2004: HOW DID IT GO?

qualifying, and tournament matches over a two year period which included the 2002 World Cup and the qualifying campaign for Euro 2004<sup>[14]</sup>. This process was geared to engaging with supporters and deepening the IFC's understanding of the issues that were most important to them. Additionally, the IFC took into account any issues pertaining to Euro 2004 or englandfans that were raised with it by e-mail or in correspondence. And finally, it consulted an extensive range of materials, given to the IFC primarily by the FA but also by supporters' groups, or acquired at matches.

Euro 2004 marked a significant change in the FA's approach to England supporters. In part it had no choice as there was a real risk of the England team's disqualification should hooliganism erupt amongst England supporters. To its credit, however, the FA's approach was serious, careful and positive. It worked hard to engender good working relations with supporter groups and significantly helped empower supporters to a point where they were the arbiters of good behaviour and the ones correcting the stereotypical negative image of the England supporter. The care in relationship-building that went into this is perhaps best illustrated by the intrinsic tensions within the core strategy, which depended on heavy measures, backed by extraordinarily far-reaching legislation unique to football and England, that allowed the authorities to check the criminal records of football supporters, allied with the expectation that fans would not only accept this but encourage it and promote it. And it worked.

14. The IFC purchased two tickets for Euro 2004 from the FA. Otherwise, and normally, the IFC neither seeks nor obtains special treatment. It purchases match tickets through normal outlets and shares the fan experience of ticket purchase, travel and match attendance.

## BOX TWO

### IFC CONSULTATION ON EURO 2004

#### 4England

**Association of Chief Police Officers**

**British Council**

**British Embassy, Lisbon**

**Department for Culture, Media and Sport**

**englandfans members**

**Euro 2004 S.A.**

**Roadshow participants**

**FA**

**Football Intelligence Units**

**Football Supporters' Federation**

**Foreign and Commonwealth Office**

**Home Office**

**Kick It Out**

**Journalists**

**National Criminal Intelligence Service**

**Portuguese Football Federation**

**Ticketmaster**

**UEFA**

**University of Liverpool**

## EURO 2004: HOW DID IT GO?

*Report on Euro 2004* divided into three main areas, summarised in box three.

In the final section of the *Report on Euro 2004*, the IFC concludes that the FA has much with which to be satisfied. Euro 2004 was the second international tournament in succession at which there was no football-related disorder from England supporters and the overall number of arrests - 53<sup>15</sup> - was remarkably small. This deserves particular recognition in the context of the size of the FA's challenge compared to other national associations: there were, for example, over 77,000 more English ticket-holding supporters in Portugal than German ticket-holding supporters, and nearly 94,000 more English ticket-holding supporters in Portugal than Dutch ticket-holding supporters.

The multi-agency approach to the disorder issue, led by the Home Office, benefitted from the FA's contribution: it is essential that this is sustained, along with the successful blend of low-profile support for fan initiatives and focused effort on engaging with supporters and fostering mutual trust.

### fact box

#### TEAM FOLLOWINGS

<b>Tickets sold to the FA for England's four games:</b>	41,884
<b>England Follow My Team Tickets:</b>	3,820
<b>UEFA open sales to English addresses:</b>	c. 100,000
<b>TOTAL:</b>	over 145,000
<b>Tickets sold to the German national association for Germany's three games:</b>	28,913
<b>Germany Follow My Team Tickets:</b>	2,592
<b>UEFA open sales to German addresses:</b>	c. 37,000
<b>TOTAL:</b>	over 68,000
<b>Tickets sold to the Dutch national association for the Netherlands' five games:</b>	40,348
<b>Netherlands Follow My Team Tickets:</b>	3,955
<b>UEFA open sales to Dutch addresses:</b>	c. 7,500
<b>TOTAL:</b>	over 51,000

source: Euro 2004 S. A.

## BOX THREE

### REPORT ON EURO 2004: SUMMARY

#### the strategic approach to Euro 2004

the history of football-related disorder in the nineties; legislative and organisational change to address the problem; multi-agency approach to Euro 2004; the FA's role and objectives: the need to keep them appropriate and deliverable

#### supporters

the growth and increasing acceptance of fan initiatives; supporter empowerment at Euro 2004; the FA's decision to work with supporters, in contrast to Euro 2000 and the 2002 World Cup; community and relationship-building undertaken by fans and their success in changing perceptions of the "typical" England supporter; risks attendant on the success of supporter initiatives

#### englandfans

- **englandfans:** creation of englandfans; changes made by the FA in order to create a more open and listening culture; measures and risks taken to eliminate the hooligan element; aims set for the new club, which the IFC finds appropriate. Questions about certain assumptions, particularly those that predicate a link between ticket-holding and violence, and non-segregation and violence; caution about the FA's strong aversion to risk. Members' views of englandfans; areas for improvement, particularly for widening the member base and further improving dialogue; setting and monitoring standards; working with the membership
- **the Euro 2004 experience:** a positive one for supporters; what contributed to, and also detracted from, the atmosphere
- **the FA's role and responsibility towards supporters of the England team:** the FA's decision to take responsibility only for englandfans members; the need to consider a wider role; preparation for the World Cup in 2006.

15. Figure supplied by the Home Office (Sept 2004)

# EURO 2004: HOW DID IT GO?

The Commission identified a clear role for the FA in areas where strategic issues remain and pose a risk. The FA's strategy for preventing known troublemakers from travelling hinges on security vetting of all those to whom it sells tickets. UEFA and FIFA policy, however, is to put a large number of tickets on general open sale without any security checks. Collaboration between the FA and UEFA meant that some of the purchasers in this category were vetted for Euro 2004, but the majority were not. Whilst recognising that England is unique in the number of supporters that travel to international tournaments and thus takes a particular view of scaled-up problems on ticketing, nonetheless the value, in every sense, of the England contingent to UEFA and FIFA tournaments does offer the FA a platform for dialogue, engaging allies and developing acceptable solutions. Another area about which the IFC feels particular concern is the differing interpretations of where responsibility lies for the larger supporter population attending Euro 2004 and future tournaments. The FA insists it can and will be responsible only for those to whom it sells tickets i.e. englandfans members. In the case of Euro 2004, fewer than 10,000 fell into this category, of the 150,000 England supporters or thereabouts who bought tickets for the tournament. UEFA rules are inconsistent on

where responsibility for supporter behaviour lies. It has nevertheless clearly threatened, notably in the wake of the violence at Euro 2000, to eject England from its competitions in the event of such behaviour in future. That the behaviour of FA-ticketed fans and non-FA-ticketed fans at Euro 2004 was equally impeccable meant that the matter did not come to a head in Portugal. But the issue has not gone away and the IFC urged the FA to continue to press FIFA and UEFA to address it. In response, the FA has reiterated that it limits its responsibility to fans to whom it has sold tickets and has made this clear to the German organising committee for the World Cup 2006. The IFC is fully aware of, and sympathetic to, the difficulties of pursuing the point, and cognisant of England's often lone position on these matters at international level. Nonetheless, the IFC **recommends** the FA pursue clarification of the relevant rules applied to FIFA and UEFA tournaments, and their interpretation, with the aim of avoiding the confusion that produced potentially harmful tensions at Euro 2004<sup>[16]</sup>. Also, whilst taking the FA's point that arrangements for 2006 are now fixed, the IFC further hopes that the FA will persist in discussing policy and procedures for open ticket sales for international tournaments, and more realistic ticket allocations to national associations.

## fact box

### FOOTBALL-RELATED ENGLISH VISITORS IN PORTUGAL, JUNE 2004

englandfans ticket purchasers:	9,000
estimated football tourists travelling from England for Euro 2004:	200,000
estimated numbers in Portugal specifically to attend the tournament:	c. 150,000

16. See *Report on Euro 2004*, Independent Football Commission, September 2004, pages 27-28.

# EURO 2004: HOW DID IT GO?

In total the IFC made ten recommendations in its *Report on Euro 2004*<sup>[17]</sup>, eight of which the FA has accepted. The report has been well received by other parties, including supporters groups and the Home Office. At the beginning of December 2004, the IFC had a useful and open meeting with the FA to discuss the report. The FA explained the challenges it continues to face, and its determination to maintain the policies that worked so well at Euro 2004, and to invest effort into doing so that is commensurate with the immense returns that positive supporter engagement has delivered. The IFC is particularly glad to note that the FA's Customer Relations Unit will continue in its present role and authority: the IFC's opinion is that much of the credit for the fans' more positive view of the FA is due to the Customer Relations Unit in the last three years.

There are some bridges still to build. Supporters retain some doubts, to do with the values the FA brings to englandfans, to do with access to the FA, to do with the distribution of ticket allocations to individuals and organisations outside the main supporter population, for example. The fans would welcome a general forum with the FA, overseen by the IFC, to reflect on the achievements of Euro 2004, look together at the IFC's findings, and forward-plan for Germany. The IFC intends to convene this in the first quarter of 2005.

Generally .... the FA has been successful in building good relations with englandfans' members, and the IFC applauds the determination with which the FA has addressed the problems associated with the England Members Club, particularly where bold and controversial measures were called for. The rebranded supporters' club has, after Euro 2004, a sound basis and reputation on which to build, in sharp contrast to the failures at Euro 2000.

***Report on Euro 2004, Independent Football Commission, September 2004***

***Report on Euro 2004 can be obtained free of charge from the IFC office at the address on the back cover of this Annual Report, or in pdf version from the publications page of the IFC website: [www.theifc.co.uk](http://www.theifc.co.uk).***

17. These are included in the list of IFC recommendations made in 2004, listed on pages 9-10.



# GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

## GOVERNANCE

### FOCUS 2004:

#### • SUPPORTERS' TRUSTS AND SUPPORTER REPRESENTATION

The IFC has followed with interest the increasing role of supporters in the way their club is governed and the related growth of Supporters' Trusts, not-for-profit organisations formed by supporters to achieve engagement in the running of their club. The majority of Trusts are Industrial and Provident Societies. They are guided and assisted by a parent body, Supporters Direct. The growth of supporter involvement has been dramatic:

**in 1992 Northampton Town established the first Supporters' Trust; its Chairman became the first democratically-elected director to a football club Board in the same year**

**by 1999, Trusts were in place at 6 clubs; the number has risen to around 120 (November 2004)**

**in 2001, Chesterfield became the first Football League club to be owned by its supporters, through its Supporters' Trust**

**in 2004, 9 Trusts either own or control their club. 26<sup>[18]</sup> English football clubs have a representative from their Supporters' Trust on their board.**

The IFC has looked at governance issues at a number of clubs which have faced particular challenges. As part of this work, the IFC additionally held a seminar in August 2004 to which 12<sup>[19]</sup> clubs were invited, representing clubs with a strong supporter involvement and clubs where supporters have either a less prominent role or no formal role at all.

At the seminar the IFC found much emerging good practice in both governance models. In some ways this is unsurprising. All the clubs had either been in administration or faced serious financial difficulties. The skills and tactics for survival were going to be similar. Box four identifies the principles, problems and practices they had in common.

18. A further twelve Trusts are represented on the boards of Scottish football clubs and some rugby clubs (figures supplied by Supporters Direct).

19. 1 recently relegated from the Premier League to the Championship; 4 in League 1; 4 in League 2; 2 recently relegated to the Conference; 1 in the Ryman League Division 1. The IFC's summary of the seminar discussion, The Governance of Football Clubs, can be found on the IFC website.

## GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

The IFC found clear awareness that wise financial management and good governance are imperatives in today's football, and reappraisal of what a successful football club is. It found no consistent pattern of "success". Relegation, promotion, struggle and survival all featured in the sporting pattern. Just over half the clubs at the IFC seminar, in both categories, were showing operating profit<sup>[20]</sup>; all the clubs without strong supporter involvement in governance could also confirm turnover growth. Clubs on both models were making progress on debt reduction and financial stability - the most startling perhaps being at the Trust-owned York City whose draft accounts to June 2002 showed a loss of £394,000 under previous owners, yet had an £83,000 operating profit in 2003/04 - but was also relegated from the Football League at the end of the 2003/04 season. Match attendance figures seem to increase at Trust clubs, suggesting supporter appreciation of a new and more attractive regime. But gates remain vulnerable to sporting failure.

### fact box

#### SUPPORTERS DIRECT

**aim:** to help people who wish to play a responsible part in the life of the football club they support

**formed:** April 2000

**funded:** by government

**offices:** London and Glasgow

**combined membership of Supporters' Trusts:** 75,000

**fundraising:** over £10m raised by Trusts to date

**average Trust membership in 2004:** 650

source: Supporters Direct

## BOX FOUR

### SOME SHARED GOVERNANCE PRINCIPLES PROBLEMS AND PRACTICE

- **fund-raising; income diversification**
- **wariness of single benefactors**
- **managing (supporter) expectations**
- **building relations with local authorities**
- **links to the local community**
- **financial realism; imposing strict financial controls**
- **acceptance / welcome of the Football League's drive to modernise, and to penalise bad practice**
- **clear communications strategy**
- **adjusting sporting ambition**

20. before player trading activity

# GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

Clubs with a strong supporter involvement have some evident strengths:

- the belief and support of supporters
- the capacity to raise funds<sup>[21]</sup> and to protect them for the club's use
- a strong volunteer base that both injects skills and, as the labour is voluntary, cuts overheads
- open and direct communication with the supporters.

Clubs recognise the risks and tensions inherent in these strengths, however, such as those listed in box five. The challenges for the supporter movement in relation to corporate governance are well-expressed in Deloitte and Touche's 2004 *Annual Review of Football Finance*:

*... the nature of a football club means that it is of great public interest and the actions of the club's board can be the subject of great scrutiny and opinion. Tensions can arise between the club directors and the trust's own board and its members. Those charged with the operation of clubs have many obligations and responsibilities - and it isn't an easy life.*<sup>[22]</sup>

Most Football League clubs face financial difficulties; mostly Trusts inherit a club at times of crisis. The preoccupation, inevitably, is with day-to-day firefighting. Finding time to think strategically and long-term, and to focus skills on these areas can easily be relegated. On this point, the IFC welcomes the Football League's

## BOX FIVE SUPPORTERS AND GOVERNANCE: SOME DILEMMAS

tension between the confidentiality of some Board discussions and decisions, and the total transparency expected by fans of "their" director(s)

donor fatigue (especially in circumstances of poor sporting results)

the inability of Trust-elected directors to meet traditional expectations and become a personal donor

the employer vulnerability that goes with unpaid labour

supporter disillusion if the messages and results are no more comfortable than under previous régimes

21. According to Birkbeck's 2004 survey of Trusts, two-thirds of responding clubs had received financial support from their Supporters' Trust. *The State of the Game: The Corporate Governance of Football Clubs 2004*, Football Governance Research Centre, Birkbeck, November 2004, page 20.

22. *Annual Review of Football Finance*, Deloitte and Touche, August 2004, page 61.

# GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

emphasis on forward planning and the requirements it is imposing on clubs to do this. It also notes that almost everyone with whom it discussed governance issues would like more guidance and help from their parent league on questions of governance. The aspirations are modest: benchmarking data; opportunities to network. Supporters' Trust delegates at the IFC seminar observed that this seminar was the first occasion they had sat together to exchange experience. The IFC **recommends** that the Football League should give a lead, in consultation with Supporters Direct, on providing benchmarking data, and facilitating imaginative opportunities to share best practice and ideas, outside the formal structures.

Supporters' Trusts have undoubtedly made an impression and the benefits they offer are increasingly recognised. There is thus much on which to build and a good chance of creating a decent and enduring governance structure drawing on the best of recent experience at Trust and non-Trust clubs - provided the foundations are sound and broad. At all clubs, the IFC found a strong commitment to, and belief in, strengthening links with local authorities and communities, and recognition that partnerships have been neglected in the past. Trusts need to address their role in this: statistics from Birkbeck's Football Governance Research Centre's survey of Trusts in its 2003 and 2004 reviews of the governance of football clubs show that Trusts' links with the community are growing but still low<sup>[23]</sup>. The IFC

did a sample survey of 15 Trusts' information leaflets and found the majority (8) made some reference to links with the community. Six Trusts included a reference to community in their aims and objectives. The IFC found little or no information about what Trusts' links with the community mean or what co-operation or partnerships exist. It **recommends** that the football authorities, through Football in the Community and liaison with Supporters Direct, assist Trusts' greater and purposive contribution to community partnerships.

The IFC is aware that Supporters Direct is hoping that the Treasury will sanction tax concessions, on the lines of gift-aid, for Supporters' Trusts. The IFC hopes that

## REMARKS FROM THE IFC SEMINAR

a strategy for going down a league in the interests of financial safety isn't sustainable

if all the skills on which the club can draw had to be paid for, the club would be losing money

never before has the club said, 'this is where we want to be in 3, 5 years time', or thought about how to get from the present situation to somewhere else in the future. Getting to the end of the season was far enough

setting clear and firm financial standards from the centre is an acceptable principle, providing they are applied fairly and consistently

a week before the season starts everything might be looking great. Then cometh the hour: mistakes are made and it all falls down

23. In 2003 only 6.5% of Trusts stated they had links with community groups; 10% said they had links with local ethnic minorities; 29% had links with disabled groups. In 2004 Birkbeck reports a rise from 29% to 35% of Trusts having links with local schools and a rise from 29% to 37% of Trusts linking with disabled groups, for example. *The State of the Game: the corporate governance of football clubs 2003*, Football Governance Research Centre, Birkbeck, 2003, page 14; *ibid.* 2004, page 61

# GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

Supporters Direct will benefit from Treasury support, although care will be needed to avoid activity being diverted to Trusts for tax advantage, that might distract from a Trust's original purpose.

Finally, a word about the Premiership, which has not featured much in the IFC's discussions and findings. The Premier League operates on a financial scale remote from most clubs and is dominated by clubs listed on the main board of the London Stock Exchange or the Alternative Investment Market which are thus subject to the regulatory requirements of the stock exchange. Their sporting and financial condition also seems remote from the clubs in the leagues the IFC has been discussing. Supporter involvement and empowerment is less in the Premiership than elsewhere. The Premier League may or may not consider this a good thing. However, the indications that supporter involvement can act as a force for good - and go beyond financial bail outs - are there. Trust initiatives at the 6 or 7 clubs currently in the Premiership will be worth watching.

The IFC concludes that there is no template for a "best" model of governance. Individual club circumstances work against it and there is no overwhelming evidence that a supporters-run club is "better" than the traditional model. The skills and experience needed on the boards of football clubs are not automatically to be found in any particular sector of the supporter or any other population<sup>[24]</sup>, and Trusts cannot hope to solve all the fundamental problems facing football. In general, good practice and examples of well-run clubs are getting easier to find. The IFC was interested to find that when it asked its seminar delegates for examples of good practice, clubs cited were extremely diverse and respected for very different reasons (see box six).

The impetus behind the Supporters' Trust movement is impressive, as are its achievements. It is simply too early yet to judge its sustainability and longevity. The jury is out. The signs are hopeful.

## BOX SIX

### SOME EXAMPLES OF DIFFERENT GOVERNANCE MODELS CITED BY SEMINAR DELEGATES

#### Hull City

League 1 club.

Example of sporting and financial success.

Run by single CEO-Chairman.

No role for supporters in governance.

New state-of-the art stadium.

£6.3m turnover.

Wages at 30% of turnover

#### Crewe Alexandra

Championship club.

Example of successful player development and trading, and confidence between board and coach.

Has the longest-serving manager in English football, despite fluctuating sporting success.

No Supporters' Trust.

2003/04 turnover: £5.1m

#### Gloucester City

Southern League Premier Division.

Example of nurturing and sustaining a good volunteer base.

Supporters' Trust being formed.

Turnover not known.

#### AFC Wimbledon

Ryman League Division 1.

Example of supporter power, determination and defiance.

Supporters' Trust-owned and run.

Average gate in 2004 2,673.

Servicing a £1m+ debt.

In operating profit and showing turnover growth.

Formed from scratch in 2002 after the relocation of Wimbledon FC (now MK Dons).

Unbeaten in its second season (2003/04) and promoted as Champions.

Turnover just over £1m.

24. Birkbeck's 2004 survey found that "somewhat worryingly, 8% of Trust respondents feel that their skills are best described as closer to the 'Not at all adequate' classification than the 'Very adequate'." *Ibid.*, page 59.

# GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

## FINANCE

### FOCUS 2004:

- **PROGRESS MADE BY THE FA'S FINANCIAL ADVISORY COMMITTEE**
- **INITIATIVES TAKEN BY THE FOOTBALL AUTHORITIES**

The IFC received the FAC's first Annual Report at the beginning of 2004. It is an impressive and ambitious document, setting out an extensive programme across a range of areas which, the IFC agrees, are of high importance.

The FAC's report on its 2004 work programme (see box seven) is the subject of the FAC's second Annual Report, which went to the FA Board in January 2005. At the time of preparing its own Annual Report, the IFC had not seen this report but expected it in February 2005.

## fact box

### THE FA'S FINANCIAL ADVISORY COMMITTEE

<b>Established:</b>	August 2003
<b>Aim:</b>	To promote and protect the financial long-term health and stability of clubs in their communities
<b>Task:</b>	To co-ordinate a consistent approach to finance issues across the higher levels of the game in England, and to provide strategic advice and direction to the Financial Advisory Unit
<b>Objectives:</b>	Increase the level of financial awareness in football Improve the level of corporate governance in football Improve internal control procedures in football Provide measures of club financial performance (e.g. benchmarking)
<b>Meets:</b>	Quarterly
<b>Reports:</b>	Annually to the FA Board and the IFC

source: *Report to The Football Association Board and the Independent Football Commission, Financial Advisory Committee, 2004*

## BOX SEVEN FAC WORK PROGRAMME 2004

- **research domestic licensing**
- **look at establishing a single, comprehensive financial reporting programme for clubs**
- **a Code of Corporate Governance for football**
- **fit and proper person test for directors**
- **annual declaration by directors that their club will be able to trade for the full season**
- **research ways in which supporters and other stakeholder involvement can effectively contribute**
- **oversee the introduction of regulations that will require the identification of agents and others involved in transfer or contract negotiations**
- **look at requiring new owners of clubs to provide credible proof of funding plans**

source: *Report to The Football Association Board and the Independent Football Commission, Financial Advisory Committee, 2004*

# GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

The IFC understands that the FAC has made significant progress against its 2004 agenda and has perhaps achieved more than was expected of it a year ago (see box eight). This is encouraging.

The creation of the FAC has to be seen as a whole, together with other initiatives that have been introduced since 2000, particularly the creation of the IFC. This report, I believe, represents a comprehensive first response by the FAC to the challenges that face the game, and which the IFC have highlighted.

**source:** Chair's Introduction to the FAC's Annual Report

The IFC further understands that the FAC has discussed a Code of Corporate Governance and that work on it will continue into 2005. The IFC refers the FAC to its recommendation in 2003<sup>[25]</sup> concerning standards, and repeats its recommendation that the FA should establish a Compliance Advisory Committee.

## fact box

### MEMBERSHIP OF THE FINANCIAL ADVISORY COMMITTEE

**Chair (independent):** Kate Barker

**Members 2003/04:** John Bagguley, Chairman, Northern Premier League Finance Panel  
Bill Coad, FA Council member, Cambridgeshire County Football Association  
Dan Corry (independent), Executive Director, New Local Government Network  
Peter Heard, Director, The Football League  
Bill King, Chairman, The Football Conference  
David Nessling, Director, The Southern Football League  
Mark Palios, Chief Executive, The Football Association (to September 2004)  
FA now represented by Jonathan Hall, Director of Governance,  
and Steve Barrow, Head of Compliance  
Richard Scudamore, Chief Executive, FA Premier League,  
represented by Javed Khan, Finance Director  
Alan Turvey, Chairman, Isthmian League

**source:** Report to The Football Association Board and the Independent Football Commission, Financial Advisory Committee, 2004

## BOX EIGHT FAC: PROGRESS IN 2004

- cashflow review to be published in 2005
- fit and proper person declarations introduced by the Premier League and the Football League in 2004
- revised and extended Form A for financial reporting<sup>[26]</sup>, introduced in 2004
- boards required to confirm, in Form A, their club's stability; that the club can meet its commitments for the coming season; and that it has security of ground tenure.

25. Annual Report 2003: a call for unity of purpose, Independent Football Commission, page 27

26. Completion of form A is required by all clubs in full or associate membership and covers statutory, governance, membership and financial details.

# GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

The IFC is not aware of any substantive work on national licensing, stricter financial undertakings on changes of club ownership, or examination of the rules affecting ground tenure, and directors' loans. It **recommends** that these should stay on the FAC's agenda and expects to monitor progress in 2005. The IFC does not plan to undertake independent work in these areas itself. The IFC is also unaware of any FAC enquiry into the role of agents in player transfers and contracts and is unclear whether the FA intends or expects the FAC to enquire into the role of agents. If it does not, the IFC will undertake its own enquiry, as well as maintaining its interest in supporter involvement in governance.

The IFC does not believe that, at this stage, and in the light of the impending structural review of the FA, the FAC should extend its work programme or remit, but that it should consolidate the existing work. In particular it should, through the Financial Advisory Unit, measure the effectiveness and monitor the impact of some changes that have

been introduced. The IFC would welcome comment from the FAC on the adequacy of the Financial Advisory Unit's resourcing. The IFC is encouraged by the FAC's influence to date and suggests that the FA should include the FAC and its membership in the FA Handbook.

It has been reported<sup>[27]</sup> that the Premier League questions the role of the FAC. There may be others who nurse doubts about it. The IFC believes that the FAC is set to play an increasingly beneficial part in raising standards throughout football and hopes that all the leagues endorse the value of a central group dedicated to inducing better governance, accepting that it is for the leagues themselves to implement change.

The IFC very much welcomes the initiatives taken by the football authorities in 2004. The FA's return to the question of fit and proper person tests in 2003 was timely, and succeeded in focusing the attention of the Premier League and the Football League on the need for action. The IFC is under no illusion that the tests that have been introduced will close all the loopholes but it strongly endorses the signal that the introduction of the tests have sent out, reinforced by regulation. The IFC had hoped that the test would be common across the whole of football and hopes this can be an ultimate aim. Differences between the Football League and Premier League declarations (see box nine) may prove to be a weakness. Time will tell.

## fact box

### POWERS AND DUTIES OF THE FINANCIAL ADVISORY COMMITTEE

To review and assess the adequacy of financial controls throughout football

- (a) **the adequacy of corporate governance at each level of the game**
- (b) **the overall financial health of clubs**
- (c) **the manner in which any applicable policy for dealing with insolvent clubs has been observed**
- (d) **consideration and regulation of material transactions**
- (e) **applications from a club to significantly change their interest in their stadia.**

source: *The FA Handbook Season 2004-2005*

27. In excerpts from FAC meeting minutes, quoted in *The State of the Game: The Corporate Governance of Football Clubs 2004*, Football Governance Research Centre, Birkbeck, November 2004, page 7.

# GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

The IFC also applauds further initiatives taken by the Football League to improve governance and financial accountability, notably:

**new regulations obliging clubs to register all payments to agents during a transfer. The League also committed itself to publishing these figures and did so in July 2004. These are analysed in the Football League's *Customer Charter Report 2004*<sup>[28]</sup>**

**the imposition of sporting sanctions on clubs entering administration and limiting clubs to a maximum of 18 months in administration. The League's specific intention with this initiative is to make directors clearly "accountable to supporters for the way they have run their clubs"<sup>[29]</sup>**

**the introduction of a Salary Cost Management Protocol in League 2 (Division 3), limiting player wages to 60% of turnover, with extension of the protocol to League 1 (Division 2) in 2004/05**

**a requirement on clubs to indicate salary adjustments should the club be promoted or relegated. This is designed to heighten awareness of, and manage, the financial consequences of sporting success or failure.**

The Premier League is now introducing the requirements of the UEFA Licence system. This represents a further consolidation of good, basic financial practice. The IFC **recommends** that progress the Premier League and the FA have made in implementing the UEFA Licence should be publicised, through websites and with cross-reference or links to announcements on the UEFA site. The IFC hopes the Football League will consider introducing UEFA licensing in the Championship.

## BOX NINE PREMIER LEAGUE AND FOOTBALL LEAGUE DIRECTORS' DECLARATION

*Premier League disqualifying events reflected in the new Directors Declaration form 2A*

*Football League disqualifying conditions reflected in the new Fit and Proper Person Test declaration*

involvement with the management or administration of another Premier League or Football League club

holding 10% or more of shares of another club

becoming prohibited by law from being a director

being subject to a disqualification order as a director of a company

being convicted on indictment of an offence

having an unspent conviction

making an Individual Voluntary Arrangement or becoming the subject of a bankruptcy order

being subject to a bankruptcy order

being or previously the director of a club which has had 2 or more events of insolvency

being a director of 1 football club that has entered into 2 separate Insolvency Events during any 5-year period since 11 June 2004

having been a director of 2 or more clubs each of which suffered an Event of Insolvency

being a director of at least 2 football clubs that have each entered into an insolvency event

being subject to a ban from involvement in a sport by a Sports Governing Body

*source: Amended Section D of Premier League rules distributed to Premier League Club secretaries, August 2004; The Football League: Handbook Season 2004-2005, pages 182-3.*

28. *Customer Charter Report 2004*, The Football League, page 5  
29. *ibid.*

## GOVERNANCE AND FINANCE: CHANGES AND CHALLENGES

Football appeared to be in financial turmoil at the time the IFC came into being. The number of clubs going into administration was rising at an alarming rate (from 2 to 11 between 2000 and 2002); player wages appeared to be spiralling way beyond the financial capacity of the clubs; standards of financial accounting were feared to be poor in the lower divisions; listed clubs' compliance with expected standards was unimpressive<sup>[30]</sup>. Over the last three years, however, there has been considerable improvement. There are still widespread concerns, in the media and among supporters, about financial management and accountability. But the measures discussed in the preceding paragraphs are encouraging, and clearly indicate a business prepared to try to put its house in order. This is borne out by the findings of the Football Governance Research Centre which, in its 2004 *State of the Game* report, comments that:

*Over the past four years our results record significant improvements in the governance practices of clubs - this is true for both listed and unlisted clubs, though the proportion of clubs complying with best practice tends to be higher for listed clubs.*<sup>[31]</sup>

What is also encouraging is football's support for these measures. Changes to the regulations were carried by voting at both the Premier League and the Football League, whilst on the ground, a recent survey<sup>[32]</sup> of club finance directors found:

- nearly half of respondents believing wage capping can work
- 78% in support of penalties for entering into administration
- 85% in favour of fit and proper person tests for directors and major shareholders.

There is no room for complacency. And trends must be carefully interpreted. The IFC would caution against any satisfaction, for example, that there is currently only one club in administration, when 36 i.e. half the number of clubs in the Football League and including many clubs that have been in the Premiership, have been in administration since 1992. But the signs are encouraging. The IFC looks to their continuing.

***The Governance of Football Clubs: an Independent Football Commission seminar held at Darlington Football Club, 25 August 2004*** is a summary of the discussions at the IFC seminar and can be found on the publications page of the IFC website: [www.theifc.co.uk](http://www.theifc.co.uk).

30. See the IFC's 2003 *Annual Report*, p 22ff

31. *The State of the Game: The Corporate Governance of Football Clubs*, Football Governance Research Centre, Birkbeck, November 2004, page ix

32. *Financing football - fit for business?*, PKF, June 2004. Survey covering the top three divisions in England, and the Scottish Premier and First Divisions

# CHARTERS: COMMUNICATION AND COMMITMENT

## CHARTERS: COMMUNICATION AND COMMITMENT

### FOCUS 2004:

- SIMPLIFICATION AND DISSEMINATION
- KEEPING PROMISES

The IFC made five recommendations on charters and charter reporting in its 2003 Annual Report<sup>[33]</sup>. Of these, the Commission has been most interested in the football authorities' response to the IFC call for simpler reporting and wider dissemination, and in its assertion that charters must be used to make clear commitments to football's customers.

### OUTPUTS

The IFC receives reports from each of the three football authorities every year. The amount has increased sharply over the three-year period 2002-2004, from a total of 431 pages in 2002 to 754 pages in 2004. In 2004 the IFC received 4 separate reports from the Premier League alone, amounting to 643 pages. The IFC criticised the swelling volume of reporting in its 2003 Annual Report<sup>[34]</sup> and was glad to see its remarks heeded by the FA and the Football League very effectively however.

The FA, in 2004, merged its Charter and Charter Report into an attractive document, easy to read and easy on the eye. The Football League, following IFC recommendations in 2002, now focuses its clubs on three clear commitments - "promises" - to their supporters each year; reporting concentrates on these. Striking presentation and design in the Annual Report makes the promises and action taken to deliver them absolutely clear; the reporting load on busy clubs is much reduced; and the new style makes the exercise clearer of purpose. The length of club reports is down to around 550 words on average, which is all that is needed. The Premier League's *Charter Report 2003/04* and *Community Report 2003/04* are professional, nicely designed products. However, it is difficult to relate the reporting to charter commitments. The Premier League output is impressive in scale and the thoroughness of approach but 640+ pages of charter information is a daunting read. The Commission doubts many, if any, undertake it. This seems poor reward for the endeavour<sup>[35]</sup>. The IFC would welcome the opportunity to discuss with the Premier League their developing reporting strategy.

Overall, the IFC is slightly concerned at the amount of time, effort and expenditure that the authorities are putting into their charter reporting, and wonders if it might be better spent. The FA is something of an exception in this: whilst obviously spending on its product, the

33. *Annual Report 2003: a call for unity of purpose*, Independent Football Commission, February 2004, page 13

34. *Ibid.* page 61

35. The IFC made the same point in 2003: *ibid.*

# CHARTERS: COMMUNICATION AND COMMITMENT

FA has achieved an impressive economy of essential information and clear messaging.

The same question arises that the IFC has posed in previous years: who is the reporting for? In 2003 the IFC strongly emphasised that “these reports should not be seen as an exercise for the IFC<sup>[36]</sup>”. The IFC welcomed the FA’s move to direct its charter work to supporters in its 2003 reports. In 2004, the FA has reinforced this. The text of *The FA Customer Charter* directly addresses supporters in an appropriate style, and uses the opportunity to answer critics and questions. Moreover, the FA has adopted another IFC suggestion and will be distributing the document to supporters: every renewing member and every new member of Englandfans in 2005 will receive a copy. The print run has been increased from 1,000 to 25,000. The FA offers the document on the FA website, and also offers a CD ROM of the general public interviews conducted as part of the Charter research. The FA also tells the IFC that it has made the document available to County FAs and will make it available at FA-organised games “wherever possible”. All this is excellent. The IFC is particularly pleased to note distribution to the County FAs. Its one criticism of the FA’s charter product is that it focuses too heavily on Englandfans (around 20% of the report), and on the 18,000 Englandfans members as the customers it is

addressing. The IFC continues to reject the FA’s narrow interpretation of its relationship with supporters. The Commission’s opinion is that the FA owes a service to “customers” throughout the game, including the grassroots.

The introductory pages of the Football League’s *Customer Charter Report 2004* provide an excellent summary of initiatives and achievements during the year. Hard copy distribution appropriately includes national supporters’ groups and all clubs, though the length of the text may deter some readers. The Football League Charter can be found - though not easily - on the Football League website but the IFC could not find the Charter Report<sup>[37]</sup>. The IFC recommended in 2003<sup>[38]</sup> that a summary of key charter report points should be produced for clubs. The League decided not to produce a separate document but to feature best practice in its main report. This it has done through case studies on community work and a feature on “Football For Everyone” with case studies on inclusion, disability etc. The idea is a good one but the IFC would like to hear feedback from clubs on whether they read these sections and were able to make use of them. The Commission believes there is a case for the Football League to issue a short separate document for clubs, easily accessed and short enough to tempt a busy reader.

## fact box

### THE DEVELOPMENT OF CUSTOMER CHARTERS

<b>March 2000</b>	Football authorities commit to introducing customer charters
<b>2000</b>	Rule changes introduced requiring all clubs to produce a charter
<b>August 2000</b>	Premier League launches club charters
<b>2000/2001 season</b>	All three football authorities issue their own charters
<b>2001</b>	All Football League clubs asked to produce charters by the end of the year
<b>2002</b>	Football authorities produce first Annual Reports on charters
<b>2002</b>	Charters introduced at Football Conference clubs. Charter reporting currently in planning
<b>2003</b>	FA pioneers customer-specific charter and charter reporting; Football League introduces specific charter promises addressed to supporters

36. *Ibid.*

37. The IFC understands it is to be made available electronically

38. *Ibid.* Recommendation 37 on page 13.

## CHARTERS: COMMUNICATION AND COMMITMENT

The FA Premier League has gone down a similar road with its glossy *Community Report 2003/04*, in response to an IFC recommendation<sup>[39]</sup>. The IFC has no information about the aims and target audience for this product, nor the distribution of the Premier League's other charter publications. The Premier League does not appear to have produced a summary of club best practice. The IFC suggests it could usefully do so, in lieu of the large volumes of Charters and Charter Reports. Premier League Charter Reports can be found on the Premier League website.

Charter awareness continues to be low<sup>[40]</sup>. This is unsurprising. As the IFC has underlined in the past, public interest is in results achieved, not the small print of charters. Credit is due to the FA for its clever efforts to raise charter awareness at international matches, and its honest reporting of the continuing difficulties<sup>[41]</sup>. The Football League has made awareness-raising easier for its clubs by its "three promises" policy. The IFC is encouraged to note the use of websites and matchday programmes to communicate the promises - which are a shorter and easier read than a charter - and, to a lesser extent, the local media. The IFC hopes the League will encourage more clubs to follow this practice and to include the excellently brief few lines in which clubs report implementation.

Awareness generally would be helped by reference to the existence of the charter, or charter system, in matchday programmes. Better training would also help, so that club staff are able readily to supply the charter on request. The IFC's experience is illustrated in box ten.

### BOX TEN

#### CHARTER INFORMATION GATHERING 2004

<b>Mention of club charter in 10 sample matchday programmes:</b>	<b>0</b>
<b>Mention of FA Charter in 1 international matchday programmes:</b>	<b>1</b>
<b>Mention of governing body charter in 3 national cup competition programmes:</b>	<b>2</b>
<b>Mention of charter in 1 European competition programme:</b>	<b>0</b>
<b>Club Charter requested at:</b>	
<b>1 Premier League match:</b>	<b>1 provided</b>
<b>5 Div 1 / Championship matches:</b>	<b>0 provided</b> <sup>[42]</sup>
<b>1 Div 2 / League 1 match:</b>	<b>0 provided</b>
<b>1 FA Cup match</b>	<b>1 provided</b>
<b>Staff charter awareness at 8 clubs on matchdays, in response to a request for a charter:</b>	<b>1</b>

39. *ibid.* Recommendation 20 on page 12.

40. This is also confirmed by the findings of Birkbeck's survey of Supporters' Trusts in 2004: "... it is still the case that the vast majority of supporters responding to our survey either do not know about the charter or feel that it offers only moderate or no protection to fans." *The State of the Game: The Corporate Governance of Football Clubs 2004*, Football Governance Research Centre, Birkbeck, University of London, page 19.

41. See *The FA Customer Charter*, November 2004, pages 5-6

42. At one club the club offered to supply a charter in the past, and did so.

# CHARTERS: COMMUNICATION AND COMMITMENT

## CHARTER COMMITMENTS

The IFC is heartened by progress that has been made, particularly by the FA and the Football League, in making a clear link between the Charter and the Charter Report, effected by progress reports against specific and measurable commitments to beneficial change. In 2003 the IFC commended the FA's Customer Charter Report for 2002-2003, for its readability, its link to Charter issues and outcomes, its responsiveness to supporters, and its honesty<sup>[43]</sup>. In the same period, the Football League moved to the three promises approach to the charter process, which it is developing well. The Commission hoped that the Premier League would move in similar directions. However, its clubs still report fully on an extensive range of activity. The IFC is sure this is of value to the Premier League but believes that the value to fans and stakeholders would be greater if there were a sharper focus, clear commitments to change and short progress reporting on the top priorities.

The FA has taken its key aims for 2003-04 and produced a table with tick boxes in a simple two-page spread in its 2004 Charter, headed "HOW DID WE DO?" The IFC likes this. It is neat, brief, informative and clear, lacking only, perhaps, a bit of explanation of the "not achieved". The IFC suggests that the FA might consider reproducing this 2-page spread in programmes, or for distribution with tickets for cup competitions and home internationals, to reach the audience beyond englandfans members. The FA's commitments to further improvements appear with the relevant section of the Charter in the 2004 edition. They cover service standards, merchandising, ticketing, complaints procedures, and disability and racism issues. Many of these apply to all supporters and

it will be especially worthwhile in future, therefore, to extend the report on progress beyond englandfans. The IFC is delighted to see equity issues included in the FA's Charter, and hopes that women's football will feature in future too. Finally, the IFC particularly approves the way the FA document presents complaints procedures. The Commission also recognises, and applauds, that the FA has drawn on complaints, and suggestions made by the IFC in its Euro 2004 report, to inform some of its commitments to improvements.

The IFC would like to see ... measurable targets for improvement ... featured prominently in charters; to see results against them specifically included in reports to the governing bodies; and to see these results displayed at FCs and on websites ....Its position is that the major purpose of a charter is to set out what the club or authority is undertaking to do for its customers; to use the following period to deliver on its promises; and to report at the end of the period how far it has got.

### **Independent Football Commission Annual Report 2002**

... the governing bodies should require clubs to:

- set out explicitly in their charters what they intend to do to improve customer care;
- do it;
- report back to the customers on progress.

The IFC suggests that, ideally, the charter process should take the form of an evolving action plan that identifies three or four priorities - no more than this - for improving service, and reports annually on progress..... the IFC continues to believe that ...the (governing bodies') Charters should contain specific commitments to improving customer care. This extends to the Premier League too.

### **Independent Football Commission Annual Report 2003**

43. *Annual Report 2003: a call for unity of purpose*, The Independent Football Commission, February 2004, page 71

# CHARTERS: COMMUNICATION AND COMMITMENT

Overall, the IFC feels the FA has, to date, done all it can to raise charter awareness, establish a listening culture, and offer the fans a refreshing openness and communicativeness.

The Commission feels that further improvement could be made in one area: the number and presentation of aims and commitments. It is not always clear when the Charter text is defining standards, and when a clear, timebound commitment is being expressed. Reporting covers both. When all the undertakings are added up they come to well over 30. The IFC **recommends** that the FA makes clear which of its pledges it will report on, and that they should number no more than a dozen in any one year. Some commitments could be more tightly expressed.

The IFC finds the Premier League's documents difficult to link together. There is some overlap between them. This may be because they are for different audiences. The IFC finds the *Charter Report* attractively presented but it does not include the Premier League Charter<sup>[44]</sup>. A list of "commitments" at the beginning can be partially traced to a statement of intentions in the 2002/03 report<sup>[45]</sup>; the *Charter Report* addresses these but is, essentially, a report, in some detail, on a wide range of activity. The IFC is glad to note that equity issues are included. In short, the Premier League products do not marry the charter, measurable aims, and progress reporting as successfully as those of the FA and the Football League. At club level, the IFC could find very few specific charter commitments: Aston Villa, Everton (with the delightfully-named Toffee Targets)

and Fulham offer examples of how it can be done. The IFC understands that the Premier League is in active dialogue with its clubs about measurable targets. The IFC **recommends** that the Premier League further simplify its reporting, designate its audience, and express its charter commitments in terms of results, rather than process. The IFC has offered to look with the Premier League at its commitments for season 2004/05, early in 2005.

Club reports are for the respective football authorities to analyse and comment upon. The Football League responded positively to the IFC's reminder of this in its 2003 Annual Report. The Commission finds the use of graphics in the League's *Customer Charter Report 2004* helpful and interesting and understands from the League that they will be the source of discussion with Football League clubs at 2005 charter seminars. The League has clarified the purpose of charter reporting with its clubs at previous seminars. The League might usefully include a statement on this in its Report and some comment on how useful (or otherwise) club reporting has been, not least to encourage and endorse the clubs' adoption of the League's innovative charter system. The IFC is delighted that in 2004 the League has made its own promises, in response to the Commission's suggestion it should do so. The promises are appropriate and specific, though the first, like some of the FA's aims, would benefit from a sharper focus on results. The 'Keeping Our Promise' page in the *Customer Charter Report 2004*<sup>[46]</sup> is very good.

Football League club reporting provides some

44. It is reproduced in the separate, substantial volume *Annual Charter Reports Season 2003/04*  
45. *The FA Premier League Annual Charter Reports Season 2002/03*, page 27

46. *Customer Charter Report 2004*, The Football League, page 16

## CHARTERS: COMMUNICATION AND COMMITMENT

good examples of succinct and successful charter practice, using the three promises system. Box eleven illustrates some best practice, which the League may wish to use to improve the sometimes general promises some clubs tend to make.

Overall, the League is to be congratulated on effecting significant change to the charter system in a two-year period which has improved customer focus and communication whilst, the IFC believes, lightening the administrative burden so that engaging in a charter action plan is straightforward.

The IFC concludes that the Charter process has significantly improved since its inception. Whilst areas such as simplification, dissemination and accessibility offer opportunity for further improvement, the exercise is on the right lines and represents a commendable new direction.

## BOX ELEVEN

### THE FOOTBALL LEAGUE CHARTER SYSTEM: SOME GOOD EXAMPLES

#### 2003/04

**Promise:** Floodlights - Complete the project started in the close season of 2001 to upgrade the floodlights

**Action taken:** The floodlights have been upgraded to Championship standard.

*Peterborough United*

**Promise:** To reduce the number of customer complaints

**Action taken:** Not specific enough and indeed it appears that there may have been an increase. New measurement systems have been put in place. There have been many more attendees at matches and subsequently more complaints.

*Plymouth Argyle*

**Promise:** To start the season

**Action taken:** After the difficulties of the close season we did start the season, and finished it.

*Luton Town*

**Promise:** Improve cleanliness within the Stadium on matchdays, particularly seated areas

**Action taken:** This is an on-going project; we now have volunteers as well as our ground staff working on cleanliness prior to all fixtures at Meadow Lane

*Notts County*

#### Promises for 2004/05

Better liaison with supporters on matchdays by having a permanent office - ticket office at the ground instead of being a street away from the ground

*Boston United*

Provide a covered shelter outside the ticket office as protection against the weather for supporters

*Oxford United*

To establish a joint liaison committee with our disabled supporters

*Barnsley*

To reduce the response time for complaints from 21 days to 14 days

*Stockport County*

Produce a specific and stand-alone area of the stadium for our Community team to use EVERY matchday, to provide free tickets to relevant community groupings

*Bristol City*

source: *Customer Charter Report 2004*, The Football League, December 2004



THE INDEPENDENT FOOTBALL COMMISSION

## ADDRESSING PUBLIC CONCERNS

### ADDRESSING PUBLIC CONCERNS

#### FOCUS 2004:

- IMPROVEMENTS TO COMPLAINTS PROCEDURES
- PUBLIC AWARENESS OF COMPLAINTS PROCESSES

#### THE COMPLAINTS PROCESS

The IFC has acted as the final and independent point of appeal in football's complaints process, within the limits of charter-related issues since January 2002, when the IFC came into being. So far the revised complaints procedures agreed with the football authorities have worked well. The IFC believes that the introduction of a final, independent referral point has acted as an incentive to clubs to resolve complaints at local level, with or without the help of a higher football authority.

The number of complaints adjudicated by the IFC has remained small. Even so, the IFC's view is that most of the complaints it has adjudicated should not have needed to be referred to the IFC. Although there has been a very positive cultural change in the last three years at club level, with the introduction of Customer Charters and the emphasis on customer awareness, the easy, customer-friendly gesture in response to complaints does not seem to come readily to the football business. This requires attention.

Sixteen complaints have been referred to the IFC in its three years of existence. Of these the IFC has issued adjudications on twelve, five of them in 2004. The remaining four have been resolved during the course of the IFC's investigations, usually with some informal intervention on the part of the Commission<sup>[47]</sup>.

Gathering complaints information has progressed, however. The Premier League in particular has a sophisticated tracking system. All three football authorities include in their Charter Reports some analysis of complaints received. These exercises would be more use to football were the football authorities to adopt the suggestion in the IFC's 2003 Annual Report<sup>[48]</sup> and use a common definition and common categories of complaints. Those consistently used by the IFC might form a starting point.

47. The IFC also receives general issues raised by the public which seldom escalate to a formal complaint but give supporters, in particular, the opportunity to draw attention to systems, behaviours or actions they feel are unsatisfactory. The number of issues raised with the IFC has risen from 23 in 2002 to 65 in 2004, owing to wider public awareness of the IFC. The IFC's summary of issues raised in 2004 is in Annexe C, on page 61.

48. 2003 Annual Report: *a call for unity of purpose*, The Independent Football Commission, February 2004, page 69

# ADDRESSING PUBLIC CONCERNS

Over the last three years, the IFC and the football authorities have approached complaints procedures as an evolutionary process. Improvements have been achieved, such as the elimination of the FA stage from complaints against clubs: this has helped to speed up processes. There are two further areas where the IFC suggested change. The first concerned current procedures which stipulate that a complaint concerning a cup competition is the responsibility of the competition organiser. There has been some uncertainty over complaints which relate to a club belonging to a league other than the league running the competition (e.g. a Premier League team in the Carling Cup). Following an adjudication involving such an occurrence, a protocol has been agreed which will make the primary responsibility clearer. The second concerned a lack of clarity about the final point of appeal for customer service-related complaints about clubs or leagues from grassroots to the Conference. These have occasionally been referred to the IFC, including some complaints against County Football Associations (which as yet have not introduced charters). The IFC is in discussion with the FA about this area of service to the public.

## fact box

### COMPLAINTS REFERRED TO THE IFC

equal opportunity	1
FA rules for operating the league system	2
stadium bans on supporters	2
stewarding	3
ticketing (cup competitions)	6
ticketing (other)	2
<b>total</b>	<b>16</b>

The IFC **recommends** that the IFC's role should formally be extended to include it, and that the IFC should be resourced to fill this role.

The definition of complaints that the football authorities will permit the IFC to hear is narrow, and complaints continue to move very slowly through the complaints hierarchy. Both these factors militate against the IFC's achieving greater impact in this area, by being involved in more complaints and having the authority to enforce timescales and corrective action.

**Self Regulation, Independent Football Commission, May 2004.**

## fact box

### COMPLAINTS REFERRED TO THE IFC: 2002-2004

2002:	8 referrals
	5 adjudicated
	3 complaints against the FA
	2 against Premier League clubs (1 not adjudicated)
	2 against Football League clubs (1 not adjudicated)
	1 against a Football Conference club (not adjudicated)
2003:	3 referrals
	2 adjudicated
	1 complaint against a Premier League club (not adjudicated)
	2 against Football League clubs
2004:	5 referrals
	3 complaints against the FA
	1 against a Premier League club
	1 against the Premier League and the Football League (Premier League club playing in a Football League competition)

*Note: not all complaints are adjudicated in the year in which they are received*

# ADDRESSING PUBLIC CONCERNS

## PUBLIC AWARENESS

The IFC notes that the Customer Services sections of charters, at clubs and two of the governing bodies, tend still to focus on complaints, as if defence of criticism is the main function of a customer services team. The IFC suggests that customer service goes beyond complaints and that complaints could more usefully be regarded as valuable feedback. The FA makes this clear in its 2004 Charter.<sup>[49]</sup> For customer relations to work positively, however, the public needs to be aware of how its rights will be handled.

As in previous years, the IFC conducted a random sample survey of matchday programmes in search of clear advertisement of complaints processes. Of the 12 programmes it examined during the calendar year, which included cup, youth, league and international matches, the IFC found only one programme that mentioned all three mechanisms that comprise customer service: the charter, the complaints process, and customer services. This was in the Football League's programme for the Carling Cup Final, featuring a very good full-page spread, headed A FAIR DEAL FOR FANS. This was also the only programme to mention the IFC in its complaints role. The matchday programme can only be an indicator of football's interest in encouraging its customers to exercise their rights and incidentally provide useful feedback - but it is a valid one.

49. *The FA Customer Charter*, November 2004, page 3.

## BOX TWELVE

### IFC SURVEY OF MATCHDAY PROGRAMMES 2004

<b>Number surveyed:</b>	<b>15</b>
<b>Premiership:</b>	<b>1</b>
<b>Championship:</b>	<b>5</b>
<b>League 1:</b>	<b>2</b>
<b>League 2:</b>	<b>1</b>
<b>Cup competitions:</b>	<b>5</b>
<b>Internationals</b>	<b>1</b>
<b>Reference to:</b>	
<b>Club Charter:</b>	<b>0</b>
<b>FA or Football League Charter:</b>	<b>3</b>
<b>Premier League Charter:</b>	<b>0</b>
<b>Complaints processes:</b>	<b>2</b>
<b>Customer services:</b>	<b>3</b>

# ADDRESSING PUBLIC CONCERNS

The two mentions of complaints processes (2 out of 15 = 13%) reflects a downturn from 2002 when the IFC found 4 out of 24 programmes (17%) carrying an explanation of how to complain, and 2003 when 3 out of 20 programmes (15%) referred to complaints or invited comment. The IFC continues to recommend action from the football authorities to reverse this trend, and to encourage public advertisement at matches of the public's rights and opportunities for redress.

In its *Self Regulation* report, the IFC drew attention to public interest issues in the football business that warrant its regulation, and recommended that football take, as its regulatory model, the successful examples of the Advertising Standards Agency or Press Complaints Commission that address public concerns through a powerful complaints mechanism, based on a Code of Practice<sup>[50]</sup>. The football authorities have not accepted this suggestion. The IFC continues to commend it.

***I'm Still Not Satisfied*, the IFC's simple guide to complaints procedures, can be obtained free of charge from the IFC office at the address on the back cover of this Annual Report, or can be downloaded from the publications page of the IFC website: [www.theifc.co.uk](http://www.theifc.co.uk).**

50. *Self Regulation*, Independent Football Commission, May 2004, page 29



THE INDEPENDENT FOOTBALL COMMISSION

## GOING FORWARD

### GOING FORWARD

#### FOCUS 2005:

- CHILD PROTECTION
- FINANCIAL ADVISORY COMMITTEE: MONITORING PROGRESS
- GOVERNANCE
- COMPLAINTS PROCESSES
- EQUITY
- MATCH ATTENDANCE
- AGENTS

#### 2005 AGENDA

The IFC will report on the following in 2005:

**child protection** The IFC will complete the work it commenced in 2004, primarily collecting evidence on the ground. A report on the IFC's findings will be issued in the first half of the year.

**FAC progress** The IFC will monitor continuing progress against the FAC's proposed workstreams. This work will be defined once the IFC has studied the FAC's Annual Report for 2004. It is expected to include agents, national licensing, club ownership regulations, directors' loans.

**governance** The IFC is particularly interested in compliance and a Code of Corporate Governance for all levels of the game. The IFC will address these issues if they are not specifically on the FAC's agenda.

**complaints processes** The IFC wishes to review current procedures and redefine the extent of its remit with regard to complaints. This area will be for discussion and agreement with the three football authorities.

**equity** The IFC will actively monitor 2003 recommendations.

**match attendance** Working with supporters' representatives, the IFC proposes to explore the demographics of match attendance and specific supporter campaigns for changes affecting the match experience.

**agents** The IFC will examine role and activities of agents in player transfers and contracts and the regulations concerning them. (This will depend on the Financial Advisory Committee agenda for 2005: see page 39).

# GOING FORWARD

## ON THE BENCH

At its current levels of staffing and funding, the IFC's work will be limited to the seven issues listed above. This is of concern to the Commission, which feels strongly that the IFC should be addressing a number of additional matters that are of fundamental importance at present.

These are:

### **the experience of English supporters at away**

**games in Europe;** The FA has asked the IFC to report for it on this. The IFC has agreed in principle. However, the IFC can take this forward only if the investigation is financed as a discrete project. The Commission would also need practical assistance with the fieldwork, particularly with access to matches.

**racism in Europe;** The IFC shares the depression of many at the increasing racism in Europe in the second half of 2004, directed at black footballers playing for English clubs or the national teams. The IFC believes there should be an independent enquiry into the context, the levels of sanction, and the role of national associations.

**Germany 2006;** The IFC wishes to extend the work it did on Euro 2004 by looking at the relaunched englandfans and examining initiatives to build on the success of Euro 2004.

### **provision for women's, disability and youth football;**

The IFC has flagged the need to look at these topics previously. It wishes to examine the football authorities' success in encouraging these footballing areas, and also the supporter services provided. The IFC's approach would be to produce a sequence of mini reports, in successive seasons, each to include a review of progress since the previous report. This work cannot practically commence whilst the football authorities limit the IFC to a 12-month renewable term.

**new Wembley;** The IFC believes there should be an evaluation of the supporter experience.

**independent regulation;** The IFC sees an urgent need for reform of the way football is regulated. It contributed its own thinking in its *Self Regulation* report in 2004. The structural review of the FA, scheduled for the first half of 2005 is expected to open up the debate again. The IFC should have a role in the review itself and in evaluating any proposed changes and monitoring their efficacy.

The IFC is consistently criticised for having no teeth, for failing to attack the "real" issues, for exerting no strategic authority, for having so limited a penetration, especially amongst supporters, as to be almost invisible. The IFC acknowledges these criticisms. They are valid. The IFC is unhappy that the work it should be doing will, in present circumstances, remain on the bench. The situation is not good for football.

**The IFC needs urgently to raise its profile and move into more meaningful territory more often. To do so, it calls for**

- realistic resources
- triennial funding
- sensible empowerment.



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# ANNEXES

## ANNEXE A

## IMPLEMENTATION OF 2003 RECOMMENDATIONS

Recommendation	Accepted	Implementation
<b>Finance and governance</b>		
1	NO	<b>The FA</b> welcomed the concept and agreed to consider it. <b>The Premier League</b> agreed in principle but considers Premier League expertise is better suited to Premier League clubs' needs. <b>The Football League</b> rejected the recommendation but will engage with the Financial Advisory Unit and the Financial Advisory Committee on Football League-related issues.
2	YES - in principle	<b>The FA, the Premier League and the Football League</b> agree the underlying principle but focus attention on incremental change and their individual initiatives.
3.	YES	<b>The FA</b> has addressed the issue through its revised form A. <b>The Premier League</b> is looking into the issue. <b>The Football League</b> is taking matters forward through the dissemination of wage-capping data and may introduce seminars for club finance directors.
4.	NO	See page 15
5.	YES	<b>The Football League and the Premier League</b> have introduced fit and proper person testing.
6.	YES	Progress will be reported to the IFC in the Financial Advisory Committee's 2004 Annual Report.
7.	NO	<b>The FA</b> rejects the recommendation on the grounds that the IFC confuses compliance and football rules with the promotion of good financial practice
8.	YES	<b>The three authorities</b> are looking into implementation.

# ANNEXE A

## IMPLEMENTATION OF 2003 RECOMMENDATIONS

	Recommendation	Accepted	Implementation
<b>Finance and governance</b>			
9.	The FA should review the resources of the Financial Advisory Unit, ensuring it is staffed appropriately in terms of numbers and depth of expertise. Its capacity should allow a 3-year visits cycle and the skills to make it a credible source of expertise to the Premiership, initially in validating national licence compliance.	NO	<b>The FA and Premier League</b> have referred the IFC to their response to recommendation 7. <b>The Football League</b> rejects any change to the 5-year cycle and sees no role for the Football League in national licensing.
10.	Clear and quantifiable aims for the Financial Advisory Unit should be agreed with the Financial Advisory Committee by 1 March 2004.	N/A	<b>The FA</b> assured the IFC that aims had already been agreed
11.	Necessary rule changes should be introduced by individual leagues to set standards for financial forecasting and include penalties for non-compliance within reasonable time periods.	YES - in principle	<b>The FA</b> sees merit in consistency of approach. <b>The Premier League</b> confirms its endorsement of good governance and sound financial planning but is cautious of over-regulation. <b>The Football League</b> has addressed budget monitoring through wage-capping
12.	The Financial Advisory Unit and FA should regularly review what information they require from clubs and that the requirements has a clear purpose. Processes should be simplified. This exercise should include consultation with the Premier League, the Football League, and other leagues to which the Financial Advisory Unit provides services.	YES	<b>The FA</b> has revised Form A, which is mandatory for all clubs (see page 38), with the agreement of the Premier League and Football League.
<b>Racism</b>			
13.	There should be radical restructuring of FA Council and committees, with co-options and appointments from ethnic minorities to 6 committees and 3 places on Council, and to the Premier League and Football League Boards during 2004. Wider targets should be put in place for the triennium to 2007.	NO	<b>The FA</b> rejects the concept of quotas but supports co-options and has introduced them on two committees in 2004. <b>The Premier League</b> considers the recommendation impractical. <b>The Football League</b> rejects positive discrimination.
14.	Premier League and Football League must state their own racial integration strategies in brief form before the end of the 2003/04 season, with measurable objectives and timescales for delivery (starting 2004). The FA should focus on a significant - but reasonable and achievable - number of measurable results each year. An independent process must be introduced for monitoring and reporting achievement.	YES	<b>The FA</b> has an existing strategy and targets, and plans a research project to consider the impact of its strategy. <b>The Premier League</b> has begun to consider objectives and is working with Kick It Out on standards to be achieved at club level. <b>The Football League</b> agrees in principle and has undertaken to produce a Diversity and Equity plan.
15.	Relevant football rules should be reviewed, and sanctions standardised and strictly enforced.	YES	<b>All three authorities</b> see action going forward through the All Agency Group formed in response to this recommendation (see page 16).
16.	A joint programme of mandatory education and training, to include senior executives and coaching staff, must be devised and implemented by the three football authorities, with the aim of achieving appropriate and relevant diversity awareness and understanding.	YES - in principle	The All Agency Group will develop a training strategy which the three authorities will implement.

# ANNEXE A

## IMPLEMENTATION OF 2003 RECOMMENDATIONS

Recommendation	Accepted	Implementation
<b>Racism</b>		
17. The resourcing of equity work should be reviewed and enhanced, at the centre and in the counties; commitment must explicitly be given to the long-term funding of anti-racism and pro-diversity initiatives in football.	NO (FA) YES - in principle (Premier League and Football League)	<b>The FA</b> considers the present distribution of resources appropriate. <b>The Premier League</b> and <b>Football League</b> will, within the All Agency review, consider resourcing.
18. The Premier League and Football League should scrutinise employment practices at clubs for compliance with Equal Opportunity policy, across all vacancies.	YES	This issue is addressed in the All Agency Review and Action Plan.
19. There must be co-ordination of best practice and ideas for widening the game's support amongst ethnic minorities, especially between clubs facing particular challenges, and with other sports.	YES	The All Agency Review provides the forum to achieve what is being recommended.
<b>Community work</b>		
20. Community work should be reported and given high profile outside the charter process and cover the aims and achievements of the whole of football. The Premier League and Football League to explore possibilities before the 2003/04 reporting season.	YES	Community reporting has been given a higher profile in 2004 reporting (see pages 16-17).
21. The Premier League and Football League should encourage senior management and board recognition of the strategic importance of community work.	NOTED	<b>The Premier League</b> and <b>Football League</b> view is that they already encourage recognition, and that it is given.
22. The FA and Premier League should suggest a review of Football in the Community funding distribution to the Footballers Education Society.	YES	A review of Football in the Community has been conducted. Funding redistribution was not supported, however.
<b>Neighbourhoods</b>		
23. Clubs should be asked to designate a staff member responsible for neighbourhood relations.	YES - in principle	<b>The Premier League</b> reports that many clubs already have a designated post. Football League clubs have fewer resources and cannot guarantee specific designation. The Football League confirms that it sets great store on neighbourhood relations.
24. The Football League and the Premier League should create a best practice resource on which clubs from all divisions can draw.	YES - in principle	This has not been taken forward.
25. The Premier League should meet with the Federation of Stadium Communities to explore mutual concerns.	YES	A meeting took place in the summer of 2004
<b>Facilities for the Disabled</b>		
26. The governing bodies should issue brief implementation reports on Football Task Force implementation by September 2004, to be made available to all clubs and also specifically to the National Association of Disabled Supporters and Disabled Supporters Associations.	YES	<b>The football authorities</b> report that this has been done, both directly and through consultation and discussion of compliance with the Disability Discrimination Act.

# ANNEXE A

## IMPLEMENTATION OF 2003 RECOMMENDATIONS

Recommendation	Accepted	Implementation	
<b>Facilities for the Disabled</b>			
27.	Football Task Force recommendations on naming a contact for disabled supporters and an e-mail address; the ability for home and away supporters to sit amongst fellow supporters; and the standardisation of charging policies should become Charter requirements from 2004. Agreement should be reached on the level of service named contacts will be expected to provide.	YES	This has been taken forward through measures to comply with the Disability Discrimination Act, and through charter activity and reporting. The IFC believes the question of levels of service is pending, however.
28.	The football authorities should engage in facilitating networking, and engaging wider consultation, to include all Disabled Supporters Associations and not just National Association of Disabled Supporters members.	YES - in principle	No action has been taken
29.	The football authorities should consider, in consultation with clubs, how to raise the profile of disability awareness.	YES	A Disability Awareness Week is planned for 2005.
<b>Match rescheduling</b>			
30.	Clubs should be required to include local residents when notifying and publicising match rescheduling.	YES - in principle	<b>The Premier League and Football League</b> see this as a charter issue, contained within the response to recommendation 23.
31.	The football authorities should initiate discussions with stakeholders about capturing and using best practice in the management of high-risk matches, and about improving consultation processes involved in match rescheduling.	NO	<b>All three authorities</b> feel they already do this.
32.	The FA should address contingency planning for rescheduling England games.	NO	<b>The FA</b> feels adequate provisions are in place
<b>Charters and charter reporting</b>			
33.	The pilot exercise on validating Charter Reports should be extended and incorporated into the football authorities' own processes. Validation should be used to move towards a standard for customer services in football: the Premier League to introduce this by 2005; the Football League to start in 2006.	NO	<b>All three authorities</b> report mixed experience of the validation exercise, the Premier League finding it the least useful (see page 17).
34.	Charters must be used to make clear commitments to customers on a rolling basis, and expressed in timebound and measurable terms. They should include policies on combating discrimination. Methods of conveying these commitments directly to supporters and other customer should be explored and introduced from the beginning of the 2004/05 season.	YES	This recommendation was largely implemented in the authorities' charter reporting in 2004 (see pages 45-47).
35.	Charter Reports should be simplified and positive action taken to disseminate findings. The FA's Charter Report provides some useful ideas.	YES	As above, pages 43-44
36.	The Premier League and Football League must make their own role in the charter process clear to clubs and define who the Reports should be addressing; why the governing bodies gather information from them; to what use it is put; and what benefit accrues to clubs.	YES	This has been addressed to some extent by <b>the Football League</b> but the IFC feels the issue generally needs further attention (see pages 43-46)
37.	A summary of key points from Charter Reports should be produced for club use	YES - in principle	Not implemented

# ANNEXE B

## MEETINGS, VISITS, CONSULTATIONS AND MATCHES, 2004

4England	Football Supporters' Federation
Advertising Standards Authority	Foreign and Commonwealth Office
AFC Bournemouth	General Medical Council
All Party Parliamentary Football Group	H M Customs and Excise
Architects Registration Board	Home Office
Association of Chief Police Officers	Hull City AFC
Blackburn Rovers Football Club	Humberside Police Football Intelligence Unit
Bristol City Football Club	Inland Revenue
Bristol Rovers Football Club	Ipswich Town Football Club
British Council, London	Kick It Out
British Council, Lisbon	Koninklijke Nederlandse Voetbal Bond (KNVB)
British Embassy, Lisbon	Law Society
Cabinet Office: Regulatory Impact Unit	Leicester Racial Equality and Sports Project
Carlisle United Football Club	Loughborough University, Institute of Youth Sport
Celia Brackenridge Ltd.	Manchester County Football Association
Clarke Wilmott/Grant Thornton 3rd Annual Workshop: Football Industry Forum	Metropolitan Police Public Order Intelligence Unit
Cleveland Police Football Intelligence Unit	Minister for the Disabled (Department of Work and Pensions)
Commission for Racial Equality	Minister for Sport (Department for Culture, Media and Sport)
Department for Culture, Media and Sport	MP for Bath
Durham County Football Association	MP for Bromsgrove
englandfans (London group)	MP for Vauxhall
englandfans (North West group)	National Association of Disabled Supporters
Euro 2004 Roadshow, Manchester	National Consumer Council
Euro 2004, S.A., Lisbon	National Criminal Intelligence Service
FA Premier League	NSPCC
FA Premier League Charter Contacts seminar	Portuguese Football Federation
FA Financial Advisory Committee	Press Complaints Commission
FA Financial Advisory Unit	Queens Park Rangers Football Club
Federation of Stadium Communities	Sir Norman Chester Centre for Football Research
Football Association	Soccervation
Football Association conferences: Child Protection; Football For All; Disabled Football	Sheffield Wednesday Football Club
Football Association seminars on Disability Access	Supporters Direct
Football Foundation	Ticketmaster
Football in the Community	University of Bath, Centre for the Study of Regulated Industries
Football League	University of Gloucestershire, Centre for Ethics, Equity and Sport
Football League Customer Services Seminars	University of Liverpool, School of Psychology
Football Licensing Authority	Westminster Diet and Health Forum

# ANNEXE B

The IFC held board meetings at the following clubs during 2004: AFC Bournemouth, Darlington and Hull City. The Commission thanks them all for their welcome and hospitality.

## **Organisations represented at the IFC seminars on self-regulation in football, 31 March and 5 April 2004**

Football Foundation  
Football in the Community  
Football Supporters' Federation  
Members of Parliament  
National Association of Disabled Supporters  
Professional Footballers' Association  
Sir Norman Chester Centre for Football Research, University of Leicester  
Sport England  
Supporters Direct  
Unibond League

Individual meetings were held with senior officials of the Football Association, the FA Premier League and the Football League

## **Organisations represented at the Football Club Governance Seminar, 25 August 2004**

AFC Wimbledon  
Bees United  
Boston United Football Club  
Chesterfield Football Supporters Society  
Darlington Football Club

Exeter City Football Club  
Lincoln City Supporters' Trust  
Northampton Town Supporters' Trust  
Notts County Supporters' Trust  
Oldham Athletic Football Club  
Port Vale Football Club  
Supporters Direct  
York City Football Club

Invited specialists attended from *The Independent* newspaper and from the Football Governance Research Centre, Birkbeck

## **FOOTBALL MATCHES ATTENDED BY THE IFC, 2004**

### **2003/04 Season**

Aston Villa v. Middlesbrough (FA Youth Cup Final 1st Leg) \*  
Bolton Wanderers v Middlesbrough (Carling Cup Final) \*  
England v France (Euro 2004)  
Hartlepool United v Chesterfield (Division 2)  
Manchester United v Millwall (FA Cup Final)\*  
Preston North End v Sheffield United (Division 1)  
Tranmere Rovers v Millwall (FA Cup quarter final)

### **2004/05 Season**

Brighton and Hove Albion v Stoke City (Championship)  
Ipswich Town v Sheffield United (Championship)  
Leeds United v Derby County (Championship)  
Sunderland v Nottingham Forest (Championship)

\*complimentary ticket(s) provided

Additionally, members of the Commission have attended approximately 160 matches in their personal capacity.

# ANNEXE C

## ISSUES RAISED WITH THE IFC

Category	Subject	Governing body
Child protection	Allegation of abuse	FA
Club governance	Club's changes to Articles of Association	Football League
	Sale of ground (non-league)	FA
	Financial crisis at Wrexham FC	Football League
Disability	Ticket pricing for disabled supporters	Premier League
Grassroots football	Development of the game	FA
Match scheduling	Rescheduling (4)	Football League, Premier League
	Kick-off time for FA Cup semi-final	FA
	Location of major cup and international games	FA
Merchandise	Early release of new England kit in 2003	FA
	Frequent change of club home strip (2)	Premier League, Football League
Racism / Equity	General racism in football (2)	N/A
	Racist abuse - domestic football (1), international (1), non-league (2)	FA
	Employment of qualified coaches	FA
	Comments made by journalists	N/A
	Football Foundation	N/A
	Racism on Premier League club website	Premier League
Rules of the game	Legibility of payers' shirt numbers	Premier League
Stadium / safety	Safe standing	N/A
Ticketing	Seat allocation	Premier League
	Credit card arrangements	Premier League
	Allocation for FA Cup Final	FA
	Ticketing policy for England games (6)	FA
	Season ticketing	Premier League
	Away ticketing - domestic (2)	Football League, Premier League
	Away ticketing - international (5)	FA
	Away ticket prices (2)	All
	Ticket administration for a testimonial game	Premier League
	Sales on the internet - international games (2)	FA
	Information for away supporters	Football League
Euro 2004 (31)*	FA	
Other	Membership renewals	Premier League
	ID cards	Football League
	Banning / ejection of supporters from football grounds (5)	N/A

The IFC received two issues concerning County Football Associations, and is in discussion with the FA about whether these fall within the IFC's remit. (see page 49). Additionally, one issue originally raised in 2002 carried forward to 2004 and was resolved during the year. A further 18 issues carried forward from 2003, 17 of which were resolved during the year.

\* This includes comments on the tournament which the IFC invited through the FA by means of a notice on the englandfans section of the FA website. The IFC is grateful to the FA for its help in enabling this wider survey

# ANNEXE D

## COMPLAINTS ADJUDICATED BY THE IFC IN 2004: SUMMARY FINDINGS

Subject of complaint	Summary	IFC findings / state of play
Spectators standing	<p>The complainant asserted that, at a Football League club match in September 2003, the crowd in her area stood throughout the game, spoiling her view. She regarded the persistent standing and its tolerance by club officials as a safety hazard. She complained to the club but had difficulties in obtaining replies or satisfaction. She took the matter to the Football League which offered a general explanation, regretting standing as a ubiquitous problem, but felt there was nothing it could do. The Football League also contacted the club, which said there had been no other complaints. The club referred the complainant's letter to its Safety Officer. A refund was refused. The complainant remained dissatisfied and appealed to the IFC in November 2003. Two Commissioners adjudicated the complaint.</p>	<p>The IFC found the club's response disappointing, and poor customer service. It was also disappointed that the Football League's first response was a generalised reply, without immediately seeking a response from the club. The panel did not feel that the fact that the club had received no other complaints in any way alleviated the complainant's concerns about safety and her enjoyment of the match. Had the complainant been a regular attendee her expectations would have been conditioned by experience. As a casual visitor she had certain expectations which were not met.</p> <p>In these particular circumstances, the IFC upheld the complaint, and recommended that the club apologise to the complainant for the way in which her complaint was handled and offer her appropriate redress. The adjudication was issued in January 2004. The club disputed it but finally agreed in July 2004, when complimentary tickets to a match of the complainant's choice were offered, and accepted.</p>
Obstruction of view	<p>The complainant took his family to a pre-season friendly between a Football League and a Premier League club, in August 2003. This was the first time he had taken his children to a football match; he bought front row seats to ensure they could see. He claimed that photographers sat in front of the children and would not move, and that stewards declined to help. He complained to the club and to the Football League, which reported that the club had apologised and offered the complainant compensation. The complainant felt that an apology was not enough and that he had not been offered suitable compensation. The Football League referred the complaint to the IFC in January 2004. Two Commissioners were appointed to adjudicate it.</p>	<p>The IFC underlined that the enjoyment of spectators should never be spoiled by photographers sitting in front of them. In this situation the stewards should have acted quickly to rectify the situation. Failing that, the senior steward should have intervened when he was made aware of the situation; it was not good enough simply to tell the complainant to write to the club. The club had acknowledged its shortcomings, apologised for what had happened, reprimanded the stewards in question and strengthened procedures.</p> <p>The IFC upheld the complaint, recommending that the club should formally apologise and extend the offer it had already made (of a signed shirt or football), to four tickets for a match of the complainant's choice - to include some hospitality. The complainant was disappointed by the subsequent offer of tickets from the home club, preferring tickets from the Premier League club. However, subsequent to the issue of the adjudication in March 2004, the Football League club was promoted to the Premier League and the matter was resolved.</p>

# ANNEXE D

## COMPLAINTS ADJUDICATED BY THE IFC IN 2004: SUMMARY FINDINGS

Subject of complaint	Summary	IFC findings / state of play
Withdrawal of season ticket entitlement	<p>The complaint was received in February 2004. The complainant was refused entitlement to a season ticket at a Premier League club because, the club alleged, his fan card had been used to purchase a ticket subsequently sold on line for £250. The complainant denied this. The club claimed evidence (the fan card number) that proved the complainant's connection with the sale. The complainant took his case to the Premier League, which investigated and tried, unsuccessfully, to convene a meeting between the complainant and the club. The complainant asked the IFC to investigate his complaint, which the Premier League formally referred to the IFC on 23 February. Two Commissioners were appointed to adjudicate it.</p>	<p>The IFC found that, in the circumstances, the club had acted reasonably in withdrawing the season ticket as they appeared to have strong grounds for believing misuse of the fan card. However, the IFC felt a meeting could have been offered sooner in the interests of resolving the matter. The IFC recommended that the complainant accept the club's suggestion of a meeting, and offered that an IFC Commissioner would also attend, in order to facilitate discussions. This offer was refused by the complainant.</p> <p>The IFC rejected the complaint in its adjudication of 6 April, and considered the matter closed.</p>
FA ticket pricing policy - concessions for children	<p>The complainant, a member of Millwall Supporters' Club, bought tickets for the 2004 FA Cup Semi-Final at Old Trafford for his family, opting for the most expensive seats in the North Stand. He found there were no concessions for children in the North Stand and queried this with the FA. The FA responded that concessions were available in the family stand only. The complainant's view was that there should be no discrimination against families wishing to sit outside the family stand with their children. The complaint was referred to the IFC in June 2004. Two Commissioners were appointed to adjudicate it.</p>	<p>The IFC initially received this complaint as an issue. It sought comments from the FA in May, which repeated the arguments put to the complainant, citing the large number of concessionary tickets it offers and the need to need to control them, to avoid financial loss and abuse of the system. It argued that concessionary pricing in all areas for the FA Cup Semi-Final and Final would be difficult to police and open to abuse. The panel sought further evidence from Millwall Football Club, which confirmed the nature of the complaint and that prices had been decided by the FA, in this case without consultation. Evidence showed that enough tickets (over 30,000) were allocated to Millwall to meet the requirements of all members of Millwall Supporters' Club, including some 1,600 for the Family Area, where concessions were available. 338 of these were returned unsold. The panel concluded that the complainant knew where concessionary seats were available, and had opportunity to buy tickets there. His decision not to was in full knowledge of the price structure.</p> <p>The IFC issued its adjudication in September. For the reasons stated above, it did not uphold the complaint.</p>

# ANNEXE D

## COMPLAINTS ADJUDICATED BY THE IFC IN 2004: SUMMARY FINDINGS

Subject of complaint	Summary	IFC findings / state of play
FA Cup Semi-Final ticket allocation	<p>The complainant wrote to the Chief Executive of the FA in April 2004 about Millwall's receiving some 7,000 fewer tickets for the game in question than Manchester United. The FA Customer Relations Unit replied, giving safety and security as the main reasons for the difference in allocation. The complainant remained dissatisfied. His complaint was accepted by the IFC on 1 June. Two Commissioners were appointed to adjudicate it. Supplementary information and evidence were sought and received from the FA, and from Millwall Football Club. The IFC also had access to written statements from South Wales Police, and examined notices about the ticket allocation policy for the game that had been posted on the FA website.</p>	<p>While it is usual for the competing clubs to receive an equal number of tickets, the FA could explain why this was not the case in 2004. The FA cited advice from the South Wales police regarding segregation of the neutral area at the ground; and the implications of Manchester United's much larger fan following. The FA did not consider the allocation of tickets unreasonable. On the balance of evidence the IFC judged that the FA justified its decision on this occasion.</p> <p>The IFC did not uphold the complaint. It recommended, however, that the two competing clubs in the FA Cup Final should receive an equal allocation of seats and that if special circumstances demand a different policy, the FA should engage in full consultation with the two clubs concerned, including representatives of each club's supporters. This adjudication, issued in September, was accepted.</p>
Seat prices at the 2004 FA Cup Semi-Final	<p>The complainant bought top-priced tickets for the FA Cup Semi-Final at Old Trafford in 2004. Having paid £55 he did not expect to be seated at pitch side beyond the goal line. He claimed his view was restricted and complained to the FA in April 2004. The FA replied that it applied a four-tier pricing structure consistently at whatever stadium FA Cup matches are played and felt the complainant's seats had been appropriately priced. The FA suggested he write to the IFC if he remained dissatisfied. The complainant did so in July, and an IFC panel of two commissioners was set up to adjudicate the complaint. A number of questions were put to the FA about the pricing levels for the match in question and for Manchester United games at Old Trafford; about the stadium plan used for the match; about the precise position of the seats in question; the description of the ticket given to the customer; and about other complaints received about tickets for the match.</p>	<p>The panel found differences between the stadium plan used by the FA and that used by Manchester United, regarding the extent of the block in question and the price differential for categories of tickets within it, these being more significant for the FA Cup game. The FA appeared to accept, in a letter to the IFC, that the block in question extends beyond the goal-line but felt this not inconsistent with describing the seats as "being located along the length of the pitch". The FA accepted no responsibility for marketing tickets, it being the responsibility of the individual clubs. The FA received five other complaints about ticketing for the match. The IFC found no evidence that the FA marketed the complainant's ticket block as being in front of the goal-line. It noted that the FA handled the complaint promptly and responded quickly to the IFC.</p> <p>The IFC did not uphold the complaint but, in its adjudication in September 2004, recommended that the FA review the price differential between ticket categories at FA Cup semi-finals, which should not be substantially wider than at Premier League games; and ensure that stadium plans are accurate, particularly in respect of the relationship of individual blocks to the playing pitch. The FA is considering the recommendation (December 2004).</p>

# ANNEXE D

## COMPLAINTS ADJUDICATED BY THE IFC IN 2004: SUMMARY FINDINGS

Subject of complaint	Summary	IFC findings / state of play
Club handling of its ticket allocation for the Carling Cup Final	<p>The complainant, a long-standing season ticket holder, applied unsuccessfully to his club for tickets for the Carling Cup Final. He complained in March 2004, and received a letter of apology which referred to publicised reasons why the club had been unable to satisfy demand, and offered a meeting with the club's Commercial Director. The complainant alleged to the IFC that the club was in breach of its charter commitments to season ticket holders. The IFC referred the complainant to the Football League, as owners of the Carling Cup competition. The Football League advised the IFC on 13 April that it had received 16 other complaints on the issue and that, as the matter concerned a breach of charter commitments, it also concerned the Premier League, even though the game was within a Football League competition. The Football League replied to the complainant in May, after consultation with the Premier League, advising that a club charter indicates intent and does not carry sanctions. The Football League regretted it could take no action with the club. The complainant was not satisfied. Under agreed complaints procedures, the second stage of a complaint against a club requires the relevant governing body formally to investigate. Some debate ensued during June as to which authority should do this. In July the IFC formally asked the Premier League to accept ownership of the complaint, as it was a club charter matter on which the Football League had no authority. The Premier League disputed this but confirmed in August that it was content for the complaint to pass to the IFC, and confirmed in September that its stage of the complaint was complete. The IFC set up a panel of two commissioners to adjudicate.</p>	<p>The IFC concluded that the distribution of tickets lay with the club and that the Football League had behaved properly in making tickets available to the competing clubs and delegating responsibility to them for the distribution of tickets. The club recognised that it made an error of judgment in allowing two tickets per season ticket-holder; this resulted in demand exceeding supply. The IFC accepted that the club's motives were to ensure the full ticket allocation was subscribed and noted the club's indication that in future it will allow one ticket per season ticket-holder in the short term, making other distribution arrangements for any remaining unsubscribed tickets. This was no consolation to those deprived of tickets, especially as the club might not reach a similar final again. The IFC also felt the club could have responded more sympathetically to the disappointed supporters.</p> <p>The IFC upheld the complaint, judging the club to be in breach of its charter obligations. The panel recognised that it was not possible fully to recompense the complainant, in view of the uniqueness of the occasion, but suggested that the club should make a gesture of goodwill. The IFC recommended that the complainant should be offered two complimentary tickets to an away game of his choice. The adjudication was issued in November and is currently (December 2004) being discussed with the Premier League.</p>

# ANNEXE E

## IFC PUBLICATIONS

*IFC Annual Report 2002: pushing the pace of reform*

*Annual Report 2002 Executive Summary*

*IFC Annual Report 2003: a call for unity of purpose*

*Annual Report 2003 Executive Summary*

*I'm Still Not Satisfied* - guide to complaint procedures (2002) } new editions due 2005  
*I'm Still Not Satisfied* - guide to complaint procedures (2002), large print version }

*Self Regulation* - an examination of how football is regulated, with recommendations for the future (May 2004)

*Report on Euro 2004* - a report on the FA's role in off-field initiatives and services provided for supporters (September 2004)

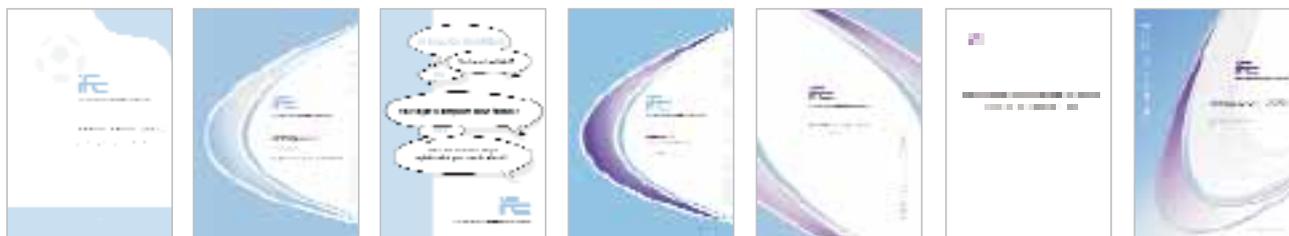
*The Governance of Football Clubs* - an Independent Football Commission seminar (October 2004)

*IFC Annual Report 2004: going forward* (February 2005)

All IFC publications are available in hard copy or pdf versions, except for the 2003 Executive Summary which, as a stand-alone document, is available in pdf only.

**To order a free copy of any of these publications, please complete the on-line order form on the publications page of the IFC website: [www.theifc.co.uk](http://www.theifc.co.uk), or contact the IFC.**

**The IFC's full contact details are given on the back page of this report.**



# ACKNOWLEDGMENTS

## ACKNOWLEDGMENTS

The IFC gratefully acknowledges the following publications and documents to which it has referred in this report.

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*Racial Equality in Football: A survey*, Commission for Racial Equality, October 2004

pages 16, 17, 42, 44

*The FA Premier League Community Report 2003/04*

page 17

*Football in the Community: Resources and Opportunities*, a national research project for Football in the Community, Department of Exercise and Sport Science, Manchester Metropolitan University (Cheshire), 2004

*Improving Facilities for Disabled Supporters*, a report by the Football Task Force, July 1998

pages 17, 40, 43, 46

*The Football League Customer Charter Report 2004*

pages 19, 24, 30, 35, 36, 39, 40, 41

*The State of the Game: The Corporate Governance of Football Clubs 2004*, Football Governance Research Centre, Birkbeck, November 2004

page 22

*Models of Self-Regulation: an overview of models in business and the professions*, National Consumer Council, November 2000

*Principles of Good Regulation*, Better Regulation Task Force, 2003.

page 24

*Independent Regulators*, Better Regulation Task Force, October 2003

page 34

*Annual Review of Football Finance*, Deloitte and Touche, August 2004

page 35

*The State of the Game: The Corporate Governance of Football Clubs 2003*, Football Governance Research Centre, Birkbeck, November 2003

pages 37, 38

*Report to The Football Association Board and the Independent Football Commission*, Financial Advisory Committee, 2004

page 39

*The FA Handbook Season 2004-2005*

page 40

Amended Section D of *Premier League Rules*, 2004

*The Football League Handbook Season 2004-2005*

page 41

*Financing football - fit for business?*, PKF, June 2004

pages 42, 46

*The FA Premier League Charter Report 2003/04*

pages 43, 44, 50

*The FA Customer Charter*, November 2004

page 46

*The FA Premier League Annual Charter Reports Season 2002/03*

*The FA Premier League Annual Charter Reports Season 2003/04*



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