

Preparing for the Independent Football Regulator (IFR)

The IFR's objectives will be to:

- protect and promote the financial soundness of regulated clubs
- protect and promote the financial resilience of English football
- safeguard the heritage of English football.

To achieve its objectives, the IFR will have a range of powers which clubs in the top five tiers of the English game will subject to and clubs will also be required to comply with various requirements and duties.

Below we summarise what clubs will need to do to get ready for the new legislation and regulator, based on the draft legislation currently before Parliament.

Apply for a licence to operate

- ✓ each club will need an operating licence covering each of its relevant teams
- ✓ the application must be accompanied by a strategic plan setting out operating costs and how they will be funded
- ✓ the licence will come with mandatory conditions requiring the submission, and periodic updates, of:
 - a financial plan
 - a corporate governance statement
 - how the club engages with persons who represent the views of fans
- ✓ the IFR can also attach additional discretionary conditions to a licence to meet the threshold requirements
- ✓ clubs will need to submit an annual declaration to the IFR
- ✓ failure to comply with the mandatory conditions can result in the club's licence being withdrawn

Ensure your club's owners and directors are approved as fit and proper persons

- ✓ the club will need to identify its owner(s) and the one with sole or the most influence/control (the ultimate owner)
- ✓ the IFR will determine whether incumbent owners and directors are suitable for their role
- ✓ the IFR will assess whether the individual meets the required standards of honesty and integrity, taking account of:
 - criminal convictions and proceedings, including overseas activities which would amount to a serious offence here
 - any non-criminal court or tribunal proceedings, regulatory or disciplinary action
 - whether they are prohibited from entering the UK
 - whether they are a designated person under anti-money laundering laws
- ✓ representations may be made to the IFR against any negative findings
- ✓ a person who fails these tests may be disqualified from being a director and/or removed as an owner

Improve your club's long-term financial sustainability and resilience

- ✓ the club's board will need to have a strategic business plan
- ✓ sources of funding, revenue and expenses should be examined and confirmed to be appropriate to club activities
- ✓ financial risk information should be considered, including risks to the financial plan and risk mitigations
- ✓ the club's financial plan will need to be updated and submitted to the IFR every year

Comply with a football governance code

- ✓ the IFR will determine the new code for football club governance which will encompass:
 - the nature, role and constitution of the board
 - how the club board should conduct itself
 - the requirements that club boards will be subject to
 - the ways in which the club contributes to the economy and social wellbeing of its local community
 - the club's approach to equality, diversity and inclusion
 - the board's relationship with its ownership and fan engagement bodies
- ✓ arrangements will mature and change over time, in particular as changes to the code are introduced by the IFR
- ✓ the Fair Game Football Governance Code is likely to be a template and is a good starting point for clubs
- ✓ the club board should assess its existing practice against the Fair Game code
- ✓ expectations for smaller clubs are likely to be more flexible and proportionate
- ✓ see our separate guidance note *Getting your board ready for the Football Governance Code*

To find out more, contact our Chief Executive

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Report on how the club's board apply the code in an appropriate way

- ✓ the club's board will need to report on how it is applying the code's principles
- ✓ the report must be kept up to date, with periodic refreshes as well as updates whenever material changes are made
- ✓ when the report is submitted to the IFR, it will also need to be published on the club's website

Report on what action the club is taking to improve equality and inclusion

- ✓ equality, diversity and inclusion are important governance matters and must be covered in the governance report
- ✓ the club should adopt policies that encourage inclusion and a culture that makes everyone welcome
- ✓ issues that should be considered include:
 - boardroom and senior manager diversity factors e.g. gender, ethnicity, age, social background, disability etc
 - recruitment practices and training to overcome bias
 - employment policies and initiatives that aim to ensure equality of opportunity and develop pipeline diversity
 - accessible facilities e.g. disabled toilets/seating, parking/drop off, carer tickets, service animals, website design
 - behavioural standards and disciplinary procedures that do not tolerate racism, homophobia, misogyny etc
 - public support of campaigns to report and stamp out prejudice and hate crime
 - establishment of links with community groups for less able, under-privileged or minority communities

Ensure fan engagement arrangements meet expected standards

- ✓ whether via board representation, fan advisory board or otherwise, the board must take account of the views of fans
- ✓ fans will need to be specifically consulted on:
 - strategic direction and objectives
 - club business priorities
 - operational and match day issues such as ticket pricing
 - the club's history, heritage and culture, including club name, home colours, crest and home ground
 - plans for additional fan engagement

Protect your club's heritage

- ✓ changes to club heritage will be subject to IFR approval
- ✓ these will include changes to:
 - the name of any relevant team the club operates
 - home colours and the club crest
 - the club's home ground
- ✓ as noted above, these are subjects that it will be important to consult with fans on if changes are proposed

Various other duties clubs will be subject to

- ✓ clubs will also be subject to a range of other duties, including:
 - to pay the IFR levy – the IFR must consult with clubs about the levy rules
 - not to sell the club's ground or relocate, change a club's logo or home shirt colours without approval
 - to publish a personnel statement setting out the club's owners, directors and senior managers
 - to notify the IFR of any change in relevant circumstances (i.e. matters relevant to the IFR)

Indigo Governance is a specialist provider of corporate governance services working with the boards of numerous UK household names and major businesses.

We are proud to support Southend United as its Good Governance Partner and to work with Fair Game in creating a fairer and brighter future for all clubs in the English professional football pyramid