

LCP's response to the Independent Football Regulator's second Licensing Regime consultation

5 May 2026

This document sets out LCP's response to the Independent Football Regulator's second consultation survey on the Licensing Regime published on 17 March 2026.

Who We Are

LCP is a global firm of financial, regulatory, actuarial and business consultants, specialising in the sports industry (providing both analytics and advisory services), as well as pensions, investment, insurance, energy, health and business analytics. We have around 1,250 employees, including over 190 partners.

Executive Summary

LCP welcomes the opportunity to respond to the Independent Football Regulator's second consultation survey on the Licensing Regime.

LCP is supportive of the IFR's commitment to improving the financial sustainability of men's football in England, whilst providing adequate cultural and heritage protections for the sport. The introduction of the IFR provides an opportunity for the football industry to proactively engage with the financial and cultural challenges within football, whilst continuing to support the game's domestic and international economic value.

We are happy for LCP to be named as a respondent to the consultation survey and happy for our response to be in the public domain. We are happy for you to reference our comments in any response.

Responses to consultation questions

Q1. Do you have any specific comments on the IFR's proposed Licensing Guidance, in relation to:

- i. Chapter 1 (Licensing Overview)**
- ii. Chapter 2 (Financial Regulation)**
- iii. Chapter 3 (Non-Financial Resources)**
- iv. Chapter 4 (Corporate Governance)**
- v. Chapter 5 (Fan Consultation & Engagement)**
- vi. Chapter 6 (Annual Declarations)**
- vii. Chapter 7 (Discretionary Licence Conditions)**
- viii. Chapter 8 (Duty Not to Change Crest, Home Shirt Colours or Name Without Approval)?**

Chapter 1 - Greater Specificity on Requirements

LCP welcomes the rigour with which the IFR has approach the club licensing guidance, and the clarity with which it has outlined the requirements of clubs under the regime. LCP would note, however, that for such a strong and varied set of requirements, clubs may need more specific directions and guidance regarding contents of submissions.

Whilst the proposed licensing regime is detailed on the nature of the requirements, LCP would suggest providing a greater degree of specificity on the minimum standards clubs would have to meet in order to receive regulatory approval.

The rationale behind the provision of such specificity is twofold. Firstly, as the IFR has acknowledged, its regulatory remit extends to the fifth tier of men’s football – this therefore encompasses a significant number of clubs that operate as small-to-medium sized businesses. Given that many of these clubs will be operating under constrained resources, and that the creation of a club licensing regime will already be considered a new and significant challenge, the IFR has a responsibility to provide as much close guidance as possible, to ensure clubs have clarity in regard to expectations.

The second reason that creating more specific guidance on minimum standards is encouraged is in relation to the IFR’s own constitution. Should the IFR choose not to set specific minimum standards required of clubs, and judge each club purely on a case-by-case, it will have to carefully nurture each precedent it creates, to avoid potential litigation. The case-by-case approach is best taken with significant in-house expertise of the specificities of the football industry. Given the IFR remains in an early stage of its lifecycle, it would perhaps therefore be more manageable to set minimum standards, until such time that such in-house expertise comes to fruition.

LCP is conscious that a strength of the IFR’s proposed approach would be its ability to judge the circumstances of each club on the context of its individual circumstances. Whilst this crucial, it is not precluded by the setting of minimum standards, which can operate on a tiered or ratcheted system based on the size of the club and the level in which it plays.

LCP notes the following cases as examples of where it would be beneficial to implement material minimum standards in the guidance.

- i. In relation to the financial plan, the guidance notes that:

“Clubs are required to hold financial resources consistent with the risks in their business model, considering:

 - a. The scale of the total funding gap and how it is funded
 - b. The club’s income position, including the diversity and sustainability of income streams
 - c. The amount, timing and nature of future costs and liabilities, including planned investments”

It would be useful, in this case, for the IFR to provide examples or standards on what it considers ‘consistent with risks in the business model’. This is to avoid the potential of either a club failing to agree with the IFR’s analysis of what is considered consistent, or a club

attempting to use precedent set in relation to another club to justify their own individual circumstances.

- ii. In relation to non-financial resources, the guidance notes that in relation to human capital:

“A club must ensure that it has adequate human resources to operate effectively. This would include the number, skills and experience of employees and volunteers in critical functions.”

In this case, it would be advisable for the IFR to provide a minimum standard for what it defines as ‘adequate.’ This, as before, would avoid clubs openly disagreeing with the IFR’s findings, and creating difficulties of time and resources for the IFR.

These examples are intended to be instructive, rather than exhaustive, and to highlight how greater specificity in terms of both minimum standards and definitions would prove beneficial to both the IFR and clubs.

Chapter 1 - Creation of a Football-Specific Committee

LCP notes that, in relation to the previously made point regarding a lack of specificity in certain elements of the guidance, it may also be beneficial for the IFR to create and have reference to a committee comprised of individuals with extensive expertise of the football industry.

The idea of such a committee would be for – in cases in which the guidance has not been specific and there is uncertainty on whether a club’s submissions are adequate in relation to the IFR’s broader objectives, the IFR can refer to case to individuals on the panel for professional opinion. The creation of a panel of this variety would both relieve the IFR’s workload, and provide expert, football-specific guidance on critical issues. A non-exhaustive list of experienced professions which could constitute this panel would include:

- i. Academics
- ii. Accountants
- iii. Solicitors
- iv. Barristers
- v. Former club executives

Chapter 2 - Definition of Main Source of Funding

As a minor technical point, LCP would suggest greater clarity on the definition of a club’s “Main source of funding.” The guidance stipulates that “main source of funding”:

“means the single source of funding that is projected to account for the largest amount of external funding over the stress testing forecast period.”

Specifically, LCP would seek clarity on the definition of ‘external source of funding’, and whether this simply includes owner injection, or extends to items such as broadcasting revenues, solidarity payments, and other centrally distributed funds.

Chapter 3 – Double jeopardy in relation to Intellectual Capital

LCP notes that, within the ‘Intellectual capital’ sub-section of the non-financial resources element of the guidance, there is the possibility of a club being vulnerable to double regulatory jeopardy.

This section notes that:

“A club must ensure that it has the appropriate rights, licences and consents for it to be able to operate. This might include club licensing, for example UEFA”.

This suggests that the IFR might look to take action against clubs that are in breach of a separate club licensing regime. This is not in keeping with the IFR’s goal of avoiding regulatory overlap, and fails to account for material differences between different licensing regimes. By way of example, it is possible for a Premier League club competing in UEFA competitions to fail to meet UEFA’s 70% Squad Cost Ratio cap, but be compliant with the Premier League’s own 85% cap (effective from season 2026/2027.) The inclusion, in the IFR’s remit, of a club’s position in relation to other licensing regimes is an overextension of its remit, encroaching on a factor that may bear little relevance to the IFR’s own standards. LCP would therefore advise the removal from the guidance of consideration of club’s position with other licensing regimes.

Chapter 4 - Professional Independent Non-Executive Directors

LCP welcomes the strong corporate governance provision set out in the guidance and in broader regulatory information. In particular, LCP welcomes the inclusion of each of the pillars of the IFR’s corporate governance code as:

- i. The Board, purpose and strategy
- ii. Risk Oversight and controls
- iii. Board Composition and Accountability
- iv. Equality, Diversity and Inclusion
- v. Stakeholder Relationships and Engagement

LCP notes however, that given the nature of many clubs under the IFR’s remit as small-to medium size and on limited resources, the implementation of each of these pillars, as well as the other stipulations in the licensing regime, might prove challenging without expert guidance and support. Even should this be overcome, the maintenance by clubs of plans submitted to the IFR will in itself be a challenge.

LCP would therefore propose a solution that involves the establishment of a ‘Professional Independent Non-Executive Director’ (PINED) role to help guide clubs towards a culture of good governance, whilst meeting the IFR’s licensing conditions. This role would carry similar responsibilities and obligations to those of Professional Trustees on pension schemes. PINEDs would need to be approved by the IFR and demonstrate competence for the role.

PINEDs would be able to sit on the boards of several regulated clubs, and would have clear protocols for dealing with confidentiality and potential conflicts in situations where two clubs for which they are a director are involved in a negotiation (eg over a player transfer or managerial change). If a typical PINED was on the boards of five regulated clubs, this would mean a pool of

between 25 and 30 approved PINEDs would be needed at any point in time to cover all 116 clubs, which we believe would result in a much more effective set of INEDs than if each club needs to have a different INED.

These individuals would have expertise that lends itself to the objectives of the IFR and good governance principles within football, and would thus be able to provide expert guidance to clubs and oversight in relation to areas such as governance, finance, and fan engagement.

The benefit of this would thus be twofold. In addition to clubs' boards having access to expert support from independent expert individuals, the IFR could have more confidence in meeting its statutory aims at clubs where the board has a PINED.

Whilst LCP acknowledges that this may at present cause conflict with the dual interest regulations of league bodies, LCP would suggest that, such would be the benefit of the creation of this sort of role, that the IFR might liaise with these bodies to see if an exemption can be made for an individual in a Professional Independent Non-Executive Director role.

Chapter 5 - Relationship with Supporters' Trust

LCP welcomes the guidance provided on fan engagement and consultation. LCP notes that this section of the guidance is extremely strong in setting provision detailing with whom clubs must engage and consult, and on what topics. We would, however, suggest the addition of a specific stipulation, outlining it is mandatory for clubs to engage to a certain level with the official Supporters' Trust. The guidance presently notes that the IFR should consult regularly:

- a. persons elected by the club's fans to represent their views, or
- b. persons otherwise appearing to the IFR to represent the views of the club's fans

Whilst LCP would disagree with none of the above, we acknowledge a scenario in which these provisions can be met without any input from the club's official Supporters' Trust. Given the continued significance of the Supporters' Trust in dialogues with the club, and more importantly, the wider fanbase, LCP would suggest a provision in which a minimum standard of consultation (even if this extends purely to information sharing) is conducted with the Supporters' Trust.

Aaryaman Banerji
Head of Football Governance

+44 (0)20 3314 4275

Aaryaman.banerji@lcp.uk.com



About Lane Clark & Peacock LLP

We are a limited liability partnership registered in England and Wales with registered number OC301436. LCP is a registered trademark in the UK and in the EU. All partners are members of Lane Clark & Peacock LLP. A list of members' names is available for inspection at 95 Wigmore Street, London, W1U 1DQ, the firm's principal place of business and registered office.

Lane Clark & Peacock LLP is authorised and regulated by the Financial Conduct Authority for some insurance mediation activities only and is licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

© Lane Clark & Peacock LLP 2026

<https://www.lcp.com/en/important-information-about-us-and-the-use-of-our-work> contains important information about LCP (including our regulatory status and complaints procedure), and about this communication (including limitations as to its use).