

LCP's response to the Independent Football Regulator's survey on the State of the Game report Terms of Reference

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This document sets out LCP's response to the Independent Football Regulator's consultation survey on the State of the Game report Terms of Reference published on 20 January 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 1,200 employees, including over 190 partners.

Executive Summary

LCP welcomes the opportunity to respond to the Independent Football Regulator's consultation survey on the Terms of Reference for the State of the Game report.

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. Are there any topics not included in the Terms of Reference, within our statutory remit, that you think the State of the Game report should cover?

1. The Role of Competition Organisers, Existing Financial Rules, and The Wider Regulatory and Legal Landscape

The Terms of Reference published by the IFR has noted that in order to “frame its assessment and analysis of the industry, the IFR will analyse the main characteristics and key trends of the football industry and the wider football ecosystem.” As part of this, the analysis will include “the role of competition organisers, existing financial rules and the wider regulatory and legal landscape.”

Given that the current position of competition organisers and financial rules as part of the wider regulatory landscape is partially what has given rise to the IFR's own creation, this analysis should underpin the IFR's findings in the State of the Game Report. Notably, The Fan-Led Review of English Football outlined a “lack of accountable leadership” in the present system, and “the

inability of the existing regulatory structure to address the new and complex structural challenges created by the scale of modern professional men’s football.” In light of the fact that these factors have continuously been highlighted as playing such a significant role in the present state of the football industry, it is worth detailing several points in relation to the role of competition organisers and the wider regulatory landscape, that the State of the Game Report should seek to cover as a priority:

- Firstly, the Report should look at the present system of ‘patchwork regulation’ in men’s football, and the effect that this has on stakeholders across the industry. The nature of the football pyramid, as being divided into different league bodies, has resulted in a series of different internal regulators overseeing different aspects of the pyramid. In a closed system of no upward or downward mobility, the impact of this might be negligible. However, given the promotion/relegation system that exists in English football, the same set of stakeholders (ie clubs) are covered by, and are subject to moving between, different regulatory systems. This includes operating under regulatory systems of competition organisers that do not operate a league in the football pyramid, such as the Football Association and UEFA.

The creation of the IFR, in itself, adds another regulatory regime with which clubs have to comply – albeit one that does cover the entirety of the top five tiers in the men’s football pyramid. This notwithstanding, the challenges presented by the patchwork system of regulation, including the impact it has had on financial distribution from the Premier League to clubs that operate outside the Premier League, need to be assessed as part of the Report.

- A separate but related point that the Report should also cover is the interaction of existing regulatory systems to each other, as well as upon those that are regulated. The number of regulatory systems in place has often led to the football ecosystem being described as “crowded”, with the potential for overlap. For the IFR’s own purposes, it is essential that it does not arbitrarily or unnecessarily contribute further to this crowded system, but finds a way of operating effectively within it. It is therefore important that it seeks to understand where the remits of each regulatory system in place begin and end – in doing so identifying any gaps the IFR should be aware of, as well as areas of excessive overlap between systems. This builds on the Fan-Led Review’s finding that there exists a “sub-standard regulatory system” with “overlaps and underlaps of regulation.”
- Finally, given the fact that several competition organisers also operate as regulators, and thus impose financial rules on clubs which have an impact on the financial sustainability of the football industry, the Report should explore whether the IFR has a role – either directly or indirectly – in shaping competitive balance. Whilst the IFR’s position as predominantly a financial sustainability and governance regulator has been set out, it is clear that financial regulations often impact competitive balance and, in turn, challenges within competitive balance can lead to a direct impact relating to the IFR’s role of ensuring financial soundness in the football pyramid. For example, if there exists a significant financial disparity between clubs in a particular division, this can lead to less affluent clubs looking to bridge this gap through potentially unsustainable

spending on transfer fees and wage costs. Whilst this may not be a financially sound strategy, the alternative may risk relegation, and a subsequent financial hit.

Separately, should the IFR find that a scenario arises in which the disparity in finances between clubs in a particular division leads to significant difficulty in achieving upward mobility within that division, and this subsequently risks negatively impacting investment into that division, it is surely within the IFR's duty to investigate whether it has a role in helping reshape competitive balance - as part of its objective to promote financial soundness whilst not adversely affecting the growth of and investment into the football pyramid. In this context, it seems difficult for the IFR to divorce its role as a promoter of financial soundness from being a body that also looks at whether it might have a role to play in promoting sustainable competitive balance. This is not to prematurely anticipate the findings of the Report, and compel the IFR to involve itself in competitive balance, but simply for the Report to take full account of whether the IFR's objectives are achievable without being involved in competitive balance, and if so, how and why this might be the case.

2. The Role of the Football Association

As part of its analysis of the current regulatory space, The State of the Game Report should look closely at the position of the Football Association, and its future role within football. Whilst the FA has served as the overall regulator for football in England, its performance in this role has been closely scrutinised, and the creation of the IFR appears to have relieved it of certain duties. This being the case, there raises a question as to what the purpose of the FA should now be, and why its performance as a regulator was such that the IFR's creation was deemed necessary.

This is a question that should be looked at closely by the IFR. In particular, the IFR should look at three points.

- i. Whether the FA is in need of structural reform, and how this might be facilitated.
- ii. If there is anything the IFR can do to help facilitate this.
- iii. If such reform is required and successful, whether the FA has a future role in resuming its place as a more holistic regulator within the game, potentially taking back some of the duties now with the IFR.

Notwithstanding the latter point, a strong FA is crucial for the overall health of English football, and so a deep analysis of the way in which its position has evolved would be a critical part of The State of the Game Report.

The legislative framework also helps to enable this, with the FA consulted on the publication of the Report. This gives the IFR an early opportunity to build strong working relationship with the FA, whilst understanding what support the FA may need from the IFR, and how the two bodies may collaborate.

3. The Place of English Football in the Context of International Football Regulation

Whilst the creation of the IFR is a significant step for regulation in English men's football, the international regulatory context in which the IFR will operate is evolving. Whilst the Terms of

Reference have noted that the Report will look at the international context from the perspective of potential “macroeconomic shocks”, the nature of changes in international football regulation may require a more exhaustive analysis. In particular, the Report should at two points:

- i. Whether the financial regulations and club licensing system set out by UEFA is contributing positively to the IFR’s objectives, in relation to clubs covered by the UEFA regulations. This will give the IFR a clearer picture of the impact of other regulations at the top end of the sport, as well as take learnings in relation to strengths and weaknesses of regulation already implemented
- ii. The 2023 ruling by the CJEU in favour A22 Sport Management against FIFA and UEFA highlighted an increasing friction in international football regulation, with the game’s European governing bodies found to have abused their regulatory powers to protect their roles as competition organisers. This alleges an innate conflict in the roles of FIFA and UEFA, which has been recognised by A22, in their attempts to form the Super League. Given this weakening regulatory power at FIFA and UEFA, and the IFR’s role in regulating clubs against joining breakaway competitions, it is essential that the Report look at how the European Super League may now develop in the context of the changing position of international governing bodies. This will allow the IFR to comprehend the landscape in relation to the European Super League, and fully equip itself to deal with the threat of breakaway competitions that are deemed incompatible with the values of English football.

Q2. Do you have any other comments on the State of the Game report Terms of Reference?

We have no other comments.

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