Department for Culture, Media & Sport

Baroness Twycross
Minister for Gambling
1st Floor
100 Parliament Street
London SW1A 2BQ

E: enquiries@dcms.gov.uk

www.gov.uk/dcms

19 December 2024

Lord Jackson
House of Lords
London
SW1A 0PW

INT2024/10330/DC

Dear Lord Jackson,

I am writing to follow up on the question you raised during the fifth Committee Stage debate on 16 December of the Football Governance Bill. You sought clarification on whether the guidance that the Secretary of State will publish will clarify who the Regulator has to consult with before requesting that the Secretary of State adds, varies or removes the area in which financial discretionary licence conditions can be imposed. A similar issue was raised by Noble Lords on Wednesday 18 December and as such I have placed a copy of this letter in the library of both Houses.

We do not expect the Secretary of State's guidance to set out who the Regulator should consult under this requirement. We believe the independent Regulator will be best placed to determine which persons are appropriate to consult in the event that the Regulator wishes to seek changes to the areas in which financial discretionary licence conditions may be imposed.

We are confident that clubs and competition organisers would already be captured under the wording in the Bill as we think under any reasonable view it would be appropriate for the Regulator to consult them on changes to the areas in which financial discretionary licence conditions may be imposed. As I said to the Committee on Wednesday, I look forward to a further discussion on this issue ahead of Report Stage.

You also raised concerns regarding the powers to alter the scope of discretionary licence conditions, the language used, and that the constraints on the Regulator and Secretary of State are not sufficient. I would like to assure you that the Secretary of State does not have the ability to simply amend these powers on a whim.

This power is intended to future-proof the Regulator's regime by enabling the Secretary of State to amend the areas that financial discretionary licence conditions may relate to by secondary legislation. We believe that the current scope gives the Regulator the correct tools to deliver financially sustainable clubs at present. But as Lord Pannick noted, circumstances may change, with new problems, risk or financial dynamics altering the regulatory landscape, and so it is sensible for the Secretary of State to have a power to amend the type of financial discretionary licence conditions available to the Regulator to combat this.

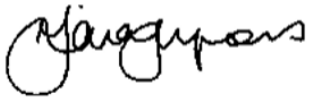
However, the Secretary of State may only act on a written request from the Regulator who must first have carried out a consultation on the proposed change. The Regulator's request must explain why an amendment is needed by reference to the purpose of the Act. If the Secretary of State then decides to make the change it will still require the approval of both Houses of Parliament.

This means the Secretary of State will not be able to amend the Regulator's powers to attach financial discretionary licence conditions of their own initiative or against the wishes of the Regulator. The Regulator's request will of course need to be backed by evidence clearly setting out why the amendment to these powers is necessary for the Regulator to achieve its objectives.

Furthermore, Parliament will have the opportunity to scrutinise and debate the change. This will limit the risk of unwanted, politically-motivated scope creep in the future. To be clear, the Regulator cannot change a club's threshold requirements as set out in the Bill, nor can it change its objectives. This power is simply to amend the tools the Regulator has at its disposal to achieve those threshold requirements and objectives.

I thank you again for raising this issue, and I hope my response has given some clarity on this. Please do get in touch with my office if you would like to discuss this, or any other aspect of the bill, further.

With best wishes,



Baroness Twycross
Minister for Gambling