



Rehman Chishti MP

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The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London, SW1A 2HQ

18 March 2020

Dear Rishi

Re: Financial Support for League 1 and League 2 Football Clubs (Small Football Clubs)

Further to my question to you on the floor of the House of Commons yesterday evening in which I asked you what financial support can be provided to football clubs in League 1 and League 2, I welcome your answer regarding the support that will be available from HM Revenue & Customs and the support for the wider economy.

I have met today with Paul Scally the Chairman of Gillingham Football Club, who are at the heart of my local community, doing fantastic work and who run a successful school that has been rated good with outstanding features by Ofsted. The club supports more than 300 employees, if the club does not receive support that is appropriate to their needs their workforce will be at risk.

However, Paul Scally has real concerns regarding the support that has been announced which he feels does not go far enough, League 1 and League 2 football clubs – the third and fourth tiers of English football – are reliant on their matchday income and these present circumstances call into question their ongoing financial viability.

Mr Scally welcomes the government's initiative but feels that they do not go far enough in addressing and support their needs as a small community football club.

1. Request for HMRC Exemptions for Small Football Clubs for 1 Month at a Time

Paul Scally believes that deferring tax payments to HM Revenue & Customs by one month at a time is inadequate and will not be unable to



support Gillingham FC and other similar clubs in managing their finances. This will simply create additional debt that will have to be paid back at a later date and does not address the significant income they will lose.

Paul Scally advises me that Gillingham FC requires a full HMRC exemption. This can be provided for one month at a time based upon circumstances which the club could use to continue you to pay their more than 300 employees.

2. Soft Loans

League 1 and League 2 clubs find it difficult to secure loans from retail banks, due in part, to high profile financial collapses of prominent football clubs over recent years.

I would urge that HM Treasury officials consult with the financial sector to provide soft loans over the medium term of five to ten years to support such football clubs on agreeable terms. If necessary in order to get the support of financial providers, these loans should be guaranteed by the Government.

3. Seeking Financial Support from Premier League Clubs for Lower League Clubs

In these extraordinary times everybody is doing their part in ensuring that our civil society is able to continue functioning and this should extend to the football community also.

The Premier League is a fantastic success story that has generated incredible interest at home and abroad since it was launched in 1992, premier league clubs have very substantial and diversified incomes that they are able to rely upon in these difficult circumstances.

I would be grateful if you can advise me what conversations have been had between the Government and representatives of the Premier League itself and with individual clubs to ask what they can do to support clubs lower down the football pyramid, particularly those in League 1 and League 2 like Gillingham FC that have a significant footprint and large workforces



to support but don't have the television or sponsorship revenue that Premier League or even Championship clubs do.

Paul Scally, the longest serving chairman in the Football League, has suggested a proposal that Premier Clubs are asked to contribute £2.5million each to a solidarity fund to support less fortunate clubs. Individually this is far less than 1% of the annual revenues of the largest clubs in the league, but collectively this would go a very long way to ensuring the survival of many clubs in the English game which are integral to their local communities.

I would be most grateful if you can take Paul Scally's recommendations into consideration in the steps that you take in order to support small football clubs.

I have reached out to Members who represent all of the other football clubs in League 1 and League 2 who I am sure will share in my concerns.

I welcome all you are doing to support businesses at this very difficult time and for the guidance that you provided to me in the House yesterday evening.

I look forward to your response in addressing these specific concerns.

Yours ever

Rehman Chishti MP

A handwritten signature in black ink, appearing to read 'R Chishti', with a long horizontal line extending to the right.