

Frazer to meet Premier League clubs amid New Deal impasse

The culture secretary will hold talks this week with the Premier League and its 20 clubs amid the continuing impasse over a financial redistribution deal for English football.

Sky News has learnt that Lucy Frazer will attend a dinner on Thursday evening with executives from the top-flight clubs, as well as Alison Brittain, the Premier League chairman, and Richard Masters, its chief executive.

Sources in Whitehall and the football industry confirmed that Ms Frazer planned to accept an invitation to attend the meeting, which will come midway through a [Premier League](#) summit with clubs to address a number of new proposals aimed at delivering financial sustainability.

One insider said a number of new tests to ensure that clubs' balance sheets were sufficiently fortified would be discussed on Thursday and Friday, along with a reprisal of talks about associated party transactions affecting state-backed sides such as Newcastle United, and those – such as Manchester City – which belonged to multi-club ownership structures.

The meeting between Ms Frazer and football executives will take place shortly before the government publishes legislation that will pave the way for the establishment of an independent regulator for English football with far-reaching powers to scrutinise and intervene in clubs' finances.

Ministers have said that the watchdog will also be able to impose a deal to hand money from Premier League clubs to their English Football League counterparts, following many months of discussions which have failed to bear fruit.

“My hope is that the Premier League and the EFL can come to

some appropriate arrangement themselves – that would be preferable,” Rishi Sunak said last month.

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“But, ultimately, if that’s not possible, the regulator will be able to step in and do that to ensure we have a fair distribution of resources across the football pyramid, of course promoting the Premier League but supporting football in communities... up and down the country.”

Sky News revealed in December that Mr Masters had informed the 20 top-flight clubs that it was halting talks with the EFL about the New Deal after failing to secure a mandate to sign an agreement.

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An £881m package had been agreed in principle between the Premier League and the EFL, but had met with significant resistance from a number of clubs.

Owners and club executives have expressed unhappiness at the overall cost of the subsidy that would be provided to the EFL, as well as the lack of certainty about the scope of the independent regulator.

The agreement would effectively see close to £900m handed out by Premier League clubs to their 72 EFL counterparts over a six-year period, with the overall cost potentially being reduced from £925m to £881m if an immediate £44m payment was ratified.

A government insider insisted that Ms Frazer’s attendance at the Premier League dinner this week was part of an ongoing programme of engagement given the impending regulatory changes facing the sport.

However, one source said her decision to join the summit was “curious” in the wake of the prime minister’s recent comments.

The Premier League recently signed a £6.7bn four-year domestic broadcast rights deal with Sky, the immediate parent company of Sky News.

Some club executives from outside the ‘big six’ – comprising Arsenal, Chelsea, Liverpool, Manchester City, Manchester United and Tottenham Hotspur – have been issuing private warnings that the proposed New Deal settlement could cause serious financial damage to them.

At least one club in the league’s bottom half is said to have raised the prospect of having to borrow money this year to fund its prospective share of the handout to the EFL.

Proposals for a bespoke licensing regime floated by the government has created distinct unease among a number of clubs, some of which believe that the New Deal should remain unsigned until there is greater clarity about how the regulator will operate.

“There is a growing sense that clubs are willing to take their chances [with a regulator],” said one.

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The Premier League and Department for Culture, Media and Sport

both declined to comment.