
State of the Game

Terms of Reference

1. State of the Game: Terms of Reference

1.1 Background

Section 10 of the Football Governance Act 2025 requires the Independent Football Regulator (IFR) to prepare and publish a “State of the Game” report (“the report”) on the state of English football so far as relevant to the exercise of the IFR’s functions. Prior to this, the IFR must publish a notice stating its intention to prepare a report and inviting suggestions as to matters to be included.

The IFR published a proposed ‘Terms of Reference’ for the State of the Game report on January 20th 2026 and invited suggestions on matters to be included in the report. This document sets out the final terms of reference. We have published a summary of responses received separately. Although the below sets out what we intend to consider as part of this report, our analysis and conclusions will be driven by the evidence we find.

2. Scope of the State of the Game report

The report will focus on issues relating to the Football Governance Act 2025, including financial soundness, systemic resilience and club heritage.

2.1 Industry background

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. This will include:

- club income streams
- club costs
- owner funding
- the market for players (including associated costs related to player development and agents)
- stadium ownership
- interactions with the wider football ecosystem (including the links with women's football, grassroots football and community outreach)
- the role of competition organisers, existing financial rules and the wider regulatory and legal landscape.

2.2 Economics of the industry

In addition, the IFR will analyse the key economic relationships in the industry and the drivers of behaviour. This will include: the role of fans; the factors that determine demand; the link between player-spend and sporting success; the role and motivation of owners (including owner funding and club enterprise values); the drivers and importance of sporting competition and international competitiveness; the broadcast market and investment into English football.

2.3 Financial soundness of football clubs

The IFR will analyse club finances to assess where any key risks are. This will include:

- Business Model – How clubs manage revenue, costs, and financial risks throughout its operations. This will include the drivers of club revenue and costs (as well as an assessment of stadium ownership arrangements).
- Liquidity – Clubs' ability to meet short-term financial obligations using liquid assets. This analysis will consider a range of metrics but will consider them in the context of running a football club.
- Solvency – Clubs' ability to meet medium to long-term debts and operate sustainably over time. This will include an analysis of debt and equity (including the role of owner and commercial debt).

- Governance – The internal structures and controls clubs have in place to mitigate financial risks. This analysis will cover corporate governance structures at clubs, as well as their ability to identify, manage and mitigate risks as they arise.

In addition, we will summarise existing financial rules and draw on case studies where clubs have entered financial distress to identify any common causes and potential early warning signs.

2.4 Systemic resilience of English football

The IFR will identify and assess the impact of potential systemic risks and structural issues in English football. Amongst other things, this will consider:

- the market for players
- the broadcast market
- the role of debt and financing
- the investor landscape in English football
- how financially connected clubs are to each other
- resilience to macroeconomic and other shocks. As part of this, the IFR will consider the international context.

2.5 Revenue distribution

The IFR will: investigate the drivers of broadcast and other central revenue growth in recent years; set out how these revenues are distributed and how this has changed over time; before assessing how this affects clubs at different levels of the football pyramid. As part of this, the IFR will consider: all distribution avenues, including solidarity payments, parachute payments, and any distribution to the wider football ecosystem, including women's football, academies, community and grassroots; any 'cliff-edges' between and within leagues; and interactions with the economics of the industry as set out in Section 2, as well as the IFR's objectives.

2.6 Fan engagement

The IFR will assess the different fan engagement structures at clubs (including fan ownership), what works well and what challenges are faced by clubs and fans. As part of this, the IFR will reference the existing approaches of the leagues and the FA. This section will also consider the importance of club heritage.

2.7 Corporate governance, Equality Diversity and Inclusion (EDI) and community outreach

The IFR will assess the different approaches to corporate governance, EDI and community outreach, including the benefits of these approaches and the challenges faced by clubs. As part of this, the IFR will reference the existing approaches of the leagues and the FA.

2.8 Emerging opportunities and challenges in English football

The IFR will consider emerging opportunities and challenges in English football. The industry is rapidly evolving and by identifying and assessing forward-facing issues the IFR will ensure that its analysis takes this changing context into account.