

Compliance with the Growth Duty

As the UK Government's Regulatory body for spectator safety at football grounds in England and Wales, the Sports Grounds Safety Authority (SGSA) supports the principles of the "[Growth Duty](#)", requiring any person exercising a regulatory function to demonstrate regard to the desirability of promoting economic growth. This statement demonstrates the considerations given to the Growth Duty principles in developing its propositions for [Licence fee reform](#), on which SGSA has launched a public consultation on behalf of the Department for Culture Media and Sport (DCMS).

The SGSA's view is that the safety and security of participants and spectators is foundational to the growth of the football industry. The regulatory functions of the SGSA, formerly the Football Licensing Authority, were established following the inquiry by Lord Justice Taylor into the Hillsborough Stadium disaster in which 97 people lost their lives. This disaster was the latest in a series of tragic events at football grounds which, compounded by the widespread hooliganism associated with the game by the 1980s, led to profound public concern about the ability of the industry to provide a safe environment for spectators.

There are inevitably costs to the industry arising from the SGSA's regulatory regime, most notably enforcement of the Government's all-seater policy necessitated significant development and re-development of grounds that historically offered terraced standing accommodation. More recently, Government has legislated to permit 'safe standing' accommodation at football grounds in recognition that many thousands of spectators chose to stand in areas not designed for that purpose, but grounds must meet strict criteria in order to provide this accommodation including the provision of seats incorporating barriers or independent rails. However, in both of these examples, these changes have been welcomed by fans and contribute to the ongoing growth of the football industry in England and Wales.

English football is now one of the most famous and richest sport industries in the world. Football stadiums usually serve as a core economic asset for a club, in a number of ways, and therefore, the cost of failing to maintain and improve safety standards at regulated grounds would negatively impact desired economic and business growth. Failure to maintain stadia can lead to spiralling costs for clubs and/or reductions in capacity that affect revenues, as well as negatively impacting the reputation of individual grounds and football in England and Wales. With the proposed licence fee reform, football grounds can expect to continue receiving a regulatory service and therefore protect a core commercial asset of their businesses.

The SGSA's proposed reforms to its licence fee are being introduced following a recommendation arising from an independent review of SGSA undertaken on behalf of its sponsoring body, the DCMS. The reforms will see the football industry meeting the cost of the regulation from which it benefits. In keeping with SGSA's duties as a public body, and adhering to the principles of the Growth Duty, the football industry is being consulted about their views towards the reform to SGSA annual licence fee used in the Premier League and EFL. As part of this consultation, SGSA has set out the principles of the proposed licence fee reform, as well as a preferred method of apportioning the costs of regulation, which the industry has been given a chance to respond to and express their views, for consideration.



SGSA has communicated to the consulted industry that all results and commentary will be evaluated as part of the consultation process and that a summary report of the responses will be made publicly available.

A number of assessments were carried out to inform the basis of the proposed reform, including a review carried about by the Chartered Institute of Public Finance and Accountancy (CIPFA) to assist in creating a robust, proportionate, and transparent funding model that reflects [the full cost of regulation](#) of the safety of football grounds in England and Wales.

Additionally, SGSA completed a [Regulatory Impact Assessment](#) of the Licence Fee Reform, published alongside the consultation, which illustrates the direct regulatory costs to businesses with the current proposed approach, as well as estimated familiarisation costs for key staff at each of the 93 grounds subject to SGSA licensing (principally the Finance Director/Club Secretary and the Safety Officer) to familiarise themselves with these proposals. SGSA supports the desirability to promote economic growth within the football industry, as such, the Regulatory Impact Assessment also reaffirms that the licence fee proposal does not introduce new enforcement powers for the SGSA, as has been the case for the past 30 years, if a ground's application is not accompanied by the appropriate fee, no licence will be issued.

The SGSA is primarily concerned with the safety of spectators at football grounds, SGSA is in full support of economic growth across the football industry and do not wish to financially restrain clubs. The SGSA is committed to being transparent about its expenditure, with that in mind, SGSA continue to produce a comprehensive [Annual Report and Accounts](#) which provides details, amongst other things, about regulatory activity and associated expenditure. In addition, we propose to provide clubs with an overview of how the licence fee is used each year when issuing the licence. SGSA will conduct a regular review of licence fees to ensure that any charges continue to be fair and proportionate.

SGSA Policy
October 2023