

Supply of televised football, market structure and policies

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Part 1

Issues and Controversies

Regulatory Capture and the Evolution of Televised Football

Regulatory capture is a concept and term used to denote the shift in power from the regulator to the regulated; the regulated become more powerful than the regulator.

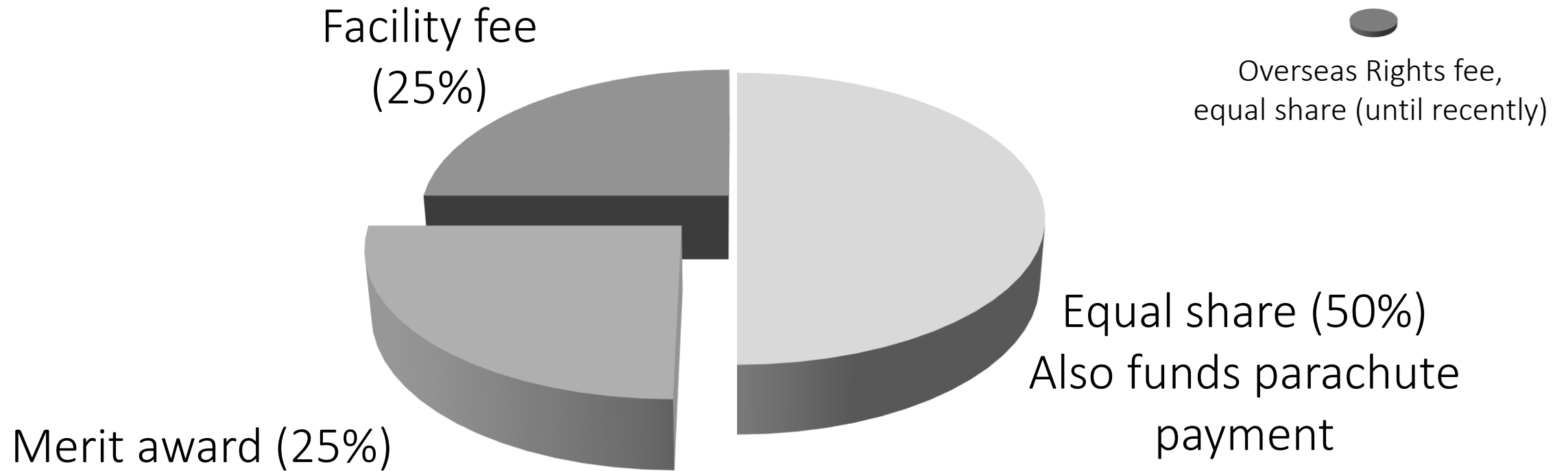
This characterises much of European football and the relationship between clubs, leagues, and federations.

The Big 5 in England “captured” the Football League. The issues were twofold: the league’s interaction with the broadcast market and cross-subsidisation of the (very little) broadcast revenue.

Prior to 1992, TV revenue was allocation to tiers 1, 2, 3 and 4 on a ratio of 4:2:1:1

Disquiet resulted in re-allocation; (tier 1):(tiers 2 to 4) receiving 75%:25%, of which 40% of tier 1’s revenue went to the Big 5

The English Premier League's TV Revenue Allocation



The Distribution Mechanism: The Equal Share (50% of Total Fees)

This is shared equally amongst of 20 members.

Team relegated from the league also receive a (smaller) share from this element. This share stops if the team is promoted back to the Premier League or after its third season following exile from the League, whichever happens first.

Also from this share, payments are made in the form of solidarity payments to those clubs in tiers 2, 3 and 4, provided they are not receiving parachute payments.

The Distribution Mechanism: The Facility Fee (25% of Total Fees)

The facility fee is based on the number of occasions a club is chosen for television. This is assigned to both the away team as the home team. In principle, this is to compensate for the loss of gate revenue caused by broadcasting.

What is the impact on gate attendance from televising a match according to the published literature?

Broadcasters have an incentive to select matches involving the “big” teams. However, since this means moving matches from 3 o’clock to other slots, this is not always compatible with the fans of these clubs. The solution?

Broadcast matches that feature the “big” team as the away team. This is particularly important as the number of televised games each season increases.

The Distribution Mechanism: The Merit Award (25% of Total Fees)





















Simply based on the finishing positions of the team at the end of the season.

There are 210 shares.





















The 1st placed team receives 20/210 of of the merit award; the 2nd placed team 19/210, the 3rd placed team 18/210, etc.

The part of the fee is designed to reward performance; a sporting incentive.





















2016/17 Payments to Clubs

Club Name	UK Live	Equal Share	Facility Fees	Merit Payment	Overseas TV	Central Commercial	Total Payment
 Chelsea	28	35,301,989	32,827,014	38,832,180	39,090,596	4,759,404	150,811,183
 Tottenham Hotspur	25	35,301,989	29,418,765	36,890,571	39,090,596	4,759,404	145,461,325
 Manchester City	28	35,301,989	32,827,014	34,948,962	39,090,596	4,759,404	146,927,965
 Liverpool	29	35,301,989	33,963,097	33,007,353	39,090,596	4,759,404	146,122,439
 Arsenal	25	35,301,989	29,418,765	31,065,744	39,090,596	4,759,404	139,636,498
 Manchester United	28	35,301,989	32,827,014	29,124,135	39,090,596	4,759,404	141,103,138
 Everton	18	35,301,989	21,466,184	27,182,526	39,090,596	4,759,404	127,800,699
 Southampton	15	35,301,989	18,057,935	25,240,917	39,090,596	4,759,404	122,450,841
 AFC Bournemouth	13	35,301,989	15,785,769	23,299,308	39,090,596	4,759,404	118,237,066
 West Bromwich Albion	11	35,301,989	13,513,603	21,357,699	39,090,596	4,759,404	114,023,291
 West Ham United	15	35,301,989	18,057,935	19,416,090	39,090,596	4,759,404	116,626,014
 Leicester City	16	35,301,989	19,194,018	17,474,481	39,090,596	4,759,404	115,820,488
 Stoke City	10	35,301,989	12,377,520	15,532,872	39,090,596	4,759,404	107,062,381
 Crystal Palace	14	35,301,989	16,921,852	13,591,263	39,090,596	4,759,404	109,665,104
 Swansea City	10	35,301,989	12,377,520	11,649,654	39,090,596	4,759,404	103,179,163
 Burnley	10	35,301,989	12,377,520	9,708,045	39,090,596	4,759,404	101,237,554
 Watford	13	35,301,989	15,785,769	7,766,436	39,090,596	4,759,404	102,704,194
 Hull City	10	35,301,989	12,377,520	5,824,827	39,090,596	4,759,404	97,354,336
 Middlesbrough	13	35,301,989	15,785,769	3,883,218	39,090,596	4,759,404	98,820,976
 Sunderland	10	35,301,989	12,377,520	1,941,609	39,090,596	4,759,404	93,471,118
All figures in £		706,039,780	407,738,103	407,737,890	781,811,920	95,188,080	2,398,515,773

2017/18 Payments to Clubs

Club Name	UK Live	Equal Share	Facility Fees	Merit Payment	International TV	Central Commercial	Total Payment
 Manchester City	26	34,812,558	30,390,736	38,625,360	40,771,108	4,838,892	149,438,654
 Manchester United	28	34,812,558	32,650,495	36,694,092	40,771,108	4,838,892	149,767,145
 Tottenham Hotspur	25	34,812,558	29,260,856	34,762,824	40,771,108	4,838,892	144,446,238
 Liverpool	28	34,812,558	32,650,495	32,831,556	40,771,108	4,838,892	145,904,609
 Chelsea	26	34,812,558	30,390,736	30,900,288	40,771,108	4,838,892	141,713,582
 Arsenal	28	34,812,558	32,650,495	28,969,020	40,771,108	4,838,892	142,042,073
 Burnley	10	34,812,558	12,312,666	27,037,752	40,771,108	4,838,892	119,772,976
 Everton	19	34,812,558	22,481,580	25,106,484	40,771,108	4,838,892	128,010,622
 Leicester City	12	34,812,558	14,572,424	23,175,216	40,771,108	4,838,892	118,170,198
 Newcastle United	18	34,812,558	21,351,701	21,243,948	40,771,108	4,838,892	123,018,207
 Crystal Palace	12	34,812,558	14,572,424	19,312,680	40,771,108	4,838,892	114,307,662
 AFC Bournemouth	11	34,812,558	13,442,545	17,381,412	40,771,108	4,838,892	111,246,515
 West Ham United	17	34,812,558	20,221,821	15,450,144	40,771,108	4,838,892	116,094,523
 Watford	10	34,812,558	12,312,666	13,518,876	40,771,108	4,838,892	106,254,100
 Brighton & Hove Albion	13	34,812,558	15,702,304	11,587,608	40,771,108	4,838,892	107,712,470
 Huddersfield Town	10	34,812,558	12,312,666	9,656,340	40,771,108	4,838,892	102,391,564
 Southampton	16	34,812,558	19,091,942	7,725,072	40,771,108	4,838,892	107,239,572
 Swansea City	10	34,812,558	12,312,666	5,793,804	40,771,108	4,838,892	98,529,028
 Stoke City	12	34,812,558	14,572,424	3,862,536	40,771,108	4,838,892	98,857,518
 West Bromwich Albion	10	34,812,558	12,312,666	1,931,268	40,771,108	4,838,892	94,666,492
All figures in £		696,251,160	405,566,308	405,566,280	815,422,160	96,777,840	2,419,583,748

2018/19 Payments to Clubs

Club Name	UK Live	Equal Share	Facility Fees	Merit Payment	International TV	Central Commercial	Total Payment
 Manchester City	26	34,361,519	30,104,476	38,370,360	43,184,608	4,965,392	150,986,355
 Liverpool	29	34,361,519	33,461,785	36,451,842	43,184,608	4,965,392	152,425,146
 Chelsea	25	34,361,519	28,985,373	34,533,324	43,184,608	4,965,392	146,030,216
 Tottenham Hotspur	26	34,361,519	30,104,476	32,614,806	43,184,608	4,965,392	145,230,801
 Arsenal	25	34,361,519	28,985,373	30,696,288	43,184,608	4,965,392	142,193,180
 Manchester United	27	34,361,519	31,223,579	28,777,770	43,184,608	4,965,392	142,512,868
 Wolverhampton Wanderers	15	34,361,519	17,794,343	26,859,252	43,184,608	4,965,392	127,165,114
 Everton	18	34,361,519	21,151,652	24,940,734	43,184,608	4,965,392	128,603,905
 Leicester City	15	34,361,519	17,794,343	23,022,216	43,184,608	4,965,392	123,328,078
 West Ham United	16	34,361,519	18,913,446	21,103,698	43,184,608	4,965,392	122,528,663
 Watford	10	34,361,519	12,198,828	19,185,180	43,184,608	4,965,392	113,895,527
 Crystal Palace	12	34,361,519	14,437,034	17,266,662	43,184,608	4,965,392	114,215,215
 Newcastle United	19	34,361,519	22,270,755	15,348,144	43,184,608	4,965,392	120,130,418
 AFC Bournemouth	10	34,361,519	12,198,828	13,429,626	43,184,608	4,965,392	108,139,973
 Burnley	11	34,361,519	13,317,931	11,511,108	43,184,608	4,965,392	107,340,558
 Southampton	10	34,361,519	12,198,828	9,592,590	43,184,608	4,965,392	104,302,937
 Brighton & Hove Albion	13	34,361,519	15,556,137	7,674,072	43,184,608	4,965,392	105,741,728
 Cardiff City	12	34,361,519	14,437,034	5,755,554	43,184,608	4,965,392	102,704,107
 Fulham	13	34,361,519	15,556,137	3,837,036	43,184,608	4,965,392	101,904,692
 Huddersfield Town	10	34,361,519	12,198,828	1,918,518	43,184,608	4,965,392	96,628,865
All figures in £		687,230,380	402,889,186	402,888,780	863,692,160	99,307,840	2,456,008,346





















Total Payment	Total Payment	Total Payment
150,811,183	149,438,654	150,986,355
145,461,325	149,767,145	152,425,146
146,927,965	144,446,238	146,030,216
146,122,439	145,904,609	145,230,801
139,636,498	141,713,582	142,193,180
141,103,138	142,042,073	142,512,868
127,800,699	119,772,976	127,165,114
122,450,841	128,010,622	128,603,905
118,237,066	118,170,198	123,328,078
114,023,291	123,018,207	122,528,663
116,626,014	114,307,662	113,895,527
115,820,488	111,246,515	114,215,215
107,062,381	116,094,523	120,130,418
109,665,104	106,254,100	108,139,973
103,179,163	107,712,470	107,340,558
101,237,554	102,391,564	104,302,937
102,704,194	107,239,572	105,741,728
97,354,336	98,529,028	102,704,107
98,820,976	98,857,518	101,904,692
93,471,118	94,666,492	96,628,865
2,398,515,773	2,419,583,748	2,456,008,346

Ratio of Wealthiest to Poorest!

2016-17 was 1.61

2017-18 was 1.57

2018-19 was 1.56

Club Name	UK Live	Equal Share	Facility Fees	Merit Payment	International TV	Central Commercial	Total Payment
 Manchester City	26	34,361,519	30,104,476	38,370,360	43,184,608	4,965,392	150,986,355
 Liverpool	29	34,361,519	33,461,785	36,451,842	43,184,608	4,965,392	152,425,146
 Chelsea	25	34,361,519	28,985,373	34,533,324	43,184,608	4,965,392	146,030,216
 Tottenham Hotspur	26	34,361,519	30,104,476	32,614,806	43,184,608	4,965,392	145,230,801
 Arsenal	25	34,361,519	28,985,373	30,696,288	43,184,608	4,965,392	142,193,180
 Manchester United	27	34,361,519	31,223,579	28,777,770	43,184,608	4,965,392	142,512,868
 Wolverhampton Wanderers	15	34,361,519	17,794,343	26,859,252	43,184,608	4,965,392	127,165,114
 Everton	18	34,361,519	21,151,652	24,940,734	43,184,608	4,965,392	128,603,905
 Leicester City	15	34,361,519	17,794,343	23,022,216	43,184,608	4,965,392	123,328,078
 West Ham United	16	34,361,519	18,913,446	21,103,698	43,184,608	4,965,392	122,528,663
 Watford	10	34,361,519	12,198,828	19,185,180	43,184,608	4,965,392	113,895,527
 Crystal Palace	12	34,361,519	14,437,034	17,266,662	43,184,608	4,965,392	114,215,215
 Newcastle United	19	34,361,519	22,270,755	15,348,144	43,184,608	4,965,392	120,130,418
 AFC Bournemouth	10	34,361,519	12,198,828	13,429,626	43,184,608	4,965,392	108,139,973
 Burnley	11	34,361,519	13,317,931	11,511,108	43,184,608	4,965,392	107,340,558
 Southampton	10	34,361,519	12,198,828	9,592,590	43,184,608	4,965,392	104,302,937
 Brighton & Hove Albion	13	34,361,519	15,556,137	7,674,072	43,184,608	4,965,392	105,741,728
 Cardiff City	12	34,361,519	14,437,034	5,755,554	43,184,608	4,965,392	102,704,107
 Fulham	13	34,361,519	15,556,137	3,837,036	43,184,608	4,965,392	101,904,692
 Huddersfield Town	10	34,361,519	12,198,828	1,918,518	43,184,608	4,965,392	96,628,865
All figures in £		687,230,380	402,889,186	402,888,780	863,692,160	99,307,840	2,456,008,346

Ratio of domestic to International TV rights is

















1.73 to 1

What happens to distribution as this ratio decreases?





















What are the impacts of an ever expanding the international TV rights market?

2020/21 Payments to Clubs

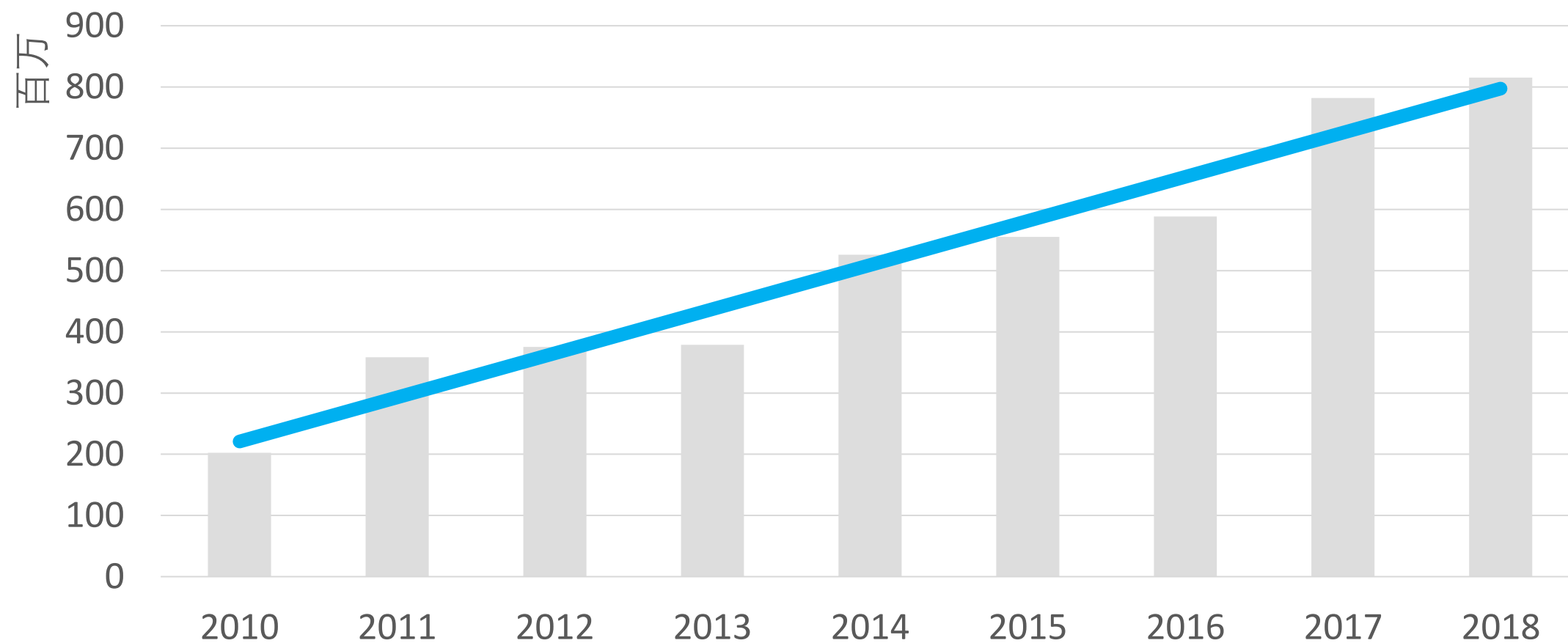
1.58 for the 2018-19 season
1.59 for the 2019-20 season
1.56 for the 2022-21 season

Club Name	UK				International		Central Commercial	Total Payment
	Live	Equal Share	Facility Fees	Merit Payment	Equal Share	Merit Payment		
 Manchester City	27	31,375,697	24,424,705	34,961,500	47,541,599	8,325,500	5,924,232	152,553,233
 Manchester United	28	31,375,697	25,291,836	33,213,425	47,541,599	7,909,225	5,924,232	151,256,014
 Liverpool	29	31,375,697	26,158,967	31,465,350	47,541,599	7,492,950	5,924,232	149,958,795
 Chelsea	30	31,375,697	27,026,098	29,717,275	47,541,599	7,076,675	5,924,232	148,661,576
 Leicester City	22	31,375,697	20,089,050	27,969,200	47,541,599	6,660,400	5,924,232	139,560,178
 West Ham United	22	31,375,697	20,089,050	26,221,125	47,541,599	6,244,125	5,924,232	137,395,828
 Tottenham Hotspur	25	31,375,697	22,690,443	24,473,050	47,541,599	5,827,850	5,924,232	137,832,871
 Arsenal	24	31,375,697	21,823,312	22,724,975	47,541,599	5,411,575	5,924,232	134,801,390
 Leeds United	24	31,375,697	21,823,312	20,976,900	47,541,599	4,995,300	5,924,232	132,637,040
 Everton	24	31,375,697	21,823,312	19,228,825	47,541,599	4,579,025	5,924,232	130,472,690
 Aston Villa	19	31,375,697	17,487,657	17,480,750	47,541,599	4,162,750	5,924,232	123,972,685
 Newcastle United	18	31,375,697	16,620,526	15,732,675	47,541,599	3,746,475	5,924,232	120,941,204
 Wolverhampton Wanderers	17	31,375,697	15,753,395	13,984,600	47,541,599	3,330,200	5,924,232	117,909,723
 Crystal Palace	14	31,375,697	13,152,002	12,236,525	47,541,599	2,913,925	5,924,232	113,143,980
 Southampton	14	31,375,697	13,152,002	10,488,450	47,541,599	2,497,650	5,924,232	110,979,630
 Brighton & Hove Albion	15	31,375,697	14,019,133	8,740,375	47,541,599	2,081,375	5,924,232	109,682,411
 Burnley	11	31,375,697	10,550,609	6,992,300	47,541,599	1,665,100	5,924,232	104,049,537
 Fulham	15	31,375,697	14,019,133	5,244,225	47,541,599	1,248,825	5,924,232	105,353,711
 West Bromwich Albion	11	31,375,697	10,550,609	3,496,150	47,541,599	832,550	5,924,232	99,720,837
 Sheffield United	11	31,375,697	10,550,609	1,748,075	47,541,599	416,275	5,924,232	97,556,487
All figures in £		627,513,940	367,095,760	367,095,750	950,831,980	87,417,750	118,484,640	2,518,439,820

2021/22 Payments to Clubs

Club Name	UK				International		Central Commercial	Total Payment
	Live	Equal Share	Facility Fees	Merit Payment	Equal Share	Merit Payment		
 Manchester City	28	31,809,969	24,436,525	33,779,160	48,885,768	7,365,240	6,814,232	153,090,894
 Liverpool	29	31,809,969	25,274,331	32,090,202	48,885,768	6,996,978	6,814,232	151,871,480
 Chelsea	24	31,809,969	21,085,299	30,401,244	48,885,768	6,628,716	6,814,232	145,625,228
 Tottenham Hotspur	27	31,809,969	23,598,718	28,712,286	48,885,768	6,260,454	6,814,232	146,081,427
 Arsenal	29	31,809,969	25,274,331	27,023,328	48,885,768	5,892,192	6,814,232	145,699,820
 Manchester United	28	31,809,969	24,436,525	25,334,370	48,885,768	5,523,930	6,814,232	142,804,794
 West Ham United	23	31,809,969	20,247,493	23,645,412	48,885,768	5,155,668	6,814,232	136,558,542
 Leicester City	16	31,809,969	14,382,847	21,956,454	48,885,768	4,787,406	6,814,232	128,636,676
 Brighton & Hove Albion	15	31,809,969	13,545,041	20,267,496	48,885,768	4,419,144	6,814,232	125,741,650
 Wolverhampton Wanderers	16	31,809,969	14,382,847	18,578,538	48,885,768	4,050,882	6,814,232	124,522,236
 Newcastle United	21	31,809,969	18,571,880	16,889,580	48,885,768	3,682,620	6,814,232	126,654,049
 Crystal Palace	16	31,809,969	14,382,847	15,200,622	48,885,768	3,314,358	6,814,232	120,407,796
 Brentford	16	31,809,969	14,382,847	13,511,664	48,885,768	2,946,096	6,814,232	118,350,576
 Aston Villa	20	31,809,969	17,734,073	11,822,706	48,885,768	2,577,834	6,814,232	119,644,582
 Southampton	12	31,809,969	11,031,621	10,133,748	48,885,768	2,209,572	6,814,232	110,884,910
 Everton	22	31,809,969	19,409,686	8,444,790	48,885,768	1,841,310	6,814,232	117,205,755
 Leeds United	22	31,809,969	19,409,686	6,755,832	48,885,768	1,473,048	6,814,232	115,148,535
 Burnley	12	31,809,969	11,031,621	5,066,874	48,885,768	1,104,786	6,814,232	104,713,250
 Watford	12	31,809,969	11,031,621	3,377,916	48,885,768	736,524	6,814,232	102,656,030
 Norwich City	12	31,809,969	11,031,621	1,688,958	48,885,768	368,262	6,814,232	100,598,810
All figures in £		636,199,380	354,681,464	354,681,180	977,715,360	77,335,020	136,284,640	2,536,897,044

Overseas Rights Fee for Premier League by Season Ending



Premier League's top six win battle for larger share of overseas TV rights

- Some money paid according to league position from 2019-20
- Compromise voted in at Premier League meeting on Thursday



▲ Income from overseas broadcasters have been shared equally since 1992 but that will change from 2019-20.
Photograph: Visionhaus/Corbis via Getty Images

The so-called big six [Premier League](#) clubs have won their persistent battle to be paid a greater share of the income from its burgeoning international TV rights which have for 26 years been shared equally between all the league's clubs.

The Distribution Mechanism: More Equal Share (Overseas Rights Fee)

Up until now, the overseas rights fee is shared equally. This is separate from the domestic rights fee and has been increasing over time.

From 2019/20, clubs received equal international revenue, but any increase will be distributed based on where they finish in the League.

When total central revenues were distributed in 2018-19, the ratio between the maximum and minimum a club received was 1.6:1 - the highest-earning club received 1.56 times the amount received by the lowest-earning club.

The maximum a club can receive in total central revenue payments is 1.8 times the amount received by the lowest-earning club.