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Uefa under pressure to change funding model that favours big European clubs

Martyn Ziegler, Chief Sports Reporter

A power struggle is brewing over the distribution of Champions League cash after 2024, with Uefa coming under pressure to cut the proportion of TV money allocated to clubs on the basis of their historical achievements in European competition.

Talks will start at a European Club Association (ECA) board meeting in Istanbul on Thursday aimed at securing what one source called “a fairer distribution” when Uefa’s new Champions League format involving 36 clubs is launched in 2024. The European Leagues organisation is also pushing for an end to the coefficient funding.

Under the existing system 30 per cent of total Champions League TV money is allocated to the 32 teams in the competition based on their performances in Europe over the past ten years, which has benefited the big European clubs disproportionately.

For example, if West Ham United had made it into the Champions League this season their share of the money pot would have been just €1.3 million (£1 million) while Manchester City’s — the top-ranked English club under Uefa’s coefficient — will be €32 million (£26.5 million).

The collapse of the European Super League last year led to the likes of Real Madrid, Juventus and Manchester United losing their seats on the ECA board, and there is now pressure from a group of midsized and smaller clubs in the organisation for the coefficient funding model to be changed.

Even some senior Uefa figures accept that, with Uefa's TV income set to rise by around 25 per cent to €4.5 billion (£3.8 billion) a year from 2024, that the proportion handed to the elite clubs under the coefficient formula may have to be reduced.

One source involved in the talks said that Uefa "has to make sure it improves competitive balance", while accepting that the big, glamorous clubs drive much of the international interest and therefore the TV rights income. Meanwhile, the European Leagues want more of a share of solidarity payments to clubs not involved in European competition.

Another figure involved in the discussions told The Times: "It may be that the end result is one where everyone is a bit unhappy, but that might be the best outcome.

"If the big clubs can still get more money because the TV income is going up, but agree to cut the amount of coefficient funding they get, then maybe a deal can be done."

The coefficient funding distribution was established as part of an agreement made in August 2016, when Uefa did not have a president in position after Michel Platini was suspended, and came into existence in 2018.

Bayern Munich's Karl-Heinz Rummenigge and Juventus's Andrea Agnelli, who ran the ECA at the time, saw an opportunity to get a share of the English TV money and entrench their dominant positions.

The ECA's board will also discuss fears that clubs will not be able to access the £2 billion Uefa Recovery Fund set up to help teams recover from the Covid-19 pandemic.

The recovery fund was to be run by the Citigroup bank and allow clubs to borrow against future Uefa earnings but there were concerns about the organisation being both the guarantor of the loans and the regulator, as well as about the impact of the Ukraine invasion.

As a result it has not got off the ground and some European clubs are angry that they were given false hope of using the fund, with one effect being that the Premier League clubs have been able to dominate the transfer market this summer.

A Uefa statement said "tighter financing conditions" following Russia's invasion of Ukraine "have driven a sharp rise in borrowing costs over the past few months and increased the risk profile of the initiative for the clubs."