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Exclusive: European Leagues seeks half billion solidarity payments for clubs outside UEFA club competitions

- *In an attempt to stave off greater economic imbalances in domestic football, the European Leagues body is lobbying UEFA for a 10 per cent revenue share for clubs that don't compete in its club competitions.*
- *Move is likely to anger elite clubs, who argue that they drive competition revenues and who have already tried to secure a greater share in abortive attempts to break away.*
- *Why it matters: With a projected combined TV deal worth €5 billion from 2024, European club competition participants are likely to pull even further away from other teams in domestic football.*
- *The perspective: Solidarity from UEFA Club Competition is only part of the debate, ECA boss tells Off The Pitch. There needs to be a debate about solidarity payments from major leagues, whose international broadcasts impact domestic schedules.*

The European Leagues is lobbying UEFA for a share of revenues worth €480 million annually for clubs that do not participate in its club competitions.

In a move that will infuriate elite clubs in “Big 5” leagues, European Leagues, an influential body that represents 35 professional leagues across Europe, is advocating for a 10 per cent share of UEFA Club Competition revenues from 2024 to be shared among non-participating clubs.

Clubs that don't qualify for European club qualification currently share a pool of between 4 and 5 per cent of total UEFA club competition revenues aimed at lessening the financial disparity between clubs that regularly compete in Europe and those that don't. European Leagues members will vote on the proposal at its General Assembly, held in Prague, this morning.

There are currently 733 top tier clubs in Europe, but just 96 compete in UEFA club competition each year – although this will rise to 108 after 2024.

Unbalanced model

In documents seen by Off The Pitch European Leagues argue that current prize distributions provide an “unbalanced model” in which the financial gap between participating clubs and non-participating clubs has “been growing constantly, causing a mounting distorting effect on domestic competitive balance.”

European Leagues warns: “This will get worse as from 2024 IF the revenues still increase but the model does NOT change!”

The body calls on UEFA to seize “a unique opportunity to deliver its promises to defend the interests of ALL clubs in Europe – and not those of a few clubs regularly playing in Europe.”

Last season non-qualifying clubs shared €171.8 million between them (4.75 per cent), while those that played in European Club Competition shared €2.732 billion (75.6 per cent).

Overall competition revenues are projected to increase to €4.8 billion in the next cycle and European Leagues warns that if the current model is used it will increase the economic polarisation within domestic football.

It is advocating a 10 per cent cut to non-competing clubs. The money will be raised by cutting the participating clubs share from 75.6 per cent to 73.1 per cent and cutting competition organising costs slightly. The remainder will be made up from Covid impact deductions which will be no longer applicable going forward.

Big clubs upset

Major competitions, including the Premier League, have board representation at the European Leagues, and are understood to be supportive of the proposal, despite it being likely to upset some of its member clubs.

Indeed, the move is likely to anger some of Europe’s leading clubs, 12 of which broke away two years ago in a failed attempt to form a “Super League”, which would have dramatically increased their share of UEFA Club Competition revenues. They argue that it is they that drive broadcast and sponsorship revenues for UEFA club competitions. Their share of revenues will already be depressed by the decision to increase the number of participating clubs by 11 per cent from 2024.

Speaking at a European Leagues event last June, Cliff Baty the Manchester United CFO embodied many of the elite clubs positions when he said: “Whilst I appreciate the sentiment of wanting to give more money [to smaller clubs and those outside European competition]

the pie is getting bigger – [and] the reason the broadcasters are paying that much money is for the product, frankly at the Champions League level.”

Alternative debate

The European Club Association (ECA) CEO Charlie Marshall acknowledged “the hugely important part” effective solidarity played in the overall European system. However, he questioned the numbers around which the debate is currently made, pointing out that a further 3 per cent of UCC (UEFA Club Competition) revenues goes to clubs that take part in qualifying competitions and that significant sums generated by UCC is distributed by UEFA directly to develop European football.

“ECA has lobbied hard for solidarity money to go to where it’s needed most, i.e., to clubs who do not enjoy significant revenues from large domestic broadcast deals, namely clubs outside of the top leagues,” he told Off The Pitch.

“In the current UCC cycle vs the previous one, non-participating clubs in the medium to small leagues are seeing average increases of 60 per cent in solidarity money - with some growing three- or fourfold. We believe absolutely that solidarity should continue to go to where it’s needed most – to the medium and small leagues – and will continue to push for further increases here.”

He added that he hoped the European Leagues would bring to the debate “their own proposals to the table as to how the bigger leagues will also contribute solidarity to the medium and small leagues across Europe.”

“Domestic leagues play matches at the same time – largely at the weekend – and, currently, no solidarity is returned by the bigger leagues to the medium and small leagues whose schedules and broadcast fees they compete with, whereas UCCs often return more money to clubs in medium and small leagues than they collect in rights fees and, with largely midweek games, do not even compete for timeslots.”

A spokesperson for the Union of European Clubs (UEC), a rival club representative body which officially launches in Brussels next week, told Off The Pitch, “Any improvement in solidarity and redistribution is of course welcomed by the UEC.”