

## TRFC Compromise proposal document re Termination of EFL season 19/20:

### 1. EXEC SUMMARY

The paper sets out, and explains our rationale for, our proposal to achieve what we believe the fairest solution as regards the future conduct of the season 19/20 in the event that Clubs in any division vote not to complete the season, or are unable to do so for practical reasons.

It has taken into account feedback from as many EFL Clubs as we were able to speak to in the time available, and from the EFL Board regarding its objections to an earlier version of our proposals. We believe that we have dealt with all of those objections and we have stayed as close as possible to the EFL's own proposal. However, we believe our version to be preferred as in the interests of all Clubs and the interests of the pyramid as a whole because:

- It maintains the principle of promotions and relegations;
- It maximises the revenue for EFL Clubs and minimises any negative financial impacts;
- It enables Clubs who wish to stop playing immediately to do so, to protect their future;
- It enables Clubs who are in the promotion and play off spots to achieve promotion through sporting merit;
- It satisfies the "sporting integrity" test by giving automatic promotion to those who were virtually assured of promotion, and relegating those who were virtually assured of relegation;
- It allows those only marginally outside of the play-off places to compete for promotion should they wish;
- It protects those who were only marginally inside the relegation zone to avoid relegation, recognising that they do not have the opportunity to play to achieve that;
- It recognises and addresses the inherent flaws of PPG that "football people" will understand;
- It restores the EFL to 72 teams immediately;
- It achieves the principal outcomes desired by L2, as per their indicative vote (no relegation of Stevenage and promotion play offs to go ahead);
- It allows each division to take its own view on whether raw PPG or applying a margin for error is more appropriate for their particular division, given the different dynamics; and
- It allows promotion of the champions of the National League.

The financial projections in this paper assume that the Championship play their season to a conclusion, as we understand this is what they wish to do. However, the proposal is structured to allow the Championship to use this as a fall back if that proves impossible to achieve.

The EFL has put forward its own proposal. The table below summarises the key differences and illustrates why we believe this amended version is to be preferred:

	EFL Proposal	TRFC Proposal
Maintains principle of promotions and relegations	Yes	Yes
Maximises the Clubs' financial position	No	Yes

Enables Clubs who wish to stop playing immediately to do so	Yes	Yes
Enables promotions through sporting merit	Yes	Yes
Satisfies the sporting integrity test	No	Yes
Allows teams only marginally outside the play off places to participate in them	No	Yes
Maximises TV inventory/revenues	No	Yes
Recognises inherent flaws of PPG	No	Yes
Restores the League to 72 teams immediately	Yes	Yes
Delivers the outcomes L2 have already voted to approve	No	Yes
Allows each division to vote on whether PPG or PPG with a margin for error is more appropriate for its individual circumstances	No	Yes
Allows promotion from the National League	Yes	Yes

## 2. CONTEXT:

The corona virus pandemic resulted in the temporary halting of EFL season 19/20 in March and it is increasingly apparent that playing in front of crowds is months away. As a consequence, for many L1 and L2 Clubs, the financial imperative to minimise their financial outgoings has overtaken the maintenance of sporting integrity in terms of deciding how to finish the 19/20 season.

Indeed, through the effluxion of time, the sporting integrity of the season is becoming increasingly illusory, especially as over one thousand EFL players come out of contract on 30 June and so squads for the end of the season would be radically different to those at the start of the season.

Currently the EFL regulations are silent as regards how promotion and relegation is dealt with in the event that a season is terminated before the intended fixtures are completed. As a consequence, the only options available are to finish the season or void the season. In the event that any other course of action is taken, it requires a regulation change.

In steps 3-7, where The FA was faced with a similar problem, a decision was taken to terminate the season because the financial difficulties being experienced by the Clubs required an urgent conclusion to the competitions and that basing promotions and relegations on PPG would be unfair, particularly for Clubs who would be relegated being denied an opportunity to play their way out of a relegation position.

It is axiomatic across all sporting competitions that the rules are set out at the start and not changed mid-season, so that all parties understand how the competition will be conducted as well as the consequences of success or failure. The understanding at the start of this (and every) season was that each Club would play every other Club twice. Given the financial predicament facing football generally and L1 & L2 Clubs in particular, it appears to be accepted by the majority of parties that to increase the financial burden by completing all of the planned fixtures for the 19/20 season is not necessary or sensible.

In L1 & L2 there is also a general consensus, however, that it is desirable to continue with the play offs. This is partly because the teams currently in an around the promotion places want an opportunity to take achieve promotion, but also recognises that most of the remaining value in the TV contracts so far as L1 and L2 are concerned will be in the coverage of the promotion play offs. There is a concern that this is potentially unfair to those teams who may at this point of the season, be outside of the play off positions by very small margins, given that they are being denied the opportunity to improve their position. However, as The FA recognised in steps 3-7, there is a bigger injustice in changing the regulations to terminate the season early in a manner which imposes a material adverse financial impact through relegation on Clubs who are only in relegation spots by tiny margins in an incomplete season and when the only reason for not completing the season is financially motivated for the majority.

Whilst the EFL Board accept that their raw PPG proposal will “benefit some and negatively impact others” (in particular, those who are relegated), they take the view that this is a necessary evil and there will always be losers, whatever the solution. We do not think this assertion, which is not supported by any financial illustrations put forward by the EFL, is correct.

**In Appendix 2 we can demonstrate that by adopting our alternative proposal, a L1 Club would be on average £32k better off than under the EFL proposal, and a L2 Club would be on average £43k better off. We appreciate that this is and can only be an estimate, but the principal conclusion is that this solution is the best financial outcome for Clubs.**

With regard to settling the season, both our proposal and the EFL’s use PPG to some extent, despite the fact that we believe “football people” accept that PPG has significant flaws. PPG is a poor predictor of promotions, but an even worse predictor of relegations. An eloquent demonstration of this is that three out of the four Clubs relegated from L1 in season 18/19 would not have been relegated had PPG been applied at the same stage last season.

Our proposal uses PPG as an initial basis for calculating the tables, in the absence of any other mechanism to settle positions when Clubs have completed a different number of fixtures. However, our proposal then allows each division to vote on whether to accept that outcome as it stands, or to acknowledge the margin for error inherent in PPG, and apply that margin for error to those Clubs wishing to engage in both the promotion and relegation mechanism. This identifies those who, through no fault of their own, are being adversely impacted by very marginal decisions which, in an average season, they would be likely to have avoided if the season was played to its conclusion. It then ensures that those marginal cases are given the benefit of the doubt, through being included in the play-offs, or not being relegated, as applicable. This would have the effect of increasing the number of Clubs involved in the play offs, but by manageable numbers.

It could of course be argued that a “fairer” solution for the marginal relegation issues would be to have a relegation play off and in principle we would be happy to support that, but we understand that other Clubs who would be involved in those have publicly stated their opposition to continuing the season because of the financial difficulties that would bring. Tranmere’s proposal addresses the fact that those Clubs who are in relegation positions and had a good chance of avoiding relegation are being denied the opportunity to play for survival in order to protect the financial interests of those with whom they would be competing.

### 3. OUR PROPOSAL:

The essence of our proposal is that in the event of a division not completing its season, promotions and relegations would be decided in the following manner:

- a) The league table is calculated using a simple PPG basis (the “PPG outcome”);
- b) There is then applied to the table the statistical average actual margin for error over the last 3 years (“MFE”) to determine the range of statistically likely outcomes for each team (the “MFE outcome”);
- c) Each division votes on whether it wishes to accept the PPG outcome or the MFE outcome;
- d) If a division adopts the PPG outcome, promotions and relegations in that division occur on the basis proposed by the EFL;
- e) If a division adopts the MFE proposal:
  - a. teams who would be assured of automatic promotion when the MFE is applied, are automatically promoted;
  - b. teams in the play-off places or who could be in the play off spots when the margin for error is applied should be invited (but not compelled) to compete in a play-off tournament;
  - c. teams in the relegation places even where the MFE is applied would be relegated; and
  - d. teams in the relegation places who could avoid relegation if the MFE is applied are not relegated.

#### 4. Stakeholder Impact:

Assuming that both L1 and L2 adopted the MFE outcome the impacts would be as set out below:

Clubs:

a) 20/21 season number of Clubs:

Championship completes the season. L1 & L2 terminate and operate the promotion and relegation mechanism:

Championship: 24

League 1. : 25

League 2. : 23

All divisions terminate season 19/20 now and operate the promotion and relegation mechanism:

Championship: 25

League 1. : 24

League 2. : 23

b) Impact of promotion and relegation mechanism based on the MFE outcome:

We have calculated that the average actual margin for error over the last 3 season has been -0.57% per game remaining to + 0.66% per game remaining.

See Appendix 5 for the detail of how we have calculated this.

The extent of the inaccuracy inherent in PPG is such that the actual individual Club error rate observed over the past 3 years has been as high as +2.36% per game (Newport County in 2016/17 whose PPG on March 13<sup>th</sup> was 0.82 but by the end of the season was 1.04), but we are proposing

using only the average error rate observed across all Clubs in all divisions. As such, we are only trying to ascertain through MFE what the likely range of outcomes are, rather than statistical outliers.

- League 1:

The application of the PPG outcome sees Wycombe replace Peterborough in the play-off positions.

Applying the MFE outcome sees Wycombe in the play offs but along with 3 other Clubs (Rotherham, Peterborough, Sunderland & Doncaster) who are included as potential play-off candidates. This results in 8 Clubs eligible for play-offs for two promotion spots. Coventry City are automatically promoted.

Tranmere would not be relegated.

- League 2:

There is no difference between the current table positions and the PPG outcome.

Applying the MFE outcome, 2 other Clubs (Port Vale and Bradford) are included as potential play-off candidates which, results in a maximum of 9 Clubs eligible for play-offs for three promotion spots, as none of the top three Clubs are sufficiently clear of fourth place to be promoted automatically.

Stevenage would not be relegated.

We note that the Championship currently intends to play on, but for the sake of transparency we have calculated what the impact would be if they did curtail early using the MFE outcome compared to the PPG outcome:

There is no difference between the current table positions and the PPG outcome.

Under the MFE outcome, as the top two Clubs are not sufficiently clear of third place, they would be included in the Play-Offs along with the following ten Clubs, so 10 clubs would compete for 3 promotion spaces through the Play Offs.

The bottom two teams would be relegated but the third from bottom would not.

c) Financial considerations:

We have set out in Appendix 2 the financial impact of the above.

We believe on this basis that more Clubs gain financially, and fewer Clubs have the potential to lose financially, than under the PPG outcome.

d) "Shoulder competitions" Premier League / National League;

The EPL have stated their desire to play out the season because of the enormous financial penalty involved if they do not, and as such their relegations will continue as normal. It was in that context that The FA stated publicly that it would veto any suggestion to cancel relegations from the EPL, and because of the need to maintain movement between the EFL and the Premier League.

The proposal that we are putting forward is not incompatible with the stance of maintaining relegations from the Premier League as it maintains the principle of relegations and in any event deals only with promotions within the EFL itself, and not between the EFL and EPL. Changes *intra* the EFL would have no impact on the principles for changes on the interfaces between different Leagues.

The position enables promotion of one team from the National League. This is a practical solution to a situation where the National League has already terminated its season with a clear leader, and with no desire or ability to contest play-offs.

#### e) Subsequent Year Impacts

In order to get all divisions back to the usual 24 team complement, there would need to be one more relegation than usual from L1 in the 2020/1 season. This is easily accommodated.

#### Conclusion

We recognise that many Clubs – those who are “safe” under the Board’s raw PPG proposal may be relatively disinterested in these matters. However, what we decide to vote on here sets a precedent for the future, and anyone voting for the raw PPG proposal needs to be happy that if we are forced to curtail next season early, that they would be happy to be relegated – or miss the play offs – even when there is a fraction of a point between them and the person ahead of them.

No-one would argue that being relegated – or missing the play offs – when the season is curtailed early is “unfair” where there is a clear margin between Clubs. But where the decisions are very fine, we feel Clubs should be given the benefit of the doubt especially as any change of regulations are to benefit the majority of Clubs financially.

These proposals harm no one, but would prevent collateral damage to a number of Clubs in each league – something which is surely to be welcomed at a time when we are all struggling to stay afloat in unprecedented times. Furthermore, they result in actual promotion and relegation decisions that we believe all “football people” would recognise as “fair” in what is an unprecedented situation.