

Key Decision: No

REPORT NO. RP2108

ALDERSHOT TOWN FOOTBALL CLUB – FINANCIAL SUPPORT

Summary:

This report recommends that Cabinet grants Aldershot Town Football Club (ATFC), trading as Aldershot Town Football Club Limited, further relief from rental payments due to the Club's current reduced levels of income compared to pre-pandemic levels.

Recommendation:

That, subject to ATFC recommencing their payment plan for rent arrears accrued prior to the pandemic, a rent reduction be agreed on the basis of post covid recovery for 2021/22 financial year.

1. INTRODUCTION

- 1.1 The Chairman of Aldershot Town Football Club has approached the Council on the basis that the Club remains in a difficult financial position as a result of the Pandemic and a slower than anticipated recovery in income.
- 1.2 The Club is an important part of the social fabric of the town and the Council has on several occasions taken reasonable steps to support its continued existence.
- 1.3 Previous concessions on rent payments have been made to the Club based on the value to Aldershot and difficult trading circumstances. In 2019 the Council agreed to renew the Club's lease on a long-term basis, with rent concessions linked to the Club investing in the redevelopment of the ground. Negotiations are continuing on the new lease and initial discussions have been held with the Council's development management service, but to date, no application has been submitted or agreement reached.

2. CURRENT LEASE ARRANGEMENTS

- 2.1 The Club took an assignment in 2013 of a lease from 2008 to 2023 at an initial rent in 2008 of £5,000 per annum rising to £25,000 by the 10th year. This is the current rent (£6,250 per quarter). The tenant is responsible for keeping the premises in repair. The Club has a history of rent arrears and as at 31st August 2021, the outstanding debt owed by the Club to the Council is £19,705.48p.

- 2.2 In December 2020, Cabinet agreed to grant rent relief to the Club for the financial year 2020/21 or until such time as the Club would be able to operate and raise income through gate receipts.
- 2.3 As of Monday 19th July 2021, with Step 4 of the Government Roadmap, whereby there were no limits on social contact; removal of the “one metre-plus” rule and there was to be no capacity caps on large-scale events - such as sports matches. The capacity of the ground is 7,100 and the Club’s average gate was in the order of 1,800 so there are currently no restrictions in place limiting the number of attendees at matches. Therefore, the Council was planning to ‘re-start’ the requirement for rent payments from the Club from 1st September 2021.
- 2.6 A request has now been received from the Chairman of ATFC requesting the Council grant further temporary rent relief. He believes it will be a while before spectators have the confidence to return to the ground and the Club sees a return to pre-pandemic numbers. The Chairman advises that if the Council is unable to support this request it will put the Club in further financial difficulty and prevent resources being invested in the re-development scheme.

3. IMPLICATIONS

Risk Review

- 3.1 The risk of the Council not granting relief is that the debt will continue to be held as an outstanding debt with there being a good chance the debt will not be paid. This could involve the Council taking action in the courts for the recovery of the debt.
- 3.2 The granting of relief does not guarantee that the Club will remain viable but will limit the increase in arrears.
- 3.3 The back rent owed is subject to a separate payment plan with the grant of the new lease being conditional on the payments being made. The Club has committed to continuing with the payment plan for the arrears from 1st September 2021.

Legal Implications

- 3.4 There are no additional legal implications.

Financial and Resource Implications

- 3.5 The granting of rent relief will reduce the amount of income due to the Council from the lease by £25,000 for this financial year and put additional pressure on the General Fund revenue budget.
- 3.6 As any relief should be linked to post pandemic recovery it is proposed that the rent reduction be calculated in line with the actual income position for ATFC when compared to its pre pandemic position. A condition of the rent relief is that the Club will be required to provide financial and gate information

to the Council throughout the season and as such evidence financial need. Should the financial position of the Club return to pre pandemic levels then the rent relief for the remainder of the financial year will be reviewed.

4. CONCLUSION AND RECOMMENDATION

- 4.1 The granting of relief provides considerable assistance for the Club and will ensure that it is able to operate at least for the short term. The Club is important to the town and this particular issue is as a direct result of the pandemic and its impact on the Club and its inability to attract sufficient paying spectators during the post pandemic recovery period.

CONTACT DETAILS:

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BACKGROUND DOCUMENTS:

Cabinet reports: CD1704 - 25/7/17; RP1912 - 28/5/19; RP1925 - 12/11/19; RP2017 - 8/12/20