

**ALDERSHOT TOWN FOOTBALL CLUB AND FARNBOROUGH  
FOOTBALL CLUB – SUPPORT PACKAGE OF RENT RELIEF AND  
RATES RELIEF**

**SUMMARY AND RECOMMENDATIONS:**

This report outlines a package of financial support for Aldershot Town Football Club and Farnborough Football Club in respect of ongoing rent and rates payments.

A support package offering support on a sliding scale over the next three years is set out in detail in paragraph 3.4 of this report.

Cabinet are asked to consider the detail in 3.4 and adopt the associated support package. In the event that Cabinet elect not to support this package, they are invited to suggest a variant.

**1. Introduction**

**1.1 The purpose of this report is to:**

- Consider a package of financial support to both Aldershot Town Football Club and Farnborough Football Club to assist both clubs with their running costs in respect of rent and rates charges

**1.2 This is a key decision because it affects more than one Ward.**

**2. The Background**

**2.1 On 15<sup>th</sup> October 2013 the Council approved a package of financial support to both Aldershot and Farnborough football clubs for a three-year period (with some conditionality) to help both clubs transition through a period of Administration. The detail of the financial support package is contained in Exempt Report DOR 1308. However, in summary, both clubs were granted rent-free periods and 50% rates relief for three years with Farnborough required to make additional payments towards accrued rent arrears.**

- 2.2 In the period since, both clubs have been able to come out of Administration and have continued operating from their respective Council owned facilities. Both clubs have managed to stabilise their operations and both had successful on-field seasons during 2016/17. However, both clubs report difficult financial operating conditions and both have required their owners or Board members to inject cash into their businesses to be able to exit their Administration arrangements, meet playing and ground requirements and continue to operate.
- 2.3 The period of financial support previously offered by the Council expired during the 2016/17 financial year and both clubs have been in discussions with the Council to seek extended support.

### **3 Details of the Proposal**

- 3.1 During 2016/17, both clubs approached the Council and asked for an open dialogue about continued financial support. The Council's Cabinet visited both football clubs to discuss their current situations. Both clubs were asked to set out their:
- a) Current range of operations
  - b) Financial structure and business plan
  - c) Community engagement activities
  - d) Any ideas for more commercial operations at their respective grounds or partnership opportunities to work closer with the Council
- 3.2 During discussions, the Cabinet made it clear that the football clubs were valued as part of the local community and an important part of local community identity. It was pointed out that this had been the basis of the previous financial support package. Any future financial support would need to go hand in hand with evidence of each club maintaining their community focus and willingness to work with the Council for the benefit of local people.
- 3.3 In keeping with the approach taken with other organisations with community focus in relation to their rent and rates contributions, the Cabinet were keen to establish consistency in any support provided.
- 3.4 Taking into account the above, the following proposals (with the underlying principles set out in 3.5) offer a potential balanced package of support. The full financial impact is set out in the section under Financial and Resource Implications in para 4.1.

#### ***Aldershot***

2016/17: Full rent relief and 50% rate relief  
2017/18: 50% rent relief and 80% rate relief  
2018/19: 25% rent relief and 80% rate relief  
2019/20: 10% rent relief and 80% rate relief  
2020/21: No rent relief and 80% rate relief

### ***Farnborough***

2016/17: Full rent relief and 50% rate relief plus old arrears payments

2017/18: 80% rent relief and 80% rate relief plus old arrears payments

2018/19: 40% rent relief and 80% rate relief plus old arrears payments

2019/20: 10% rent relief and 80% rate relief plus part year old arrears

2020/21: No rent relief and 80% rate relief

3.5 The principles underlying this package are that:

- Both clubs are being offered transitional rent relief for the next three financial years on a reducing scale culminating in full rent being paid by both Clubs during the 2020/21 financial year. Most other organisations occupying Council facilities and receiving rent relief have recently been given notice of a need to make a 20% contribution to rent in a graduated fashion over three years.
- Rate relief is proposed at 80% for both clubs. This is the figure that is awarded to community amateur sports clubs and whilst neither club is of this status, much of their activity in recent years has become more akin to that of a community sports club.
- The variation in rent relief suggested for Farnborough Football Club in 2017/18 and 2018/19 is in recognition of the Club's on-going need to clear arrears that had developed under the previous failed Club. This condition to clear arrears had been placed underpinning the previous financial package back in 2013 and the Club have honoured this condition to date. At the present rate of repayment, the Club will be clear of the old arrears debt during 2019/20. With Farnborough having cleared their arrears, both football clubs will receive the same percentage of rent and rates support from 2019/20 onwards.

### ***Alternative Options***

3.6 Whilst the proposal in 3.4 has been worked up as described above, clearly a number of other variants ranging from 100% on-going rent and rate relief support down to 0% on-going rent and rate relief support are available as alternative options, and should be considered during Cabinet's deliberations.

### ***Consultation***

3.7 No broad public consultation would be appropriate in respect of this matter. Both football clubs have been fully engaged and appraised of progress as this package has been developed. The entire Cabinet met with both football Clubs during 2016/17.

## **4. Implications**

### ***Financial and Resource implications***

4.1 The financial implications of the rent and rates foregone for the Council and the financial effect on the football clubs as a result of the package set out in 3.4 above, is as follows:

## Financial effect on the Council

## Amounts the Clubs will pay

|                       | <b>Total cost to the Council of Rent Relief (for both clubs)</b> | <b>Total cost to the Council of 80% Rate Relief (for both clubs)</b> | <b>Total Financial Assistance from the Council (for both clubs)</b> | <b>Aldershot Town Football Club to Pay</b> | <b>Farnborough Football Club to Pay</b> | <b>Farnborough Football Club payment of Rent Arrears</b> |
|-----------------------|--|--|---|--|---|--|
| <b>Financial Year</b> | £  | £  | £   | £  | £                                       | £  |
| <b>2016/17</b>        | 32,000   |  | 32,000  | -  | -                                       | 8,330  |
| <b>2017/18</b>        | 22,100   | 10,600   | 32,700  | 16,370                                     | 5,150                                   | 8,330  |
| <b>2018/19</b>        | 11,050   | 10,980   | 22,030  | 22,760                                     | 10,050                                  | 8,330  |
| <b>2019/20</b>        | 3,700  | 11,390   | 15,090  | 26,660                                     | 13,760                                  | 4,160  |

***Risks, Legal, Equalities Impact***

- 4.2 There are no notifiable risks, legal or equalities implications as a result of this report.

**5. CONCLUSIONS**

- 5.1 This report seeks to offer a sustainable package of financial support for both of the Borough's major football clubs as they continue to experience difficult operating conditions. The package seeks to ensure support that is consistent, transparent and time-bound with both clubs moving towards paying full rent within a three-year period.
- 5.2 Both football clubs continue to be important community focal points within the Borough and the Council will seek to enhance and encourage the community benefits, particularly greater community and fan engagement, that both clubs can bring as a result of their unique positions within the local area.
- 5.3 This package will contribute towards both football clubs' ability to maintain a sustainable future and strikes a balance between the Council's requirement to move to a greater contribution for rent, balanced against affordability for the clubs.

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