

**KEY DECISION: YES**

**PROPERTY – LEASEHOLD DISPOSAL  
ALDERSHOT TOWN FOOTBALL CLUB, HIGH STREET, ALDERSHOT**

**SUMMARY AND RECOMMENDATIONS:**

This report seeks authority to grant a new long leasehold interest in Aldershot Town Football Club (ATFC), The EBB Stadium, High Street, Aldershot, GU11 1TW to assist ATFC in regenerating the stadium.

**Recommendations**

That Cabinet:

- (i) agrees to the grant of a new 118 year leasehold interest to Love of the Game Limited t/a Aldershot Town Football Club (ATFC); and
- (ii) authorises the Executive Head of Regeneration and Property, in consultation with the Major Projects and Property Portfolio Holder, to conclude negotiations for the grant of the new long lease, the rent reserved under the new lease being £1 per annum, to allow the Club to raise funding for redevelopment of the stadium site, subject to the conditions outlined in this report.

**1. INTRODUCTION**

- 1.1 This report seeks authority to grant a new long leasehold interest to Aldershot Town Football Club to assist the club with re-development of the stadium and ancillary uses on the site. The current stadium opened in 1926 and the stands were constructed between 1927 and 1932 when the club was known as Aldershot; Aldershot Town Football Club was latterly formed in 1992. The ground has an ancillary office and treatment accommodation adjacent to the stadium and a bar at the rear of the site which is used by visiting fans on game days only. It is believed the stands have not received significant repair / redevelopment since their original construction.
- 1.2 The stadium has a maximum capacity of 7,100 (2,136 seated) The Council is collaborating with ATFC to ascertain the extent of repairs required to ensure compliance with Health & Safety and other statutory regulations.
- 1.3 ATFC occupies a prominent position on the High Street and lies in close proximity to Aldershot rail station. This transport infrastructure is critical for

supporters travelling to the club and The Council has supported the Club in the past and believes that it should support the club in their ambition to regenerate the stadium for the long term prosperity of the club and the supporters, many of whom are local residents in Aldershot.

- 1.4 The current lease expires 29 May 2023 (circa four years unexpired) and the current rent reserved is £25,000 per annum. In July 2017 Cabinet approved a grant funding proposal detailing a combination of rent and rate relief from 2016 through to 2021. In the current 2019/2020 financial year, ATFC received 10% rent relief and 80% business rates relief. In 2020/2021, ATFC will receive no rent relief and will continue with 80% rate relief.
- 1.5 Officers have been engaging with ATFC to find a solution that will ensure the Club's future and contribute to the regeneration of the town centre.

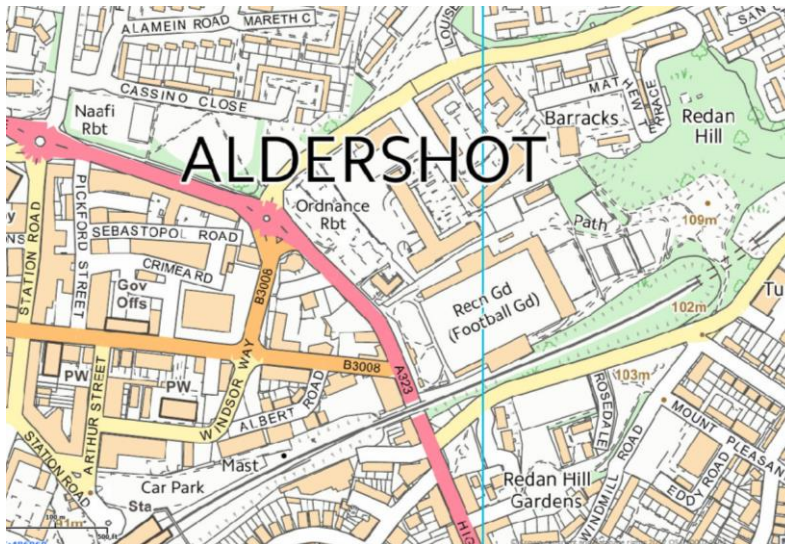
## **2 BACKGROUND**

- 2.1 The stadium opened in 1926. The ground, stands and associated buildings have not changed materially since construction some 90 years ago. The pitch is considered high quality and the club hosts Chelsea FC and various local clubs when not used by the AFTC 1<sup>st</sup> XI team.
- 2.2 ATFC has endured a challenging season and at present has been relegated from the Vanarama National League and will play in National League South for the 2019 – 2020 season.
- 2.3 The existing lease is due to expire 29 May 2023 and as stated above the rent reserved is £25,000 per annum. ATFC has a full repairing liability over the whole site and is faced with a decaying ground with mounting repair obligations.

### 3 DETAILS OF THE PROPOSAL

#### ***Location***

- 3.1 The ground occupies a prominent position on High Street, Aldershot, a site plan of the ground is below. Pedestrian and limited vehicular access is off the High Street with ancillary access provided off Ordnance Road via Parsons Barracks.



#### ***Buildings and site***

- 3.2 The ATFC current leasehold site comprises a football pitch, four spectator stands, ancillary changing and office building, small car park at the rear and an external food / beverage bar.
- 3.3 The Council ownership extends beyond the stadium to the east where three dilapidated tennis courts are situated and pedestrian pathways through

woodland allowing access to the reinstated 'Redan Hill' fort. The Council is responsible for this woodland and the fort area has fallen into disrepair and overgrown vegetation prominent across the site. ATFC has used an access for 'Away' fans to access the football stadium through this woodland due to Football Association criteria ensuring Home and Away fans access the site via separate entrances / exits.

- 3.4 Providing separate access for Home and Away fans is a challenge with no easy solution. The Council is proposing to increase the area contained within the proposed new lease to include three tennis courts and part of the woodland path located at the eastern end of the site. The rear of the site has a natural change in ground level as the path extends to the top of Redan Hill and the site boundary is proposed along this level change. The extra Lease area will allow ATFC the potential to redevelop / expand the area of buildings and in return take on a greater repair/maintenance liability of this site as otherwise there is the potential The Council will inherit a ground with repairing requirements if the club is no longer solvent.
- 3.5 The stands, as shown in the photograph below, are aged and need considerable investment. A detailed inspection is recommended to ascertain the full extent of refurbishment cost but at present, the responsibility lies with ATFC.



### ***Lease Implications***

- 3.7 The football stadium site can be accessed off Ordnance Road (adopted public highway) via an access road adjacent to Parsons Barracks, the majority of this road is owned freehold by Rushmoor Borough Council. However, there is a small section of land adjacent to the ATFC site owned by BT plc and the Council has a long lease of 119 years as a right of access over the land. The Council is proposing to grant ATFC a lease term equivalent to 118 years so that the proposed lease will expire prior to the expiry of the right of access over the BT land.

A copy of this title plan (HP616977) is attached at Appendix 1 showing the access rights granted to the Buddhist Community Centre from point 'A' on Ordnance Road to point 'B' adjacent to the football stadium.

- 3.8 Under the current lease agreement, ATFC has rights of pedestrian and vehicular access to the site direct from the High Street. ATFC members of staff regularly use the vehicular access off Ordnance Road adjacent to the Parsons Barracks car park site that is an access road, also servicing the Buddhist Community Centre. The existing ATFC lease does not afford a legal right for ATFC to use this access road to access the football stadium site. It is proposed to formalise this agreement as part of the new lease.
- 3.9 At present the rent payable is £25,000 per annum although ATFC receives rent and business rates rebate funding under a financial package authorised by Cabinet in July 2017. The proposed new lease is subject to conditions including successful grant of planning consent for the proposed development works. Until planning consent is obtained, the existing lease terms and annual rent of £25,000 will remain. If Cabinet grants permission, the new long lease will complete on grant of planning permission and will reserve a rent of £1 per annum, to allow ATFC to raise their own funding to facilitate the redevelopment of the stadium. However, if ATFC does not complete agreed redevelopment plans within 10 years of the grant of the new long lease, then the annual rent will revert to £25,000 subject to review every five years in line with RPI indexation.
- 3.10 The loss of rent should be seen as the Council's contribution towards the Club and should also be seen against the risk of the site reverting back to The Council with the liabilities associated with this. Negotiations are close to conclusion whereby in exchange for a rent of £1 per annum, ATFC will redevelop the stadium and the terms agreed are on the basis that all benefit / profits derived from development work are recycled back into the football club to assist their continued growth and promotion through the football leagues.
- 3.11 If in the event ATFC wishes to dispose of an ancillary part of the site which has been developed, officers have negotiated strict Income sharing clauses which would ensure the Council receives a share of any profits made by a disposal.

## **4 IMPLICATIONS**

### ***Risk review***

- 4.1 The ability to continue use of the stadium in its current configuration is limited and poses a real risk of the club requiring new premises elsewhere.
- 4.2 Should discussions for a new long lease cease, there is a strong possibility that the site will revert back to Council responsibility at the end of May 2023. ATFC do have a repairing liability under the existing lease limited by a schedule of condition. In this scenario the site would be handed back in its

current configuration. The Council would then be faced with a financial liability to ensure the site does not fall further into disrepair.

- 4.3 As this proposal is being considered on its own merits it is therefore not setting a precedent for other sports clubs and there are not implications for other assets within the Council's ownership.

### ***Legal implications***

- 4.4 Upon expiry of the existing lease, the following are potential options for the site:
- i) ATFC request a new lease which the Council agree to (lease term to be agreed between the parties)
  - ii) ATFC request a new lease. The Council can disagree and take the site back for Council use or redevelopment, if not then a Court would award ATFC a maximum term of 15 years for the new lease
  - iii) ATFC decide not to renew the lease and the site reverts back to Council ownership / liability. The Council is then faced with a large financial liability to refurbish the stadium, redevelop the whole site or close the site for public access.
- 4.5 If a new lease of circa 15 years is granted to ATFC, the club would be liable for payment of market rent (currently reserved at £25,000 pa) but it would not allow redevelopment of the stadium as the lease term is not long enough for ATFC to gain planning consent and secure funding for a stadium redevelopment.

### ***Financial and Resource Implications***

- 4.6 There is a loss of £25,000 per annum to the Council's asset revenue budget in the event that planning permission is granted and the redevelopment occurs.
- 4.7 If the site reverts back to Council ownership, the Council will be responsible for securing the site, managing the empty buildings, payment of empty business rates, utility bills, insurance, clearance of all fixtures and fittings.
- 4.8 In the event that there are windfall profits from the sale of assets RBC would receive a proportion of development profits.

## **5. CONCLUSIONS**

- 5.1 The report above set out benefits and risks associated with this grant of a new long leasehold interest and conclude that it is in the interests of both the Council and ATFC to grant a new long lease on the basis that the benefits of redeveloping the stadium site outweigh the risks of the Council taking ownership of the site long term. The benefits include job creation from the new stadium, fit for purpose premises for the club and prosperity for the club

supporters, which in turn will generate income for various retailers within Aldershot, by encouraging fans to visit the town and stadium.

5.2 Further work is required to establish refurbishment / redevelopment costs.

**APPENDICES:**

**Appendix 1: Site Access Plan**

**CONTACT DETAILS:**

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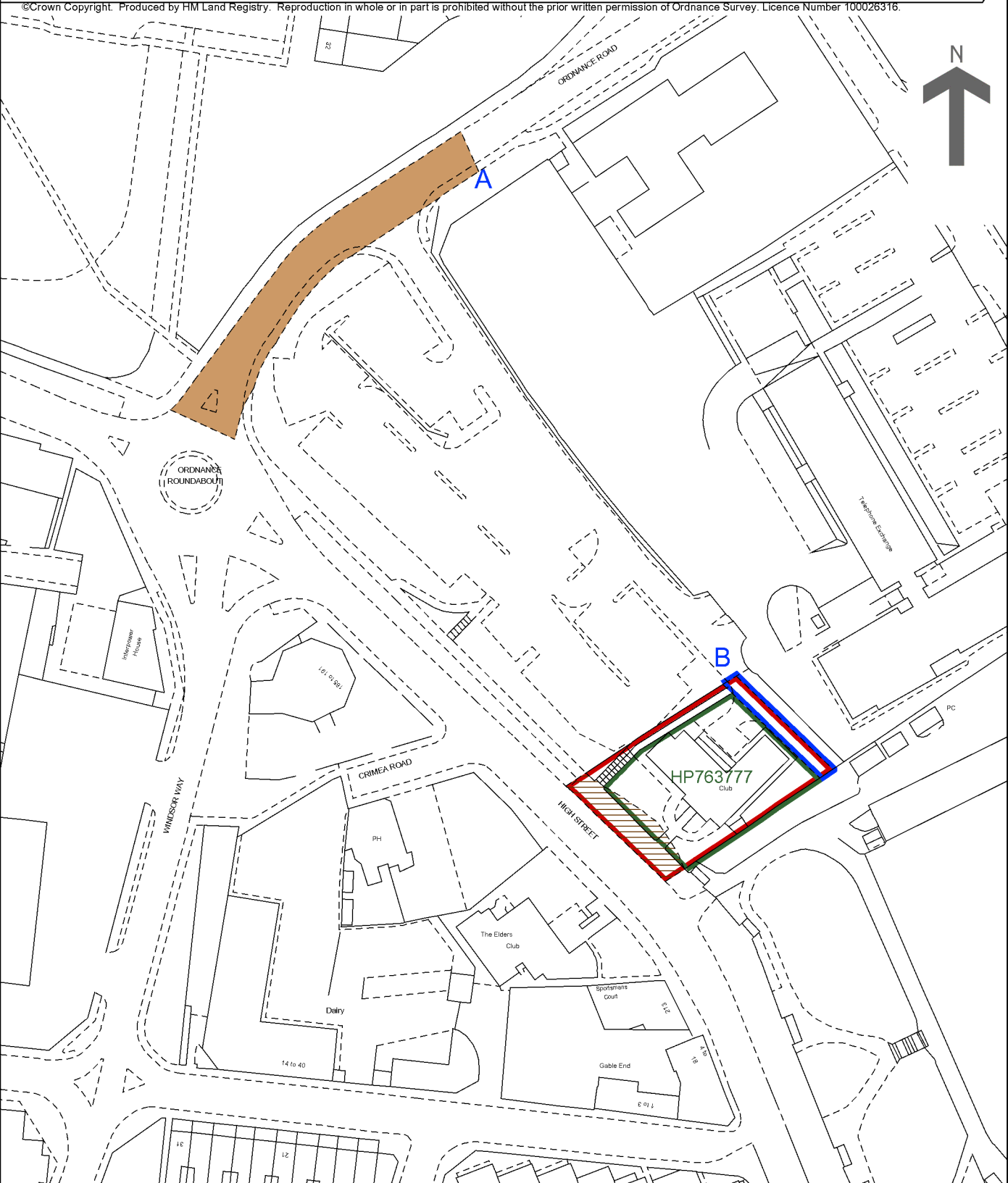
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This title is dealt with by HM Land Registry, Weymouth Office.