

APPLICATION FOR RENT RELIEF
ALDERSHOT TOWN FOOTBALL CLUB

SUMMARY AND RECOMMENDATIONS:

This report seeks authority to grant Aldershot Town Football Club, trading as Aldershot Town Football Club Limited, relief from rental payments due to the impact of the Pandemic and the inability to raise income. The relief offered is for 2020/21 or until such time as the club is able to operate and raise income through gate receipts.

Recommendations

That Cabinet agrees to:

Grant rent relief to Aldershot Town Football Club Limited, which is the new name for the 2013 Assignee, for the financial year 2020/21 or until such time as the club is able to operate and raise income through gate receipts

1. INTRODUCTION

- 1.1 The Chairman of Aldershot Town Football Club (ATFC) has approached the Council's Chief Executive on the basis that the Club is in a difficult financial position as a result of the Pandemic due to an inability to play games in front of crowds and earn revenue.
- 1.2 The Club is an important part of the social fabric of the town and therefore the Council generally takes reasonable steps to support its continued existence.
- 1.3 Previous concessions on rent payment have been made to the club on the basis of the value to Aldershot and difficult trading circumstances.

2 BACKGROUND

- 2.1 Aldershot Town Football Club Limited took an assignment in 2013 of a lease from 2008 to 2023 that an initial rent in 2008 of £5,000 per annum rising to £25,000 by the 10th year. This was followed by a rent review. The current rent is £30,000 per annum. The tenant is responsible for keeping the premises in

repair. Negotiations have commenced for a new lease involving the redevelopment of the ground.

- 2.2 As at 19th November 2020 the debt accrued during restrictions imposed by the Government since 23rd March 2020 is £21,956. There are currently no business rate arrears.
- 2.3 The Government has announced that outdoor stadiums can open from 2nd December and the announcement on 26th November that the town is within Tier 2 means that the maximum number of spectators allowed is 2,000. This is provided that social distancing measures can be observed. The capacity of the ground is 7,100 and with an average gate in the order of 1,800 means that, subject to clarification from ATFC, the Club is able to operate according to crowd expectations. If there is an issue with opening the ground to this level of spectators, the proposed relief will increase by £2,500 per month from the level in 2.2 above.
- 2.4 Relief from rent was granted between 2016 and 2020 on the basis of a reducing subsidy between 50 % and 10%. Rate relief is still current at 80%.
- 2.5 Before the onset of coronavirus restrictions some rent was owed to the Council and details are set out in the Exempt Appendix. The payments will be placed on a temporary hold during the restrictions, but a condition of the new lease is that this debt be paid prior to any new lease is signed.

3 OPTIONS

- 3.1 The Council grants temporary relief for the period of Coronavirus restrictions. Not to do so would put the club in difficulty and would involve the council then taking action in the courts with the recovery of the debt being unlikely.

4. IMPLICATIONS

Risk Review

- 4.1 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.
- 4.2 The granting of relief does not guarantee that the club will remain viable.
- 4.4 The back rent owed is subject to a separate payment plan with the new lease being conditional on the payments being made. This decision is separate from that and is purely as a result of the Pandemic.

Legal Implications

- 4.6 There are no additional legal implications.

Financial and Resource Implications

- 4.7 The granting of rent relief will reduce the amount of income for the Council from the lease (£30,000 per annum as set out in paragraph 2.1) and put additional pressure on the General Fund revenue budget. For the purposes of the financial implications, it is assumed the maximum rent relief for the year would be up to the value of the lease.

5. CONCLUSION AND RECOMMENDATION

- 5.1 The granting of relief provides considerable assistance 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 paying fans.

BACKGROUND DOCUMENTS:

Cabinet Reports:

25th July 2017

28th May 2019

12th November 2019

CONTACT DETAILS:

Paul Brooks - Executive Head of Regeneration & Property

paul.brooks@rushmoor.gov.uk / 01252 398544