

Agenda item 10

For decision – Ratification of the decision to enter into a lease with Frome Town AFC Limited

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Summary

This report seeks ratification of the decision to grant a two year lease of Badgers Hill stadium to Frome Town AFC Ltd (FTAFC) for a period of 2 years. It follows approval by a majority of councillors via email of a series of Heads of Terms which have also been agreed by FTAFC. Ratification ensures that there is a formal minute of the decision that has already been taken by Cllrs.

Background and update

Councillors will be aware from the April meeting of Council that FTC has been in discussion with FTAFC around the lease of Badgers Hill stadium.

Throughout these discussions, FTC has made it clear that it would only entertain granting a lease if FTAFC committed to repaying debts, paying an acceptable level of future rent and FTC and FTAFC could agree on a mechanism for future investment in the Clubhouse.

I can confirm that already some of that debt has been repaid namely a VAT sum, 50% contribution to a Schedule of Condition and an outstanding insurance recharge (totalling £15,534 + VAT). FTAFC have also committed to the payment of £8k plus VAT on signing of the lease – a concessionary arrangement in settlement of rent arrears for 2025/26 taking account of verified investment in the Clubhouse over the last year by FTAFC.

FTAFC have also made a commitment to making a payment of a further £13k on signing as the first instalment of a £21k p.a. rental payment over a two year lease term, plus insurance rent for 2026/27 of £2,227 plus VAT, also on signing.

A mechanism has also been agreed that would enable £39k to be invested in the heating and hot water system of the Clubhouse as soon as possible.

On 27 May, a majority of councillors confirmed by email that they were prepared to enter into a two year lease with FTC and agreed a number of Heads of Terms. The vote by email was necessary due to the pressure of time associated with the completion of a lease. This approval has enabled FTC to instruct its solicitor to prepare lease documentation. Ratification of this decision is now sought to ensure that there is a formal minute of the decision. This will enable the lease to be signed ahead of the Southern League's deadline of 12 June.

Recommendations

That Council ratifies the following decision:

1. To delegate authority to the Town Clerk in consultation with the Responsible Finance Officer and Cllr Fiona Barrows, Chair & Leader to enter into a 2 year full repairing lease with Frome Town AFC Limited starting around 12 June 2026, to be reviewed after 12 months with the potential for a longer-term arrangement thereafter if appropriate progress and confidence are established

This is subject to payment by Frome Town AFC Limited (FTAFC) of the following sums:

- £8k plus VAT – concessionary arrangement in settlement of rent arrears taking account of verified investment by FTAFC (payable on completion)
- £21k plus VAT – concessionary rent for Year 1 with £13k payable on completion and £8k payable by 30 April 2027
- £21k plus VAT – concessionary rent for Year 2 with £13k payable at the start of Year 2 and £8k payable by 31 January 2028
- £2,227 plus VAT – insurance rent for Year 1 payable on completion
- £2,227 plus VAT – insurance rent for Year 2 payable on 1 April 2027

All rent for the two year period and any other invoices outstanding to the Landlord must be paid in full prior to any discussions commencing on future lease arrangements

2. FTC to fund up to £39k of expenditure on boiler and central heating improvements to be funded utilising £21k rent paid by FTAFC and £18k from the approved Badgers Hill budget for 26/27. Specification to be jointly agreed by FTC and Frome Town AFC Limited. Proposals for the mechanism of funding distribution to be agreed with the club.

Other options considered	Earlier bids by Frome Town FC and a second party were not considered as they did not meet the criteria set out in the brief published on 16/01/26
Key considerations for the Council	This decision enables Badgers Hill stadium to continue to be used for football and other community uses over the next two years and provides a mechanism for improvements to be made to the Clubhouse facilities in the current year. The two year lease provides an opportunity to review whether FTC has sufficient confidence in FTAFC to manage the stadium in the longer term
Consultation and feedback	None

Links to Council Plan and Medium-Term Financial Plan	This decision is relevant to Aim 4 of the Council Plan – Improve Assets & Infrastructure
Financial and Risk Implications	The lease agreement will require FTC to contribute £18k towards expenditure totalling £39k – this has already been budgeted for this year. The lease requires FTAFC to pay £21k in rent upfront, reducing the risk of future arrears. We are addressing other potential risks e.g. in relation to the proposed works at Badgers Hil stadium within the lease.
Legal / HR Implications	The agreement with FTAFC is subject to a lease
Equalities Implications	The lease requires that the tenant will enable the whole community to enjoy the facilities at the stadium including actively creating opportunities for those who are underrepresented or disadvantaged
Community Safety Implications	See Health & Safety below
Climate Change and Sustainability Implications	None
Health and Safety Implications	The lease requires that the tenant keeps the property in good and substantial repair and condition and complies with all relevant health and safety legislation/regulations
Constitutional Requirements	None
Background Papers	None
Report Sign-Off	Peter Wheelhouse, Town Clerk, 03/06/26