

## **KINGSMEADOW STADIUM**

Report by the Director of Education and Leisure and the Borough Valuer  
(Executive Member for Economic and Strategic Development)

### **Purpose**

To request approval to assign the perimeter lease on Kingsmeadow Stadium to AFC Wimbledon, following the exchange of contracts for the purchase of the main lease of the stadium by AFC Wimbledon on June 24 2003.

### **Action proposed by the Executive Member for Economic and Strategic Development:**

The Executive is requested to approve the assignment of the perimeter lease for Kingsmeadow Stadium to AFC Wimbledon on the terms outlined in paragraph 14.

### **Reasons for action proposed**

The main lease for Kingsmeadow contained no conditions restricting its assignment. Contracts were exchanged on its sale by the current owner to AFC Wimbledon on 24 June 2003.

The perimeter lease, which was entered into in 2001, allows the expansion of the ground to meet the then League standards. This lease is non-assignable. The transfer of this second lease has been requested. AFC Wimbledon require the transfer of this second lease, as it would allow it to make improvements to the seating and ground capacity of the Kingsmeadow Stadium. These improvements will also be of benefit to Kingstonian football club in the event that it achieves promotion to higher leagues.

The terms provisionally agreed for the assignment of the second lease include the payment of a consideration of £100,000 to be held by the Council for the benefit of Kingstonian. This additional funding would be made available on certain conditions to the K's Trust at the point after it assumes control of the Club.

The terms agreed between the current owner and AFC Wimbledon also provide security of tenure for Kingstonian and the maintenance of their Ryman Premier League status. Under the terms of the agreement the current owner will transfer ownership of the Club to the K's Trust at a date no later than May 1 2004, and earlier if certain conditions are met by the Trust. The current owner has also negotiated with AFC Wimbledon for favourable rental terms for Kingstonian, a 20-year sub-lease and for a series of pre-season 'friendlies' between AFC Wimbledon and Kingstonian to benefit Kingstonian.

### **Background**

1. Kingston & Surbiton Y.M.C.A. FC played its first match on a ground in Bushey Park in November 1885. In 1887 the Y.M.C.A. changed its name to Saxons FC. In 1890 it changed to Kingston Wanderers FC and once again to Kingston-on-Thames Association Football Club (KAFC) in 1893. In 1908 the club split in two with

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Kingston Town playing at Norbiton Sports Ground and Old Kingstonians on what became known as the "back pitch" at Richmond Road. Kingstonians came together and joined the Athenian League in the 1920's, playing at a new ground in Richmond Road. In 1929 they joined the Isthmian League.

2. The Richmond Road ground fell into disrepair, and was subject to vandalism. The club left the site in 1988, and it was developed for housing. The new Kingsmeadow Stadium was built on council-owned land, on the site of the old Norbiton Sports Ground. In return for building the Stadium, the Club were granted a 125 year lease on the land. The Club went on to achieve the best football results in its history with major FA Cup victories (with attendances in excess of 3,000). The Club reached its pinnacle in this period, winning the Ryman Premier League in 1997/1998 and promotion to the Conference (the League below the Nationwide Football League Division 3), and won the FA Trophy in 1999 and again in 1999/2000 at Wembley.
3. The Club finished in 5<sup>th</sup> place in the Conference League in 1999/2000, and it was in the context of growing attendances and FA ground requirements for admission into the higher Leagues that the Club sought and was granted planning permission for the extension of the Stadium and a second lease was entered into for the strip of land on two sides of the stadium, which was necessary to increase the ground capacity. The FA requirements for admission to the Nationwide 3<sup>rd</sup> Division have recently been relaxed such that the current ground capacity would be sufficient.

### Ownership

4. The Club experienced financial difficulties following its failure to achieve promotion from the Conference League, and its relegation back to the Ryman League at the end of the 2000/2001 season. Kingstonian Football Club Limited went into administration in October 2001. The business and the assets (including the Stadium lease), were purchased by Mr Anup Khosla in April 2002 from the Administrator. A Company Voluntary Arrangement was proposed to bring the Club out of administration in May 2002, but this was not completed. The Club therefore remains in the difficult position of trading while under administration.

### AFC Wimbledon, the Don's Trust and K's Trust

5. AFC Wimbledon is owned by the Dons Trust - a supporters' organisation set up as an Industrial and Provident Society (a company that only allows one share per person and is not-for-profit). The Dons Trust was formed by supporters of Wimbledon FC, and subsequently took a stand against the proposed move of Wimbledon FC to Milton Keynes. AFC Wimbledon was formed as a separate entity in response to this.
6. Supporters Trusts are now in charge of several clubs in the country, a movement supported by Supporters Direct. Supporters Direct is a government backed and funded scheme aimed at helping people take a more active role in the running of their football club
7. Kingstonian supporters have formed their own Supporters Trust – the K's Trust. Mr Khosla has stated his intention to hand over the club to the K's Trust when they are capable of running the club.

### **Kingsmeadow Lease**

8. The first lease of the ground, entered into in 1992, was for a period of 125 years. This covered the current footprint of the ground. The lease was granted to the then Trustees of Kingstonian Football Club for a peppercorn rent. Although it was anticipated that Kingstonian would remain as leaseholders, the lease is capable of being assigned. The Council's consent to this is required, but cannot be unreasonably withheld. Hence when the administrator accepted Mr Khosla's bid for the assets of the club, the Council consented to the assignment of the lease. Similarly it would be unreasonable to withhold consent for any assignment from Mr Khosla to AFC Wimbledon.
9. It is understood that the terms negotiated by Mr Khosla for the assignment of this lease to AFC Wimbledon include provision for Kingstonian to share the ground for a minimum of 20 years, and for it to benefit from the proceeds of pre-season friendlies with AFC Wimbledon for the next ten years. In addition the rent to be paid by Kingstonian will be £10,000 per annum, inflated at RPI each year. The net effect of this arrangement should enable Kingstonian to play at Kingsmeadow without any ground costs for the next ten years.

### **The Perimeter Lease**

10. A second lease exists at Kingsmeadow, relating to land adjacent to the ground. Kingston Council granted the lease to Kingstonian FC in 2001 to assist them in bringing the ground up to a standard that would meet ground requirements for higher leagues. This lease is non-assignable.
11. The Council has held and stated a clear and consistent view on Kingstonian and Kingsmeadow which is that Kingstonian has an important part in the Royal Borough's history and tradition. The Council's objective is therefore to enable Kingstonian to continue to play their football at Kingsmeadow.
12. A request has been received from Mr Khosla's solicitor inquiring about the council's terms for assigning the perimeter lease to AFC Wimbledon. This request has been carefully scrutinised and negotiations have been conducted with AFC Wimbledon and with Mr Khosla.
13. All parties to the negotiations have stated that they are seeking to ensure the following:
  - i. Long term security for Kingstonian at Kingsmeadow;
  - ii. to ensure the maintenance of the FA registration number for the club which will ensure it continues to play football in the Ryman League next season;
  - iii. to ensure that Kingstonian will be run by the K's Trust in future.

### **Terms for agreeing to the assignment of the perimeter lease**

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14. The following terms have been provisionally agreed by all parties for the Council's consent to the assignment of the perimeter lease to AFC Wimbledon:
- i. a sum of £100,000 to be paid to Kingston Council for the benefit of the K's Trust. Payment to be made in two tranches: £40,000 on 1<sup>st</sup> April 2004; £60,000 on 1<sup>st</sup> September 2005;
  - ii. the transfer of the FA registration number from Kingstonian Football Club to Kingstonian FC and the transfer of Kingstonian FC to the ownership of the K's Trust for a nominal payment, unencumbered by debts or liabilities in excess of its assets. Agreement for this to happen no later than 1<sup>st</sup> May 2004, but earlier if the following conditions are met;
    - i. formation of K's Trust as an Industrial and Providential Society and appointment of a Board to manage the Trust;
    - ii. appointment of a Chairman and Company Secretary to conduct day to day business;
    - iii. approval by majority decision of a business plan for the period until 1<sup>st</sup> May 2004. The panel to comprise Mr R. Khosla, the Director of Finance of RBK and Brian Lomax, Managing Director of Supporters Direct.
  - iv. The agreement of RBK as freeholder whereby Kingstonian FC/K's Trust continue to use the facilities at Kingsmeadow.
  - v. The variation of the perimeter lease so as to encompass AFC Wimbledon as well as the original lessee, and the revision of certain of the terms of that lease where they are misleading or where they could be misconstrued.

These terms meet the objectives outlined in paragraph 13.

### **Environmental considerations**

15. The perimeter lease allowed Kingstonian to increase ground capacity to 6,000. Planning permission was granted for the works. Associated with this planning permission are a number of conditions triggered by attendance on match days. These conditions provide for a Green Travel Plan and should consent be granted the Council would require the implementation of such a Plan.

**Background papers** (held by Scott Herbertson, Assistant Director of Education and Leisure 0208-547-5267 e mail [scott.herbertson@rbk.kingston.gov.uk](mailto:scott.herbertson@rbk.kingston.gov.uk) )

Lease of Kingsmeadow dated 23 September 1992 and 21<sup>st</sup> April 2001.