

## Brokenbury Sports Hub



## Outline Business Plan

## **1. Executive Summary**

### **1.1 The Proposition**

This document is an overview business plan for the development of a community sports facility at Brokenbury, Churston by Torbay All Sports Hub Limited ["TASH"] and Torbay Council.

TASH is a joint venture company comprising three local sports clubs, Paignton (Torbay) Rifle & Pistol Club Limited, Brixham Archers Limited and Brixham Villa Football Club.

TASH has been formed to facilitate the following aims:

- To provide a modern purpose built facility for the three anchor tenant clubs. At present these three clubs have no lease or inadequate facilities to allow for growth and development going forward;
- To provide a much needed community sports hub that will facilitate many sports and service the needs of Torquay, Paignton, Churston and Brixham, in order to enhance general well being and social interaction;
- To create a community social area that will allow nature walks to Elbury Cove and a cycle/jogging/walking track, joining onto surrounding amenities leading to Brixham and elsewhere.

### **1.2 Public Benefits**

The one stop sports and wellbeing hub proposed for Brokenbury will allow a first class multi sports arena to showcase sports to all ages and abilities, enhancing the Torbay strategic plan, in conjunction with lifting and sustaining the clubs' futures in line with the Mayoral Vision.

The facility will have links and support from South Devon College, resulting in the hub having full usage status. College students and others will have access to daily sports and recreation use, in addition to participating clubs, mainly during evenings and weekends, with a structured accessible program of sporting events such as:

- Football
- Rugby
- Tennis, both grass & hard court
- Rifle & archery club
- Multi sports pitch suitable for hockey, 5 a side football
- Indoor facility suitable for badminton, football, netball & cricket nets
- Petanque

#### **1.2.1 Torbay Council**

The current Torbay Local Plan has earmarked a parcel of land of approximately 17 acres for the provision of sports pitches. This is in line with Planning Policy Guidance 17, which promotes the provision of good quality sports and recreational facilities.

It is believed that the proposed community sports hub at Brokenbury would help Torbay Council meet its current obligations under the Local Plan.

### **1.2.2 The Local Community**

The sports hub will provide the local communities of Torquay, Paignton, Churston and Brixham with an enhanced sports facility to encourage increased participation in a variety of sports, with associated health benefits, at a facility which will be fit for purpose, both for now and the foreseeable future.

The development will also provide new investment and facility development, with some local job creation as a consequence.

### **1.2.3 TASH**

The development of the facility will ensure the sustainability of each of the anchor tenant clubs by:

- Maximising existing and future income streams;
- Reinvestment of existing income into their own asset;
- Ensure future expansion of the clubs is achievable;
- Help to fulfil the Clubs' community obligations

Achieving a permanent home for each of the anchor tenant clubs is critical to each of their respective futures. The development location has good transport links from both Torquay, Paignton and Brixham.

The facility will also allow the clubs to significantly expand their earning potential and make each a viable sustainable operation going forward, which will also facilitate expansion of its community programme.



## 1.3 Financial Projections

### 1.3.1 Capital Cost

An initial capital costing has been drawn up for the project by quantity surveyors, which prices the entire project to turnkey stage at £3.5m. The final cost cannot of course be confirmed until tender stage and includes a number of variables, as the ultimate specifications of the sports hub are still being finalised.

### 1.3.2 Capital Funding Package

TASH aims to fund the build cost of the proposed development through a variety of funding sources:

	£
Ear marked community funding	500,000
s.106 contribution	700,000
Community college contribution	100,000
Reaching & Sustainable communities	500,000
Lawn Tennis Association	700,000
Care Trust wellbeing	150,000
Lottery Nature Walks	175,000
Football Foundation	100,000
Rugby Football Union	200,000
Sport England	500,000
	<b>3,625,000</b>

The funding identified as being available to the project is earmarked to both build the facility and provide it with its initial working capital requirement.

## 1.4 Trading Projections

### 1.4.1 Existing Trading Position

The three anchor clubs have combined reserves at the current time of approximately £60,000.

### 1.4.2 Future Trading Forecasts

#### a) Income

The prime change in the trading position of the anchor tenant clubs will result from them having their own facilities and being able to secure additional income from the use of the resource. The additional income expected to arise from the development is as follows:

- All TASH members will pay a £10 monthly membership fee, with there currently being approximately 300 members of the three clubs;
- The ability to secure sources of revenue not presently open to the clubs, such as perimeter advertising, club, ground and stand sponsorship and income from events. Advertising income from boards etc. in year one should equate to approximately

£14,000, from 55 advertising hoardings at £250 each. In subsequent years this income will reduce to £5,500, the annual fee reducing to £100 for each hoarding;

- Pitch hire of the all-weather pitch should bring in approximately £600 per month;
- Tennis court hire is expected to generate approximately £500 per month income;
- Catering sales are expected to generate a gross profit in the region of £2,000 per month;
- Indoor facilities hire is estimated to generate an average of 25 hours hire per week at £20 per hour, producing a monthly profit of roughly £2,000;
- Events and tournaments, say 4 per annum expected to generate an annual profit of say £6,000 (£1,500 per event).

## b) Overheads & Costs

The expected running costs of the new facility are estimated to be as follows:

- Full time staff management and honorarium payments to manage the facility, pro rata to the number of events organised expected to cost in the region of £35,000 per annum;
- Cleaning contract estimated at £12,000 per annum;
- Pitch maintenance and general upkeep costs - £12,000 per annum;
- Insurance - £11,000 per annum;
- Utilities - £11,000 per annum;
- Rates - 80% mandatory rates relief available to the facility, rates estimated at £4,000 per annum

## c) Summary Five Year Projection

A summary table of the projected trading activity is detailed below, which indicates the positive impact that this proposed development will have:

	Year 1	Year 2	Year 3	Year 4	Year 5
	£	£	£	£	£
Income	116,800	169,632	174,060	178,624	183,312
Cost of sales	(57,000)	(79,659)	(82,309)	(85,039)	(87,875)
<b>Gross Profit</b>	<b>59,800</b>	<b>89,973</b>	<b>91,751</b>	<b>93,585</b>	<b>95,437</b>
Advertising revenue	13,750	5,500	5,610	5,722	5,837
Overheads	(71,925)	(74,366)	(76,903)	(79,536)	(82,268)
<b>(Deficit)/Surplus</b>	<b>1,625</b>	<b>21,107</b>	<b>20,458</b>	<b>19,771</b>	<b>19,006</b>
Depreciation	(11,256)	(11,256)	(11,256)	(11,256)	(11,256)
Interest received	257	428	630	796	958
<b>Retained Income</b>	<b>(9,374)</b>	<b>10,279</b>	<b>9,832</b>	<b>9,311</b>	<b>8,708</b>
Taxation	-	181	1,966	1,862	1,742
<b>Surplus after taxation</b>	<b>(9,374)</b>	<b>10,098</b>	<b>7,866</b>	<b>7,449</b>	<b>6,966</b>