

## Facility Development – Long Term Plan

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### Summary

There appears to be a consensus within the club for us to refurbish courts 5&6 to increase capacity. The deterioration of 5&6 is not due to the flooding. They are just old and past their design life.

Major investment is best undertaken as part of a more strategic long-term plan for the club, to make sure we know where we are going, and how we are going to pay for it. We have therefore developed a phased, costed, and deliverable facility investment plan for the next 10 years, covering courts 5-7, courts 1-4 resurfacing when due, and upgrading the lights on courts 1-4 amongst other things.

The first phase minimum will be relaying courts 5&6 and installing new lights and fencing. As a basic specification we could limit the development to that, but depending on planning permissions, budgets and practicalities we would like to go a little further.

We hope to complete 5&6 this year and will be coming back to the membership before we commit to get your approval to the final plans as it will involve taking on borrowings.

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### A wish-list

When we began developing the forward plans we started off with a wish-list of things brought up by members:

- More capacity on weekday evenings when coaching, matches and club-nights fight for time and leave little for free play for members
- New lights to improve play on 1-4
- A coaching centre based around 5&6 which will give a great place to develop junior and adult tennis, but also free up much needed capacity on 1-4
- Pay-per-play for more people to have the chance to take up the sport and generate revenue for the club
- Disabled tennis capability, to make the sport more accessible to more people
- Putting a roof of some sort over some tennis courts to provide a near all weather (if cold at times) facility
- Padel tennis courts
- Resurfacing 1-4 at some stage over the next 10 years as they wear out
- New fencing, in time, on 1-4.

All this is in addition to the normal maintenance and small-scale development of the existing facilities and grounds.

There are though real-world constraints.

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### Constraints

The plans had to consider the natural constraints we have as a club to deliver whatever plans we develop:

- **Planning permission**, especially for new lights. We believe we have a lighting scheme which will have no impact on our neighbours above that of the current lights whilst giving us lights on 5&6 and much improved lights on 1-4.
- **Affordability**. Reserves, revenue surpluses, grants, loans, sponsorship and more: we will seek all ways to raise money. But we can only move forward if we are sure we can afford the plans in the long-term.
- **Capacity**. These plans need to be turned in to reality and that takes time from members. This is a finite resource as well – *if anyone can help then please get in touch*.

There were a couple of elements on the wish list that did not make the cut:

- Padel – flooding mitigation measures that would be needed made this unaffordable / un-economic
- Covered tennis – again, our budgets are just not big enough, so unless we can conjure up some magic.....

Some other elements remain on the plan but may face future cuts if we cannot afford it at the time.

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## Long-term planning – a phased approach

We then developed a multi-phase approach:

- Phase 1 – courts 5 and 6 includes a minimum of:
  - resurface 5&6
  - install new lights and fencing
 and a wish list of:
  - disabled access
  - pay-per-play access
  - a tennis coaching centre including toilet and spectator facilities in the squash building along with a coach's pro-space.
- Phase 2 – new lights on 1-4 hopefully between 2022 and 2025
- Phase 3 – resurface 1&2, possibly with new fencing, likely around 2025
- Phase 4 – resurface 3&4, possibly with new fencing, likely around 2029

Any development of court 7, and the impact on parking, will only be considered if we hit further court capacity problems after we have brought 5&6 back in to use.

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## Financing

Delivering the plan will cost in the region of £250k over the next 10 years. The first phase is the largest and will cost £70k - £90k. With current reserves of only ~£60k, some of which arguable needs to be hypothecated as a sinking fund to relaying 1-4, we are some way short on the cash front.

There are different ways to fund development. The first thing we go for is grants, sponsorship and asking for donations. That will not fund it all and we will need to raise money for the gap. That leaves us reserves or (LTA) borrowing as the most likely. We considered two models for funding development:

- **Reserves based** – we save up money and spend it on development. Then whilst the asset is depreciating, we save money again through a sinking fund to pay for the replacement when due. Low risk, but slow. This is the model we are currently following.
- **Loan based** – we borrow money for development. Hopefully interest free from the LTA. We then pay back the loan over the life of the asset or less. Then when we come to have to replace it, we take out another loan. This is a faster route, but it is loan based so one could say higher risk, though if the loan is interest free then inflation will erode the real cost over time.

In an ideal world from where we are now, we would take out a loan to fund the asset, and then pay back the loan AND save enough money in a sinking fund for its replacement in due course through the increased revenue we generate. Freeing ourselves from the loan cycles. That requires the new facilities to generate significant extra revenue which is where things like pay-per-play help.

We propose a hybrid approach. We view 1-4 as the core of the club and we fund and manage those over time with a low-risk reserves-based approach. We view 5&6 more as a commercial venture where greater risks can be taken, and if at the end of the life cycle for 5&6 we cannot fund the next refurbishment – well we still have courts 1-4 secured as the heart of the club with no debt. We would be in no worse a position than now.

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## Long term

We have some excess reserves over what we need as a sinking fund for 1-4, but primarily we will look to fund the gap for 5&6 with borrowing.

In the longer term the plan leaves us in 2030 with zero borrowings, but no reserves. However, with 4 artificial courts with between 10 and 15 years life left and 2 tarmac courts with 15 years left we would have enough time to replenish the reserves for another major investment cycle starting in 2040.